



Final Engineer's Report

For

**Annexations into, Detachments from,
Creation of New Zones, and
Assessment Rate Adjustments
City of Santa Clarita
Landscape Maintenance District
Nos. 1, A2 and T-1
(Various Zones)**

Fiscal Year 2007-08

Submitted To:

Santa Clarita, California

Prepared By:



Harris & AssociatesSM

March 19, 2008

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**CITY OF SANTA CLARITA
ANNEXATIONS INTO, DETACHMENTS FROM, CREATION OF NEW ZONES, AND
ASSESSMENT RATE ADJUSTMENTS
LANDSCAPE MAINTENANCE DISTRICT NOS. 1, A2 AND T1
(VARIOUS ZONES)**

ENGINEER'S REPORT

CERTIFICATES

The undersigned acting on behalf of Harris & Associates, respectfully submits the enclosed Engineer's Report as directed by City Council pursuant to the provisions of Section 4 of Article XIID of the California Constitution, and provisions of the Landscaping and Lighting Act of 1972, Section 22500 et seq. of the California Streets and Highways Code. The undersigned certifies that she is a Professional Engineer, registered in the State of California.



Dated: March 19, 2008

BY: Joan E. Cox
R.C.E. No. 41965

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached, was filed with me on the ___ day of _____, 2008.

Sharon L. Dawson, City Clerk
City of Santa Clarita
Los Angeles County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Santa Clarita, California, on the ___ day of _____, 2008.

Sharon L. Dawson, City Clerk
City of Santa Clarita
Los Angeles County, California

By _____

**FISCAL YEAR 2007-08
ENGINEER'S REPORT PREPARED PURSUANT
TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972
SECTION 22500 THROUGH 22679
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE,
ARTICLE XIIIID OF THE CALIFORNIA CONSTITUTION, AND
THE PROPOSITION 218 OMNIBUS IMPLEMENTATION ACT
(GOVERNMENT CODE SECTION 53750 ET SEQ.)**

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, Article XIIIID of the California Constitution (Proposition 218), the Proposition 218 Omnibus Implementation Act and in accordance with the Resolution of Initiation, adopted by the City Council of the City of Santa Clarita, State of California, in connection with the proceedings for:

**ANNEXATIONS INTO, DETACHMENTS FROM, CREATION OF NEW ZONES, AND
ASSESSMENT RATE ADJUSTMENTS
LANDSCAPE MAINTENANCE DISTRICT NOS. 1, A2 AND T1
(VARIOUS ZONES)**

hereinafter referred to as the "Maintenance District" or "District", I, Joan E. Cox, P.E., the authorized representative of Harris & Associates, the duly appointed ASSESSMENT ENGINEER, submit herewith the "Report" consisting of five (5) parts as follows:

PART A – PLANS AND SPECIFICATIONS

Contains a description of the improvements that are to be maintained or serviced by the District.

PART B – ESTIMATE OF COST

Identifies the estimated cost of the services or maintenance to be provided by the District, including incidental costs and expenses in connection therewith.

PART C – METHOD OF APPORTIONMENT

Describes the basis on which the costs have been apportioned to each parcel of land within the Maintenance District, in proportion to the estimated benefits to be received by such lots and parcels.

PART D – ASSESSMENT ROLL

Identifies the maximum assessment to be levied on each benefited lot or parcel of land within the Maintenance District.

PART E – ASSESSMENT DIAGRAM

Contains a Diagram of the Maintenance District Boundaries showing the exterior boundaries of the Maintenance District, the boundaries of any zones within the Maintenance District and the lines and dimensions of each lot or parcel of land within the Maintenance District.

PART A PLANS AND SPECIFICATIONS

DESCRIPTION OF IMPROVEMENTS TO BE MAINTAINED AND SERVICED

The improvements proposed to be installed, maintained and serviced are generally described as improvements within public rights-of-way and dedicated landscape easements within various tracts and on individual parcels located throughout the City including, but not limited to: landscaping, planting, shrubbery, trees, irrigation systems, hardscapes and fixtures; statuary, fountains and other ornamental structures and facilities; public lighting facilities; facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities; and, park or recreational improvements, including, but not limited to, playground equipment, play courts, public restrooms, and paseos/trails.

The District will fund costs in connection with the maintenance and servicing including, but not limited to, labor, electrical energy, water, materials, contracting services, administration, and other expenses necessary for the satisfactory maintenance and servicing of these improvements.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the ornamental structures, landscaping and appurtenant facilities, including repair, removal or replacement of all or part of any of the ornamental structures, landscaping or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and treating for disease or injury; the removal of trimmings, rubbish, debris, other solid waste; and pest control; the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of electricity for the operation of any appurtenant facilities, and water for the irrigation and control of the landscaping and the maintenance of any of the ornamental structures, landscaping and appurtenant facilities.

The plans and specifications for the improvements are voluminous and are not bound in this Report but by this reference are incorporated and made part of the Report; and are on file at the City. A summary of the plans and specifications are on file in the office of the City Clerk.

PART B ESTIMATE OF COST

The estimated maximum costs for the operation, maintenance and servicing of the facilities, shown below, are the estimated costs of maintenance if the facilities were fully maintained for Fiscal Year 2007-08. The 1972 Act provides that the total cost of the maintenance and services, together with incidental expenses, may be financed from the assessment proceeds. The incidental expenses may include engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the district proceedings.

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. The City may advance funds to the District, if needed, to ensure adequate cash flow, and will be reimbursed for any such advances upon receipt of assessments. Any surplus or deficit remaining on July 1 must be carried over to the next fiscal year.

	FY 2007-08 Maximum Budget
District No. 1, Zone 2008-1 (Major Thoroughfare Medians)	
Major Thoroughfare Median Maintenance (Citywide)	\$4,242,108
Landscaped parkways, side panels and other landscape and ornamental improvements previously funded by T1 Areawide (now funded through T1 Ad Valorem revenues)	\$400,000
Administration Costs	\$12,000
	\$4,654,108
Operating Reserve	\$665,500
Replacement Reserve	\$2,104,961
Prior Year (surplus) or deficit	(\$2,034,803)
	\$5,389,766
<u>Less Ad Valorem T1 Revenue</u>	<u>(\$585,515)</u>
Total Revenue Required:	\$4,804,251
<u>City Contribution - allowance for parcels and improvements not yet included</u>	<u>\$2,564,872</u>
	Total to Assessment: \$2,239,379

	FY 2007-08 Maximum Budget
District No. 1, Zone 15 (River Village)	
Landscaped Parkways	\$205,879
Landscaped Irrigated Slopes	\$135,902
Landscaped Open Space	\$109,519
	<u>\$451,300</u>
Operating Reserve	\$250,000
Replacement Reserve	\$45,000
Prior Year (surplus) or deficit	\$0
	<u>\$746,300</u>
Total to Assessment	\$746,300
	FY 2007-08 Maximum Budget
District No. 1, Zone 16 (Valencia Industrial Center)	
Landscaped Parkways / Side Panels	\$159,750
Street Trees	\$89,100
Landscaped Local Street Medians	\$79,007
Ornamental Structures (entry monuments)	\$8,000
Ornamental Structures (bus stop amenities)	\$15,000
Recreational Paseos/Trails	\$0
	<u>\$350,857</u>
Operating Reserve	\$35,100
Replacement Reserve	\$35,100
Prior Year (surplus) or deficit	(\$219,467)
Revenues from existing Zone 16 parcels (coming)	(\$108,311)
	<u>\$93,279</u>
Total to Assessment	\$93,279
	FY 2007-08 Maximum Budget
District No. 1, Zone 18 (Town Center / Tourney Road)	
Landscaped Parkways / Side Panels	\$276,923
Street Trees	\$43,269
Landscaped Local Street Medians	\$5,531
Ornamental Structures (entry monuments)	\$4,000
Ornamental Structures (bus stop amenities)	\$39,936
Recreational Paseos/Trails	\$260,586
	<u>\$630,245</u>
Operating Reserve	\$72,428
Replacement Reserve	\$72,428
Prior Year (surplus) or deficit	(\$32,550)
	<u>\$742,551</u>
Total to Assessment	\$742,551

	FY 2007-08 Maximum Budget
District No. 1, Zone 19 (Bridgeport / Bouquet)	
Landscaped Parkways / Side Panels	\$30,303
Street Trees	\$21,017
Landscaped Local Street Medians	\$8,297
Ornamental Structures (entry monuments)	\$630
Ornamental Structures (bus stop amenities)	\$5,990
Recreational Paseos/Trails	\$0
	<u>\$66,237</u>
Operating Reserve	\$6,600
Replacement Reserve	\$6,600
Prior Year (surplus) or deficit	\$0
	<u>\$79,437</u>
Total to Assessment	\$79,437

	FY 2007-08 Maximum Budget
District No. 1, Zone 20 (Golden Valley Ranch - Commercial)	
Landscaped Local Street Medians	\$19,005
Landscaped Parkways / Side Panels	\$75,255
Landscaped Irrigated Slopes	\$779,770
	<u>\$874,030</u>
Operating Reserve	\$10,000
Replacement Reserve	\$9,426
Prior Year (surplus) or deficit	\$0
	<u>\$893,456</u>
Total to Assessment	\$893,456

PART C METHOD OF APPORTIONMENT OF ASSESSMENT

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of Maintenance Districts by cities for the purpose of providing certain public improvements which include the construction, maintenance and servicing of street lights, traffic signals and landscaping facilities.

Section 22573, Landscaping and Lighting Act of 1972 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This section states:

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

The Act permits the designation of zones of benefit within any individual Maintenance District if “by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements.” (Sec. 22574). Thus, the 1972 Act requires the levy of a true “assessment” rather than a “special tax.”

In addition, Proposition 218 requires that a parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Proposition 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits.

REASON FOR THE ASSESSMENT

The assessment is proposed to be levied to defray the costs of the installation, maintenance and servicing of improvements, as previously defined herein in Part A of this Report.

SPECIAL BENEFIT ANALYSIS

Street Landscaping

Trees, landscaping, hardscaping, ornamental structures and appurtenant facilities, if well maintained, confer a particular and distinct special benefit upon real property within each Zone of Benefit by providing beautification, shade and positive enhancement of the community character, attractiveness and desirability of the surroundings. In addition, all of the aforementioned contributes to a specific increase in property desirability and a specific enhancement of the property value of each parcel within each Zone of Benefit.

In Parkways and Land Values, written by John Nolan and Henry V. Hubbard in 1937, it is stated:

“... there is no lack of opinion, based on general principals and experience and common sense, that parkways *do in fact add value* to property, even though the amount cannot be determined exactly.... Indeed, in most cases where public money has been spent for parkways the assumption has been definitely made that the proposed parkway will show a *provable* financial profit to the City. It has been believed that the establishment of parkways causes a rise in real estate values throughout the City, or in parts of the City,...”

It should be noted that the definition of “parkways” above may include the roadway as well as the landscaping along side the roadway.

Landscaped Medians in the Major Thoroughfares. The landscape improvements in the medians along the major thoroughfares confer a particular and distinct special benefit upon real property within the City by providing beautification, and positive enhancement of the community character, attractiveness and desirability of the City. In addition, all of the aforementioned contributes to a specific increase in property desirability and a specific enhancement of the property value of each parcel within the City. These major thoroughfares are the entryways into the City and as such provide beautification to the entire City; therefore, all parcels within the City receive a special benefit from the landscaped medians in the major thoroughfares. Landscaping in the medians along the major thoroughfares provides only incidental benefits to motorists traveling to, from or through the City.

Recreational Trails and Greenbelts. Landscaping along recreational trails and greenbelts, if well maintained, confer a particular and distinct special benefit upon real property within each Zone of Benefit by providing beautification and positive enhancement of the community character, attractiveness and desirability of the surroundings. In addition, all of the aforementioned contributes to a specific increase in property desirability and a specific enhancement of the property value of each parcel within each Zone of Benefit.

In “Greenways for America” by Charles E. Little, it is stated:

“... [real estate] agents routinely advertise properties as being on or near the trail....property near but not immediately adjacent to the Burke-Gilman Trail is significantly easier to sell and, according to real estate agents, sells for an average of 6 percent more as a result of its proximity to the trail. Property immediately adjacent to the trail, however, is only slightly easier to sell...trails are an amenity that helps sell homes, increase property values and improve the quality of life.”

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

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

Operation and maintenance of the trails and greenways within the City provides a benefit to those properties within the community immediately surrounding the improvements.

General Benefits

The general benefits associated with trees, landscaping improvements, hardscaping, ornamental structures and appurtenant facilities are considered incidental, negligible and non-quantifiable. Landscaping in the medians along the major thoroughfares provides only incidental, negligible and non-quantifiable benefits to motorists traveling to, from or through the City. Operation and maintenance of the trails and greenways within the City provides only incidental, negligible and non-quantifiable benefits to pedestrians and cyclists traveling through the trails and greenbelts.

SPECIAL BENEFIT APPORTIONMENT

Equivalent Dwelling Units

In order to allocate benefit fairly between the parcels, an Equivalent Dwelling Unit (EDU) methodology is proposed which equates different types of land uses to a single-family residential parcel, thereby allowing a uniform method of assessment.

The EDU method uses the single-family home as the basic unit of apportionment. A single family home equals one Equivalent Dwelling Unit (EDU). Every other land use is converted to EDU's as described below. All properties in the District will be assigned dwelling units and land use classifications per the County Assessor's roll. (Inaccuracies in the County data will be reviewed on a case by case basis as they are brought to the City's attention.)

A methodology has been developed to calculate the EDU's for other residential land uses and for non-residential parcels. Every land use is converted to EDU's: parcels containing apartments are converted to EDU's based on the number of dwelling units on each parcel of land; non-residential parcels are converted based on the lot size of each parcel of land.

This methodology is summarized in the table below:

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
Condominium	1 dwelling	x	0.75	=	0.75 EDU / dwelling
Multi-Family Res.	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
includes: commercial, industrial, church, and institutional uses					
Other	1 acre	x	1.5	=	1.50 EDU / acre
includes: vacant, parks, golf courses, public schools (K-12) and cemeteries					
Exempt			0	=	0.00 EDU / acre

Residential

Single Family Residences (SFR). A single family home equals 1 EDU.

Multi-family Residences (Apartments and Condominiums) and Mobile Homes. Multi-family residential parcels and mobile home park equivalencies are determined by multiplying the number of dwelling units on each parcel by 0.75 and 0.5, respectively, due to the relative population density of these types of dwelling units and reduced unit size compared to the typical density and size of a SFR. Studies have consistently shown that the average apartment unit impacts infrastructure approximately 75% as much as a single-family residence, and the average mobile home unit impacts infrastructure approximately 50%. (Sources: Institute of

Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991). Trip generation and wastewater usage are a function of population density. Based on this, it is concluded that other infrastructure will be similarly impacted at a reduced level. The smaller average unit size of multiple-residential and mobile homes result in a lesser enhancement per unit to property values.

The EDU's assigned to a multi-residential or a mobile home parcel are calculated based on the number of dwelling units and the appropriate EDU factor. For example, the EDU factor for multi-residential (0.75) is multiplied by the number of dwelling units on the parcel to determine the total EDU's for the multiple residential parcel. Similarly, the total EDU's for a mobile home parcel are calculated by multiplying the EDU factor (0.5) by the number of mobile home units on the parcel.

Developed Non-Residential

Developed non-residential properties are defined as improved commercial, industrial and institutional properties (such as churches and schools). In converting these properties to EDU's, the size of the parcels are compared to the median size of a single-family residential lot, which is 0.17 acres. This equals approximately 6 SFR lots per acre of land. Therefore, developed non-residential parcels are assigned EDU's at a rate of 6 EDU's per acre.

The area of non-residential condominium parcels is calculated based on the individual area of the condo plus an equal share of the common area associated with the condominium project.

Other

Vacant property consists of parcels with few or no improved structures. These properties have virtually no impacts on infrastructure to make a comparison to developed property; however, based on the Los Angeles County Assessor's data, the average land value of a SFR property is between 45% and 50% of the total value. Splitting the difference between value and impacts, vacant properties are assigned EDU's at the rate of 25 percent of improved property.

A vacant parcel, designated exclusively for a single-family residential unit by a recorded Tract Map or Parcel Map, will be assigned 0.25 EDUs per lot.

Other vacant parcels, including those properties designated for agricultural, park, golf course and cemetery uses, are assessed based upon the acreage of the parcel. All of these parcels will be assigned EDU's at the rate of 25% of the developed non-residential properties, or 1.5 EDU's per acre.

In addition, parks are considered as vacant, as are public schools (K-12) and golf courses (both of which are considered as parks in the City's planning documents) and cemeteries, which are largely park-like. Because of the large open-space aspects of these properties, they are considered to be more like vacant land and therefore are not considered to benefit as much as more fully developed properties from the additional aesthetic enhancements provided by the improvements being maintained.

Exempt

Exempted from the assessment are the areas of streets, avenues, lanes, roads, drives, courts, alleys, and public easements, rights-of-ways, and parkways. Also exempted from assessment are utility rights-of-way used exclusively for utility transmission, common areas (such as in condominium complexes), land dedicated as open space, landlocked parcels and small parcels vacated by the City as these parcels have little or no value and therefore do not benefit from the improvements.

BENEFIT ZONES

District No. 1, Zone 2008-1 (Major Thoroughfare Medians)

The maintenance of landscaping in the existing and planned medians within the existing and planned major thoroughfares of the City provides unique, distinct, special and direct benefit to all parcels in the City. The associated costs of these benefits, including city administration costs, are spread to all parcels within these areas based on Equivalent Dwelling Units (EDU's), as follows:

Major Thoroughfare Medians Benefit - All Parcels in City				
Assessable Equivalent Dwelling Unit (EDU) Summary by Land Use				
Land Use	No. of Parcels	No. of Dwellings	No. of Acres	No. of EDU's
Residential				
Single family home	33,172	33,389		33,389.000
Single family vacant	798			199.500
Multi-family residential	383	8,901		6,675.750
Condominiums	14,677	15,658		11,743.500
Mobile Home Parks	30	2,578		1,289.000
Developed Non-Residential				
Commercial	906		1,495.29	8,971.740
Industrial	639		1,436.19	8,617.140
Church, College	62		449.54	2,697.240
Other				
Vacant	968		6,968.43	10,452.645
Park	59		775.30	1,162.950
Public K-12 Schools	67		596.92	895.380
Golf Courses	15		563.87	845.805
Cemetery	1		20.09	30.135
Totals:	51,777	60,526	12,305.63	86,969.785

Note: Government properties are included within the categories above

The maximum assessment rate for Major Thoroughfare Medians is calculated as follows:

$$\$4,804,251 \div 86,969.785 \text{ EDU} = \$55.25 / \text{EDU}$$

Only those parcels that are annexed into Zone 2008-1 will be levied this assessment. The EDU's for these parcels are shown below:

Major Thoroughfare Medians Benefit - Zone 2008-1 Annexed Parcels Assessable Equivalent Dwelling Unit (EDU) Summary by Land Use				
Land Use	No. of Parcels	No. of Dwellings	No. of Acres	No. of EDU's
Residential				
Single family home	10,675	10,892		10,892.000
Single family vacant	49			2.250
Multi-family residential	202	2,484		1,863.000
Condominiums	5,413	6,394		4,795.500
Mobile Home Parks	28	2,517		1,258.500
Developed Non-Residential				
Commercial	866		1,425.53	8,550.060
Industrial	616		1,356.36	8,138.160
Church, College	28		298.57	1,791.420
Other				
Vacant	395		1,538.94	2,279.295
Park	33		184.35	276.525
Public K-12 Schools	32		129.23	193.845
Golf Courses	6		307.37	461.055
Cemetery	1		20.09	30.135
Totals:	18,344	22,287	5,260.44	40,531.745

Note: Government properties are included within the categories above

Therefore, the revenue generated by the parcels annexed into Zone 2008-1 for FY 2007-08 is calculated as follows:

$$40,531.745 \text{ EDU} \times \$55.25 = \$2,239,378.91$$

Until such time as the Citywide major thoroughfare median system is completed and the remaining City parcels are annexed into Zone 2008-1 (Major Thoroughfare Medians), an allowance will be made for the balance of the projected budget required for citywide major thoroughfare median maintenance.

Any parcel that is being annexed into District No. 1, Zone 2008-1, that is in a Zone that currently includes only a District T1 Area-Wide Assessment (see list of Zones below) or a Zone A2 Annexation (see list of District A2 Annexations below) is being detached from those assessment Zones or annexations. A listing of these parcels is provided in the appendix.

District T1 Zones / Annexations					
District T1	T1G	T1K	T1P	T1Y	T1-30
T1C	T1H	T1L	T1R	T1Z	T1-32
T1D	T1I	T1N	T1T	T1-27	T1-33
T1F	T1J	T1O	T1X	T1-28	T1-34

District A2 – Annexation Areas		
1	6	8

Any parcel that is being annexed into District No. 1, Zone 2008-1, that is in a Zone that is currently includes Area Wide Assessments as well as funding for other amenities will have their assessment amounts decreased by the portion that is funding the Area Wide medians, such that no parcel shall pay for the major thoroughfare medians twice.

District No. 1, Zone 15 (River Village)

This Zone was previously established in 2006; however, due to changes to development densities and additional landscaping that was not envisioned at the time the Zone was established, the assessment rates need to be modified.

The improvements include the slopes and parkways in street rights-of-way and easements within the boundaries of the River Village Development, including in Newhall Ranch Road and Santa Clarita Parkway, as well as the maintenance of areas designated as open space.

The projected land uses and EDU's within this development are estimated as follows:

	Parcels	Unit Count	EDU's
District No. 1, Zone 15 (River Village)			
Anticipated Development	SFR - Detached	432 DU's	432.000
	Condominiums	583 DU's	437.250
	Non-Residential	1 Acres	6.000
			875.250

District No. 1, Zone 16 (Valencia Industrial Center)

This Zone was previously established; however, due to the creation of District 1, Zone 2008-1 (Major Thoroughfare Medians) this Zone is being expanded to include the parkways along Newhall Ranch Road from I-5 to McBean Parkway that are currently funded through District T1-34 (which is being dissolved) as well as local landscaping improvements in the areas north and south of Newhall Ranch Road that are currently being funded through District T1, Zone 10 – including annexations T10A-T10G) – (which are being dissolved) and future local landscaping improvements.

The improvements include the local street medians, parkways and side panels, street trees, local decorative monuments, and bus stop amenities , in rights-of-way and easements within and adjacent to the Zone.

The land uses and EDU's being annexed into this Zone are as follows:

	Parcels	Unit Count	EDU's
District No. 1, Zone 16 (Valencia Industrial Center) - New Annexation Area			
	Multi-Family Res.	1	115 DU's
	Non-Residential	184	484.67 Acres
	Vacant / School	12	296.57 Acres
			444.855
			3,439.125

District No. 1, Zone 18 (Town Center / Tourney Road)

This Zone incorporates two areas with similar levels of improvements in and directly adjacent to them. This Zone incorporates the improvements previously funded by District T1, Zone T9 (including Annexations T9A-T9G) which is being dissolved.

The improvements include the local street medians, parkways and side panels, street trees, local decorative monuments, bus stop amenities and local trails and paseos, in rights-of-way and easements within and adjacent to the Zone.

The land uses and EDU's within this Zone are as follows:

	Parcels	Unit Count	EDU's
District No. 1, Zone 18 (Town Center / Tourney Road)			
Condo	1,105	1,105 DU's	828.750
Multi-Family Res.	6	1,233 DU's	924.750
SFR Vacant	2		0.500
Non-Residential	147	357.76 Acres	2,146.560
Vacant / Park / Golf	50	311.71 Acres	467.565
	1,310		4,368.125

District No. 1, Zone 19 (Bridgeport / Bouquet)

This Zone incorporates the Bridgeport / Bouquet area.

The improvements include the local street medians, parkways and side panels, street trees, local decorative monuments, and bus stop amenities, in rights-of-way and easements within and adjacent to the Zone.

The land uses and EDU's within this Zone are as follows:

	Parcels	Unit Count	EDU's
District No. 1, Zone 19 (Bridgeport / Bouquet)			
SFR - Detached	459	459 DU's	459.000
Condo	346	346 DU's	259.500
Multi-Family Res.	1	188 DU's	141.000
Non-Residential	22	44.65 Acres	267.900
Vacant / School / Park	7	32.69 Acres	49.035
	835		1,176.435

District No. 1, Zone 20 (Golden Valley Ranch – Commercial)

This Zone was previously established as District 1 Zone 1 – Annexation 1E; however, due to a reduction in buildable acreage and an increase in the potential for maintaining the extensive irrigated slopes which were previously not envisioned at the time the Zone was established, the assessment rates need to be modified.

This Zone is being re-established as District 1 Zone 20 (Golden Valley Ranch – Commercial) and the parcels included in this new Zone will be detached from District 1 Zone 1 – Annexation 1E.

The improvements include the local street medians, slopes and parkways in rights-of-way and easements within and adjacent to the Zone.

The projected land uses and EDU's within this development area are estimated as follows:

	Parcels	Unit Count	EDU's
District No. 1, Zone 20 (Golden Valley Ranch - Commercial)			
	6		
Anticipated Development	Commercial	56.22 Acres	337.320
			337.320

ASSESSMENT APPORTIONMENT AND RATES

The table below provides the assessment apportionment for the annexation areas and shows the estimated maximum annual assessment rate per Equivalent Dwelling Unit for FY 2007-08.

District 1 Adjustments & Annexations	EDU's	FY 07-08 Max. Costs	FY 07-08 Max. Asmt Rate*	Prev. 07-08 Asmt Rate
Zone 2008-1 (Major Thoroughfare Medians)	40,531.745	\$2,239,379.00	\$55.25 / EDU	Various
Zone 15 (River Village)	875.250	\$746,300.00	\$852.68 / EDU	\$241.67 / EDU
Zone 16 (Valencia Industrial Center)	3,439.125	\$93,278.88	\$27.13 / EDU	Various
Zone 18 (Town Center / Tourney Road)	4,368.125	\$742,551.00	\$170.00 / EDU	Various
Zone 19 (Bridgeport / Bouquet)	1,176.435	\$79,437.20	\$67.53 / EDU	Various
Zone 20 (Golden Valley Ranch - Commercial)	337.320	\$893,456.00	\$2,648.69 / EDU	\$1,708.91 / EDU

* 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).

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.

PART D ASSESSMENT ROLL

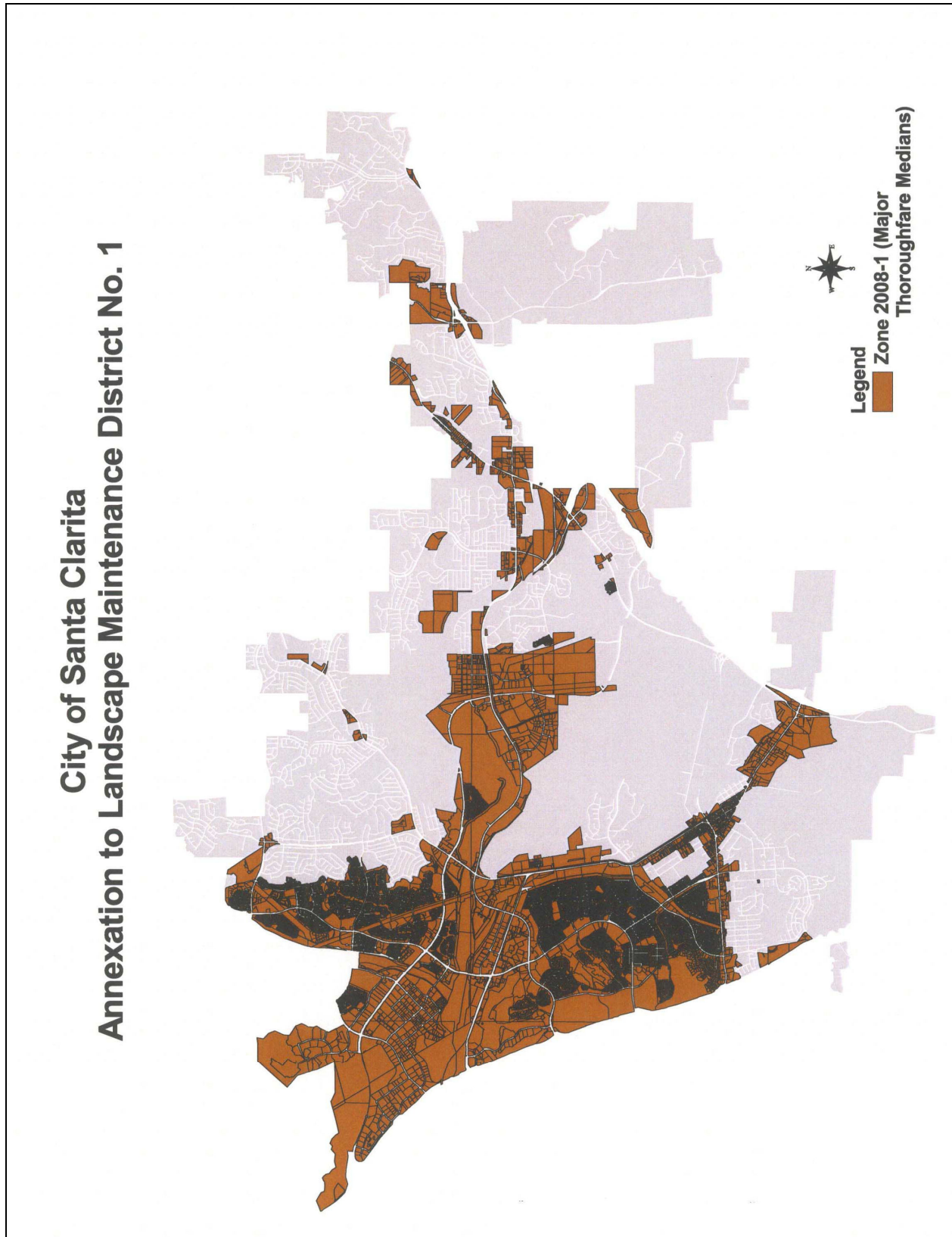
The Assessment Roll is a listing of the proposed maximum assessment for Fiscal Year 2007-08 apportioned to each lot or parcel, as shown on the last equalized roll of the Assessor of the County of Los Angeles. The Assessment Roll is provided under separate cover and is incorporated herein by reference.

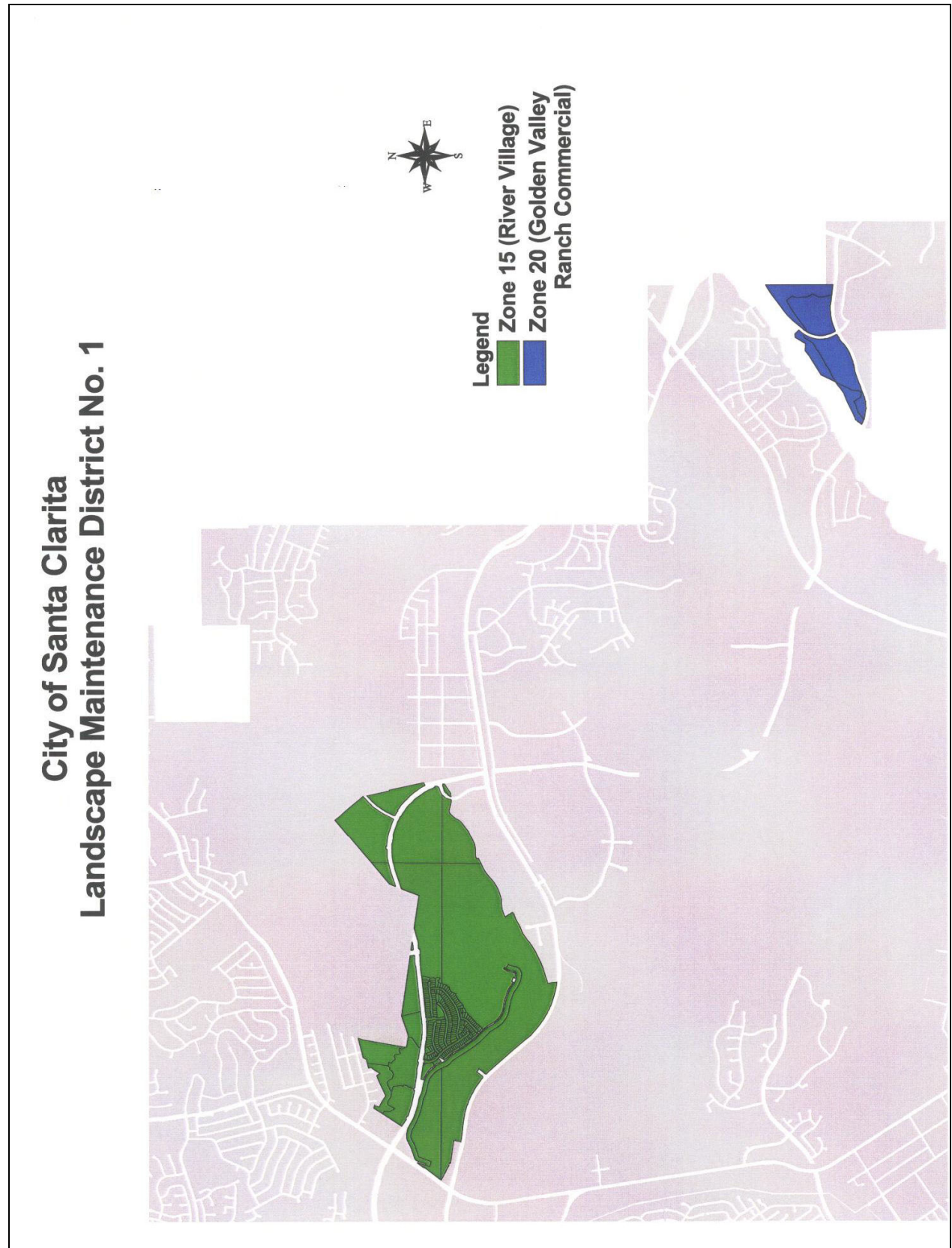
The description of each lot or parcel is part of the records of the Assessor of the County of Los Angeles and these records are, by reference, made part of this Report.

PART E ASSESSMENT DIAGRAM

Assessment Diagrams for the Maintenance District Annexations are provided on the following pages.

The lines and dimensions of each lot or parcel within the Annexations are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles, for the year when this Report was prepared, and are incorporated by reference herein and made part of this Report.





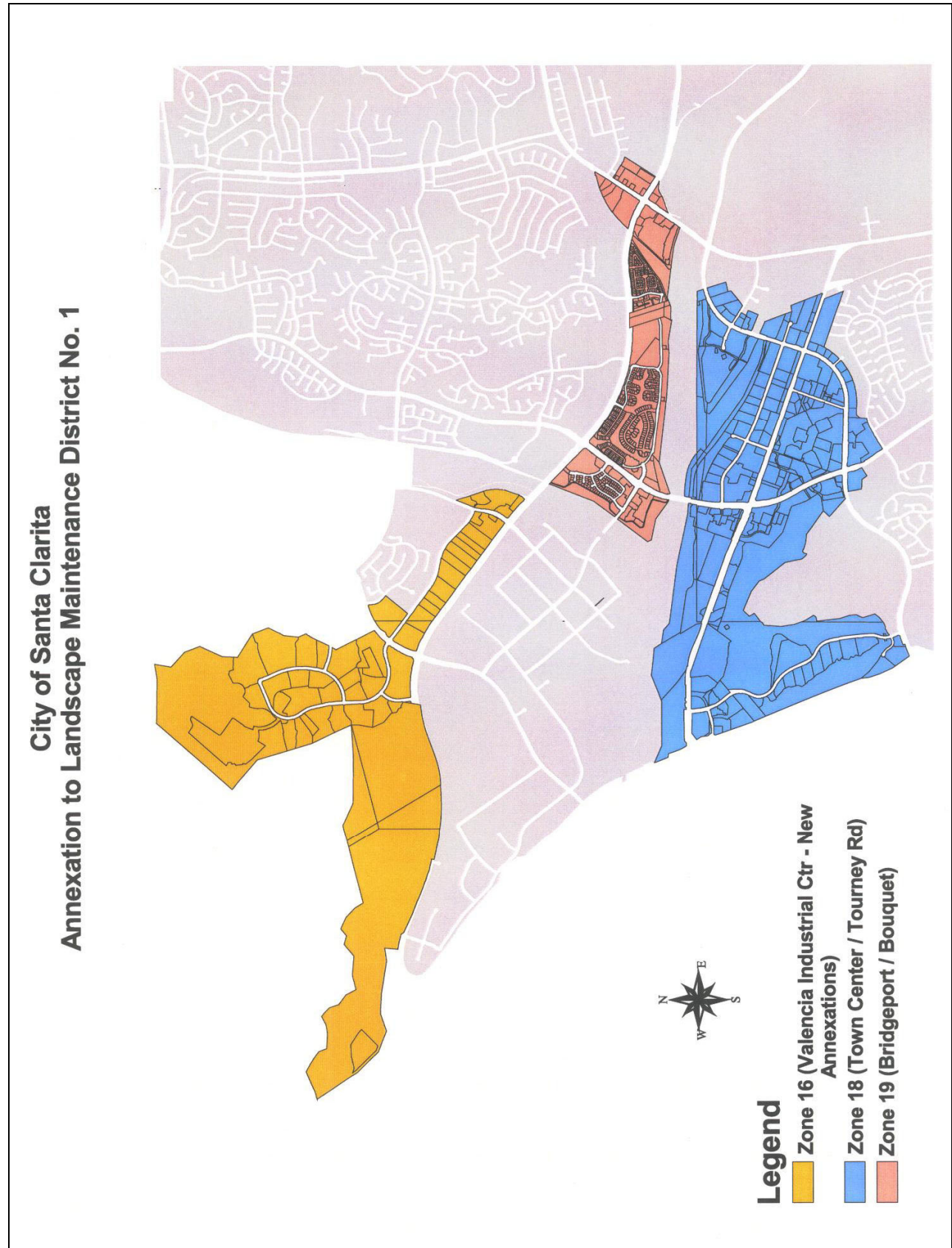


EXHIBIT A
List of Parcels Being Detached from
Various Landscape Maintenance Districts

The listing of parcels within the following Districts/Zones/Annexations is on file with the City Clerk:

District A2 – Annexation Areas		
1	6	8

District 1 – Zone 1 – Annexation 1E
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District T1 Zones / Annexations					
District T1	T1G	T1K	T1P	T1Y	T1-30
T1C	T1H	T1L	T1R	T1Z	T1-32
T1D	T1I	T1N	T1T	T1-27	T1-33
T1F	T1J	T1O	T1X	T1-28	T1-34