

**NOTICE TO PROPERTY OWNERS AND BALLOT
FOR ANNEXATIONS INTO, DETACHMENTS FROM, CREATION OF NEW ZONES, AND
DISSOLUTION OF EXISTING ZONES, AND ASSESSMENT RATE ADJUSTMENTS IN
LANDSCAPE MAINTENANCE DISTRICT NOS. 1, A2 AND T1 (VARIOUS ZONES)**

I. Notice

This notice informs you, as record owner of property within the proposed Districts, that on July 14, 2009, the City of Santa Clarita City Council adopted a resolution in which it declared its intention to annex various properties in the City into, create new Zones within and adjust assessment rates in various Zones within Landscape Maintenance District (LMD) No. 1 and set assessments therefore, for Fiscal Year (FY) 2009-10; to detach various parcels from LMD Nos. T1, 1 and A2 and from Zones within LMD No. T1 that are being annexed into new or existing Zones in LMD No. 1; and to dissolve various Zones within LMD Nos. 1, A2 and T1 that are no longer needed (together termed the "Assessment Changes"), and has scheduled a Public Hearing concerning the proposed Assessment Changes.

The Public Hearing will be held during a regular meeting of the Santa Clarita City Council, in City Hall Council Chambers, 23920 Valencia Boulevard, 1st Floor, Santa Clarita, California, on

September 8, 2009, at 6:00 p.m.

or as soon thereafter as the matter may be heard. All interested persons are invited to attend the Public Hearing and express opinions on the matter of the proposed Annexation.

Property owners who wish to submit an assessment ballot should mail or personally deliver it to the City Clerk prior to the close of the scheduled Public Hearing in accordance with the directions provided on the back of the ballot in "Summary of Ballot Procedures."

II. Assessment Information

1. **Name of Assessment Changes:** Assessment Changes in Landscape Maintenance Districts Nos. 1, T1 and A2 (Various Zones)
2. **The total estimated maximum annual Assessment for the entire Assessment Changes for FY 2009-10:** \$3,050,492.89
3. **Your Proposed Annual Assessment:** The proposed maximum annual Assessment on your parcel for FY 2009-10 is shown on the yellow assessment ballot.
4. **Duration of the Proposed Assessment:** The proposed assessment for installation, maintenance and servicing of landscaping improvements will be levied annually. The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate each year without receiving property owner approval for the increase. The maximum annual maintenance assessment rates will be increased each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the Los Angeles, Riverside and Orange County areas, published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index should the stated index be discontinued).
5. **Reason for the Assessment:** To fund the costs of installation, servicing and maintenance of landscaped improvements within public rights-of-way and dedicated landscape easements within various areas in the City.
6. **Calculation of the Assessment:** The assessment is proposed on all parcels that receive direct and special benefit from the operation and maintenance of the landscaping improvements. Please see the back of this page for more information on how the assessments are calculated.
7. **Balloting Results:** If a majority of the ballots returned are in support of the Assessment Changes, the City Council may approve the Assessment Changes and the Assessment(s) in the amount listed on the enclosed ballot will be imposed. If a majority of the ballots returned are in opposition to the Assessment Changes, the Assessment Changes will not occur. Ballots are weighted proportionally by each parcel's proposed Assessment amount (This means essentially \$1 = 1 vote).

The proposed Assessment Changes described in this Notice are new or increased and, if approved, will appear on your property tax bill. If approved, the assessments and restructuring will not be in effect until FY 2010-11.

III. Questions Regarding These Proceedings

If you have any questions about the proposed Assessment Changes or this process, please contact Special Districts at the City of Santa Clarita at (661) 286-4020, Monday through Friday, 8:00 a.m. - 5:00 p.m., or send an email to Imd@santa-clarita.com.

For additional information, go to www.santa-clarita.com/LMD2009annexation

ASSESSMENT CALCULATION INFORMATION

The methodology for apportioning the special benefit received from the construction, operation and maintenance of landscaping is that methodology that has been approved by the City Council for Landscape Maintenance Districts No. 1 (Various Zones) (the "Assessment Changes").

Proper maintenance of the landscaping and hardscaping within the public right-of-way and easements provides special benefit to adjacent properties by providing community character and vitality. Trees, shrubbery, grass, and ornamental vegetation, landscaping, hardscaping and appurtenant facilities, if well maintained, provide beautification and enhancement of the desirability of the surroundings; therefore, these improvements provide special benefit to those developments and parcels that are directly adjacent to the landscaped medians and take their main access off of these roadways. Landscaping along the major thoroughfares of the City provides only incidental benefits to motorists traveling to, from or through the City.

The following is a description of the zones to be created, areas to be annexed, and assessments to be adjusted within the City's Landscape Maintenance District No. 1.

Annexation to District No. 1, Zone 2008-1 (Major Thoroughfare Medians) - The improvements are the landscaping in medians within the major thoroughfares of the City. Various parcels are being annexed into this Zone.

District No. 1, Zone 4 (Via Princessa/Sierra Hwy) - This was previously established and is being expanded to include Zones 2A – E and 2G (which are being dissolved). The improvements include the local street medians, parkways, side panels, street trees, ornamental structures and bus stop amenities in rights-of-way and easements within and adjacent to the Zone.

District No. 1, Zone 6 (Whites Canyon & Canyon Crest) and District No. 1, Zone 8 (Friendly Valley Pkwy & Sierra Hwy) - These Zones, which are being annexed into Zone 2008-1, were previously funding local improvements as well as major thoroughfare median improvements. The budgets for these Zones have been reduced to only include the local improvements and the rates have been reduced accordingly.

District No. 1, Zone T7 (Valencia Central & North Valley) - This Zone was previously established as District No. T1, Zone T7, which is being dissolved. The improvements include the parkways and side panels, street trees, ornamental structures and bus stop amenities in rights-of-way and easements within and adjacent to the Zone.

District No. 1, Zone 21 (Golden Valley Ranch - Residential) - This Zone was previously established as District No. 1, Zone 1 Annexation 1D, which is being dissolved. The improvements include the slopes, local street medians, parkways, side panels, street trees, ornamental structures and bus stop amenities in rights-of-way and easements within and adjacent to the Zone.

District No. 1, Zone 22 (Henry Mayo Newhall Memorial Hospital) - The improvements include the slopes, parkways, side panels, street trees, ornamental structures and bus stop amenities in rights-of-way and easements within and adjacent to the Zone.

District No. 1, Zone 23 (Golden Valley Rd – Montecito) - This Zone was previously established as District No. 1, Zone 1A, which is being dissolved. The improvements include the street trees in rights-of-way and easements within and adjacent to the Zone.

District No. 1, Zone 24 (Golden Valley Rd – Canyon Gate) - This Zone was previously established as District No. 1, Zone 1C, which is being dissolved and an additional parcel is being included within this Zone. The improvements include the parkways, side panels and street trees, and bus stop amenities in rights-of-way and easements within and adjacent to the Zone.

District No. 1, Zone 25 (Sierra Hwy, Tract 53419, Valle Di Oro) - This Zone was previously established as District No. 1, Zone 1F, which is being dissolved. The improvements include the parkways, side panels, street trees, and bus stop amenities in rights-of-way and easements within and adjacent to the Zone.

The assessment to each of the above Zones is apportioned to the benefiting properties based on Equivalent Dwelling Units (EDU's) such that a Single Family Detached Residence (SFR) is equal to 1 EDU and all other properties are converted to EDU's based on their relative benefit as compared to a SFR per the table at the right.

ASSESSMENT APPORTIONMENT AND RATES

The table to the right provides the assessment apportionment for the areas and shows the estimated maximum annual assessment rate for each zone for FY 2009-10*. These changes, if approved, will not go into affect until FY 2010-11.

*The maximum annual maintenance assessment rates will be increased each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the Los Angeles, Riverside and Orange County areas, published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index should the stated index be discontinued).

| Land Use | Assessed Unit | x | EDU Factor | = | Equivalent Dwelling Unit Rate (EDU) |
|--|---------------|---|------------|---|-------------------------------------|
| Residential | | | | | |
| Single family home | 1 dwelling | x | 1 | = | 1.00 EDU / dwelling |
| Single family vacant (subdivided) | 1 parcel | x | 0.25 | = | 0.25 EDU / parcel |
| Multi-Family (including Condo) | 1 dwelling | x | 0.75 | = | 0.75 EDU / dwelling |
| Mobile Home Parks | 1 space | x | 0.5 | = | 0.50 EDU / space |
| Developed Non-Residential | | | | | |
| | 1 acre | x | 6.00 | = | 6.00 EDU / acre |
| Vacant / Park / K-12 School / Golf Course | | | | | |
| | 1 acre | x | 1.5 | = | 1.50 EDU / acre |

| District 1 - Adjustments & Annexations | EDU's | FY 09-10 | FY 09-10 Max. |
|---|------------|----------------|------------------|
| | | Max. Costs | Asmt Rate* |
| Zone 2008-1 Annex No. 1 (Major Medians) | 24,221.060 | \$1,382,295.89 | \$57.07 / EDU |
| Zone 4 (Via Princessa / Sierra Hwy) | 527.460 | \$99,100.00 | \$187.89 / EDU |
| Zone 6 (Whites Canyon and Canyon Crest) | 282.000 | \$140,000.00 | \$496.46 / EDU |
| Zone 8 (Friendly Valley Pkwy and Sierra Hwy) | 37.470 | \$7,357.00 | \$196.35 / EDU |
| Zone T7 (Valencia Central & North Valley) | 1,972.025 | \$450,000.00 | \$228.20 / EDU |
| Zone 21 (Golden Valley Ranch - Residential) | 491.465 | \$825,760.00 | \$1,680.21 / EDU |
| Zone 22 (HMNM Hospital) | 182.280 | \$44,400.00 | \$243.59 / EDU |
| Zone 23 (Golden Valley Rd - Montecito) | 104.240 | \$4,680.00 | \$44.90 / EDU |
| Zone 24 (Golden Valley Rd - Canyon Gate) | 150.025 | \$90,000.00 | \$599.91 / EDU |
| Zone 25 (Sierra Hwy, Tract 53419, Valle Di Oro) | 47.465 | \$6,900.00 | \$145.38 / EDU |

The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate without receiving property owner approval for the increase.