



AGENDA

**Regular Meeting of the Lompoc City Council
Tuesday, May 15, 2018, 2018
City Hall, 100 Civic Center Plaza, Council Chamber**

Please be advised that, pursuant to State Law, any member of the public may address the City Council concerning any Item on the Agenda, before or during Council consideration of that Item. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the City Council. If you wish to speak on a Consent Calendar Item, please do so during the first Oral Communications.

“Members of the Public are Advised that all **PAGERS, CELLULAR TELEPHONES** and any **OTHER COMMUNICATION DEVICES** are to be **turned off** upon entering the City Council Chambers.”

Regular City Council meetings will be videotaped and available for review on the City's website by the end of the day on the Thursday following the City Council Meeting. **The Agenda and related Staff reports are available on the City's web site: www.cityoflom poc.com the Friday before Council meetings between 9:00 a.m. and 5:00 p.m.**

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this agenda will be made available the Friday before Council meetings at the City Clerk's Office at City Hall, 100 Civic Center Plaza, Monday through Friday between 9 a.m. and 5 p.m. and at the Information Desk at the Lompoc Library, 501 E. North Avenue, Lompoc, California, Monday - Thursday between 10 a.m. and 7 p.m. and Friday and Saturday between 1 p.m. and 5 p.m. The City may charge customary photocopying charges for copies of such documents.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, including review of the Agenda and related documents, please contact the City Clerk at (805) 875-8241 at least 72 hours prior to the meeting. This will allow time for the City to make reasonable arrangements to ensure accessibility to the meeting.

OPEN SESSION – 5:45 P.M. – Council Chamber

ROLL CALL: Mayor Bob Lingl
Mayor Pro Tempore Jenelle Osborne
Council Member James Mosby
Council Member Dirk Starbuck
Council Member Victor Vega

CLOSED SESSION – City Council Conference Room

ORAL COMMUNICATIONS: (maximum of three minutes per speaker, limited to subject of “Closed Session”)

BUSINESS ITEM:

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:** Property: Easements in the public right-of-way along the north side of Central Avenue between the westerly boundary of the City and V Street and on V Street north of Central Avenue and/or the southerly portion of the Wastewater Treatment Plant property. Agency negotiators: Teresa Gallavan, Interim City Manager and Joseph W. Pannone, City Attorney. Negotiating party: Tom Witt, Sure Fresh. Under negotiation: Price and terms of payment.

OPEN SESSION - 6:30 P.M. – Council Chamber

REPORT ON ACTION TAKEN DURING CLOSED SESSION:

INVOCATION: Reverend Michael Cook

PLEDGE OF ALLEGIANCE: Mayor Bob Lingl

PRESENTATIONS PRESENTED ELSEWHERE:

CITY MANAGER REPORT: (Information only)

- **List of City expenditures**
 - **April 9 – 13, 2018 - \$732,755.99**
 - **April 16 – 20, 2018 - \$878,093.23**
 - **April 20, 2018 Payroll - \$1,325,910.51**

PUBLIC COMMENT ON CONSENT CALENDAR ITEMS (Maximum of 3 Minutes):

CONSENT CALENDAR: All items listed under Consent Calendar are considered to be routine and will be enacted, after one motion, in the form listed below. There will be no separate discussion of these items unless good cause is shown prior to the Council vote. Any items withdrawn from the Consent Calendar for separate discussion will be addressed immediately before the second Oral Communications, near the end of the meeting.

1. **Approval of Minutes** of the Lompoc City Council Regular Meeting of December 5, 2017.
2. **Approval of the Integrated Regional Water Management Memorandum of Understanding.**

Senior Administrative Analyst Susan Zavolta

s_zavolta@ci.lompoc.ca.us

Recommendation: Council approve the Integrated Regional Water Management (IRWM) Memorandum of Understanding (Subject MOU) by and among local governmental agencies, special districts, and non-governmental organizations qualified under 501(c)(3)(4) or (5), within Santa Barbara County, as listed in Appendix A of the Subject MOU, and referred to as **Cooperating Partners**; and authorize the Interim City Manager to execute the Subject MOU on behalf of the City of Lompoc.

3. **Adoption of Resolution No. 6178(18) Declaring the City Council's Intention to Levy Assessments for Fiscal Year 2018-2019, Preliminarily Approving an Engineer's Report and Providing Notice of a Public Hearing for the Park Maintenance and City Pool Assessment District No. 2002-01.**

Accounting and Revenue Manager Dean Albro

d_albro@ci.lompoc.ca.us

Recommendation: Council take the following actions:

- a) Adopt Resolution No. 6178(18):
 - Declaring the City Council's intention to again levy the annual park and pool assessments for Fiscal Year (FY) 2018-2019 and schedule public hearing for the same,
 - Preliminarily approving the Engineer's Report (Attachment 2), and
 - Providing notice of a public hearing on June 5, 2018, for the proposed continuation of the assessments for the Park Maintenance and City Pool Assessment District No. 2002-01 (Assessment District), in order to receive public input on:
 - i. The proposed continuation of the assessments;
 - ii. The proposed assessment budget for FY 2018-2019; and
 - iii. The services and improvements of the assessments fund, and any other issues related to the assessments.

STAFF PRESENTATIONS/ANNOUNCEMENTS/REQUESTS:

ORAL COMMUNICATIONS (3 Minutes Maximum):

APPOINTMENTS:

4. **Reappointment of a City of Lompoc Representative to the County Library Advisory Committee.**

Library Director Sarah Bleyl
s_bleyl@ci.lompoc.ca

Recommendation: Council approve the reappointment of Lompoc resident Alice Down to the Santa Barbara County Library Advisory Committee with a term expiration of June 30, 2019.

5. **Council Appointments to the Economic Development Committee.**

NEW BUSINESS:

6. **Adoption of Resolution No. 6181(18), Approving a Declaration of Nuisance and Abatement Order for Weeds and Debris.**

Battalion Chief – Fire Marshall Dena Paschke
d_paschke@ci.lompoc.ca.us

Recommendation: Council adopt Resolution No. 6181(18), declaring certain parcels of property as public nuisances by virtue of weed growth or by the accumulation of rubbish, refuse and dirt, pursuant to Government Code Section 39560-39588; or provide alternate direction.

(Public Comment)

PUBLIC HEARING:

7. **Adoption of Resolution No. 6180(18) Declaring Results of Majority Protest Proceedings and Renewing the Lompoc Tourism Improvement District.**

Development Programs Specialist II Jasmine McGinty,
j_mcginty@ci.lompoc.ca.us

Recommendation: Council hold a public hearing, declare the results of majority protest proceedings; and adopt Resolution No. 6180(18) to renew the Lompoc Tourism Improvement District for ten years; or provide alternate direction.

(Public Comment)

COUNCIL REQUESTS:

8. **Discussion and Direction Regarding Possible Commercial Cannabis Activities Tax Measure for the November, 2018, Election.**

Interim City Manager Teresa Gallavan
t_gallavan@ci.lompoc.ca.us

Recommendation: Council provide input and direction to Staff on whether to prepare a tax measure regarding commercial cannabis activities within the City of Lompoc and, if so, then the taxes to be proposed.

(Public Comment)

WRITTEN COMMUNICATIONS:

ORAL COMMUNICATIONS (2 Minutes Maximum):

COUNCIL REQUESTS, COMMENTS, AND MEETING REPORTS:

ADJOURNMENT:

Lompoc City Council will adjourn to a Regular Meeting at 6:30 P.M. on Tuesday, June 5, 2018.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting. Dated this 10th day of May, 2018.

/Stacey Haddon/

Stacey Haddon, City Clerk
City of Lompoc

Proposed Future City Council Agenda Items

(Please note these items are tentatively scheduled and subject to change) May 2, 2018

<u>Council Mtg. Date/Subject</u>	<u>Department</u>	<u>Agenda Category</u>	
May 21 - Special Joint Mtg w/EDC 9am-2pm will be held at the DeWees Senior Center	Economic & Community Dvlp		
May 30 - Special Joint Mtg w/Planning 6pm	Planning		
June 5 – Human Services Comm Jt Mtg 6pm			
June 5			
Summer Events at the Lompoc Library	Library	Presentation	
Approval of GANN Appropriation Limit	Finance	Consent	
Unclaimed Property	Finance	Consent	
CDBG Budget Action Plan Annual Report	Econ & Comm Dvlp	Public Hearing	
Weed Abatement – Declaring Public Nuisance	Fire	Public Hearing	
Discussion of HOME Consortium	Econ & Comm Dvlp	New Business	
Other Unscheduled Items	Proposed Date of Item	Department	Agenda Category
Visit Lompoc, Inc – Annual Report	June		Presentation
Special Food Service Permit Process in the Wine Ghetto Area	June	Planning	Council Request
Review of the Animal Control Contract with County of Santa Barbara	June	Administration	New Business
SY Riverbed Cleanup Plan	June	Public Safety	Council Request
Annual Operations & Maintenance Plan	June	Planning	New Business
Request for Election Consolidation w/County	June/July	City Clerk	Consent
Council Workshop RE: Zoning Ord Update		Planning	
Council Workshop to Review 2030 GenPlan		Planning	
Report from AdHoc Committee RE: Enterprise Reimbursement Study (Osborne)		Council Request	Presentation
Evaluation of Extended Hours at City Hall (Osborne)			Council Request
AB1234 – Ethics Training	Dec 11		
Presentation of Costs Estimates for Multi-Sports Complex on City-owned property (Mayor Lingl)		Administration	Council Request
Estimates of costs on procuring engineering documents for future City projects (Ryon Park Rehabilitation, Construction of New Fire Station and New Police Station) (Mayor Lingl)			Council Request
Assessment of CCU License Application Deposit (Mosby)	April 2019		Council Request

g:futureagendalist 05-02-2018



May/June 2018 Master Calendar

DATE	ITEM	NOTES
05/01/2018	Joint Meeting City Council & Airport Commission – 6pm CANCELLED	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/01/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/03/2018	* Economic Development Committee - Executive Committee Meeting – 5:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/03/2018	* Economic Development Committee – General Board Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/03/2018	* Airport Commission Meeting – 7pm	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
05/05/2018	Mission to Mars Launch	Viewing Site at Lompoc Airport
05/07/2018	* Human Services Commission - 6:00pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/08/2018	* Library Commission Meeting 10am	Lompoc Main Library - Grossman Gallery 501 E. North Avenue
05/08/2018	* Parks & Recreation Commission – 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/10/2018	Special Closed Session Meeting – 4:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/14/2018	* Utility Commission Meeting 6pm - Cancelled	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/15/2018	Jt Meeting City Council with Senior Commission – Cancelled	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/15/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/21/2018	Joint Meeting Workshop – City Council & Economic Development Committee 9am	DeWees Community & Senior Center 1120 West Ocean Avenue, Lompoc
05/28/2018	* Youth Commission Meeting – 7pm	Anderson Recreation Center – 125 W. Walnut Avenue, Lompoc
05/31/2018	Joint Meeting Workshop – City Council & Planning Commission – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza

DATE	ITEM	NOTES
06/04/2018	* Human Services Commission - 6:00pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
06/07/2018	* Airport Commission Meeting – 7pm	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
06/07/2018	* Economic Development Committee – General Board Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
06/12/2018	* Library Commission Meeting 10am	Lompoc Main Library - Grossman Gallery 501 E. North Avenue
06/12/2018	* Parks & Recreation Commission – 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
06/13/2018	* Beautification Commission Meeting 6:30pm	Lompoc City Hall - Administrative Conference Room - 100 Civic Center Plaza
06/13/2018	* Planning Commission Meeting 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
06/16/2018	Beautification Commission Work Project	D Street Median – Between Barton & Countrywood Drive
06/19/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
06/25/2018	* Youth Commission Meeting – 7pm	Anderson Recreation Center – 125 W. Walnut Avenue, Lompoc
06/27/2018	* Senior Commission Meeting – 11am	DeWees Community & Senior Center 1120 West Ocean Avenue, Lompoc

*One or more Council Members may attend this meeting. However, if a majority of Council Members are present at this meeting, then no Council Member may make any comments regarding any matter within the subject matter jurisdiction of the City if a majority of Council Members would be able to hear those comments. In addition, no Council Member attending this meeting should discuss (at the same time or serially or through an intermediary) with a majority of the Council Members, outside of the duly noticed Council meeting, what occurred at this meeting or his/her thoughts regarding the meeting.

**Only the two Council Members appointed to this Committee may attend this meeting. In addition, no Ad Hoc Committee Member should discuss (at the same time or serially or through an intermediary) with any Council Member outside of the duly noticed Council meeting, other than her/his Ad Hoc Committee co-member, what occurred at this meeting or his/her thoughts regarding this meeting.



City Council Agenda Item

City Council Meeting Date: May 15, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Susan Zavolta, Senior Administrative Analyst
s_zavolta@ci.lompoc.ca.us

SUBJECT: Approval of the Integrated Regional Water Management Memorandum of Understanding

Recommendation:

Staff recommends the City Council:

1. Approve the attached Integrated Regional Water Management (IRWM) Memorandum of Understanding (Subject MOU) by and among local governmental agencies, special districts, and non-governmental organizations qualified under 501(c)(3)(4) or (5) (as defined by the Internal Revenue Code) within Santa Barbara County, as listed in Appendix A of the Subject MOU, and referred to as "Cooperating Partners" and
2. Authorize the Interim City Manager to execute the Subject MOU on behalf of the City of Lompoc (City).

Background:

The City Council approved IRWM agreements and commitments on September 19, 2006, for initial preparation of an IRWM plan and in October 2007, for preparation of a Proposition 50 grant application for the Santa Barbara region. The City Council also approved a current Memorandum of Understanding with IRWM (Current MOU) for the Santa Barbara Countywide region on April 7, 2009, for Proposition 84 and amendments to the Current MOU on May 19, 2009, and April 20, 2010. The Current MOU was later replaced and updated on July 3, 2012. The Subject MOU updates and replaces the July 3, 2012, Current MOU.

The Subject MOU updates the list of IRWM Cooperating Partners. The Subject MOU also includes broader language with respect to the IRWM program and excludes all references to individual funding propositions. This increases efficiency by reducing the number of future amendments to the Subject MOU, as more funding opportunities become available.

The IRWM program and projects are guided by the Santa Barbara Countywide IRWM (Santa Barbara IRWM) Plan. The Santa Barbara IRWM Plan was developed in response to the State of California's IRWM program, and it shares the State's visions of the IRWM as a collaborative effort to manage all aspects of water resources in a region. The IRWM (i) crosses jurisdictional, watershed and political boundaries, (ii) involves multiple agencies, stakeholders, individuals and groups and (iii) attempts to address the issues and differing perspectives of all entities involved through mutually beneficial solutions.

Through voter-approved bond measures, the Department of Water Resources (DWR) provides funding for a range of water related plans and projects. Santa Barbara Countywide interests successfully prepared and updated Santa Barbara IRWM Plans. The Santa Barbara Region works with the Central Coast Funding Area through a Memorandum of Agreement for the equitable allocation of IRWM funding, as well as to address the water management needs of the Central Coast Hydrologic Area.

In 2006, local groups worked together in a process established by the California legislature in the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act (Public Resources Code sections 75001-75009). The legislation required the development of an IRWM plan. The Santa Barbara IRWM Cooperating Partners developed the Santa Barbara IRWM Plan and received funding under Propositions 50 and 84. The City, Mission Hills Community Services District, and Vandenberg Village Community Services District received approximately \$171,000, under Round 1 of Proposition 84 funding, for a Leak Detection audit, purchase of leak detection equipment, and repair and/or replacement of leaky water service lines and water mains in their water distribution systems.

The State requires participation in an IRWM group to receive funding for current water related projects under Proposition 1 and the California Office of Emergency Services. There are two or more possible funding rounds under Proposition 1 and potential future funding opportunities under the Office of Emergency Services.

Discussion:

Subject MOU State Guidelines

The Subject MOU is by and among the Cooperating Partners as defined in Attachment A of the Subject MOU. The City is one of the Cooperating Partners under the Current MOU.

Under the Subject MOU, the Cooperating Partners commit to participate in, and make financial and/or service oriented contributions toward, the Santa Barbara IRWM program development and Santa Barbara IRWM Plan updates. The Santa Barbara IRWM is administered by DWR and requires an adopted IRWM plan, which meets the statewide guidance and legislative requirements. A summary of the requirements is listed below:

- Help water infrastructure systems adapt to Climate Change;

- Assist communities of various socio-economic levels (Disadvantaged Communities, Severely Disadvantaged Communities, and Economically Distressed Areas);
- Improve self-reliance and reduce reliance on the Sacramento San Joaquin Delta; and
- Provide incentives for collaboration to:
 - Better manage water resources; and
 - Set regional priorities for water infrastructure.

Scope of Updated Santa Barbara IRWM Plan

Section 4.0 of the Subject MOU includes the State required categories in the updated Santa Barbara IRWM Plan for cooperative water requirements in the updated Santa Barbara IRWM region as listed below:

- Reduction of water demand;
- Improvement of water operational efficiency and transfer;
- Increase of water supply;
- Improvement of flood management;
- Improvement of water quality; and
- Addressing climate change through reduction and/or minimizing any adverse impacts to the climate.

Section 4.0 of the Subject MOU also includes a list of water strategies that the State suggests for inclusion in the updated Santa Barbara IRWM Plan such as:

- Water supply reliability;
- Storm water capture and management;
- Groundwater management;
- Water recycling;
- Water conservation;
- Flood management;
- Wetlands enhancement and creation;
- Watershed planning; and
- Land use planning.

Roles and Responsibilities for the IRWM

Section 5 of the Subject MOU describes the roles and responsibilities for the Santa Barbara IRWM. The Santa Barbara County Water Agency (Agency) continues to act as the single eligible contracting entity and Project Manager for the Santa Barbara IRWM region (Section 5.1 of the Subject MOU). The Agency has effectively served the Santa Barbara IRWM region since 2006. The Cooperating Partners (Section 5.2 of the Subject MOU) are the local governmental agencies, special districts, and non-governmental organizations in the Santa Barbara IRWM region, listed in Appendix A of the Subject MOU. The Stakeholders are described in Section 5.3 of the Subject MOU. These are

defined as all interested parties that are not participating in the process as Cooperating Partners. Stakeholder examples are: wholesale and retail water purveyors, wastewater agencies, flood control districts, municipal and county governments, and special districts, Native American tribes that have lands within the region, and industry organizations representing agriculture, developers, and other industries appropriate to the region.

Fiscal Impact:

Financial Management for the IRWM is described in Section 6 of the Subject MOU. The Agency contributes 50% of the cost for hiring consultants for the updated Santa Barbara IRWM Plan preparation and grant application and 50% of the cost of its staff time for project management and administration for general IRWM Plan coordination and grant application. The Cooperating Partners contribute the remaining 50% of the costs (Section 6.2.1 of the Subject MOU). The Cooperating Partners' costs are allocated by service area population and services. The City is currently paying approximately 4% of project management and administrative costs for the Santa Barbara IRWM, which is approximately \$7,800 per year based on the City's pro rata share of service area population and services. The Agency projects that approximate cost should continue for the remainder of Fiscal Years (FY) 2017-2019; \$10,000 per year is budgeted for IRWM in the Biennial Budget FY 2017-2019.

Participation in the Santa Barbara IRWM is required in order for an agency to be eligible to receive funding from State monies such as funding approved under Proposition 1, emergency funding under the California Office of Emergency Services. Grant or loan funds from future water bond measures may also require participation in an IRWM region and costs to complete the grant applications are funded separately.

As the Subject MOU is related to the City's delivery of water to residents and other customers of the City's Water Utility, an enterprise activity of the City, the costs related to implementation of the Subject MOU is an obligation of the City's Water Utility. The City's General Fund is not a party to, nor responsible for costs or activities of, the Subject MOU.

Conclusion:

City staff supports the Subject MOU, which updates the list of Cooperating Partners, includes broader language for the updated Santa Barbara IRWM Plan and excludes all references to individual funding propositions.

Respectfully submitted,

Susan Zavolta, Senior Administrative Analyst

APPROVAL FOR SUBMITTAL TO THE CITY MANAGER:

Tikan Singh, Acting Utility Director

APPROVAL FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

Attachment: MOU to Participate in the IRWM Program in Santa Barbara County

Memorandum of Understanding (MOU)
To participate in the Statewide and Countywide
Integrated Regional Water Management (IRWM) Program
In Santa Barbara County

This Memorandum of Understanding (MOU) is entered into by and between local government agencies, special districts, and non-governmental organizations (NGOs), organizations qualified under 501 (c) (3), 501 (c) (4) or 501 (c) (5) as defined by the Internal Revenue Code) within Santa Barbara County, as listed in Appendix A, and hereinafter referred to as “Cooperating Partners.”

1. Purpose of this MOU

Under this MOU, the Cooperating Partners commit to participate in, and make a financial and/or service oriented contribution toward, the ongoing participation in the process established for the purposes of ongoing program development and Integrated Regional Water Management (IRWM) Plan updates pursuant to the Countywide IRWM Program.

The Countywide IRWM Program, administered by the Department of Water Resources (DWR), requires an adopted IRWM Plan that meets the statewide guidance requirements and legislative requirements and provides funding for projects that support goals, which include, but are not limited to, the following:

- Help water infrastructure systems adapt to Climate Change;
- Assist communities of various socio-economic levels (Disadvantaged Communities (DAC), Severely Disadvantaged Communities (SDAC), Economically Distressed Areas (EDA));
- Improve self-reliance/reduce reliance on the Sacramento San Joaquin Delta;
- Provide incentives for collaboration to:
 - Better manage water resources;
 - Set regional priorities for water infrastructure.

2. Background

Through voter-approved bond measures, the DWR provides funding for a range of water related plans and projects. Santa Barbara Countywide interests successfully prepare and update IRWM Plans. The Santa Barbara Region is with the Central Coast Funding Area and works in collaboration with this funding region through a Memorandum of Agreement (MOA) for the equitable allocation of IRWM Funding as well as to address the water management needs of the Central Coast Hydrologic Area.

3. Principles

Recognizing the importance of a comprehensive IRWM Program, and consistent with previous MOUs for the IRWM Plan and Program, the Cooperating Partners endorse the following *Principles* for integrated regional water management planning.

- 3.1 Be consistent with the State of California’s (State’s) standards for IRWM Plans, as specified in Division 43 of the Public Resources Code and related guidelines, and meet or exceed the expected scoring criteria used by the State in its IRWM Plan approval process.
- 3.2 Establish a process for on-going decision-making among cooperating partners, with inclusive and participatory public involvement to ensure meaningful input.

- 3.3 Share the costs of IRWM planning, analysis, coordination, and product development through both monetary contributions and staff time/in-kind services. NGOs, as specified herein, meeting certain time commitment requests, will be exempted from the monetary contributions afforded all other members of the Cooperating Partners.
- 3.4 Adopt a regional approach which coordinates water planning across jurisdictional boundaries in Santa Barbara County, sets priorities on a regional basis, and considers issues common to regionally shared watersheds.
- 3.5 Adopt an integrated approach to address the complex inter-relationships across strategies for: water supply, demand management, water quality, source water protection, drought management, flood control, and other water management issues as well as sensitivity to water provision and resources in the context of global climate change.
- 3.6 Consider the State's "program preferences" (as specified in the California Water Code and implementing legislation) as well as "Statewide priorities" (as specified in the IRWM Guidelines) during the IRWM planning process.
- 3.7 Incorporate an appropriate level of scientific watershed assessment information.
- 3.8 Modify the IRWM Plan to continue as an informational "roadmap" toward meeting objectives, but not as a regulatory or enforceable mandate.
- 3.9 Recognize the need for a long-term perspective, which includes monitoring of project and plan implementation.
- 3.10 Provide for adaptive management for future revisions to the IRWM Plan.
- 3.11 Provide for coordination with other IRWM planning efforts in the Central Coast Region.
- 3.12 Provide an inclusive process which seeks involvement from, and opportunities to collaborate with, a wide range of interests including the general public, agriculture, environmental groups, watershed groups, wetlands groups, academic institutions, adjacent region representatives, and non-governmental organizations (NGOs).

4. Scope of an IRWM Plan

The Cooperating Partners understand and accept a final IRWM Plan must consider a range of water management strategies to meet the IRWM Plan's objectives. These strategies must cover certain State-specified categories and may include other categories. Consistent with the State's expected IRWM guidelines, the IRWM Plan must consider strategies that:

- 4.1 Reduce Water Demand
- 4.2 Improve Operational Efficiency & Transfers
- 4.3 Increase Water Supply
- 4.4 Improve Flood Management
- 4.5 Improve Water Quality
- 4.6 Practice Resource Stewardship
- 4.7 Address Climate Change (Reduce and/or minimize any adverse impact to the climate)

As part of its development, the IRWM Plan should consider, but not be limited to, the

following strategy elements:

- 4.8 Water supply reliability
- 4.9 Storm water capture and management
- 4.10 Groundwater management
- 4.11 Water recycling
- 4.12 Water conservation
- 4.13 Flood management
- 4.14 Water quality protection and improvement
- 4.15 Ecosystem restoration
- 4.16 Environmental and habitat protection and improvement
- 4.17 Wetlands enhancement and creation
- 4.18 Recreation and public access
- 4.19 Conjunctive use
- 4.20 Surface storage
- 4.21 Non-point source pollution control
- 4.22 Low impact development
- 4.23 Water and wastewater treatment
- 4.24 Watershed planning
- 4.25 Desalination
- 4.26 Imported water and water transfers
- 4.27 Land use planning

5. Roles and Responsibilities

In order to develop an effective IRWM Plan, the Cooperating Partners agree to continue the ongoing planning effort initiated formally in 2006, and reaffirmed and recommitted to in 2010 and 2012. The Santa Barbara County Water Agency (Agency) shall again act as the single eligible contracting entity. The Agency may engage a consultant to serve as Project Manager for IRWM Plan development, including data collection, analysis, coordinating stakeholder and public involvement, and overall coordination of plan and grant application preparation. Prior to hiring the consultant, the Agency will obtain advance concurrence of a majority of the Cooperating Partners as to the consultant qualifications and terms of contract.

The IRWM planning and implementation process will include the Project Manager, Cooperating Partners and Stakeholders. Each will be responsible for, and participate in the IRWM Program and any application processes as follows:

5.1 Project Manager

The Agency shall act as or engage a Project Manager to provide overall coordination of the IRWM Program and Plan efforts. The Project Manager shall prepare agendas and chair the Cooperating Partners meetings. In addition, the Project Manager shall implement a public participation process that shall include regular workshops for stakeholders and other interested parties as well as establishing and maintaining a website pertaining to the various funding Propositions that is accessible to the Cooperating Partners and the public. The project manager shall be responsible for the monitoring of

State Propositions involving IRWM and informing the Cooperating Partners regarding developments.

The Project Manager will participate in the interagency process involving DWR and/or Central Coast interests relating to the IRWM Program as appropriate. This participation may include review and comment on draft guidelines for PSPs, Guidelines program changes, attendance at DWR workshops and meetings and meetings with other Central Coast Region IRWM planning areas. The Project Manager will keep the Cooperating Partners apprised of relevant issues and developments.

5.2 Cooperating Partners

The Cooperating Partners shall consist of those local government agencies, special districts, and non-governmental organizations (NGOs) within the Santa Barbara County IRWM Region, listed in Appendix A. Appendix A may be revised from time to time to reflect current membership. Cooperating partners' meetings are open to the public. A forum for public comment will be provided at each Cooperating Partners meeting. Decisions by the Cooperating Partners will be based on consensus whenever possible, or, at a minimum, by a vote of a simple majority of all members participating in a meeting, with each entity that is signatory to this MOU having one vote. Cooperating Partners shall participate in regular meetings and take part in decisions pertaining to the IRWM planning process, project finances, consultant selection, revision of the IRWM Plan, and planning grant proposals.

5.3 Stakeholders

Stakeholders shall be defined as all interested parties that are not participating in the process as Cooperating Partners. Stakeholders may fall into the following categories as defined in IRWM legislation: (1) Wholesale and retail water purveyors, including a local agency, mutual water company, or a water corporation as defined in Section 241 of the Public Utilities Code; (2) wastewater agencies; (3) flood control agencies; (4) municipal and county governments and special districts; (5) electrical corporations, as defined in Section 218 of the Public Utilities Code; (6) Native American tribes that have lands within the region; (7) self-supplied water users, including agricultural, industrial, residential, park districts, school districts, colleges and universities, and others; (8) environmental stewardship organizations, including watershed groups, fishing groups, land conservancies, and environmental groups; (9) community organizations, including landowner organizations, taxpayer groups, and recreational interests; (10) industry organizations representing agriculture, developers, and other industries appropriate to the region; (11) State, federal, and regional agencies or universities, with specific responsibilities or knowledge within the region; (12) Disadvantaged Community members and representatives, including environmental justice organizations, neighborhood councils, and social justice organizations; (13) any other interested groups appropriate to the region.

Stakeholder involvement will be actively solicited through web-sites, media noticing, personal contact, and the posting of notices. Solicitation of Stakeholders shall be among the responsibilities of Cooperating Partners members.

6. Financial Considerations

Each of the Cooperating Partners, respectively except for NGOs that qualify for an exemption from monetary participation, agree to in-kind time and materials commitments, and shall be solely responsible for costs for staff time devoted to the revision of an IRWM Plan and potentially for making application for grant funding. In addition, there will be extramural costs for hiring a Project Manager and/or consultants for at least one year, with duties for coordination, analysis, outreach, plan revision and updates pursuant to DWR guidelines, and grant applications as outlined in the “Roles and Responsibilities” section of this MOU. There will also be extramural costs for administrative services including those conducted by the Santa Barbara County and Water Agency staff including accounting services, web services, project oversight, and legal services, as necessary. Extramural costs, after deduction of funds remaining in the IRWM account and the County’s **50%** cost share.

The Cooperating Partners agree to generally allocate costs by approximate service area population and services. The Cooperating Partners agree to actively encourage participation by all public agencies with a direct or indirect interest in water resources.

6.1 Non-Governmental Organizations

It is recognized some organizations that wish to participate in the as Cooperating Partners may not have the means by which to make a financial contribution. In lieu of a financial contribution, these organizations may make an “in kind” contribution consisting of the commitment of time and labor in support of the IRWM process. Pursuant to language codified in DWR’s IRWM Program Guidelines, Integrated Regional Water Management, Nonprofit Organizations are defined as "any nonprofit corporation qualified to do business in California, and qualified under Section 501 (c) 3, 501 (c) (4) or 501 (c) (5) of the Internal Revenue Code." The option of “in-kind” service in lieu of a financial contribution will extend only to those meeting this definition.

Examples of “In-kind” contributions include but are not limited to:

- 6.1.1 Attendance at and participation in Cooperating Partners meetings.
- 6.1.2 Organization and/or conducting of informational, workshops and meetings.
- 6.1.3 Production and/or distribution of written materials necessary to conduct business relevant to the IRWM process.
- 6.1.4 Solicitation of involvement by Stakeholders.
- 6.1.5 Review of, and comment on, documents produced as part of the IRWM process.

6.2 Financial Management

- 6.2.1 The Agency has established an IRWM Administration account for handling the monetary contributions from those Cooperating Partners responsible for making a financial contribution (Financially Responsible Cooperating Partners). Each Financially Responsible Cooperating Partner shall contribute funds to this IRWM account. Subject to appropriation by the Board of Supervisors, the Agency will contribute **50%** of the cost for hiring consultants for IRWM Plan preparation and grant application which may include, but is not limited to, project selection, project management, and administrative support. The Agency will also contribute **50%** of the cost of its staff time for project management and administration for general IRWM Plan coordination and grant application. The Cooperating Partners shall reimburse the Agency for the remaining **50%** of all of the costs as described above.
- 6.2.2 Financially Responsible Cooperating Partners shall pay their respective contributions to the Agency.
- 6.2.3. Each year the Agency will provide an accounting of the IRWM fund. If funds received are in excess of the cost of actual plan coordination and preparation services, then the Agency will carry forward the balance for use in the next year's IRWM activities. If the IRWM process is completed or terminated, then the Agency will refund monies to Cooperating Partners on a pro-rated basis according to each partner's contribution.
- 6.2.4. If the estimated costs of coordination and plan preparation exceed the funds available to the Agency under this MOU, then the Agency may ask all Cooperating Partners to provide supplemental funds. If individual Partners refuse to provide the supplemental funds, then the shortfall will be spread over the remaining partners on a voluntary basis. If such shortfalls are not made up, then all planning efforts and obligations shall automatically terminate. The planning effort may also be terminated with the concurrence of a majority of the Cooperating Partners.

7. Termination of Participation

Any signatory to the MOU may terminate its participation in this MOU after 30- days' written notification to all other signatories. Any entity terminating participation that later wishes to participate in this MOU shall first make payment of any funding due from such party at the time of its termination, and also pay its share of any expenses for which it otherwise would have been obligated absent such termination, as determined by the Cooperating Partners.

8. Addition of Parties

Entities may join the Proposition 1/IRWM Cooperating Partners by submitting a written request to the Cooperating Partners and receiving their approval following a majority vote of approval. Entities joining the Cooperating Partners will be subject to all of the

provisions of, and be required to make a financial or in-kind contribution in accordance with this MOU. Each paying participant's financial obligation will be reduced proportionally with the addition of funds from any joining entity and applied as a credit to the existing participant's account.

9. Defend and Hold Harmless

Tort Liability. Government Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the Parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, each assumes the full liability imposed upon it or any of its officers, agents, representatives or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this MOU, to the same extent such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Party indemnifies and holds harmless each other Party for any loss, cost, or expense, including reasonable attorneys' fees that may be imposed upon or incurred by such other Party solely by virtue of Government Code Section 895.2.

10. Term of this MOU

The provisions of this MOU will end when Cooperating Partners sign a new MOU that specifically covers ongoing coordination of the IRWM Program process.

11. Counterparts

This MOU may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

12. Notices

All notices or other official correspondence relating to MOU matters between the Cooperating Partners shall be addressed to:

Fray A. Crease, Manager
Santa Barbara County Water Agency
130 E. Victoria Street, Suite 200
Santa Barbara, CA 93101

13. Severability

If any section, paragraph, sentence, clause or provision of this MOU shall, for any reason, be held to be invalid or unenforceable, then the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this MOU.

14. Applicable Law

This MOU shall be governed by and construed in accordance with the laws of the State of California.

15. Amendments

This MOU may only be amended in a writing approved and signed by all Parties.

In witness whereof, the Cooperating Partners hereto have executed this MOU effective at the time a majority of the parties listed in Appendix A have approved and executed this MOU.

SANTA BARBARA COUNTY WATER AGENCY
SCOTT D. MCGOLPIN
PUBLIC WORKS DIRECTOR
BY: _____

DATE: _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

BY: _____
Deputy

APPROVED AS TO INSURANCE:
RAY ARMATORIO, ARM, AIC
RISK PROGRAM ADMINISTRATOR

BY: _____
Risk Management

APPROVE AS TO ACCOUNTING:
THEODORE A. FALLATI, CPA
AUDITOR-CONTROLLER

BY: _____
Deputy

SIGNATURE OF COOPERATING PARTNER

BY: _____

NAME: _____

TITLE: _____

AGENCY/ORGANIZATION: _____

DATE: _____

Appendix A: List of Cooperating Partners

The list below is of potential Cooperating Partners. A final list will be prepared based on the actual signatories to the MOU.

County Agencies:

- Flood Control and Water Conservation District - Santa Barbara County
- Water Agency – Santa Barbara County
- Laguna County Sanitation District – Santa Barbara County

Cities:

- City of Buellton
- City of Carpinteria
- City of Goleta
- City of Guadalupe
- City of Lompoc
- City Santa Barbara
- City of Santa Maria
- City of Solvang

Water Districts:

- Carpinteria Valley Water District
- Goleta Water District
- Montecito Water District
- Santa Ynez River Water Conservation District
- Santa Ynez River Water Conservation District, ID #1

Non Governmental Organizations:

- Heal the Ocean

Sanitary Districts:

- Carpinteria Sanitary District
- Goleta Sanitary District
- Goleta West Sanitary District

Community Services Districts:

- Cuyama Community Services District
- Santa Ynez Community Services District
- Vandenberg Village Community Services District

Joint Powers Agencies:

- Cachuma Operations and Maintenance Board (COMB)
- Central Coast Water Authority (CCWA)



City Council Agenda Item

City Council Meeting Date: May 15, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Dean Albro, Accounting and Revenue Manager
d_albro@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6178(18) Declaring the City Council's Intention to Levy Assessments for Fiscal Year 2018-2019, Preliminarily Approving an Engineer's Report and Providing Notice of a Public Hearing for the Park Maintenance and City Pool Assessment District No. 2002-01

Recommendation:

Staff recommends the City Council take the following actions:

- 1) Adopt Resolution No. 6178(18) (Attachment 1)
 - a. Declaring the City Council's intention to again levy the annual park and pool assessments for Fiscal Year (FY) 2018-2019 and schedule public hearing for the same,
 - b. Preliminarily approving the Engineer's Report (Attachment 2), and
 - c. Providing notice of a public hearing on June 5, 2018, for the proposed continuation of the assessments for the Park Maintenance and City Pool Assessment District No. 2002-01 (Assessment District), in order to receive public input on:
 - i. The proposed continuation of the assessments;
 - ii. The proposed assessment budget for FY 2018-2019; and
 - iii. The services and improvements of the assessments fund, and any other issues related to the assessments.

Background:

In 2002, the Assessment District, was approved by property owners and City Council.

May 15, 2018

Adoption of Resolution No. 6178(18) and Setting of Public Hearing on June 5, 2018

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The assessments can be levied annually and can be increased by the change in the Los Angeles Area Consumer Price Index (CPI), not to exceed 3% per year. Since FY 2002-2003, the assessments have been continually levied annually and are providing important revenues needed to fund the community swimming pool, as well as other park and recreation improvements and services.

Below is a table showing the yearly CPI and rate changes for the assessments:

CPI History for Given Year		Maximum Increase Available	CPI Used for City of Lompoc (CPI-U)		Cumulative Uncaptured Excess CPI	Historic Assessment per SFE (single family equivalent)	
			FY 02-03	1st year	0.00%	FY 02-03	\$19.00
Jan-03	3.52%	3.52%	FY 03-04	3.00%	0.52%	FY 03-04	\$19.57
Jan-04	1.78%	2.30%	FY 04-05	1.78%	0.52%	FY 04-05	\$19.92
Jan-05	3.66%	4.18%	FY 05-06	3.00%	1.18%	FY 05-06	\$20.52
Jan-06	5.42%	6.60%	FY 06-07	3.00%	3.60%	FY 06-07	\$21.13
Jan-07	3.10%	6.76%	FY 07-08	3.00%	3.76%	FY 07-08	\$21.77
Jan-08	3.95%	7.71%	FY 08-09	3.00%	4.71%	FY 08-09	\$22.42
Jan-09	-0.09%	4.62%	FY 09-10	3.00%	1.62%	FY 09-10	\$23.09
Jan-10	1.77%	3.39%	FY 10-11	3.00%	0.39%	FY 10-11	\$23.78
Jan-11	1.80%	2.19%	FY 11-12	2.19%	0.00%	FY 11-12	\$24.30
Jan-12	2.09%	2.09%	FY 12-13	2.09%	0.00%	FY 12-13	\$24.80
Jan-13	1.96%	1.96%	FY 13-14	1.96%	0.00%	FY 13-14	\$25.28
Jan-14	0.77%	0.77%	FY 14-15	0.77%	0.00%	FY 14-15	\$25.48
Jan-15	-5.00%	-0.05%	FY 15-16	-0.05%	0.00%	FY 15-16	\$25.48
Jan-16	3.10%	3.10%	FY 16-17	3.00%	0.10%	FY 16-17	\$26.24
Jan-17	2.11%	2.21%	FY 17-18	2.21%	0.00%	FY 16-17	\$26.82
Jan-18	3.51%	3.51%	FY 18-19	3.00%	0.51%	FY 17-18	\$27.62

In order to continue to levy the assessments, the City Council, on February 6, 2018, directed SCI Consulting Group, the assessment engineer, to prepare an Engineer's Report for FY 2018-2019. The Engineer's Report, which includes the proposed budget for the assessments for FY 2018-2019 and the updated proposed assessments for each parcel in the City of Lompoc (City), was completed and filed with the City on March 26, 2018. The amount of the annual increase in the CPI-U is 3.51%, and the unused CPI carried forward from the previous year is 0.0% making the total available CPI-U 3.00%. Including the authorized annual adjustment, the levy rate proposed for FY 2018-2019 is \$27.62 per Single-Family Equivalent (SFE), and is the maximum levy rate.

Discussion:

It is proposed the assessment be continued and the methodology established in the ballot, which uses the 2009 Census to calculate the population density and SFE, be

May 15, 2018

Adoption of Resolution No. 6178(18) and Setting of Public Hearing on June 5, 2018

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applied in FY 2018-2019 and every year thereafter. The total estimated amount of revenues that would be generated by the assessments in FY 2018-2019 is approximately \$326,943.

This is the second of three proposed presentations to the City Council on the annual process that will culminate with a Public Hearing on June 5, 2018, regarding the authorization to assess the levy. Staff will be available at the Council meeting on June 5, 2018, for the Public Hearing to answer any questions.

Fiscal Impact:

The expected costs of preparing the Engineer's Report by SCI Consulting Group is included in the FY 2018-2019 budget from the Assessment District fund, a non-General Fund source. Therefore, there is no fiscal impact to the General Fund attributable to the approval of this item. The adoption of Resolution No. 6178(18) is the second step in the process to provide for levying the annual assessments for FY 2018-2019.

Conclusion:

With the adoption of Resolution No. 6178(18), the proposed assessment budget for FY 2018-2019 and the services and improvements made possible by the assessment funds can be accomplished. Receipt of the assessments will continue to provide important revenues needed to fund the community swimming pool, as well as other park and recreation improvements and services.

Respectfully submitted,

Dean Albro, Accounting and Revenue Manager

APPROVED FOR SUBMITTAL TO THE INTERIM CITY MANAGER:

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

Attachments: 1) Resolution No. 6178(18)
2) Engineer's Report for FY 2018-2019

RESOLUTION NO. 6178(18)

**A Resolution of the City Council of the City of Lompoc,
County of Santa Barbara, State of California,
of Intention to Levy Assessments for Fiscal Year 2018-19,
Preliminarily Approve an Engineer's Report,
and Provide Notice of a Public Hearing for
The Park Maintenance And City Pool Assessment District No. 2002-01**

WHEREAS, on August 6, 2002, after receiving a weighted majority of 55.2% of returned ballots in support of the proposed assessment, then City Council, by Resolution No. 5033(02), ordered the formation, and levied the first assessment, of the "Park Maintenance and City Pool Assessment District No. 2002-01" (District), pursuant to the provisions of Article XIID of the California Constitution, and the Landscaping and Lighting Act of 1972 (Act), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, by Resolution No. 6175(18), the City Council ordered the preparation of an Engineer's Report for the District for Fiscal Year (FY) 2018-2019; and

WHEREAS, pursuant to Resolution No. 6158(18), the Engineer's Report was prepared by SCI Consulting Group, Engineer of Work, in accordance with Sections 22565, et seq., of the Streets and Highways Code (Report) and Article XIID of the California Constitution; and

WHEREAS, it has been proposed that the District undertake the following: installation, maintenance and servicing of public facilities, debt service, issuance costs, improvement to park safety from enhanced lighting and increased park ranger security patrols, and other expenses associated with the issuance and administration of bonds for the improvements; and

WHEREAS, as applied herein, "Installation" means the acquisition and construction of recreational improvements, including, but not limited to, land preparation (such as grading, leveling, cutting, filling, sodding, landscaping, installing irrigation and sprinkler systems, installing sidewalks, and installing drainage systems), lighting, play equipment, playground equipment, play courts and fields, hard court surfaces, tennis courts, community centers, turf facilities, track facilities, gymnasiums, swimming pools, park grounds, park facilities, landscape corridors, trails, lights, recreational facilities, and public restrooms for or upon property owned and/or maintained by the City of Lompoc; and

WHEREAS, "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; and

WHEREAS, “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.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Engineer's Report has been prepared, filed with the City Clerk, duly considered by the City Council, and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings under and pursuant to this resolution.

SECTION 2. It is the intention of the City Council to levy and collect assessments within the District for FY 2018-2019.

SECTION 3. The authorized maximum assessment rate for the District includes an annual adjustment by an amount equal to the annual change in the Consumer Price Index (CPI-U) of the Los Angeles-Riverside-Orange County area are not to exceed 3% per year, as of January of each succeeding year. As the amount of the annual increase in the CPI-U from January 2017 to January 2018 is 3.51%, and the unused CPI carried forward from the previous year is 0.00%, the authorized maximum levy rate for FY 2018-2019 is 3.00% above the maximum levy rate for FY 2017-2018. Including the authorized annual adjustment, the maximum authorized assessment rate for FY 2018-2019 is \$27.62 per single family equivalent. The levy rate proposed for FY 2018-2019 is \$27.62 and is the maximum levy rate.

SECTION 4. A Public Hearing shall be convened by the City Council on June 5, 2018, at 6:30 p.m. at 100 Civic Center Plaza, Lompoc, California, to consider the ordering of the improvements and the levy of the proposed assessments. Notice of the hearing shall be given by publishing a notice once, at least ten (10) days prior to June 5, 2018, in a newspaper circulated in the City of Lompoc.

SECTION 5. Prior to the conclusion of the Hearing, any interested person may file a written protest with the City Council, or, having previously filed a protest, may file a written withdrawal of that objection. A written objection shall state all grounds of objection. An objection by a property owner shall contain a description sufficient to identify the property owned by such owner. Such protest or withdrawal of objection should be mailed to the City Clerk, City of Lompoc, 100 Civic Center Plaza, Lompoc, CA 93436, or presented in writing at the Hearing.

SECTION 6. Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member _____,
seconded by Council Member _____, and was duly passed and
adopted by the Council of the City of Lompoc at its regular meeting on May 15, 2018, by
the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc



CITY OF LOMPOC

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

PRELIMINARY ENGINEER'S REPORT

MAY 2018

FISCAL YEAR 2018-19

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

ENGINEER OF WORK:

SCIConsultingGroup

4745 MANGLES BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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CITY OF LOMPOC

CITY OF LOMPOC CITY COUNCIL

Bob Lingl, Mayor
Victor Vega, Council Member
Jenelle Osborne, Council Member
James Mosby, Council Member
Dirk Starbuck, Council Member

INTERIM CITY MANAGER

Teresa Gallavan

MANAGEMENT SERVICES DIRECTOR

Brad Wilkie

CITY CLERK

Stacey Haddon

CITY ATTORNEY

Joseph W. Pannone, Aleshire & Wynder

ENGINEER OF WORK

SCI Consulting Group

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INTRODUCTION

OVERVIEW

The City of Lompoc (the “City”) owns, operates, and maintains thirteen parks, three community centers, and an aquatic center for its service area of approximately 11,000 parcels. 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. This assessment was successfully supported by over 55% of the City’s property owners.

Prior to 2002, the City experienced a revenue shortfall that was primarily due to escalating costs combined with limited revenues from other sources. In fact, in order to provide the desired level of park maintenance, the City had funded its revenue shortfall from reserve funds. Therefore, in the absence of a new local revenue source, the baseline level of park and recreation facilities in the City (the “Baseline Service”) had been deteriorating to below the desired level.

ASSESSMENT PROCESS

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 “Park Maintenance and City Pool Assessment District No. 2002-01” or the Assessment District. 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 continue the assessment 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 continued, 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. 6158(18) adopted on February 6, 2018.

This Engineer's Report ("Report") was prepared to establish the budget for the services that will be funded by the 2018-19 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 public hearing must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the 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 5, 2018. At this hearing, the City Council will consider approval of a resolution confirming the assessments for fiscal year 2018-19. 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 2018-19.

LEGAL ANALYSIS

PROPOSITION 218

This assessment is formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now codified as Articles XIIC and XIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including property-owner balloting, for the imposition, increase and extension of assessments, and these requirements are satisfied by the process used to establish this assessment.

SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority (“SVTA vs. SCCOSA”). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

This Engineer’s Report has been re-evaluated in light of the SVTA vs. SCCOSA decision and updated to be consistent with the decision. There have been a number of clarifications made to the analysis, findings and supporting text to ensure that this consistency is well communicated.

DAHMS V. DOWNTOWN POMONA PROPERTY

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

BONANDER V. TOWN OF TIBURON

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside (“Beutz”) appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

GOLDEN HILL NEIGHBORHOOD ASSOCIATION V. CITY OF SAN DIEGO

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

COMPLIANCE WITH CURRENT LAW

This Engineer's Report is consistent with the requirements of Article XIII C and XIII D of the California Constitution and with the *SVTA* decision because the improvements to be funded are clearly defined; the improvements are directly available to and will directly benefit property in the Assessment District; and the improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with *Buetz*, *Dahms* and *Greater Golden Hill* because, similar the improvements will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the improvements and proportional special benefit to each property.

PLANS & SPECIFICATIONS

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 (the "Improvements") 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)
- Briar Creek Park (Briar Creek Way)
- Centennial Park (132 E. Cypress Ave)
- College Park (201 W. College Ave)
- Dick DeWees Community and Senior Center (1120 W. Ocean 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 Multipurpose Trail
- 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, 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. Plans and specifications for these improvements have been filed with the Management Services Director of the City of Lompoc; such plans and specifications are incorporated herein by reference.

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.

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 Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus Incidental expenses. Reference is made to the plans and specifications, including specific expenditure and improvement plans by park/recreation site, which are on file with the City of Lompoc Park Maintenance and City Pool Assessment District.

ESTIMATE OF COST AND BUDGET - FISCAL YEAR 2018-19

INTRODUCTION

Following are the Improvements, and resulting level of improved parks and recreation facilities, for the Assessment District. As previously noted, the baseline level of service included a declining level of parks and recreation facilities due to shortages of funds for the District. Improvements funded by the assessments are over and above the previously declining baseline level of service. The formula below describes the relationship between the final level of Improvements, the existing baseline level of service, and the enhanced level of Improvements to be funded by the assessment.

Final Level of Service	=	Baseline Level of Service	+	Enhanced Level of Service
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SUMMARY OF THE DISTRICT'S IMPROVEMENT PLANS

The budget to be financed by the assessments is partially based on the results of an independent survey conducted for the District, which indicated property owners' priorities for various improvement projects and park maintenance services. Projects have been chosen throughout the Assessment District in order to ensure that all properties in the narrowly drawn Assessment District boundaries will receive improved access to better maintained and improved parks in their area. The budget included in this year's Engineer's Report is for Fiscal Year 2018-19. It is based in a multi-year improvement plan that includes projects that will improve existing parks and recreation facilities; create new parklands and recreation facilities; improve park and open space security by enhancing lighting; replace outdated playground equipment that meets new safety standards; enhanced maintenance of all parks and recreation areas to help ensure the continued beauty, usability, and accessibility of the Assessment District's parks and recreation facilities.

IMPROVEMENT PLAN HIGHLIGHTS:

The assessment may be continued 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 and existing parks and recreation facilities
- Development, improvements, and repairs at the following parks:

FIGURE 1 – IMPROVEMENT PLAN HIGHLIGHTS

<p>Barton Park</p> <ul style="list-style-type: none"> - Irrigation System, Turf, & Landscaping - Walking Path - Children's Playground Equipment - Benches & Tables - Misc. Park Amenities - New Park Signage - Barkin Park 	<p>River Park</p> <ul style="list-style-type: none"> - Group Picnic Area Improvements - New Children's Playground Equipment - New Park Signage - New Benches & Tables - Misc. Park Amenities - Roadway & Parking Lot Improvements - Kid's Moto Sports facility
<p>Beattie Park</p> <ul style="list-style-type: none"> - Athletic Field Improvements - Children's Playground Equipment - Benches & Tables - Misc. Park Amenities - Picnic Area Improvements - Roadway and Parking Improvements - New Park Signage - Disk Golf course - Recognition Grove - Fallen Warrior Memorial 	<p>Ryon Memorial Park</p> <ul style="list-style-type: none"> - Group Picnic Area Improvements - Stage Improvements - Misc. Park Amenities - Athletic Field Improvements - New Playground Equipment - Roadway & Parking Lot Improvements - New Park Signage - Entrance Improvements - Historical preservation
<p>Briar Creek Park</p> <ul style="list-style-type: none"> - Athletic Field Improvements - New Children's Playground Equipment - New Basketball Courts 	<p>Pioneer Park</p> <ul style="list-style-type: none"> - Misc. Park Amenities - Athletic Field Improvements - New Park Signage
<p>Centennial Park</p> <ul style="list-style-type: none"> - Art Gallery - "Jewels of the Valley" Mural - Gazebo - Benches 	<p>Riverbend Park</p> <ul style="list-style-type: none"> - Misc. Park Improvements - Portable Backstops & Bleachers - Roadway & Parking Lot - New Park Signage - Bike Skills Park
<p>College Park</p> <ul style="list-style-type: none"> - Skate Park - Aquatic Center 	<p>Westvale Park</p> <ul style="list-style-type: none"> - Misc. Park Amenities - New Park Signage
<p>Johns-Manville Park</p> <ul style="list-style-type: none"> - New Backstops & Fencing - East Athletic Field Light Renovation - New Basketball Court Lights - Misc. Park Amenities - New Park Signage - Portable Concession Stand 	<p>Ken Adam Park</p> <ul style="list-style-type: none"> - Enhance the Group BBQ Area - New Children's Playground Equipment - Roadway & Parking Lot Improvements - Misc. Park Amenities - New Park Signage - Astronaut Memorial - Launch viewing amenities
<p>Thompson Park</p> <ul style="list-style-type: none"> - New Playground Equipment - Athletic Field Improvements - New Benches & Tables - Misc. Park Amenities - New Park Signage 	<p>Lompoc Valley Multipurpose Trail Dick DeWees Community and Senior Center Anderson Recreation Center Civic Auditorium</p>

FIGURE 2 – ESTIMATE OF COSTS FOR FISCAL YEAR 2018-19

CITY OF LOMPOC	
Park Maintenance and City Pool Assessment District No. 2002-1	
Estimate of Cost	
Fiscal Year 2018-19	
	<i>Total Budget</i>
Beginning Fund Balance	
Installation, Maintenance & Servicing Costs ¹	
Aquatic Center Debt Service	\$786,267
Aquatic Center Operations	833,713
Dick DeWees Community & Senior Center Debt Service	270,132
Dick DeWees Community & Senior Center Operations	150,249
Dick DeWees Community Improvements	102,667
Anderson Recreation Center Improvements	156,188
Barkin Park Improvements	180,000
Beattie Park Improvements	278,000
Centennial Park Improvements	7,300
JM Park Improvements	200,000
Ken Adam Park Improvements	200,000
Ryon Park - Renovations and Improvements	256,364
River Park - Improvements	1,197,000
Thompson Park - Baseball Field Improvements	6,364
Pioneer Park - Replacement Bathrooms and Improvements	241,000
Westvale Park Improvements	110,000
Civic Auditorium	8,250
Gazebo Roof Replacements - Beattie and River Parks	
Parks and Recreation Operations Citywide	2,353,456
Park Lighting Safety and Enhanced Park Maintenance	86,730
Totals for Installation, Maintenance and Servicing	<u>\$7,423,680</u>
Incidental Costs	
County Collection Fees and Levy Administration ³	\$24,000
Allowance for Uncollectible and Delinquent Assessments	<u>\$0</u>
Subtotals - Incidentals	\$24,000
Totals for Installation, Maintenance, Servicing and Incidentals ⁴	<u>\$7,447,680</u>

FIGURE 3 – ESTIMATE OF COSTS (CONT'D)

Total Benefit of Improvements	\$7,447,680
Single Family Equivalent Units (SFEs)	11,837.18
Benefits received per SFE Unit	\$629.18
Less: City Contribution for General Benefit ²	(\$1,861,920)
City Contribution toward Special Benefits	(\$5,258,817)
Beginning Fund Balance	\$0
	(\$7,120,737)
Net Cost of Installation, Maintenance and Servicing	\$326,943
Budget Allocation to Property	
Total Assessment budget	\$326,943
SFE Units	11837.18
Assessment per Single Family Equivalent Unit	\$27.62

Notes to Estimate of Cost:

1. The projects listed include projects continued from FY 18-19.
2. As determined in the following section, at least 25% of the cost of Improvements must be funded from sources other than the assessments to cover any general benefits from the Improvements. Therefore, out of the total cost of Improvements of \$7,447,680, the City must contribute at least \$1,861,920 from sources other than the assessments. The Fiscal Year 2018-19 City contribution of \$7,120,737 significantly exceeds this general benefit obligation.
3. The Santa Barbara County Auditor levy collection fee is \$1.00 for the Fiscal Year 2018-19 levy collection. The remaining amount is the Levy Administration fees collected by SCI Consulting Group.
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.
5. All assessments are rounded to the lower even penny. Therefore, the estimate of costs amount may slightly differ from the assessments rate.
6. Single Family Equivalent Unit. See "Method of Assessment Apportionment" for explanation of SFE apportionment.

METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the benefits derived from the Improvements to park and recreation facilities throughout the District, 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 conferred to the properties over and above the general benefits conferred to real property in the Assessment District or to the public at large. Special benefit is calculated for each parcel in the Assessment District using the following process:

1. Identification of all benefit factors derived from the Improvements
2. Calculation of the proportion of these benefits that are general
3. Determination of the relative special benefit within different areas within the Assessment District
4. Determination of the relative special benefit per property type
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type, property characteristics, improvements on property and other supporting attributes

DISCUSSION OF BENEFIT

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

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

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.

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

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

Finally, Proposition 218 twice uses the phrase “over and above” general benefits in describing special benefit. (Art. XIID, sections 2(i) & 4(f).) The SVTA v. SCCOSA decision further clarifies that special benefits must provide a direct advantage to benefiting property and that proximity to a park is an example of a special benefit.

BENEFIT FACTORS

The special benefits from the Improvements are listed below:

PROXIMITY TO IMPROVED PARKS AND RECREATIONAL FACILITIES

Only the specific properties within close proximity to the Improvements are included in the Assessment District. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.

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

ACCESS TO IMPROVED PARKS, OPEN SPACE AND RECREATIONAL AREAS

Since the parcels in the Assessment District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved parks, open space and recreation areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

IMPROVED VIEWS

The Park District, by maintaining and improving the landscaping at its park and recreation facilities provides improved views to properties within close proximity and access to the Improvements. Properties in the Assessment District receive this direct advantage because they enjoy unique proximity and access to views of the Improvements. Therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District.

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

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

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), neighborhood parks in urban areas have a service area radius of generally one-half mile and community parks have a service area radius of approximately two miles. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within this service radii close proximity and easy walking access to such public land areas. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within this service area clearly receive a direct advantage and special benefit from the Improvements - and this advantage is not received by other properties or the public at large.

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

BENEFIT FINDING

In summary, real property located within the boundaries of the Assessment District distinctly and directly benefits from closer proximity, access and views of improved parks, recreation facilities, open space, landscaped corridors, greenbelts, trail systems and other public resources funded by the Assessments. The Improvements are specifically designed to serve local properties in the Assessment District, not other properties or the public at large. The public at large and other properties outside the Assessment District receive only limited

benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Assessment District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

GENERAL VERSUS SPECIAL BENEFIT

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

In other words:

Final Level of Service	=	Baseline Level of Service	+	Enhanced Level of Service
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There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide “an indirect, derivative advantage” and are not necessarily proximate to the improvements.

In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

The starting point for evaluating general and special benefits is the current, baseline level of service. The assessment will fund Improvements “over and above” this general, baseline level and the general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

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

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided within the assessment district. It is also important to note that the improvements and services funded by the assessments in Pomona are similar to the improvements and services funded by the Assessments described in this Engineer’s Report and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer’s Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this Report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the Assessment.

CALCULATING GENERAL BENEFIT

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

BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT

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

boundaries, it contributes to the overall general benefit calculation and is not funded by the Assessments.

The properties outside the Assessment District and within the proximity radii for neighborhood parks in the Assessment District receive benefits from the Improvements. Since these properties are not assessed for their benefits because they are outside of the area that can be assessed by the District, this is a form of general benefit to the public at large and other property. A 50% reduction factor is applied to these properties because they are all on only one side of the Improvements and properties in the Assessment District enjoy the advantage of over twice the average proximity to the Improvements. The general benefit to property outside of the Assessment District is calculated as follows with the parcel and data analysis performed by SCI Consulting Group.

ASSUMPTIONS:

160 PARCELS OUTSIDE THE DISTRICT BUT WITHIN 0.5 MILES OF A PARK WITHIN THE ASSESSMENT DISTRICT

11,000 PARCELS IN THE ASSESSMENT DISTRICT

50% RELATIVE BENEFIT COMPARED TO PROPERTY WITHIN THE ASSESSMENT DISTRICT

CALCULATION OF GENERAL BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT

$(160/(11,000+160)) * .5 = .72\%$

Although it can reasonably be argued that Improvements inside, but near the District boundaries are offset by similar park and recreational improvements provided outside, but near the District's boundaries, we use the more conservative approach of finding that 1% of the Improvements may be of general benefit to property outside the Assessment District.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT AND DERIVATIVE*

The "indirect and derivative" benefit to property within the Assessment District is particularly difficult to calculate. A solid argument can be presented that all benefit within the Assessment District is special, because the Improvements are clearly "over and above" and "particular and distinct" when compared with the baseline level of service and the unique proximity, access and views of the Improvements enjoyed by benefiting properties in the Assessment District. The SVTA vs. SCCOSA decision provides the "general enhancement of property value" as an example of benefit that is "indirect and derivative." However, because of the large number of complex attributes that affect property value, identifying the proportion that results from this Assessment is not viable. The District therefore concludes that, other than the small general benefit to properties outside the Assessment District (discussed above) and to the public at large (discussed below), all of the benefits of the Maintenance and Improvements to the parcels within the Assessment District are special benefits and it is not possible or appropriate to separate any general benefits from the benefits conferred on parcels.

BENEFIT TO THE PUBLIC AT LARGE

The general benefit to the public at large can be estimated by the proportionate amount of time that the District's parks and recreational facilities are used and enjoyed by individuals who are not residents, employees, customers or property owners in the District¹.

Based on surveys of park and recreation facility usage conducted by SCI Consulting Group in similar Districts, it is estimated that less than 5% of the District's facility usage is by those who do not contribute to the Assessment.² When people outside the Assessment District use parks, they diminish the availability of parks for people within the Assessment District. Therefore, another 5% of general benefits are allocated for people within the Assessment District. Combining these two measures of general benefits, we find that 10% of the benefits from the Improvements are general benefits to the public at large.

Another measure of the general benefits to property within the Assessment area is the percentage of land area within the Assessment District that is publicly owned and used for regional purposes such as major roads, rail lines and other regional facilities because such properties used for regional purposes could provide indirect benefits to the public at large. Approximately 1.3% of the land area in the Assessment District is used for such regional purposes, so this is a measure of the general benefits to property within the Assessment District.

Hence the total calculated general benefit to the public at large is 10% from the park and recreation survey plus 1.3% based on the percentage of land dedicated to regional facilities.

TOTAL GENERAL BENEFITS

Using a sum of these three measures of general benefit, we find that approximately 12.3% of the benefits conferred by the Improvements may be general in nature and should be funded by sources other than the assessment.

¹ . When District facilities are used by those individuals, the facilities are not providing benefit to property within the Park District. Use under these circumstances is a measure of general benefit. For example, a non-resident who is drawn to utilize the Park 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, one who uses Park District facilities but does not reside, work, shop or own property within the Park District boundaries does not provide special benefits to any property and is considered to be a measure of the general benefits.

² . 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.

GENERAL BENEFIT =

1% (OUTSIDE THE DISTRICT)
 + 0% (INSIDE THE DISTRICT - INDIRECT AND DERIVATIVE)
 + 11.3% (PUBLIC AT LARGE)
 = **12.3%** (TOTAL GENERAL BENEFIT)

Although this analysis finds that 12.3% of the assessment may provide general benefits, the Assessment Engineer establishes a requirement for a minimum contribution from sources other than the assessments of 25%. This minimum contribution above the measure of general benefits will serve to provide additional coverage for any other general benefits.

The Assessment District's total budget for installation, maintenance and servicing of parks and recreational facilities, and incidental expenses is \$7,447,680. Of this total budget amount, the City of Lompoc will contribute \$7,120,737 from sources other than the assessments. This contribution by the City equates to approximately 96% 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.

ZONES OF BENEFIT

The boundaries of the Assessment District have been carefully drawn to include the properties in the City of Lompoc Park Maintenance and City Pool Assessment District that are proximate to the Improvements and that would materially benefit from the Improvements. Certain other properties surrounding the District were excluded from the Improvement area because these properties are generally less proximate to the Improvements. In other words, the boundaries of the Assessment District have been narrowly drawn to include only properties that will specially benefit from the Improvements, and would receive a declining level of service if the assessments were not approved.

The SVTA vs. SCCOSA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not “particular and distinct” and are not “over and above” the benefits received by other properties “located in the district.”

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the

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

In the Assessment District, the advantage that each parcel receives from the Improvements is direct, and the boundaries are narrowly drawn to include only parcels that benefit from the Assessment. Therefore, the even spread of assessment throughout the narrowly drawn district is indeed consistent with the OSA decision. The benefits from the Improvements within the Assessment District do not vary further based on proximity of the parcels to the Improvements because the increased benefits of greater proximity to the Improvements are generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that comes with increased proximity. Consequently, since all parcels in the Assessment District have good access and proximity to the Improvements and the benefits to relatively closer proximity are offset by other factors, additional proximity is not considered to be a factor in determining benefit within the Assessment District. Therefore, zones of benefit are not justified or needed within the Assessment District.

METHOD OF ASSESSMENT

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

It should be noted that many other types of "traditional" assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed. Moreover, assessments have a long history of use in California and are in large part based on the principle that benefits from a service or improvement funded by assessments that is enjoyed by tenants and other non-property owners ultimately is conferred directly to the underlying property.³

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family

³ For example, in *Federal Construction Co. v. Ensign* (1922) 59 Cal.App. 200 at 211, the appellate court determined that a sewer system specially benefited property even though the direct benefit was to the people who used the sewers: "Practically every inhabitant of a city either is the owner of the land on which he resides or on which he pursues his vocation, or he is the tenant of the owner, or is the agent or servant of such owner or of such tenant. And since it is the inhabitants who make by far the greater use of a city's sewer system, it is to them, as lot owners or as tenants, or as the servants or agents of such lot owners or tenants, that the advantages of actual use will redound. But this advantage of use means that, in the final analysis, it is the lot owners themselves who will be especially benefited in a financial sense."

Equivalent (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.

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

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (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 proximity and improved access to well maintained and improved parks and recreational facilities. So the potential population of employees or residents is a measure of the special benefits received by the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

Finally, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner's use of the improvements, 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 and use and enjoy the Assessment District's park and recreational facilities. 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 one indicator of the relative level of special benefit received by a property.

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

RESIDENTIAL PROPERTIES

Certain residential properties in the Assessment District that contain 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 of single family residential property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units 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 Census⁴ 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.⁵ Likewise, condominium units receive a 0.45 SFE and mobile homes on separate parcels receive a 0.32 SFE.

FIGURE 4 – 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

⁴ The most recent data available when this Assessment was established. The census data was an integral part of the calculation of special and general benefit for this Assessment, and so remains fixed in subsequent years.

⁵ (0.88 * 47% = 0.41)

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 can be measured by 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 4 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 5 – COMMERCIAL/INDUSTRIAL DENSITY AND ASSESSMENT FACTORS

<i>Type of Commercial/Industrial Land Use</i>	<i>Average Employees Per Acre ¹</i>	<i>SFE Units per 1/5 Acre ²</i>
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 benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of improvements on the property. A measure of the benefits 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 Improvements and the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.35 per parcel.

As properties are approved for development, their value increases. 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 proximity to 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

All properties that are specially benefited are 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.

Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the Improvements and are assessed an SFE benefit factor of 0.

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.

DURATION OF ASSESSMENT

It is proposed that the Assessment be continued for fiscal year 2018-19 and every year thereafter, so long as the parks and recreational areas need to be improved and maintained and the City of Lompoc Park Maintenance and City Pool Assessment District requires funding from the Assessments for its Improvements in the Assessment District. As noted previously, since the Assessments and the duration of the Assessments were approved by Property owners in 2002, the Assessment can be continued annually after the City Council approves an annually updated Engineer's Report, budget for the Assessment, Improvements to be provided, and other specifics of the Assessment. In addition, the City Council must hold an annual public hearing to continue the Assessment.

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 Management Services Director 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 Management Services Director or his or her designee will promptly review the appeal and any information provided by the property owner. If the Management Services Director 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 Management Services Director 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 Management Services Director or her or his designee shall be referred to the City Council and the decision of the City Council shall be final.

ASSESSMENT

WHEREAS, the City Council of the City of Lompoc 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 the proposed improvements therein contained, reference is hereby made for further particulars.

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under the 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 the improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for the improvements and the expense incidental thereto, to be paid by the Assessment District for the fiscal year 2018-19 is generally as follows:

FIGURE 6 – SUMMARY COST ESTIMATE FOR FISCAL YEAR 2018-19

Park Maintenance and Security	\$3,702,530
Aquatic Center Debt Service	\$786,267
Parks and Recreation Improvements	\$2,934,883
Incidental Expenses	\$24,000
Total Budget	\$7,447,680
Less:	
Beginning Fund Balance	\$0
City Contribution	(\$7,120,737)
Net Amount to be assessed	\$326,943

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

I do hereby assess and apportion the net amount of the cost and expenses of the improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within the 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 Consumer Price Index-U for the Los Angeles-Riverside-Orange County Area as of January of each succeeding year (the

“CPI”), with a maximum annual adjustment not to exceed 3%. Any change in the CPI in excess of 3% shall be cumulatively reserved as the “Unused CPI” and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of 1) 3% or 2) the change in the CPI plus any Unused CPI as described above.

The change in the CPI from January 2017 to January 2018 was 3.51% and the Unused CPI carried forward from the previous fiscal year is 0%. The total available CPI for fiscal year 2018-19 is 3.00%. Therefore, the maximum authorized assessment rate for fiscal year 2018-19 is increased by 3.00% which equates (with rounding) to \$27.62 per single family equivalent benefit unit. The estimate of cost and budget in this Engineer’s Report proposes assessments for fiscal year 2018-19 at the rate of \$27.62, which is equal to the maximum authorized assessment rate.

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 the Improvements.

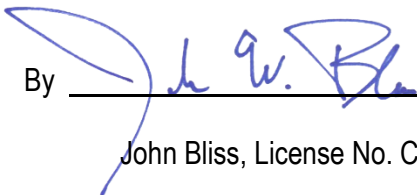
Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor’s Maps of the County of Santa Barbara for the fiscal year 2018-19. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of 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 2018-19 for each parcel or lot of land within the Assessment District.

Dated: April 27, 2018

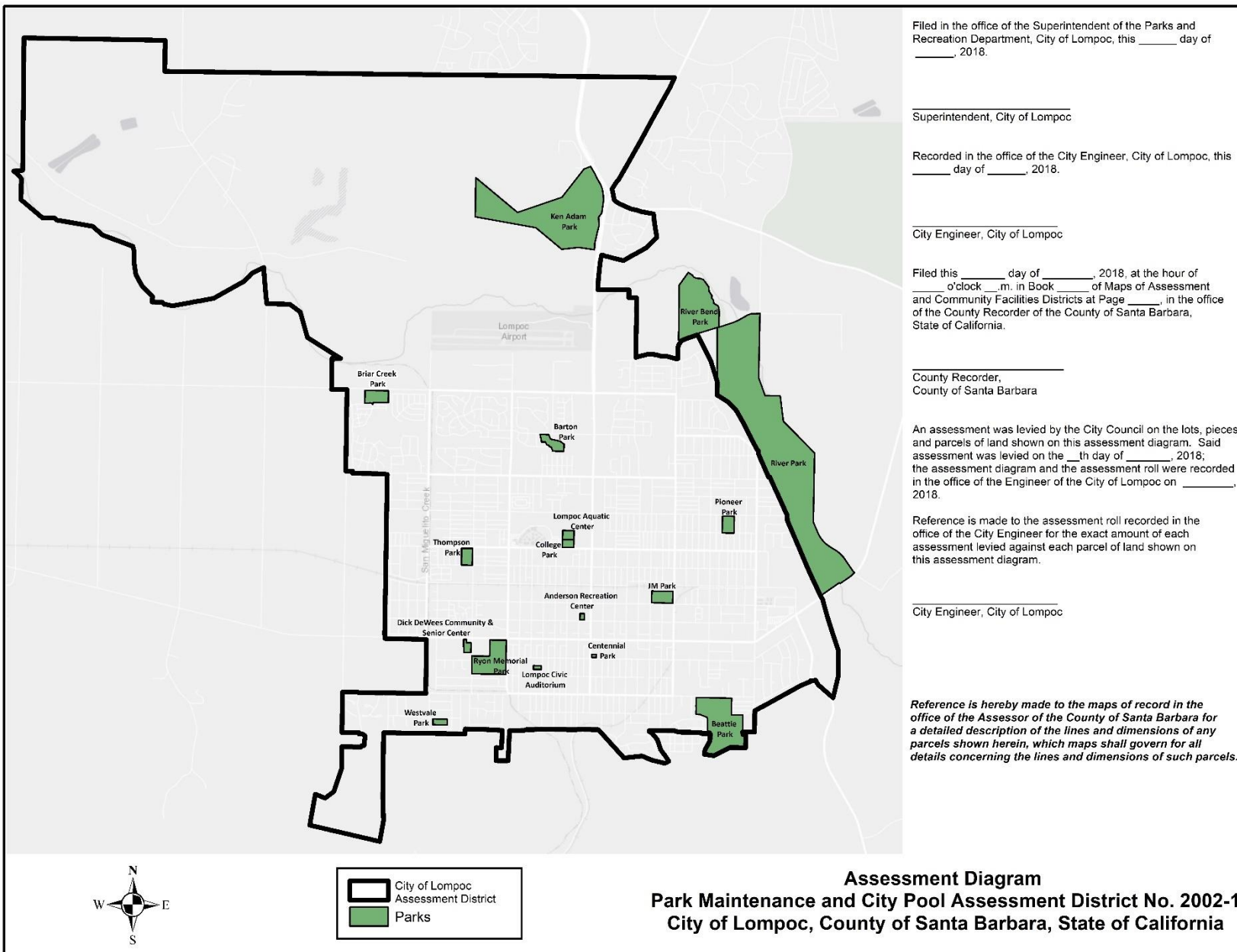


Engineer of Work

By  _____
John Bliss, License No. C052091

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 2018-19, and are incorporated herein by reference, and made a part of this Diagram and this Report.



Filed in the office of the Superintendent of the Parks and Recreation Department, City of Lompoc, this ____ day of ____, 2018.

 Superintendent, City of Lompoc

Recorded in the office of the City Engineer, City of Lompoc, this ____ day of ____, 2018.

 City Engineer, City of Lompoc

Filed this ____ day of ____, 2018, at the hour of ____ o'clock __m. in Book ____ of Maps of Assessment and Community Facilities Districts at Page ____, in the office of the County Recorder of the County of Santa Barbara, State of California.

 County Recorder,
 County of Santa Barbara

An assessment was levied by the City Council on the lots, pieces, and parcels of land shown on this assessment diagram. Said assessment was levied on the ____th day of ____, 2018; the assessment diagram and the assessment roll were recorded in the office of the Engineer of the City of Lompoc on ____, 2018.

Reference is made to the assessment roll recorded in the office of the City Engineer for the exact amount of each assessment levied against each parcel of land shown on this assessment diagram.

 City Engineer, City of Lompoc

Reference is hereby made to the maps of record in the office of the Assessor of the County of Santa Barbara for a detailed description of the lines and dimensions of any parcels shown herein, which maps shall govern for all details concerning the lines and dimensions of such parcels.

Assessment Diagram
Park Maintenance and City Pool Assessment District No. 2002-1
City of Lompoc, County of Santa Barbara, State of California

ASSESSMENT ROLL – FISCAL YEAR 2018-19

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.



City Council Agenda Item

City Council Meeting Date: May 15, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Sarah Bleyl, Library Director
s_bleyl@ci.lompoc.ca.us

SUBJECT: Reappointment of a City of Lompoc Representative to the County Library Advisory Committee

Recommendation:

Staff recommends the City Council approve the reappointment of Lompoc resident Alice Down to the Santa Barbara County Library Advisory Committee (LAC), with a term expiration of June 30, 2019.

Background:

The County of Santa Barbara Board of Supervisors (Board) created an LAC approximately 30 years ago, and its members are appointed by the Board. Each city, namely Santa Maria, Lompoc, and Santa Barbara, that contracts with the County for funding for libraries, nominates one member for appointment by the Board. In addition, the cities of Carpinteria, Buellton, Guadalupe, Solvang, and Goleta, along with the residents of County Service Area 3 (Goleta area), may nominate one member for appointment by the Board, and the County Supervisor of each supervisorial district appoints one member. The Board also appoints one member of its Board, or a designee, to chair the LAC. Library Directors in the contracting cities serve as non-voting, ex-officio members.

The LAC meets at least quarterly to review services and operations, and to make advisory recommendations to the Board as follows:

- 1) Ensure adequate library services to all the inhabitants of the County of Santa Barbara;
- 2) Review annually the operation of the library systems and the Agreement for Operation of a County-wide Library System;
- 3) Submit advisory recommendations to ensure adequate service to branch libraries;
- 4) Assure adequate exchange of information among libraries;

- 5) Consider site locations and building programs; and
- 6) Receive citizen input regarding library-related issues and make recommendations thereon.

Discussion:

Alice Down has been serving on the LAC since 2011. The term of office of each member of the advisory committee shall run concurrently with the term of the library agreement, or until discharged at the pleasure of the Board. Ms. Down would like to continue her service to the LAC.

Fiscal Impact:

The action of appointing or reappointing the City's representative to a new term of office on the LAC has no fiscal impact on the City.

Conclusion:

In accordance with the membership guidelines established for the LAC by the Board, Lompoc resident Alice Down qualifies as a member of the LAC and is recommended for reappointment to the LAC as Lompoc's City Representative.

Respectfully submitted,

Sarah Bleyl, Library Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

COMMISSION/COMMITTEE: **Economic Development Committee**

NUMBER OF VACANCIES:

2 At-Large Position Term Ending February 20218

(one position to be nominated by Council Member Vega & one position to be nominated by Council Member Mosby)

1 Associate Positions Term Ending February 2020

DATE FILED	TELEPHONE	NAME	ADDRESS	If applicable: Date Appt'd Term Expires	
4/12/208	717-5995	Chuck Madson	1004 W Date Ave		

City of Lompoc

Boards, Commissions, or Committees Application



Return to City Clerk's Department, 100 Civic Center Plaza (P.O. Box 8001), Lompoc, CA 93438-8001

Applying for (Name of Board, Commission, or Committee) ECONOMIC DEVELOPMENT

Name: CHUCK MADSON

e-mail: CHUCK@COASTVALLEYSATC.COM

Address: 1004 W. DATE AVE.

Home phone: 805-717-5995

Lompoc CA 93436

Work phone: 805-430-8229

Are you 18 yrs or older? YES Age (Youth Commission Applicants ONLY) _____

Are you a registered voter? YES If no, please explain: _____

IMPORTANT

Appointees of certain Boards, Commissions, or Committees will be required to complete a Statement of Economic Interest as required by California Government Code Section 87200 et seq. and the City of Lompoc Conflict of Interest Code.

This application is considered a public record pursuant to The California Public Records Act (Government Code 6520 et seq.) and may be made available to any member of the public upon request.

Educational Background

High School Graduate; or
 GED

Location: DAVID GONZALEZ HIGH, MALIBU CA.

College/University
ALLAN HANCOCK

Major
ADDICTION STUDIES

Degree/Date
2010

Other formal education CERT. PREVENTION SPECIALIST, ORDAINED MINISTER ²⁰⁰⁶

Work Experience

List all employment during the last three years. If retired, list last employer.

Date
CURRENT

Employer
COAST VALLEY TREATMENT

Position/Title
DIR. OF PROGRAMS

References

We ask that you provide three (3) references (non related) – either business or personal
PLEASE OBTAIN PERMISSION FROM INDIVIDUALS BEFORE LISTING THEM AS A REFERENCE.

Name	Phone No.	Relationship	Years Acquainted
MATT HAMLIN	⁸⁰⁵ 878-8619	BUSINESS	8
TIM HARRINGTON	⁸⁰⁵ 8867999	PERSONAL	2
DOUG SORUM	717-1202	PERSONAL	8

Have you ever been convicted of a misdemeanor or felony? YES If yes, please explain _____

WILLING TO INFORM/DISCUSS

List civic activities, clubs, associations, etc.:

B.O.D. LOMPOC CHAMBER OF COMMERCE, BOD BOYS & GIRLS CLUB, PUBLIC RELATIONS B.A.C.A (BIKERS AGAINST CHILD ABUSE)

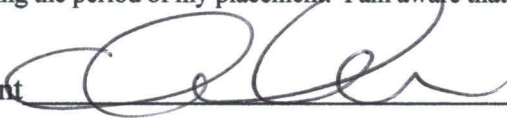
Briefly state your reasons for interest in the appointment sought:

I LOVE LOMPOC.

I AM MOTIVATED TO BE PART OF MOVING LOMPOC FORWARD.

I hereby certify that all statements made in this application are true and I authorize investigation of all matters contained in the application. I acknowledge that any false statements or misrepresentations on this application will be cause for refusal of placement or immediate dismissal at any time during the period of my placement. I am aware that fingerprinting and a background investigation may be required before appointment.

Signature of Applicant



Date

4-12-18

MINOR'S RELEASE

As the parent/legal guardian of _____ (name of YOUTH applicant) I hereby give permission for my child to participate in all Youth Commission activities, meetings, and events. I understand this is a volunteer position and no employment relationship exists between my child and the City of Lompoc. I further agree to hold harmless the City of Lompoc in regards to any personal injury sustaining by my child during the time he/she is engaged in the voluntary activities with the City of Lompoc and the Youth Commission.

Parent/Legal Guardian Name & Signature: _____ Date: _____

(REMOVE Attachments A & B (Statement of Ethical Principles) and retain for your records).

FOR USE BY CITY CLERK'S DEPARTMENT:

(Date Stamp)

Application Received By: _____

If applicable, Date Appointed: _____

Term Expires: _____

Date Form 700 Filed: _____

2018 APR 12 P 2 13

RECEIVED
 CITY OF LOMPOC
 CITY CLERK'S OFFICE



City Council Agenda Item

City Council Meeting Date: May 15, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Gerald Kuras, Fire Chief
g_kuras@ci.lompoc.ca.us

Dena Paschke, Battalion Chief - Fire Marshal
d_paschke@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6181(18) Approving a Declaration of Nuisance and Abatement Order for Weeds and Debris

Recommendation:

Staff recommends the City Council:

- 1) Adopt Resolution No. 6181(18) (attached), declaring certain parcels of property as public nuisances by virtue of weed growth or by the accumulation of rubbish, refuse and dirt, pursuant to Government Code Sections 39560-39588; or
- 2) Provide alternate direction.

Background/Discussion:

In accordance with the Fire Department's annual weed abatement program, the Fire Department has inspected each of the properties identified on Exhibit A to Resolution No. 6181(18) (attached) and found there is potential for growth of weeds which, when dried, will constitute a fire hazard or other noxious and dangerous conditions. Further, it has been found some or all of those lots have an accumulation of rubbish, debris and dirt, creating a fire hazard or dangerous condition, or the weed abatement will result in debris. This year we have experienced a later season of rain. As such, the potential to have regrowth of weeds is much higher. Some owners have mowed their lots, which we are thankful for. Unfortunately, we expect to have regrowth trigger the need to mow many of these properties again as a result of the late rains, and we are also thereby notifying the owners of this potential as well.

The weeds and grass growth are considered light and flashy fuels, which are the first fuels to dry out and cause an increased risk of fire within the City of Lompoc (City). These light and flashy fuels are also the most vulnerable to ignition sources. Fire brands, which

are tiny pieces of brush or trees actively burning, travel over a mile ahead of a fire and can ignite islands of fuel within the City's limits. The threat to the City from wildfire has been demonstrated for the last four years. Last season, Rucker Fire in 2017, was highly visible throughout the City. We also experienced the Canyon Fire in 2016, the Mesa Fire in 2015, and the Miguelito Fire in 2014. This trend is something we cannot eliminate, but we can take appropriate mitigating efforts now to maximize our resiliency to remain operable should a wildfire threaten the City this year. Weed abatement is a proactive effort that is consistent with reducing the risk from wildfire.

To proceed with the abatement of the weed conditions, the City Council must determine hazardous or dangerous conditions exist, and set a public hearing to hear objections to the proposed weed removal. The City Council is being requested to set that public hearing for the June 19, 2018, City Council meeting. If, at that meeting, the City Council determines nuisance conditions exist, then the City Council could order abatement of the nuisance conditions by removal of the weeds by the property owners, and failing that, by the City, with the cost of administrative code enforcement and weed removal assessed against the properties as a lien upon them until paid.

Adoption of Resolution No. 6181(18) will also address the re-growth of weeds for the remainder of the calendar year. The Fire Chief has determined weeds are seasonal and recurrent nuisances. The Fire Chief's findings are in accordance with Government Code Section 39562.1, which will allow subsequent abatements by the City to be conducted within the same calendar year, with no further public hearing, as long as post card notices are sent to the subject property owners.

Fiscal Impact:

Government Code Section 39573 permits the City Council to order a special assessment and lien, pursuant to Government Code Section 39577, after an order to abate nuisance conditions has been issued by the City Council and not followed. It will only apply to those parcels that have an abatement order issued by the City Council, but will apply whether the parcel is subsequently cleared by the property owner or by the City, after the order to abate has been issued. After the assessment is made and confirmed, a lien attaches on the parcel for the assessment amount. As the County of Santa Barbara (County) has adopted the "Teeter Plan" for distribution of property taxes and assessments and the City participates in the "Teeter Plan" of the County, the City will receive the full lien amount of the assessment during the next annual property tax distribution cycle following the imposition of the lien.

At least five days prior to the public hearing, a notice to abate weeds/debris will be sent to all owners of subject parcels, informing them of the public hearing date, administrative charges and abatement procedures. Parcels cleared by the owner following notice, but prior to the City Council's abatement order, will not be subject to a special assessment and lien or the administrative fee. Parcels cleared by the owner following the abatement order, will be subject to the administrative fee. Parcels cleared by the City following the order will be subject to both an administrative fee, plus the out-of-pocket costs of clearing

the property. The Fire Department will contract with a landscaping company to do the weed removal.

The costs to administer the annual weed abatement program, including the cost of investigation of properties subject to the program, and the costs of notification to property owners of their obligation to abate the nuisance, are a General Fund obligation. The General Fund may be reimbursed at a later date if a special assessment and lien are assessed against a particular property or the property owner reimburses the City for all abatement costs.

Costs related to the annual weed abatement program that are not ultimately charged to the property owner as a lien are budgeted for, and paid from, the Fire Prevention program, a General Fund division. The administrative fee assessed to parcel owners who ultimately have an abatement order processed recovers the estimated cost of implementing the annual weed abatement program. The direct costs associated with the implementation of the Fire Department's annual weed abatement program are budgeted in the General Fund in the Fire Prevention program, a program of the Fire Department.

Conclusion:

Adoption of Resolution No. 6181(18) is consistent with the Lompoc Fire Department's commitment to community risk reduction and the elimination of hazardous conditions.

Respectfully submitted,

Gerald Kuras, Fire Chief

Dena Paschke, Battalion Chief - Fire Marshal

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

Attachment: Resolution No. 6181(18)

RESOLUTION NO. 6181(18)

**A Resolution of the Council of the City of Lompoc,
County of Santa Barbara, State of California,
Declaring Public Nuisance by Virtue of
Weed Growth and/or the Accumulation
of Rubbish, Debris and/or Dirt on Private Property,
Pursuant to Government Code Sections 39560-39588**

WHEREAS, the Fire Chief of the Fire Department (Department) of the City of Lompoc (City) has filed a report with the City Council, showing weeds within the definition of Government Code subdivision 39560(b) that have, or will attain, such a large growth as to become a fire menace when dry, or that are otherwise noxious or dangerous, upon each and every parcel of land described in the report, a copy of which is attached hereto as Exhibit A and incorporated herein by reference as though set forth at length; and

WHEREAS, the City Council does hereby find and determine all of the properties described in Exhibit A are real properties upon which weeds, as defined in Government Code subdivision 39560(b), are now growing, and which growth has become large and sufficiently dry to be a fire menace, or which are otherwise noxious or dangerous, or likely to become noxious or dangerous during the pending dry season; and

WHEREAS, the City Council does hereby also find some or all of the properties described on Exhibit A have rubbish, debris and/or dirt (Debris) accumulation and abatement of the weeds will result in Debris on those properties.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Pursuant to Government Code sections 39560-39588, the City Council hereby declares the dangerous or noxious weeds growing and/or the accumulation of Debris upon all the properties described in Exhibit A, and each parcel thereof, constitute a public nuisance, which must be abated by the removal of those weeds and/or Debris from those parcels of property and they shall be removed and the nuisance abated by the City. After the order to abate has been issued, the cost of investigation, boundary determination, measurement, clerical and other related costs, including removal, shall be assessed upon the land from which the weeds and/or debris will have been removed, and such charges will constitute a lien upon the applicable properties until paid.

SECTION 2. June 19, 2018, at 6:30 p.m., at the meeting place of the City Council at 100 Civic Center Plaza, Lompoc, California, is hereby fixed as the time and place for hearing objections to the proposed removal of such weeds and the entry of the order to abate.

SECTION 3. The Department, pursuant to Government Code section 39567.1, is directed to mail written notice of this Resolution to all persons owning properties described on attached Exhibit A, at least five days prior to June 19, 2018. The notice shall be in the form provided by Government Code section 39566, except the heading thereof need not comply with Government Code section 39565. That mailing is an alternative to the posting required by Government Code section 39564, and no posting shall be required.

SECTION 4. Pursuant to Government Code section 39562.1, the City Council finds and declares the weeds on the properties described in Exhibit A are seasonal and recurrent. Accordingly, any subsequent occurrence of such nuisance within this calendar year may be abated in accordance with Government Code section 39562.1, without further public hearing and with notice to the subject property owners by post card.

SECTION 5. This Resolution is effective immediately upon adoption.

Councilmember _____ proposed the above and foregoing Resolution, seconded by Councilmember _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 15, 2018, by the following electronic vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember:

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc

Exhibit A: List of Properties

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0081	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	RIVERSIDE DR 087-470-014	LINDA VISTA VILLAGE HOMEOWNERS
Case Name: WEEDS ON COMMON AREA					
Description:					
CE18-0082	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	SW OF UNIVERSITY & SANTA 093-151-013	COUNTY OF SANTA BARBARA
Case Name: WEEDS AROUND FLOOD CONTROL CHANNEL					
Description:					
CE18-0083	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	ASTER LN 089-370-071	MEADOWS HOMEOWNERS ASSOCIATION
Case Name: WEEDS & OVERGROWTH ON BORDERS OPEN SPACE					
Description:					
CE18-0084	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	ASTER LN 089-360-096	MEADOWS HOMEOWNERS ASSOCIATION
Case Name: WEEDS & OVERGROWTH ON BORDERS OPEN SPACE					
Description:					
CE18-0085	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	526 S AVALON ST 093-400-018	CURRY FAMILY TRUST
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0086	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	530 S AVALON ST 093-400-019	CURRY, THOMAS R & MONICA M TRU
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0087	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	532 S AVALON ST 093-400-020	SERVICE FAMILY TRUST
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0088	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	533 S AVALON ST 093-400-007	TRUE VINE BIBLE FELLOWSHIP, IN
Case Name: FIRE CLEARANCE ON HILLSIDE- CLEAR AWAY FROM BUILDING					
Description:					
CE18-0089	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	536 S AVALON ST 093-400-002	DAVIS FAMILY TRUST 9/14/95
Case Name: FIRE CLEARANCE AROUND HOUSE- BRUSH, WEEDS					
Description:					

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0090	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	540 S AVALON ST 093-400-001	HANBERG, KATHERINE S TRUST 8/1
Case Name: FIRE CLEARANCE AROUND HOUSE- BRUSH, WEEDS					
Description:					
CE18-0091	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	N B ST (RR) 085-040-004	LEVEL 3 COMMUNICATIONS, LLC
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0092	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	N C ST (RR) 085-040-002	LEVEL 3 COMMUNICATIONS, LLC
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0093	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	204 N C ST 085-101-012	HULSEY, GARY M
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0094	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	600 S C ST 093-162-001	COUNTY OF SANTA BARBARA
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0095	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	633 S C ST 093-162-012	STEVENS, DARREN
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0096	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	30 CAMBRIDGE DR 093-162-028	HUSEMAN, EUGENE L & CAROLYN S
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0097	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	2990 CASMALIA RD 097-250-006	SMITH CLARENCE C/JANET L
Case Name: WEEDS ON VACANT LOT -FIRE CLEARANCE REQUIRED					
Description:					
CE18-0098	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1025 W CENTRAL AVE 093-450-056	P K PROPERTIES LOMPOC, LLC
Case Name: WEEDS ON VACANT LOT					
Description:					

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0099	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1035 W CENTRAL AVE 093-450-055	P K PROPERTIES LOMPOC, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0100	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	801 CLEMENS WAY 085-470-009	BRADLEY, JOHN M SEPARATE PROPE
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0101	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	913 CLEMENS WAY 085-470-024	VAN DER HEIJDEN HENDRIKA TRUST
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0102	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1517 W COLLEGE AVE 093-174-016	CHRISTIAN CHURCHES OF SO CAL
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0103	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1500 W NORTH AVE 089-022-010	MENDEZ JAMES A/STELLA M
		Case Name: WEEDS ON SIDE OF HOUSE AND ALLEY			
		Description:			
CE18-0104	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1500 W LEMON AVE 089-023-010	MUNTEAN, IAN
		Case Name: WEEDS ON SIDE OF HOUSE AND ALLEY			
		Description:			
CE18-0105	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	424 COMMERCE CT 093-450-008	SOBHANI 2005 TRUST 11/18/05
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0106	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	801 CORDOBA AVE 093-450-020	NOTRICA, LEON REVOCABLE TRUST
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0107	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	851 CORDOBA AVE 093-450-019	NOTRICA, LEON REVOCABLE TRUST
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0108	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	CORONADO DR 093-320-028	FOOTHILL ESTATES HOMEOWNERS AS
		Case Name: WEEDS ON VACANT LOT - COMMON SPACE			
		Description:			
CE18-0109	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	CORONADO DR & OLIVE AVE 093-310-031	FOOTHILL ESTATES HOMEOWNERS AS
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0110	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1401 E CYPRESS AVE 085-150-089	CYPRESS & SEVENTH, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0111	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1406 E CYPRESS AVE 085-260-007	MARTINEZ, MERCEDES TRUST 5/21/
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0112	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	857 E CYPRESS AVE 085-490-029	CYPRESS PLANNED DEVELOPMENT
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0113	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	N E ST (RR) 085-010-031	UNION PACIFIC RAILROAD COMPANY
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0114	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	233 N E ST 085-091-002	ANGEL FAMILY TRUST 11/5/2014
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0115	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	134 S F ST 085-171-008	BETHANY EV LUTH CH LOMPOC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0116	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	113 N G ST 085-122-006	CHANG ROGER/ANGELA
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0117	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	121 N G ST 085-122-005	COUNTY OF SANTA BARBARA
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0118	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	339 N G ST 085-021-014	KNILL, ELLEN T
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0119	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	413 N G ST 087-242-017	SCOLARI ALPHONSO TR ESTATE OF
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0120	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	N H ST (BY DRIVE-IN) 097-270-017	CALVERT FAMILY TRUST S5/4/2000
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0121	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	136 N H ST 085-122-020	COX, TERRILL F & LORRAINE M TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0122	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1407 N H ST 093-450-033	J & S TRUST 6/19/14
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0123	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	239 N H ST 085-081-001	BEATTIE, FRANCIS H JR/BEVERLY
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0124	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	122 S H ST 085-162-019	HYUN, DANIEL
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0125	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	124 S H ST 085-162-018	HYUN, DANIEL
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0126	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	HARRIS GRADE RD & PURISII 097-250-034	SUMMIT VIEW HOMES, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0127	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	3001 HARRIS GRADE RD 097-250-013	HARRIS GRADE PARTNERS, LP
		Case Name: WEEDS ON VACANT LOT, FIRE CLEARANCE			
		Description:			
CE18-0128	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1301 E HICKORY AVE 085-260-047	COX, KARL C
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0129	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1321 E HICKORY AVE 085-260-056	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0130	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1298 E HICKORY AVE 085-271-011	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0131	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1325 E HICKORY AVE 085-260-055	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0132	04/29/2018	DDF FENCE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1329 E HICKORY AVE 085-260-054	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0133	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	2611 HWY 1 097-250-039	PANIAGUA, ROGELIO R
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0134	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	3151 HWY 1 097-250-051	LOMPOC RANCH JOINT VENTURE
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0135	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	HWY 1 & 246 083-060-017	LOMPOC VALLEY TRUCKING CO, INC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0136	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	2200 HWY 246 083-060-016	LOMPOC VALLEY TRUCKING CO, INC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0137	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	117 S I ST 091-103-021	LIMON, ANTONIO & ESPERANZA TRU
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0138	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	121 S I ST 091-103-022	LIMON, ANTONIO & ESPERANZA TRU
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0139	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	226 S I ST 085-201-013	ESPARZA ANNE L TRUSTEE (for) E
		Case Name: WEEDS ON VACANT LOT, FIRE CLEARANCE			
		Description:			
CE18-0140	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	118 S J ST 091-103-019	PEREZ, MARIA DE LA LUZ
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0141	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	126 S J ST 091-103-013	JIMENEZ, PAUL TRUST 4/12/13
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0142	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	211 N K ST 091-061-008	GIJON, ANTONIO
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0143	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	E LAUREL AVE (RR) 085-033-006	LEVEL 3 COMMUNICATIONS, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0144	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	E LAUREL AVE (RR) 085-040-003	LEVEL 3 COMMUNICATIONS, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0145	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	E LAUREL AVE (RR) 085-040-001	LEVEL 3 COMMUNICATIONS, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0146	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	204 E LAUREL AVE 085-022-007	JOHNSON, RON S
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0147	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	300 E LAUREL AVE 085-031-012	SMITH, KIMBERLY GAIL
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0148	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	400 E LAUREL AVE 085-032-010	WEYRICK, COLIN & CANDY FAMILY
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0149	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	500 E LAUREL AVE 085-033-010	WEYRICK, COLIN & CANDY FAMILY
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0150	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	600 E LAUREL AVE 085-040-011	WEYRICK, COLIN & CANDY FAMILY
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0152	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	550 S M ST 091-193-009	COUNTY FLOOD CONTROL/WATER CON
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0153	04/29/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	551 S M ST 091-192-010	COUNTY FLOOD CONTROL/WATER CON
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0155	04/30/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1214 E MANGO AVE 085-260-050	COX, KARL C
Case Name: WEEDS ON VACANT LOT, HILLSIDE Description:					
CE18-0156	04/30/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	MARIGOLD WAY 089-410-048	ELLEN GLEN HOMEOWNERS ASSOCIAT
Case Name: WEEDS ON VACANT LOT, OVERGROWTH ALONG FENCE Description:					
CE18-0157	04/30/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1301 MARIGOLD WAY 089-420-032	GLEN ELLEN HOMEOWNERS ASSOCIAT
Case Name: WEEDS ON VACANT LOT, NO CLEARANCE ALONG FENCE Description:					
CE18-0158	04/30/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	S N ST (CHANNEL) 091-192-011	COUNTY FLOOD CONTROL/WATER CON
Case Name: WEEDS ON VACANT LOT Description:					
CE18-0159	04/30/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	NEWPORT DR 093-460-039	FOOTHILL ESTATES HOMEOWNERS AS
Case Name: WEEDS ON VACANT LOT Description:					
CE18-0160	04/30/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	NEWPORT DR 093-460-038	FOOTHILL ESTATES HOMEOWNERS AS
Case Name: WEEDS ON VACANT LOT Description:					
CE18-0162	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	RIVER TERRACE PROJECT 099-141-021	COASTAL RIVER TERRACE, LLC
Case Name: WEEDS ON VACANT LOT Description:					
CE18-0163	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	409 S C ST 085-294-001	BROWN, DAVID GEORGE
Case Name: WEEDS ON VACANT LOT Description:					
CE18-0164	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1600 E OCEAN AVE 085-360-007	COURTNEY TOM & ASSOCIATES INC
Case Name: WEEDS ON VACANT LOT Description:					

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0165	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1220 W OCEAN AVE 091-110-034	TRI W ENTERPRISES INC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0166	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1300 W OCEAN AVE 091-110-035	TRI W ENTERPRISES INC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0167	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	315 W OCEAN AVE 091-082-010	OROZCO JOSE ALFREDO/MICHELLE
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0168	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	414 E OCEAN AVE 085-172-015	NORIEGA, JESUS JOSE RIOS REVOC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0169	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1038 W OCEAN AVE 091-110-047	TRI W ENTERPRISES INC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0170	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1421 W NORTH AVE 089-470-008	KITTY HAWK MAINTENANCE ASSOCIA
		Case Name: WEEDS ON VACANT LOT, NO CLEARANCE FROM FENCE			
		Description:			
CE18-0171	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1501 N O ST 093-450-018	NOTRICA, LEON REVOCABLE TRUST
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0172	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	101 W OAK AVE 089-070-030	TESORO SIERRA PROPERTIES, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0173	05/02/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	O ST & BARTON AVE 089-360-063	RANCHO LOMPOC
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0178	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	111 N SEVENTH ST 085-150-087	HEALTHCARE DISTRICT
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0179	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	209 S SEVENTH ST 085-260-051	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0180	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	213 S SEVENTH ST 085-260-052	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0181	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	217 S SEVENTH ST 085-260-053	HAUENSTEIN EDWARD E/LORAYNE TR
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0184	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	109 S THIRD ST 085-150-047	109 INVESTORS, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0185	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1275 N V ST 093-070-036	COASTAL SPRINGS, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0186	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	930 N V ST 089-040-028	GORDON COURT, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0187	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	408 COMMERCE CT 093-450-010	ELDRED DAVID E/ELIZABETH A TRU
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0188	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	917 E WALNUT AVE 085-110-026	SEAMOUNT, JEAN L
		Case Name: WEEDS ON VACANT LOT			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0189	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1001 WESTERN AVE 093-530-083	CORONA BRIAR CREEK, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0190	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1201 WESTERN AVE 093-550-082	CORONA BRIAR CREEK, LLC
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0191	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1101 WESTERN AVE 093-540-072	BRIAR CREEK COMMUNITY ASSOCIAT
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0192	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1321 WESTERN AVE 093-550-083	BRIAR CREEK COMMUNITY ASSOCIAT
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0193	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1121 N Y ST 093-380-044	PANKONIN, PEGGY M INDIVIDUAL L
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0194	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1125 N Y ST 093-380-043	RAINS AUGUSTINA G
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0195	05/03/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	606 S Z ST 093-520-035	CROWN POINTE GARDEN SOCIETY
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0198	05/08/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	604 UNIVERSITY DR 093-152-002	ROBINSON, HEATHER JUNE
		Case Name: WEEDS ON VACANT LOT			
		Description:			
CE18-0199	05/09/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	10 CAMBRIDGE DR 093-151-023	GREEN, MARION AUGUST TRUSTEE (
		Case Name: WEEDS ON HILLSIDE, FRONT & BACK			
		Description:			

City of Lompoc
EXHIBIT A - WEED ABATEMENT FIRST LETTER
For the Period 4/2/2018 thru 5/9/2018

Case No.	Opened Closed	Type SubType	Assigned To Status	Site Address Parcel Number	Owner
CE18-0200	05/09/2018	DDF FIRE CODE WEEDS ON VAC LOT	LETTER SENT	325 S N ST 091-132-017	EL DORADO CAPITAL, LLC
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0201	05/09/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	331 S N ST 091-132-018	EL DORADO CAPITAL, LLC
Case Name: WEEDS ON VACANT LOT					
Description:					
CE18-0202	05/09/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	416 COMMERCE CT 093-450-009	ELDRED DAVID E/ELIZABETH A TRU
Case Name: WEEDS ON CULDESAC, OUTSIDE FENCE					
Description:					
CE18-0203	05/09/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1641 W CENTRAL AVE 093-500-002	VICTORY OUTREACH-LOMPOC
Case Name: WEEDS ON SIDE LOT, RUBBISH					
Description:					
CE18-0204	05/09/2018	DDF FIRE CODE WEEDS ON VAC LOT	DENA FOOSE LETTER SENT	1101 W CENTRAL AVE 093-450-016	MCGAELIC GROUP THE
Case Name: WEEDS ON VACANT LOT					
Description:					

113 WEEDS ON VAC LOT CASE(S) ACTIVE



City Council Agenda Item

City Council Meeting Date: May 15, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Jasmine McGinty, Development Programs Specialist II
j_mcginty@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6180(18) Declaring Results of Majority Protest Proceedings and Renewing the Lompoc Tourism Improvement District

Recommendation:

Staff recommends the City Council:

- 1) Hold a public hearing, declare the results of majority protest proceedings, and
- 2) Adopt Resolution No. 6180(18) to renew the Lompoc Tourism Improvement District (LTID) for ten years (Attachment 1); and
- 3) Approve the proposed increases in the assessment fee from 2% to 5% over the ten year term and the city administration fee from 1% to 2% over the ten year term; or
- 4) Provide alternate direction.

Background:

The LTID is a benefit assessment district created in 2013 to fund marketing and sales promotion efforts for Lompoc lodging businesses. The LTID includes all lodging businesses located within the boundaries of the City of Lompoc (City).

Hoteliers requested the City Council renew the LTID for ten years in order to maintain a revenue source devoted to marketing Lompoc as a tourist, meeting and event destination. If renewed, the LTID would generate approximately \$360,000 on an annual basis for promotion of travel and tourism specific to Lompoc based on a 2% assessment rate that was in force during the initial five year term of the LTID.

TOURISM IMPROVEMENT DISTRICTS

Tourism improvement districts (tourism district) utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow lodging business owners to organize their efforts to increase tourism. Lodging business owners within the district fund the tourism district, and those funds are used to provide services the businesses desire to benefit the lodging businesses within the tourism district.

Tourism district benefits:

- Funds cannot be diverted for other government programs,
- They are customized to fit the needs of each destination,
- They allow for a wide range of services; including: marketing of the destination, tourism promotion activities and sales lead generation,
- They are designed, created, and governed, by those who will pay the assessment,
- They provide a stable funding source for tourism promotion.

In California, tourism districts are primarily formed and renewed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. The key difference between tourism districts and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the tourism district.

On March 20, 2018, the City Council adopted Resolution No. 6164(18) declaring its intention to renew the LTID. On April 17, 2018, the City Council held a public meeting for comments on the renewed LTID. This public hearing and adoption of Resolution No. 6180(18) are the last steps necessary to renew the LTID.

Discussion:

MANAGEMENT DISTRICT PLAN

The Management District Plan attached to Resolution No. 6180(18) (Plan) includes the proposed boundary of the LTID, a service plan and budget, and a proposed means of governance. The renewed LTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City.

The proposed LTID will have a ten-year life beginning January 1, 2019, and expiring December 31, 2028. The assessment will be implemented beginning January 1, 2019. Once per year, beginning on the anniversary of LTID renewal, there is a 30-day period in which business owners paying 50% or more of the assessment may protest and begin proceedings to terminate the LTID.

May 15, 2018

Renewal of the Lompoc Tourism Improvement District

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The annual assessment rate is proposed initially at 2% of gross short-term room rental revenue. During the ten-year term, the assessment rate may be increased by the Visit Lompoc Board (the non-profit corporation created by the hoteliers to manage the LTID) to a maximum of 5% of gross short-term room rental revenue. The maximum increase in any one year could be 1% of gross short-term room rental revenue. Increases in assessments will be presented to the City Council each year during an annual report given by Visit Lompoc.

The Plan provides projections of assessments collected at 2%, 3%, 4% and 5% along with an estimate of an overall growth of 3% per year in collections simply from higher stay rates, higher occupancy or a combination of the two. On page 7 of the Plan, the collection amounts per year are provided, assuming the assessment is increased in 1% increments beginning with the 2019 calendar year. The amounts, including amounts if the assessment rate remains at 2% for the term of the LTID are as follows:

Year	Assessments	Rate	Assessments @ 2% Rate
2019	\$360,000	2%	360,000
2020	556,200	3%	370,800
2021	761,938	4%	380,969
2022	980,996	5%	392,398
2023	1,010,426	5%	404,170
2024	1,040,738	5%	416,295
2025	1,071,960	5%	428,784
2026	1,104,119	5%	441,647
2027	1,137,243	5%	454,897
2028	1,171,360	5%	468,544

According to the Plan, Visit Lompoc can, at this time, present the method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year. During the annual reporting period increases in assessments can be presented to the City Council for approval. The provision in the current annual report makes that process clearer.

The City will continue to be responsible for collecting the assessment on a monthly basis from each lodging business located in the LTID boundaries. The City will forward the assessments periodically to Visit Lompoc, who has the responsibility of managing LTID programs as provided in the Plan. The City will initially be paid a fee equal to 1% of the amount of the assessment collected to cover its costs of collection and administration.

During the review of the Plan in the public hearing process, staff made the following changes.

- 1) The City will consult with the LTID on the decision to hire a collections agent, but retains its right to choose the collections agent for the purposes of collecting unpaid

May 15, 2018

Renewal of the Lompoc Tourism Improvement District

Page 4 of 6

assessments. The City uses the same collections agent for all billings, so this change allows for the ability to provide efficient collection and billing services.

- 2) Original delinquency penalty was changed to 10% with a minimum of \$200 per occurrence, and the penalty for fraud was changed to a minimum of 25% or \$500, whichever is more.
- 3) Collection of the assessment was changed from a quarterly basis to a monthly basis.
- 4) The Visit Lompoc annual report will be made available to the City within 60 days of the end of the calendar year and will be presented to the City Council by the second meeting of March during the term of the assessment, with the final report due to the City Council no later than February 23, 2029, for the 2028 calendar year. (Attachment 2 contains the redlined changes to the Plan.)

Staff also proposes the City Council increase the annual Administration Fee by 0.1% annually to a maximum of 2% at the end of the term. The reason for the proposed increase in administration fees is to account for the rising cost of services and inflation. The increase will be presented to the City Council for approval each year during Visit Lompoc's annual report.

Streets and Highways Code § 36650 on page 21 of the Plan states the annual report must include an estimate of the cost of providing improvements, maintenance, and activities for the fiscal year. It also states the city council may approve the report as filed by Visit Lompoc or modify any particular contained in the report and approve as modified. The City administration fee would fall into this portion of the annual report and reveals the City Council's authority to modify the annual report and adjust the budget and City administration collection fees in any given year.

The incremental increase in the City administration fee will also be included in the Management Agreement between Visit Lompoc and the City.

DISTRICT RENEWAL PROCESS

March 20, 2018: RESOLUTION OF INTENTION HEARING (COMPLETED)

Upon the submission of a written petition, signed by the property or business owners in the proposed tourism district who will pay more than 50% of the assessments proposed to be levied, the City Council may initiate proceedings to renew a tourism district by the adoption of a resolution expressing its intention to renew a district.

Petition Status: Petitions in favor of LTID renewal were submitted by 12 hotels, representing 92% of the total LTID assessment. This majority petition allowed the City Council to initiate proceedings for LTID renewal at the March 20, 2018, City Council meeting.

March 21, 2018: NOTICE (COMPLETED)

The Property and Business Improvement District Law of 1994 requires the City mail written notice to the owners of all businesses proposed to be within the LTID. Mailing the notice begins a mandatory 45-day period in which owners may protest LTID renewal.

April 17, 2018: PUBLIC MEETING (COMPLETED)

Allow public testimony on the renewal of the LTID and levy of assessments. No City Council action required.

May 15, 2018: PUBLIC HEARING

If written protests are received from the owners of businesses in the renewal LTID who will pay more than 50% of the assessments proposed to be levied, and protests are not withdrawn so as to reduce the protests to less than 50%, then no further proceedings to levy the proposed assessment against such businesses shall be taken for a period of one year from the date of the finding of a majority protest by the City Council.

At the conclusion of the public hearing to renew the LTID, the City Council may adopt, revise, change, reduce, or modify the proposed assessment, or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. If the City Council, following the public hearing, decides to renew the LTID, then the City Council must adopt a resolution of renewal.

To date, the consultant, Civitas, has received petitions from lodging businesses representing 92% of the total proposed assessment. The City Council can adopt this resolution as long as there is no majority protest, being a protest by lodging businesses paying 50% or more of the proposed assessment.

Fiscal Impact:

None immediately. The City will receive a fee of 1%, increasing in equal 0.1% annual increments until it reaches 2% in the final year of the 10-year term of the LTID, of the amount collected to cover its costs of administration. Because the LTID programs are intended to increase visitation to the City, there may be an increase in transient occupancy tax and sales tax collections.

Conclusion:

Adoption of Resolution No. 6180(18) will result in the renewal of the LTID for ten years beginning January 1, 2019.

Respectfully submitted,

Jasmine McGinty, Development Programs Specialist II

APPROVED FOR SUBMITTAL TO THE INTERIM CITY MANAGER:

Christie Alarcon, Interim Economic Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

- Attachments: 1) Resolution No. 6180(18)
2) Redlined Management District Plan

RESOLUTION NO. 6180(18)

**A Resolution of the City Council of the City of Lompoc,
County of Santa Barbara, State of California,
Declaring Results of Majority Protest Proceedings
and Renewing the Lompoc Tourism Improvement District**

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §36600 *et seq.*) authorizes cities and counties to establish business improvement districts upon petition by a weighted majority of the lodging business owners located within the boundaries of the district; and

WHEREAS, the City of Lompoc (City) created the Lompoc Tourism Improvement District (LTID) on December 3, 2013, by Resolution No. 5886(13); and

WHEREAS, the LTID was created for a five-year term ending December 31, 2018; and

WHEREAS, the Property and Business Improvement Law of 1994 (Streets and Highways Code sections 36600 *et seq.*), authorizes the City to renew business improvement districts for the purposes of promoting tourism; and

WHEREAS, Visit Lompoc, lodging business owners, and representatives from the City have met to consider the renewal of the LTID; and

WHEREAS, Visit Lompoc has drafted a Management District Plan (Plan) which sets forth the proposed boundary of the LTID, a service plan and budget, and a proposed means of governance; and

WHEREAS, lodging businesses who will pay more than 50% of the assessment under the LTID have petitioned the City Council to renew the LTID.

WHEREAS, the assessed lodging businesses within the LTID will receive a specific benefit from the activities and improvements set forth in the Plan; and

WHEREAS, on March 20, 2018, the City Council adopted a Resolution of Intention – Resolution No. 6164(18); and

WHEREAS, the public meeting and public hearing to consider the renewal of the LTID were properly noticed in accordance with Streets and Highways Code §36623; and

WHEREAS, on April 17, 2018, the City Council held a public meeting regarding the renewal of the LTID, and the City Council heard and received objections and protests, if any, to the renewal of the LTID and the levy of the proposed assessment; and

WHEREAS, on May 15, 2018, the City Council held a public hearing regarding the renewal of the LTID, and the City Council heard and received all objections and protests, if any, to the renewal of the LTID and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the renewed district who would pay 50% or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business; and

WHEREAS, the City bears the burden of proving by a preponderance of the evidence that an assessment imposed for a specific benefit or specific government service is not a tax, that the amount is no more than necessary to cover the costs to the City in providing the specific benefit or specific government service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the specific benefits or specific government services received by the payor.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1: The recitals set forth herein are adopted by the City Council as findings and declares they are true and correct.

SECTION 2: The LTID is hereby renewed for a ten-year term, beginning January 1, 2019, and ending on December 31, 2028.

SECTION 3: The Plan dated January 19, 2018, and attached hereto as Exhibit A, is hereby adopted and approved.

SECTION 4: The activities to be provided to benefit businesses in the LTID will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used: to provide activities that directly benefit businesses outside the LTID; to provide activities or improvements outside the LTID; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Plan. Notwithstanding the foregoing, improvements and activities that must be provided outside the LTID boundaries to create a specific benefit to the assessed businesses may be provided, but shall be limited to marketing or signage pointing to the LTID.

SECTION 5: The City Council finds as follows:

- a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the LTID that is not provided to those not paying the assessment.
- b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor, that is not provided to those not charged,

and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

- c) The assessment is a charge imposed for a specific government service or product provided directly to the payor, that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- d) Assessments imposed pursuant to the LTID are levied solely upon the assessed businesses, and the business owners are solely responsible for payment of the assessments when due. If an owner chooses to collect any portion of the assessment from a transient, that portion shall be specifically called out and identified for the transient in any and all communications from the business owner as the "LTID Assessment."

SECTION 6: The assessments levied for the LTID shall be applied towards sales, promotions and marketing programs to market Lompoc lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the Plan.

SECTION 7: Assessments levied on lodging businesses pursuant to this resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.

SECTION 8: The assessments for the entire LTID will total approximately \$360,000 in year one.

SECTION 9: Bonds shall not be issued to fund the LTID.

SECTION 10: The LTID shall include all lodging business located within the boundaries of the the City as indicated in the boundary map on Page 4 of the Plan.

SECTION 11: The assessments shall be used for the purposes set forth above. Any funds remaining at the end of any year may be used in subsequent years in which the LTID assessment is levied, as long as they are used consistent with the requirements set forth herein.

SECTION 12: The assessments to fund the activities and improvements for the LTID will be collected by the City on a monthly basis, and in accordance with Streets and Highways Code §36631.

SECTION 13: The City Council, through adoption of this Resolution and the Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTID as

defined in Streets and Highways Code §36612. The City Council has determined Visit Lompoc shall continue to be the Owners' Association.

SECTION 14: Visit Lompoc, pursuant to Streets and Highways Code §36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the LTID.

SECTION 15: The LTID renewed pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §36600 et. seq.).

SECTION 16: The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the LTID and to levy the assessments.

SECTION 17: This Resolution shall take effect immediately upon its adoption by the City Council.

SECTION 18: Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution of formation was proposed by Council Member _____, seconded by Council Member _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 15, 2018, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc

Attachment: Exhibit A: Management District Plan

2019-2028



LOMPOC TOURISM IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

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

May 1, 2018

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I. OVERVIEW

Developed by Lompoc lodging businesses and Visit Lompoc (VL), the Lompoc Tourism Improvement District (LTID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. The LTID was formed in 2013 by Lompoc City Council Resolution No. 5886(13) for a five (5) year term ending December 31, 2018; lodging businesses now wish to renew it for an additional ten (10) years.

Location: The renewed LTID includes all lodging businesses located within the boundaries of City of Lompoc, as shown on the map in Section III.

Services: The LTID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total LTID annual budget for the initial year of its ten (10) year operation is anticipated to be approximately \$360,000. This budget is expected to fluctuate as room sales and the assessment rate do, over the LTID's term.

Cost: The current annual assessment rate is two percent (2%) of gross short-term room rental revenue. During the ten (10) year term, the VL board may request the assessment rate may be increased to a maximum of five percent (5%) of gross short-term room rental revenue. The maximum increase in any year shall be no more than one percent (1%) of gross short-term room rental revenue. Each request for annual increase, if any, shall be submitted by VL as part of its annual report and be subject to the Council's approval as part of that annual report. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days and stays by government employees on government business.

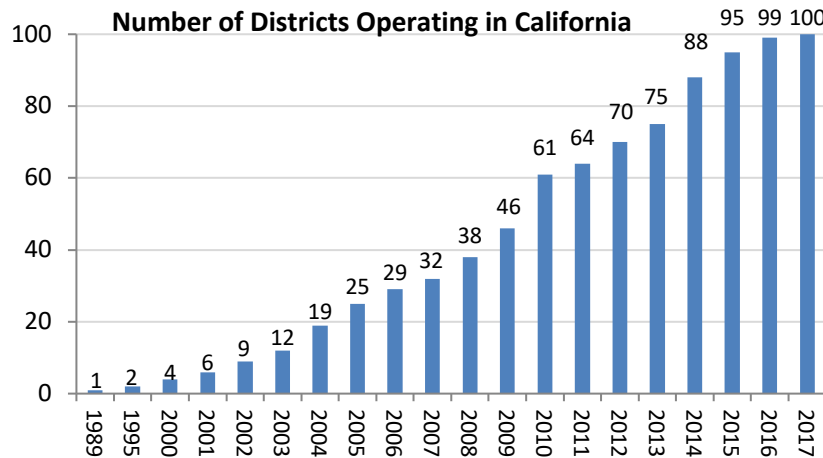
Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the LTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed LTID will have a ten (10) year life, beginning January 1, 2019 through December 31, 2028. Once per year, beginning on the anniversary of LTID renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on LTID termination.

Management: VL will continue to serve as the LTID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, one hundred California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California’s TIDs collectively raise over \$250 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Lompoc lodging businesses continue to invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

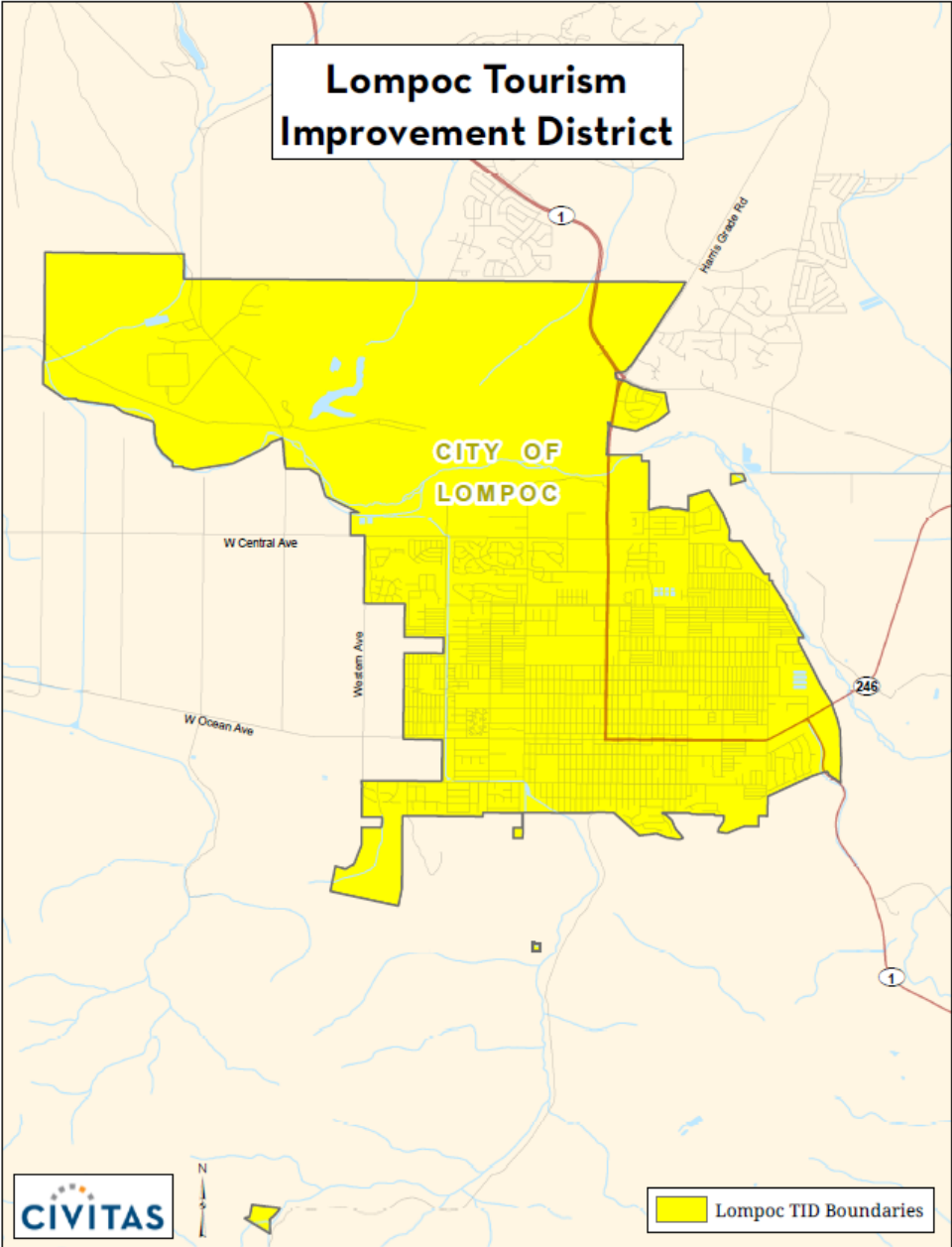
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are **designed, created and governed by those who will pay** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The LTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of City of Lompoc.

Lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes thirteen (13) lodging businesses. A complete listing of lodging businesses within the renewed LTID can be found in Appendix 2.

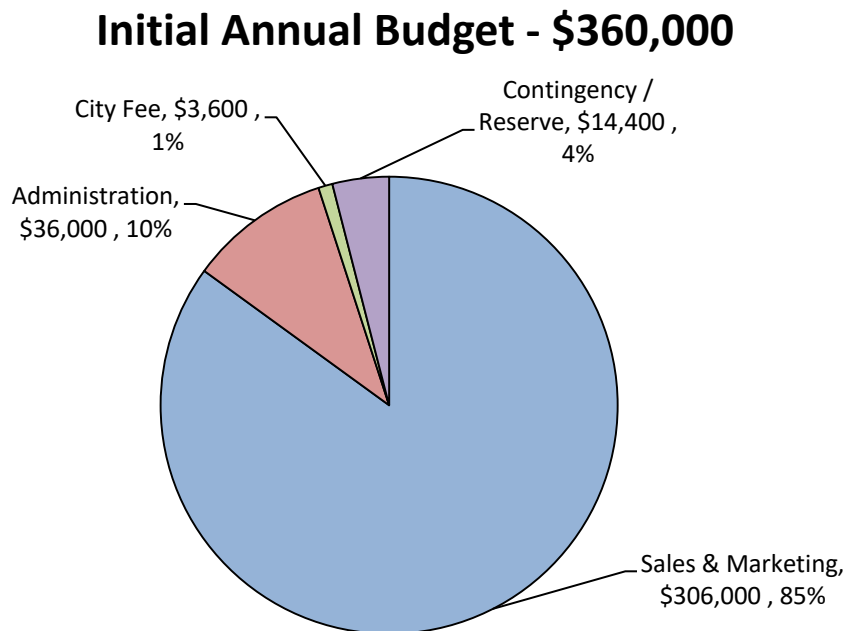


IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the LTID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit the assessed businesses. A detailed annual budget will be developed and approved by the VL Board. The table below illustrates the initial annual budget allocations. The total initial budget is \$360,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the VL Board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the LTID, any and all assessment funds may be used for the costs of defending the LTID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the VL Board on an as needed basis.

Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Lompoc as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed businesses; and
- Education of lodging business management and the Owners' Association on marketing strategies best suited to meet Lompoc's needs.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

City Administration Fee

The City of Lompoc shall retain a fee equal to one percent (1%) of the amount of assessment collected to cover its costs of collection and administration.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the VL Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the VL Board. Contingency/reserve funds may be spent on LTID programs or administrative and renewal costs in such proportions as determined by the Owners' Association. The reserve fund may be used for the costs of renewing the LTID.

B. Annual Budget

The total ten (10) year improvement and service plan budget is projected at approximately \$360,000 annually, or approximately \$9,194,980.56 through 2028 if the maximum assessment rate increases are adopted by the VL Board. This amount may fluctuate as room sales change and if the assessment rate is increased. If the maximum annual assessment rate increases are adopted by the VL Board, the annual budget will increase as estimated in the following table.

The assessment rate may or may not increase starting in 2020, the increases may be implemented beginning in 2020 or in later years at the discretion of the VL Board. The table below demonstrates the estimated maximum budget with the assumption that the assessment rate will be increased by one percent (1%) in 2020, 2021, and 2022 as it is a required disclosure, it is not the anticipated course of

action. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of LTID efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TID budgets.

Estimated Annual Budget If Maximum Assessment Rates Are Adopted 2019-2028

Year	Sales & Marketing	Administration	City Fee	Contingency / Reserve	TOTAL
%	85%	10%	1%	4%	100%
2019	\$306,000.00	\$36,000.00	\$3,600.00	\$14,400.00	\$360,000.00
2020	\$472,770.00	\$55,620.00	\$5,562.00	\$22,248.00	\$556,200.00
2021	\$647,647.62	\$76,193.84	\$7,619.38	\$30,477.54	\$761,938.38
2022	\$833,846.31	\$98,099.57	\$9,809.96	\$39,239.83	\$980,995.66
2023	\$858,861.70	\$101,042.55	\$10,104.26	\$40,417.02	\$1,010,425.53
2024	\$884,627.56	\$104,073.83	\$10,407.38	\$41,629.53	\$1,040,738.30
2025	\$911,166.38	\$107,196.04	\$10,719.60	\$42,878.42	\$1,071,960.45
2026	\$938,501.37	\$110,411.93	\$11,041.19	\$44,164.77	\$1,104,119.26
2027	\$966,656.41	\$113,724.28	\$11,372.43	\$45,489.71	\$1,137,242.84
2028	\$995,656.11	\$117,136.01	\$11,713.60	\$46,854.41	\$1,171,360.13
TOTAL	\$7,815,733.47	\$919,498.06	\$91,949.81	\$367,799.22	\$9,194,980.56

C. California Constitutional Compliance

The LTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.¹ Rather, the LTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the LTID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.”² The services in this Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the LTID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the LTID, and are narrowly tailored. LTID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in LTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

The assessment imposed by the LTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the LTID assessment, with marketing and sales programs promoting lodging businesses paying the LTID assessment. The marketing and sales programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration and contingency/reserve services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the LTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the LTID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

LTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the VL Board, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from LTID-funded activities, be featured in advertising campaigns, and benefit from other LTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, LTID-funded services and benefits.

The LTID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-LTID funds. LTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

D. Assessment

The initial annual assessment rate is two percent (2%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days and stays by government employees on government business.

During the ten (10) year term, the VL Board may request the assessment rate be increased to a maximum of five percent (5%) of gross short-term room rental revenue. The maximum assessment increase in any year shall be no more than one percent (1%) of gross short-term room rental revenue. Each request for annual increase, if any, shall be submitted by VL as part of its annual report and be subject to the Council's approval as part of that annual report.

The term "gross room rental revenue" as used herein means: the consideration charged whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the "TID Assessment." The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The LTID shall reimburse the City of Lompoc for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent LTID assessment are sought to be recovered in the same collection action by the City, the LTID shall bear its pro rata share of such collection costs.

The City shall consult with the LTID on the decision to hire a collections agent but retains its right to hire the collections agent of its choice for the purposes of collecting unpaid assessments.

Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Original Delinquency:* Any lodging business which fails to remit any assessment within the time required shall pay a penalty of ten percent (10%) with a minimum of \$200 per occurrence of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business which fails to remit any delinquent assessment on or before a period of thirty (30) days following the date on which the assessment first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. *Fraud:* If the City determines that the nonpayment of any assessment is due to fraud, a penalty of a minimum of twenty-five percent (25%) or \$500, whichever is more, of the amount of the assessment shall be added thereto in addition to the penalties stated above.
4. *Interest:* In addition to the penalties imposed, any lodging business which fails to remit any assessment due shall pay interest at the rate of one-half of one percent (0.5%) per month or

fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the assessment first became delinquent until paid.

5. *Penalties Merged With Assessment:* Every penalty imposed and such interest as accrues shall become a part of the assessment required to be paid.

F. Time and Manner for Collecting Assessments

The LTID assessment will be implemented beginning January 1, 2019 and will continue for ten (10) years through December 31, 2028. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTID as defined in Streets and Highways Code §36612. The City Council has determined that Visit Lompoc will continue to serve as the Owners' Association for the LTID.

B. Brown Act and California Public Records Act Compliance

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

C. Annual Report

VL shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The VL shall deliver an annual report to the City of Lompoc within 60 days of the end of the calendar year in order for the annual report to be presented to the City Council by the second meeting of March during the term of the assessment with the final report due to the City Council no later than February 23, 2029 for the 2028 calendar year.

The annual report shall include:

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

APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT ***
(ALL 2017 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

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

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

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

incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

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

36602. Purpose of part

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

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

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

36603.5. Part prevails over conflicting provisions

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

36604. Severability

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

ARTICLE 2. Definitions

36606. “Activities”

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

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

36606.5. “Assessment”

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

36607. “Business”

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

36608. “City”

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

36609. “City council”

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

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

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

36610. “Improvement”

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

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

36611. “Management district plan”; “Plan”

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

36612. “Owners’ association”

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

36614. “Property”

“Property” means real property situated within a district.

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

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

36614.6. “Property-based assessment”

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

36614.7. “Property-based district”

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

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

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

36615.5. “Special benefit”

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

36616. “Tenant”

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

ARTICLE 3. Prior Law

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

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

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

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

36620.5. Requirement of consent of city council

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

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

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
- (1) A map showing the boundaries of the district.
 - (2) Information specifying where the complete management district plan can be obtained.
 - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

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

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial

year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

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

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

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

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

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

36625. Resolution of formation

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

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

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

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

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

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

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

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

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

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

36626. Resolution establishing district

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

36627. Notice and assessment diagram

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

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

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

36628.5. Assessments on businesses or property owners

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

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

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

36630. Expiration of district; Creation of new district

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

CHAPTER 3. Assessments

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

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

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

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

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

businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

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

36633. Time for contesting validity of assessment

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

36634. Service contracts authorized to establish levels of city services

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

36635. Request to modify management district plan

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

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

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

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

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

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

36637. Reflection of modification in notices recorded and maps

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

CHAPTER 3.5. Financing

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

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

may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

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

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

CHAPTER 4. Governance

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

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

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

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

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

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

CHAPTER 5. Renewal

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

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed

district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

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

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

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

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

APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Address	City, State, ZIP
1890 House B&B	122 West Cypress Avenue	Lompoc, CA 93436
Budget Inn	817 North H Street	Lompoc, CA 93436
Embassy Suites	1117 North H Street	Lompoc, CA 93436
Hilton Garden Inn	1201 North H Street	Lompoc, CA 93436
Holiday Inn Express	1417 North H Street	Lompoc, CA 93436
Inn at Highway 1	1200 North H Street	Lompoc, CA 93436
Inn of Lompoc	1122 North H Street	Lompoc, CA 93436
Lompoc Motel	528 North H Street	Lompoc, CA 93436
Lompoc Valley Inn & Suites	1621 North H Street	Lompoc, CA 93436
Lotus of Lompoc	1415 East Ocean Avenue	Lompoc, CA 93436
Motel 6	1521 North H Street	Lompoc, CA 93436
O'Cairns Inn & Suites	940 East Ocean Avenue	Lompoc, CA 93436
Red Roof Inn	1020 East Ocean Avenue	Lompoc, CA 93436
Star Motel	216 East Ocean Avenue	Lompoc, CA 93436

2019-2028



LOMPOC TOURISM IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

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

May 1, 2018

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Prepared by
Civitas



ROE Version

I. OVERVIEW

Developed by Lompoc lodging businesses and Visit Lompoc (VL), the Lompoc Tourism Improvement District (LTID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. The LTID was formed in 2013 by Lompoc City Council Resolution No. 5886(13) for a five (5) year term ending December 31, 2018; lodging businesses now wish to renew it for an additional ten (10) years.

Location: The renewed LTID includes all lodging businesses located within the boundaries of City of Lompoc, as shown on the map in Section III.

Services: The LTID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total LTID annual budget for the initial year of its ten (10) year operation is anticipated to be approximately \$360,000. This budget is expected to fluctuate as room sales and the assessment rate do, over the LTID's term.

Cost: The current annual assessment rate is two percent (2%) of gross short-term room rental revenue. ~~During the ten (10) year term, the VL board may request the assessment rate may be increased to a maximum of five percent (5%) of gross short-term room rental revenue. The maximum increase in any year shall be no more than one percent (1%) of gross short-term room rental revenue. Each request for annual increase, if any, shall be submitted by VL as part of its annual report and be subject to the Council's approval as part of that annual report.~~ Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days and stays by government employees on government business.

Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the LTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The renewed LTID will have a ten (10) year life, beginning January 1, 2019 through December 31, 2028. Once per year, beginning on the anniversary of LTID renewal, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on LTID termination.

Management: VL will continue to serve as the LTID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

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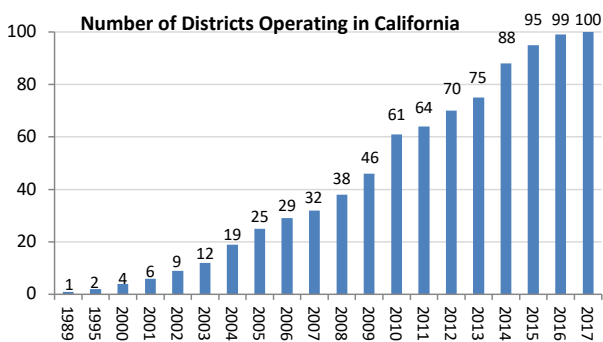
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II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, one hundred California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TBID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over \$250 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Lompoc lodging businesses continue to invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

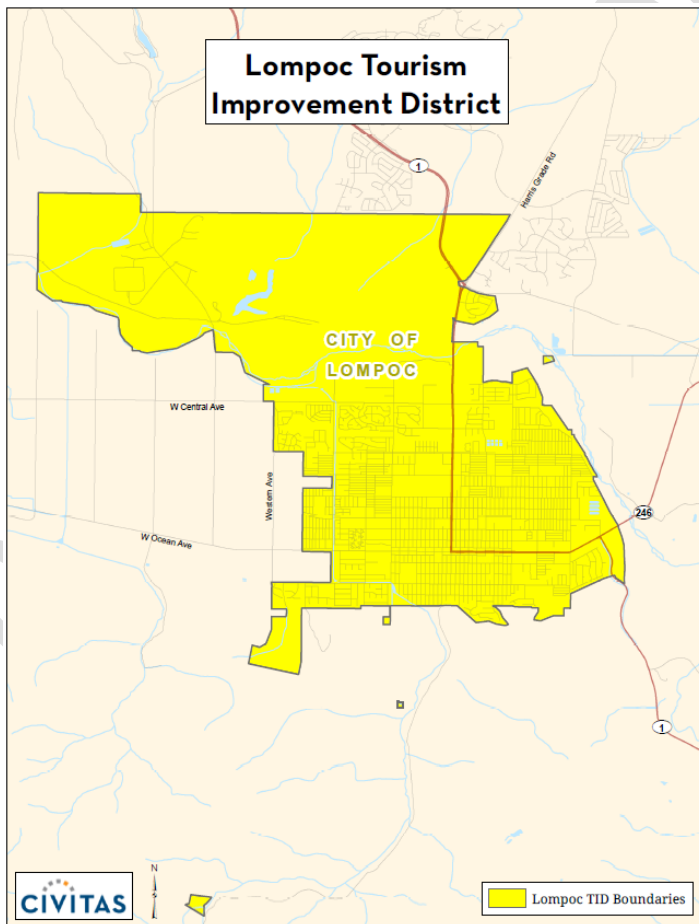
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are **designed, created and governed by those who will pay** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The LTID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of City of Lompoc.

Lodging business means: any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes thirteen (13) lodging businesses. A complete listing of lodging businesses within the renewed LTID can be found in Appendix 2.



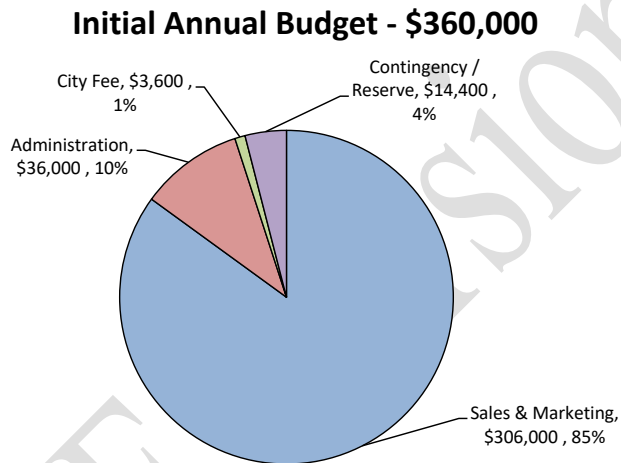
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IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the LTID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit the assessed businesses. A detailed annual budget will be developed and approved by the VL Board. The table below illustrates the initial annual budget allocations. The total initial budget is \$360,000.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the VL Board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the LTID, any and all assessment funds may be used for the costs of defending the LTID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the VL Board on an as needed basis.

Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Lompoc as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

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- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed businesses; and
- Education of lodging business management and the Owners' Association on marketing strategies best suited to meet Lompoc's needs.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

City Administration Fee

The City of Lompoc shall retain a fee equal to one percent (1%) of the amount of assessment collected to cover its costs of collection and administration.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the VL Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the VL Board. Contingency/reserve funds may be spent on LTID programs or administrative and renewal costs in such proportions as determined by the Owners' Association. The reserve fund may be used for the costs of renewing the LTID.

B. Annual Budget

The total ten (10) year improvement and service plan budget is projected at approximately \$360,000 annually, or approximately \$9,194,980.56 through 2028 if the maximum assessment rate increases are adopted by the VL Board. This amount may fluctuate as room sales change and if the assessment rate is increased. If the maximum annual assessment rate increases are adopted by the VL Board, the annual budget will increase as estimated in the following table.

The assessment rate may or may not increase starting in 2020, the increases may be implemented beginning in 2020 or in later years at the discretion of the VL Board. The table below demonstrates the estimated maximum budget with the assumption that the assessment rate will be increased by one percent (1%) in 2020, 2021, and 2022 as it is a required disclosure, it is not the anticipated course of

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action. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of LTID efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TID budgets.

Estimated Annual Budget If Maximum Assessment Rates Are Adopted 2019-2028

Year	Sales & Marketing	Administration	City Fee	Contingency / Reserve	TOTAL
%	85%	10%	1%	4%	100%
2019	\$306,000.00	\$36,000.00	\$3,600.00	\$14,400.00	\$360,000.00
2020	\$472,770.00	\$55,620.00	\$5,562.00	\$22,248.00	\$556,200.00
2021	\$647,647.62	\$76,193.84	\$7,619.38	\$30,477.54	\$761,938.38
2022	\$833,846.31	\$98,099.57	\$9,809.96	\$39,239.83	\$980,995.66
2023	\$858,861.70	\$101,042.55	\$10,104.26	\$40,417.02	\$1,010,425.53
2024	\$884,627.56	\$104,073.83	\$10,407.38	\$41,629.53	\$1,040,738.30
2025	\$911,166.38	\$107,196.04	\$10,719.60	\$42,878.42	\$1,071,960.45
2026	\$938,501.37	\$110,411.93	\$11,041.19	\$44,164.77	\$1,104,119.26
2027	\$966,656.41	\$113,724.28	\$11,372.43	\$45,489.71	\$1,137,242.84
2028	\$995,656.11	\$117,136.01	\$11,713.60	\$46,854.41	\$1,171,360.13
TOTAL	\$7,815,733.47	\$919,498.06	\$91,949.81	\$367,799.22	\$9,194,980.56

C. California Constitutional Compliance

The LTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.¹ Rather, the LTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the LTID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.”² The services in this Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the LTID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the LTID, and are narrowly tailored. LTID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in LTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

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The assessment imposed by the LTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the LTID assessment, with marketing and sales programs promoting lodging businesses paying the LTID assessment. The marketing and sales programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration and contingency/reserve services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the LTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the LTID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

LTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the VL Board, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from LTID-funded activities, be featured in advertising campaigns, and benefit from other LTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, LTID-funded services and benefits.

The LTID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-LTID funds. LTID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

³ Government Code § 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code § 53758(b)

⁶ Government Code § 53758(b)

D. Assessment

The initial annual assessment rate is two percent (2%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days and stays by government employees on government business.

During the ten (10) year term, the VL Board my request the assessment rate be increased to a maximum of five percent (5%) of gross short-term room rental revenue. The maximum assessment increase in any year shall be no more than one percent (1%) of gross short-term room rental revenue. Each request for annual increase, if any, shall be submitted by VL as part of its annual report and be subject to the Council’s approval as part of that annual report.

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The term “gross room rental revenue” as used herein means: the consideration charged whether or not received, for the occupancy of space in a lodging business valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the “TTD Assessment.” The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

The LTID shall reimburse the City of Lompoc for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent LTID assessment are sought to be recovered in the same collection action by the City, the LTID shall bear its pro rata share of such collection costs.

The City shall consult with the LTID on the decision to hire a collections agent but retains its right to hire the collections agent of its choice for the purposes of collecting unpaid assessments.

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Assessed businesses which are delinquent in paying the assessment shall be responsible for paying;

1. *Original Delinquency:* Any lodging business which fails to remit any assessment within the time required shall pay a penalty of ten percent (10%) with a minimum of \$200 per occurrence of the amount of the assessment in addition to the amount of the assessment.
2. *Continued Delinquency:* Any lodging business which fails to remit any delinquent assessment on or before a period of thirty (30) days following the date on which the assessment first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. *Fraud:* If the City determines that the nonpayment of any assessment is due to fraud, a penalty of a minimum of twenty-five percent (25%) or \$500, whichever is more, of the amount of the assessment shall be added thereto in addition to the penalties stated above.
4. *Interest:* In addition to the penalties imposed, any lodging business which fails to remit any assessment due shall pay interest at the rate of one-half of one percent (0.5%) per month or

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fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the assessment first became delinquent until paid.

5. *Penalties Merged With Assessment:* Every penalty imposed and such interest as accrues shall become a part of the assessment required to be paid.

F. Time and Manner for Collecting Assessments

The LTID assessment will be implemented beginning January 1, 2019 and will continue for ten (10) years through December 31, 2028. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

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V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTID as defined in Streets and Highways Code §36612. The City Council has determined that Visit Lompoc will continue to serve as the Owners' Association for the LTID.

B. Brown Act and California Public Records Act Compliance

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

C. Annual Report

VL shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). [The VL shall deliver an annual report to the City of Lompoc within 60 days of the end of the calendar year in order for the annual report to be presented to the City Council by the second meeting of March during the term of the assessment with the final report due to the City Council no later than February 23, 2029 for the 2028 calendar year.](#)

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The annual report shall include:

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

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APPENDIX 1 – LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT ***
(ALL 2017 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

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

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

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

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incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

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

36602. Purpose of part

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

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

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

36603.5. Part prevails over conflicting provisions

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

36604. Severability

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

ARTICLE 2. Definitions

36606. "Activities"

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

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

36606.5. "Assessment"

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

36607. "Business"

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

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36608. “City”

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

36609. “City council”

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

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

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

36610. “Improvement”

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

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

36611. “Management district plan”; “Plan”

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

36612. “Owners’ association”

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

36614. “Property”

“Property” means real property situated within a district.

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

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

36614.6. “Property-based assessment”

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

36614.7. “Property-based district”

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

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

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

36615.5. “Special benefit”

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

36616. “Tenant”

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

ARTICLE 3. Prior Law

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

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

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

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

36620.5. Requirement of consent of city council

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

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

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
 - (1) A map showing the boundaries of the district.
 - (2) Information specifying where the complete management district plan can be obtained.
 - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
 - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

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

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.
- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial

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year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

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

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

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

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

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

36625. Resolution of formation

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

- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.
- (2) The number, date of adoption, and title of the resolution of intention.
- (3) The time and place where the public hearing was held concerning the establishment of the district.
- (4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.
- (5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.
- (6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.
- (7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.
- (8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

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

36626. Resolution establishing district

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

36627. Notice and assessment diagram

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

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

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

36628.5. Assessments on businesses or property owners

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

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

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

36630. Expiration of district; Creation of new district

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

CHAPTER 3. Assessments

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

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

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

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

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

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businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

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

36633. Time for contesting validity of assessment

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

36634. Service contracts authorized to establish levels of city services

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

36635. Request to modify management district plan

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

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

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

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

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

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

36637. Reflection of modification in notices recorded and maps

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

CHAPTER 3.5. Financing

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

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

may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

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

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

CHAPTER 4. Governance

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

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

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

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

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

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

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

CHAPTER 5. Renewal

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

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed

district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

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

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

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

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

APPENDIX 2 – ASSESSED BUSINESSES

Business Name	Address	City, State, ZIP
1890 House B&B	122 West Cypress Avenue	Lompoc, CA 93436
Budget Inn	817 North H Street	Lompoc, CA 93436
Embassy Suites	1117 North H Street	Lompoc, CA 93436
Hilton Garden Inn	1201 North H Street	Lompoc, CA 93436
Holiday Inn Express	1417 North H Street	Lompoc, CA 93436
Inn at Highway 1	1200 North H Street	Lompoc, CA 93436
Inn of Lompoc	1122 North H Street	Lompoc, CA 93436
Lompoc Motel	528 North H Street	Lompoc, CA 93436
Lompoc Valley Inn & Suites	1621 North H Street	Lompoc, CA 93436
Lotus of Lompoc	1415 East Ocean Avenue	Lompoc, CA 93436
Motel 6	1521 North H Street	Lompoc, CA 93436
O' Cairns Inn & Suites	940 East Ocean Avenue	Lompoc, CA 93436
Red Roof Inn	1020 East Ocean Avenue	Lompoc, CA 93436
Star Motel	216 East Ocean Avenue	Lompoc, CA 93436

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City Council Agenda Item

City Council Meeting Date: May 15, 2018

TO: Honorable Mayor and Members of the City Council

FROM: Teresa Gallavan, Interim City Manager
t_gallavan@ci.lompoc.ca.us

Joseph W. Pannone, City Attorney
jpannone@awattorneys.com

SUBJECT: Discussion and Direction Regarding Possible Commercial Cannabis Activities Tax Measure for the November, 2018, Election

Recommendation:

Staff recommends the City Council provide input and direction to staff on whether to prepare a tax measure regarding commercial cannabis activities within the City of Lompoc (City) and, if so, then the taxes to be proposed.

Background:

At your May 1, 2018, City Council meeting, a consensus of the City Council requested this matter be brought back for discussion and direction.

The State currently applies the following taxes to cannabis uses:

State excise tax	– 15% of retail sales price
State dry weight tax	– \$9.25 per oz.
State/local sales tax	– 7.75% (6% State, 1% Local + 0.5% Public Safety + 0.25% County)

Discussion:

At your March 20, 2018, City Council meeting, SCI Consulting presented information about options for a possible tax measure on commercial cannabis activities. Some of the information is presented below. If the City Council directs staff to prepare an ordinance to be placed on the November, 2018, ballot, then it also needs to direct the amount and type of taxes that would be proposed. Those taxes could be based on gross receipts, square-footage of business areas, weight of product and other methods. At your May 1,

2018, meeting Mayor Pro Tem Osborne suggested the following when she sought a consensus for this matter to be returned to the Council:

Type of Business	Amount of Tax
Retail	Phased in 6% of gross receipts (2% for first year of business, increased by 1% each year to 6% max)
Manufacturing/Cultivation (except nurseries)	3% of gross receipts
Nurseries	1% of gross receipts
Distribution	1% of gross receipts
Testing	0%
Microbusiness ¹	Total cap 6% of all gross receipts for all functions

¹ Cultivation on an area less than 10,000 square feet, in conjunction with a licensed distributor, Level 1 manufacturer, and retailer

The following table represents taxes imposed by various communities throughout the State:

City	Gross Receipts Tax	Square Footage Tax	Comments
City of Santa Barbara	Proposed gross receipts tax: 6% retail dispensary; 3% manufacturing; 4% cultivation; 1% nurseries; 1% distribution; 0% testing; 8% microbusiness	N/A	City Council proposed direction for upcoming tax ordinance
City of Santa Maria	N/A	N/A	Ban on Commercial
City of Atascadero	5% gross receipts tax on all commercial cannabis activities	\$5 per square foot of cultivation facility	Cultivators can choose to pay gross receipts or per sq. ft.; tax approved 2016
City of Grover Beach	5% on gross receipts of medical related sales and 10% on non-medical	\$25 per sq. ft. on nurseries and cultivation for the first 5,000 sq. ft., then \$10 per sq. ft. for additional. sq. ft.	Future increases tied to the Consumer Price Index (CPI)
City of Morro Bay	N/A	N/A	Considering tax measure for November, 2018
City of Paso Robles	N/A	N/A	Considering tax measure for November, 2018
City of Pismo Beach	N/A	N/A	Ban on Commercial
City of San Luis Obispo	N/A	N/A	Considering tax measure for 2018
City of Coalinga	10% gross receipts on dispensaries	\$25 per sq. ft. on other cannabis businesses for the first 3,000 sq. ft. then \$10 per sq. ft. for additional. sq. ft.	Tax approved 2016

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Possible Cannabis Tax Measure
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City of Costa Mesa	6% gross receipts tax on all cannabis businesses	N/A	
City of Fillmore	15% gross receipts tax on retail dispensaries	Cultivation \$30 per sq. ft. first 3,000 sq. ft., \$15 per sq. ft. on remainder	Cultivation tax subject to CPI; tax approved 2016
City of Gonzales	5% gross receipts tax on manufacturers capped at 15%	\$15 per sq. ft. cultivation tax capped at \$25	Tax Approved 2016
City of Greenfield	10% gross receipts tax on non-cultivation activities	\$25 per sq. ft. cultivation tax with CPI	Tax approved 2016
City of Monterey	N/A	N/A	Ban on Commercial
City of Santa Cruz	7% gross receipts with increases up to 10% on cannabis businesses	N/A	
City of Seaside	Up to 10% gross receipts on cannabis businesses	N/A	
City of Watsonville	2.5% gross receipts tax on manufactured product, 10% retail	\$20 per sq. ft. on cultivation	Tax approved 2016
County	Gross Receipts Tax	Square Footage Tax	Comments
Santa Barbara County	Proposed gross receipts tax – 6% retail dispensaries, 4% cultivation, 3% manufacturers; 1% nurseries & distributors, 8% microbusinesses	N/A	Tax measure planned for June, 2018 ballot
San Luis Obispo County	Proposed – 4% initial rate with annual automatic increases of 2% max rate of 10% on gross receipts, 0% for testing laboratories	Proposed sq. ft. fee (non-tax) to cover direct costs – \$.50 to \$1.00	Square foot charge depends on number licenses and size of the grow
Humboldt County	N/A	\$1.00 to \$3.00 per sq. ft. outdoor/indoor, annually	Treasurer-Tax Collector states approx. 10,000 growers in Humboldt County – 4 months ago, 3,500 had applied for licenses
Lake County	\$1 per sq. ft. outdoor cultivation, \$2 per sq. ft. mixed light, \$3 per sq. ft. indoor	N/A	Subject to annual CPI
Mendocino County	2.5% on cultivation, capped at 10% on gross receipts, with minimum determined by square feet of cultivation; 5% on retail; Board considers annual increases, of 2.5% per year, 10% max.	N/A	Annual flat \$2,500 tax, with CPI every year after 7/1/2020 on other cannabis businesses
Monterey County	5% to 10% tax on gross receipts	\$25 sq. ft. for cultivation; \$5 sq. ft. nurseries	These are the maximum amounts that are reached by 2021
Santa Cruz County	7% up to 10% on gross receipts	N/A	Initial rate of 7% capped at 10% gross receipts

One consideration for the City Council to keep in mind is the importance of balancing the revenue opportunity for the City against the risk of increasing incentives for the black market cannabis operations to continue.

Fiscal Impact:

SCI Group indicated the revenues generated by taxes on commercial cannabis activities could range from \$700,000 to \$3 Million, annually. The additional cost to the City for having the tax measure on the ballot at the November election is estimated to be approximately \$20,000.00 for a single measure.

Conclusion:

The City Council is requested to provide input and direction to staff on the various tax options that could be applicable to commercial cannabis activities. If the City Council directs staff to return with an ordinance to be placed on the November, 2018, ballot, then that proposed ordinance, and the required resolutions to place that ordinance on the ballot for voter approval, will be brought to the City Council. This will occur at the same meeting the resolutions are brought to the City Council to call the City's 2018 general election for Mayor and two Council districts.

Respectfully submitted,

Teresa Gallavan, Interim City Manager

Joseph W. Pannone, City Attorney