

**EXHIBIT B**



**CITY OF SANTA MARIA**

**Annual Engineer's Report  
Fiscal Year 2024/2025**

**Northeast Landscape Maintenance Assessment District No. DS-10**

Incorporating Special Benefit Zones:

- Rivergate Roemer
- Suey and Donovan
- Donovan Estates
- La Ventana

**Intent to Levy Meeting:** May 21, 2024

**Public Hearing:** June 4, 2024

City of Santa Maria  
110 E. Cook Street  
Santa Maria, CA 93454

**Prepared by:** Scott Christian, Operations Manager

## ENGINEER'S REPORT AFFIDAVIT

This report and the enclosed descriptions, budgets, and diagrams outline the proposed improvements and assessments for Landscape Maintenance Assessment District No. DS-10 in the City of Santa Maria for Fiscal Year 2024/2025, which includes each lot, parcel, and subdivision of land within said District, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Santa Barbara County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this 29<sup>th</sup> day of April, 2024.

By: David Beas

David Beas, PE# 56437



## Table of Contents

<b>INTRODUCTION</b> .....	- 4 -
<b>Report Content and Annual Proceedings</b> .....	- 4 -
<b>PART I – PLANS AND SPECIFICATIONS</b> .....	- 8 -
<b>Zones of Benefit</b> .....	- 10 -
<b>Part II – Method of Apportionment</b> .....	- 13 -
<b>Benefit Analysis</b> .....	- 14 -
<b>Assessment Methodology</b> .....	- 16 -
<b>Part III – Estimate of Costs</b> .....	- 18 -
<b>Annual Inflationary Adjustment (Assessment Range Formula)</b> .....	- 21 -
<b>Part IV – District/Zone Diagrams</b> .....	- 22 -
<b>District Boundary Diagram</b> .....	- 23 -
<b>District Improvement Diagram (Northern Section)</b> .....	- 24 -
<b>District Improvement Diagram (Southern Section)</b> .....	- 25 -
<b>Suey and Donovan Special Benefit Zone</b> .....	- 26 -
<b>Rivergate Roemer Special Benefit Zone</b> .....	- 27 -
<b>Donovan Estates Special Benefit Zone</b> .....	- 28 -
<b>La Ventana Special Benefit Zone</b> .....	- 29 -
<b>Part V - Assessment Rolls</b> .....	- 30 -



## INTRODUCTION

The City of Santa Maria (“City”), under the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (“1972 Act”) and in accordance with the provisions of the California State Constitution, Article XIII D (“California Constitution”) annually levies and collects special assessments for the City’s maintenance assessment district designated as **Northeast Landscape Maintenance Assessment District No. DS-10** (hereafter referred to as “District”) to fund in whole or in part the maintenance and operation of landscaping improvements that provide special benefits to properties within the District.

The City Council on May 2, 1989, established the formation of the Northeast Landscape Maintenance District No. DS-10 for the purpose of financing the continued maintenance of the landscaping within the northeast quadrant of the City.

In accordance with the 1972 Act, the District also utilizes special benefit zones (“Zones”) to address variations in the nature, location, and extent of the improvements that provide special benefits to specific parcels and developments within the District. Within the boundaries of the District, some parcels may be assigned to a special benefit zone, each of which is associated with specific improvements that provide special benefit to properties within that Zone that are in addition to the improvements proportionally shared by properties throughout the District.

For Fiscal Year 2024/2025 in addition to the shared District improvements and assessments, parcels within the following Zones may be assessed for local improvements specific to the parcels and developments within each respective Zone:

- Suey and Donovan Special Benefit Zone
- Rivergate Roemer Special Benefit Zone
- Donovan Estates Special Benefit Zone
- La Ventana Special Benefit Zone

### Report Content and Annual Proceedings

This Engineer’s Annual Report (the “Report”) has been prepared pursuant to Chapter 1, Article 4 and Chapter 3 of the 1972 Act, and presented to the City Council for their consideration and approval of the proposed improvements and services to be provided within the District and the levy and collection of annual assessments related thereto for Fiscal Year 2024/2025. This Report outlines the District improvements, the special benefit zones, the method of apportionment, and proposed assessments to be levied in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements for Fiscal Year 2024/2025. The annual assessments to be levied on properties within the District provide a source of funding to fund in whole or in part, the continued operation and maintenance of the landscaping improvements and services to be provided by the District for the properties within the District and specified Zones for which the properties receive special benefits.



Each fiscal year, the City establishes the District's assessments based on an estimate of the costs to maintain, operate and service the authorized District improvements and based upon available revenues including assessment revenues, fund balances, general benefit contributions and any additional City contributions from available sources. The costs of the improvements and the proposed annual assessments budgeted and assessed against properties within the District may include, but are not limited to the estimated expenditures for regular annual maintenance and repairs; incidental expenditures related to the operation and administration of the District; deficits or surpluses from prior years; revenues from other sources; and the collection of funds for operational reserves and/or periodic repairs, replacements and rehabilitation projects as authorized by the 1972 Act. The net annual cost to provide the improvements within the District plus each benefit Zone (if applicable) are allocated to the benefiting properties within the District and respective Zones as applicable, using a weighted method of apportionment (refer to Assessment Methodology in Section II, Method of Apportionment) that calculates the proportional special benefit and assessment for each parcel as compared to other properties that benefit from the District improvements and services. Thus, each parcel is assessed proportionately for only those improvements, services, and expenses for which the parcel will receive special benefit.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the Santa Barbara County Assessor's Office. The Santa Barbara County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the District assessments.

At a noticed annual Public Hearing, the City Council will accept all public comments and written protests regarding the District and the annual levy of assessments. Based on those public comments and written protests, the City Council may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the City Council will by Resolution, order the improvements to be made and confirm the levy and collection of assessments for Fiscal Year 2024/2025 pursuant to the 1972 Act. The assessments as approved will be submitted to the Santa Barbara County Auditor/Controller to be included on the property tax roll for each parcel.

As required by the 1972 Act, this Engineer's Report describes the improvements to be provided, maintained, and serviced by the District, an estimated budget for the District improvements, and the proposed assessments to be levied upon each assessable lot or parcel within the District for fiscal year 2024/2025.

Part I – Plans and Specifications: This section contains a general description of the District, special benefit zones ("Zones"), and the improvements and services that provide special benefits to the parcels within the District. The improvements, appurtenant facilities, and services that provide special benefits to the properties within the District and for which parcels are assessed may include, but not limited to the installation and maintenance of landscaping improvements within the public right-of-way of streets within the District, retention basins, parks, public facilities and related amenities as well as associated operational and incidental expenses, and the collection of fund balances authorized by the 1972 Act. The plans and specifications contained in this Report generally describe the nature and extent of the improvements. In



conjunction with these general descriptions, a visual depiction of the improvements may be provided in the District Diagrams contained in Part IV of this Report. More detailed information regarding the specific plans and specifications associated with the District improvements and Zone improvements are on file in the City Engineer's Office and by reference are made part of this Report.

Part II – Method of Apportionment: This section includes a discussion of the special and general benefits associated with the improvements to be provided within the District (Benefit Analysis). This section of the Report also outlines the basis upon which the estimated costs to provide such improvements has been apportioned to each parcel of land therein in proportion to the special benefits to be received. (the method of calculating each property's proportional special benefit assessment). This method of apportionment is consistent with the previously approved and adopted method of apportionment for the District.

Part III – Estimate of Costs: Identifies the estimated annual funding costs (Budgets) required for the maintenance and operation of the improvements in the District and Zones authorized by the 1972 Act and deemed appropriate to support the improvements, including, but not limited to, annual maintenance and service expenses, utility costs, and related incidental expenses. For fiscal year 2024/2025 annual contract maintenance costs have increased by three percent (3.5%). Those improvements and/or costs determined to be of general benefit shall be funded by a City contribution. In addition to the general benefit costs, the City may provide additional funding to support the maintenance and operation of the improvements considered to be of special benefit, but City staff shall make the determination of which improvements, and the extent of the services and activities that shall be provided based on available revenues.

This section also identifies and outlines an Assessment Range Formula (inflationary adjust) previously approved and adopted for the District assessments that provides for an annual adjustment to the maximum assessment rates, which establishes limits on future assessments, but also provides for reasonable cost adjustments due to inflation.

Part IV – District/Zone Diagrams: This section of the Report contains a series of diagrams showing the boundaries of the District and Zones for Fiscal Year 2024/2025 which incorporate the parcels determined to receive special benefits from the District improvements. These diagrams may also provide a visual depiction of the location of the improvements being maintained. The lines and dimensions of each lot, parcel, and subdivision of land contained in the District and Zone diagrams are inclusive of the parcels listed in "Part V - Assessment Roll" of this Report and the corresponding County Assessor's Parcel Maps for said parcels as they existed at the time this Report was prepared and shall incorporate all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Santa Barbara County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District and Zones.



Part V – Assessment Roll: The assessment amounts to be levied and collected in fiscal year 2024/2025 for each parcel is based on the parcel's calculated proportional special benefit as outlined in "Part II - Method of Apportionment" and the annual assessment rates established by the estimated budgets in "Part III - Estimate of Costs" of this Report. Due to the number of parcels within the District, the Assessment Roll for fiscal year 2024/2025 has been filed electronically with the City Clerk rather than displayed in this Report and by reference the listing of the Assessor's Parcel Numbers and the corresponding assessment amounts are made part of this Report.

*Note: If any section, subsection, sentence, clause, phrase, portion, zone, or subzone of this Engineer's Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Engineer's Report and each section, subsection, subdivision, sentence, clause, phrase, portion, zone, or subzone thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, portions, zones, or subzones might subsequently be declared invalid or unconstitutional.*



## PART I – PLANS AND SPECIFICATIONS

The purpose of this District is to provide in part through annual assessments, funding for the installation, operation, and maintenance of landscaping improvements in specified parkways, medians, and roundabouts in the public right-of-way including street trees, and landscaping within specified public areas and public facilities including storm water retention basins that control subdivision water runoff, parks, and easements.

As authorized by the 1972 Act, the improvements provided by the District and associated with each Zone therein may incorporate various local landscaping improvements and related amenities that were either installed in direct connection with the development of properties within the District and each respective Zone or were installed for the benefit of those properties resulting from property development or potential development of those properties and are considered necessary elements for the development of such properties to their full and best use and these improvements are maintained and serviced for the special benefit of real property within the District and/or Zones. The work to be performed within the District and each respective Zone may include but is not limited to (as applicable), the personnel, materials, equipment, electricity, water, contract services, repair and rehabilitation of the improvements and incidental expenses required to operate the District and provide the improvements and services.

Improvements provided within the District and/or Zone may include but are not limited to landscaping and related facilities and amenities located within designated street medians, parkway and streetscape side-panels, and entryways within the public right of ways or easements adjacent to public right of ways; and within public places including greenbelt areas, open spaces, and local parks within each respective Zone. These improvements may include, but are not limited to:

- various landscape materials such as trees, turf, shrubs, vines, ground cover, annual or perineal plantings;
- irrigation and drainage systems;
- structural amenities such as monuments, specialty or ornamental lighting, block walls, retaining walls, or other fencing associated with the landscape areas;
- hardscapes including mulch, decomposed granite surfaces, stamped concrete, and pavers;
- recreational amenities within parks or greenbelts that may include benches, play structures, picnic or other recreational facilities, signage, and related appurtenances.

The maintenance of these improvements may include, but is not limited to the regularly scheduled mowing, trimming, pruning, fertilization, pest control, weed and graffiti abatement; installation, removal, replacement and rehabilitation of the landscaping, repair or replacement of irrigation or landscape drainage systems; and repair or replacement of hardscape improvements including sidewalks and recreational amenities. The Recreation and Parks Office shall authorize and schedule such maintenance and servicing as needed and based on available District and/or Zone funding.

Reference is made to the plans and specifications currently on file at the City Engineer's Office relating to the design, recommended materials, and level of maintenance concerning the facilities to be maintained.





The plans show plant species, size, and their location. Specifications for the improvements comply with the Standard Specifications of the Public Works Department, the 2019 California Building Code, and the Recreation and Parks Department Landscape and Irrigation Standards. For Fiscal Year 2024/2025 the improvements maintained within the District and for which parcels receive special benefits include but is not limited to the following:

<b>NE LANDSCAPE MAINTENANCE DISTRICT No. DS-10</b>	<b>TOTAL SQFT.</b>
Emerald Park – Shrubs on College near Donovan	8,893
Emerald Basin – Grassy basin on College near Donovan	11,547
Donovan Medians	9,504
Riverside Terrace – 1800 block of Bayview Drive, open space on Seaward and around Basin on Kathryn	134,777
Riverside Basin – Grassy basin on Kathryn	24,686
Shields/Cochiolo – 1600 block Suey Road - frontage on Suey and Donovan, frontage on Antone and Floyd Court	61,476
Suey Basin – Grassy basin on Suey near Antone	14,774
Sierra Vista – frontage on Panther and Centennial, basin at the corner of Panther and Centennial and the breezeway off Mammoth	40,000
Rowland Estates – Shrubs and playground.	12,332
Rowland Basin – includes weedy basin	4,656
Canyon Homes – 1400 East Donovan Road entrance	3,764
Olive Garden – 1200 South Bradley median	2,900
Hancock College – 800 South Bradley median	3,064
Bradley Easement – south of Main Street to Jones Street	14,718
Transit Center	70,993
Hancock Terrace Bike Path-Miller to College	30,000
800 E Jones median-Paved island	462
Pepper Tree Medians – north of Donovan Road on Broadway	3,456
Stowell Road Easement – east of Miller Street	13,492
Alvin Overpass	59,513
North Bradley Ivy – Fesler Junior High easement area	15,493
Donovan/Miller Median	10,310
Via Rubio – Jewel Street only	4,836
Donovan Overpass	67,751
Pepperwood Median	1,819
East Main Street & 101-weedy shoulders	7,301
Bradley at Elks	22,310
Downtown medians – Broadway Medians from Fesler Street going south to the front of the Library; East and West Cook Street Medians; South Pine Street from Main Street to Cook Street; East Main Street Medians; 100 North McClelland Median; South Miller Medians from Main Street to Cook Street	21,022



TCE - mall perimeter includes bus turnout, theater, Macy's parking lot and pocket park at Main & Broadway	186,393
Fire Station # 5	32,997
<b>Total Northeast Landscape Maintenance District No. DS-10</b>	<b>895,239</b>

**Zones of Benefit**

In accordance with the 1972 Act, this District utilizes Zones to address variations in the nature, location, and extent of improvements that provide special benefits to specific parcels and developments within the District. Each Zone is associated with specific improvements and/or types of improvements that provide special benefit to properties within that Zone.

For Fiscal Year 2024/2025 the District includes four (4) designated Zones. The boundaries of each Zone are based on the improvements to be maintained and the relationship and proximity of the developments and properties that derive special benefits from those specific improvements. The following is a brief description and summary of the improvements associated within each Zone and for which parcels receive special benefits:

**Suey and Donovan Special Benefit Zone**

Improvements associated with the Suey and Donovan Special Benefit Zone include the landscaped medians on Donovan between Suey and Suey Crossing totaling an estimated 33,725 square feet of which 40 percent is hardscape (13,490 square feet) and 60 percent is irrigated turf, trees, and shrubs (20,235 square feet).

Maintenance costs include labor, equipment, plant materials and supplies, renovation, utility costs, and District administration. The Suey and Donovan Special Benefit Zone Assessment for fiscal year 2024/2025 will be \$286.40 per dwelling unit. This Zone assessment is imposed only upon parcels that receive a special benefit over and above general benefits provided to other parcels located in the District.

The Suey and Donovan Special Benefit parcels are also assessed the Northeast Landscape Maintenance District residential assessment of \$296.42 per assessment unit or the commercial assessment of \$733.30 per APN or tenant space as detailed in Method of Apportionment provided in Part II of this Report.

**Rivergate Roemer Special Benefit Zone**

The developments in the Rivergate Roemer Special Benefit Zone include College Estates I and II, Princess Estates I, II and III, and River Oaks North. Improvements for the Rivergate Roemer Special Benefit Zone include the landscaped medians, landscaped open space, the park site/basin, and specialty lighting associated with the medians and frontage easements of River Oaks North, College Estates, and Princess



Estates including Seaward, Paden, Carlotti, Borges, the Bradley Channel, and the walled area behind the homes on Mariah totaling an estimated 163,936 square feet of improvement area.

Maintenance costs include labor, equipment, plant materials and supplies, graffiti removal, renovation, utility costs, and District administration. The Rivergate Roemer Special Benefit Zone Assessment will be \$259.87 per parcel for fiscal year 2024/2025. This Zone assessment is imposed only upon parcels that receive a special benefit over and above general benefits provided to other parcels located in the District.

The Rivergate Roemer Special Benefit parcels are also assessed the Northeast Landscape Maintenance District residential assessment of \$296.42 per assessment unit or the commercial assessment of \$733.30 per APN or tenant space as detailed in Method of Apportionment provided in Part II of this Report.

### **Donovan Estates Special Benefit Zone**

The improvements that are associated with the Donovan Estates Special Benefit Zone include the public easement areas along Donovan Road frontage (25,586 square feet), the park site and retardation basin (11,652 square feet) collectively totaling an estimated 37,238 square feet of improvements that includes the maintenance of the tot lot, street trees, and anti-graffiti measures as necessary.

Maintenance costs include labor, equipment, plant materials and supplies, graffiti removal, renovation, utility costs, and District administration. The Donovan Estates Special Benefit Zone Assessment will be \$326.47 per parcel for fiscal year 2024/2025. This Zone assessment is imposed only upon parcels that receive a special benefit over and above general benefits provided to other parcels located in the District.

The Donovan Estates Special Benefit Zone parcels are also assessed the Northeast Landscape Maintenance District residential assessment of \$296.42 per assessment unit as detailed in Method of Apportionment provided in Part II of this Report.

### **La Ventana Special Benefit Zone**

The developments in this zone include La Ventana and Legacy. The improvements that are associated with La Ventana Special Benefit Zone include the public easement frontage areas along Main Street and Panther Drive to Willingham, Dressler, interior street enhancements and shrub portion of basin (106,042 square feet) and the weedy portion of the retention basin (45,112 square feet) collectively totaling an estimated 151,154 square feet of improvements that includes the maintenance of specialty lighting, street trees, and anti-graffiti measures as necessary.

Maintenance costs include labor, equipment, plant materials and supplies, graffiti removal, renovation, utility costs, and District administration. The La Ventana Special Benefit Zone Assessment for fiscal year 2024/2025 will be \$445.71 per assessor parcel number. This Zone assessment is imposed only upon parcels that receive a special benefit over and above general benefits provided to other parcels located in the District.



The La Ventana Special Benefit Zone parcels are also assessed the Northeast Landscape Maintenance District residential assessment of \$296.42 per assessment unit or tenant space as detailed in Method of Apportionment provided in Part II of this Report.

*Note: A visual depiction of the general location of the landscape improvement areas for the District and Zone boundaries are provided on the District Diagrams provided in Part IV of this Report.*



## Part II – Method of Apportionment

### Legislative Requirements for Assessments

The estimated costs to provide the proposed improvements for Fiscal Year 2024/2025 have been identified and allocated to properties within the District and the Zones therein based on special benefit, consistent with the requirements of the 1972 Act and the assessment provisions of Proposition 218 (being contained in Article XIII D of the California Constitution). The improvements provided by this District and for which properties are assessed are identified as local landscaping improvements in specified parkways, medians, and roundabouts in the public right-of-way including street trees, and landscaping within specified public areas and public facilities including storm water retention basins, parks, easements, and related amenities. The formulas used for calculating assessments and the designation of Zones herein reflect the composition of parcels within the District and the improvements and activities to be provided and have been designed to fairly apportion the cost of providing the improvements based on a determination of the proportional special benefits to each parcel.

### Provisions of the 1972 Act

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

*“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.”*

Section 22574 provides for zones as follows:

*“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”*

### Provisions of the California Constitution

In addition to the provisions of the 1972 Act, the Article XIII D of the California Constitution outlines specific requirements regarding assessments including the following:

Article XIII D Section 2d defines District as follows:

*“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;*



Article XIII D Section 2i defines Special Benefit as follows:

*“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”* Article XIII D Section 4a defines proportional special benefit assessments as follows:

*“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”*

## Benefit Analysis

### Special Benefits

The ongoing maintenance of landscaped areas within the District as addressed in this Report, provide aesthetic benefits to the properties and a more pleasant environment to walk, drive, live, and/or work. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding properties and developments for which the improvements were constructed and installed and/or were facilitated by the development or potential development of properties within the District and each respective Zone. In addition, the District provided landscaping improvements are an integral part of the physical environment associated with the parcels in the District and/or respective Zones and the proportional direct effect that trees, shrubs, and groundcover have on real property within the district including localized wind reduction; erosion control; storm water capture; noise attenuation; visual screening; ultraviolet light and glare reduction; and odor reduction are a direct and particular benefit to the properties in proximity to those improvements.

While some of the improvements may in part be visible to properties outside the District or Zone, collectively if these various improvements are not properly maintained, it is the parcels within the District and/or respective Zone (as may be applicable), that would be aesthetically burdened or environmentally impacted. Additionally, much of the landscaping within the street right-of-way serve as both a physical buffer as well as a sound reduction buffer between the roadways and the properties in the District and serve as a pleasant aesthetic amenity that enhances the approach to the parcels.

### General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed it is evident these improvements were primarily installed in connection with the development of properties therein or are improvements that would otherwise be shared by and required for development of properties in the



District or Zone. It is also evident that the maintenance these improvements and the level of maintenance provided has a direct and particular impact (special benefit) only to those properties in proximity to those improvements and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no direct quantifiable benefit to the public at large or properties outside the District and/or Zones.

In the absence of a special funding District or Zones, the City would typically be obligated to provide only limited (as needed) tree management, weed abatement, rodent control, and erosion control services for the landscape areas currently maintained within the District. This baseline level of service (general benefit level of service) would most likely provide for periodic servicing of the improvement areas on an as-needed basis to ensure public safety and essential property protection to avoid negative impacts on adjacent roadways and vehicles traveling on those roadways, and potential property damage resulting from erosion or fire hazards. However, this baseline level of service would clearly result in a far less visually pleasing environment than is created with the enhanced levels of services associated with the regular landscape maintenance provided in the District and funded by the special benefit assessments. In addition to the baseline level of service general benefit, it is recognized that there are indirect or incidental general benefits to properties within the District as well as the general public that are associated with regular landscape maintenance services associated with the districtwide improvements, including minimization of dust and debris, and air pollution reduction.

Although these types of benefits might best be characterized as indirect consequences of the special benefit of the landscape maintenance provided to parcels served by the District, for the purposes of this Report we assume these types of benefits to be general benefits, albeit general benefits that are extremely difficult to quantify. Therefore, on behalf of all parcels not assessed by a landscape maintenance district, yet deriving some level of general benefit from the District's landscaped improvements, the City has historically and will continue to contribute from the general fund a General Benefit Contribution that equals or exceeds the costs attributable to the baseline general benefit costs and indirect/incidental general benefit costs for the districtwide shared improvement areas as shown in the Estimate of Costs (Part III of this Report) as the "City General Benefit Contribution".



## Assessment Methodology

To assess benefits equitably it is necessary to calculate each property's proportional share of the special benefits conferred by the funded improvements and service. The method utilized to determine assessments is called the "method of apportionment" or formula of cost spread ("spread formula"). Assessment Units ("AU"), often referred to as the Equivalent Benefit Unit (EBU) method of assessment apportionment is utilized for this District and establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of that basic unit. The AU or EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of comparable property characteristics which may include but is not limited to land use and property size.

The method of apportionment originally developed for this District was based on an assessment spread formula appropriate for the various land uses, identifiable property characteristics and improvements within the District and utilizes an assigned number of comparative dwelling units for residential, non-residential, and undeveloped properties.

The majority of parcels within the District are residential parcels and the improvements are maintained to provide a uniform benefit within the boundaries of the District. Therefore, each dwelling unit, whether an apartment or single family residence is given a base value of one (1) unit. Parcels in other land use categories were then evaluated and rated by comparison with the basic unit. The assignment of unit values is based primarily on the intensity of land use and its comparison to the base unit. Two unit values have been assigned: a residential efficiency unit, 500 square feet or less, at 50 percent of the residential unit value and a commercial efficiency unit defined at 1200 square feet per commercial charge.

### Land Use Classifications

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office. It has been determined that a parcel use and size are the appropriate factors necessary to identify and calculate the proportional special benefits conveyed to each property within the District for the cost of improvements associated with that property. The following are typical site land uses described in Title 12 of the Santa Maria Municipal Code and their proposed Assessment Units. This list includes the majority of parcel uses within the City of Santa Maria and is applied in the calculation of the 2024/2025 fiscal year assessments.

A summary of the applied Equivalent Benefit Units (EBUs) for the various land use classifications within the District is shown in the following table:





LAND USE	ASSESSMENT UNITS
Residential	
<ul style="list-style-type: none"> <li>• Single Family Residential</li> <li>• Two Family Residential</li> <li>• Condominium/Townhouse</li> <li>• Apartment Residential</li> <li>• Mobile Home Parks</li> <li>• Efficiency Unit</li> </ul>	<p>1 Unit per property  1 Unit per dwelling  1 Unit per dwelling  1 Unit per dwelling  1 Unit per dwelling  .5 Unit per dwelling</p>
Commercial	
<ul style="list-style-type: none"> <li>• Small, Single Tenant</li> <li>• Efficiency Unit &gt; 1,200 SF</li> <li>• Vacant &gt; 10,000 SF</li> <li>• Commercial Centers</li> <li>• Major Shopping Centers</li> </ul>	<p>1 Unit per property  1 Unit per 1,200 SF  1 Unit per property  4 Units per property  7 Units per property</p>
Trade/Services	
<ul style="list-style-type: none"> <li>• Commercial/Professional Office</li> <li>• Vacant &gt; 25,000 SF</li> <li>• Mid-Size Office</li> <li>• Major Office Buildings</li> <li>• Hospital/Large Medical Offices</li> </ul>	<p>1 Unit per property  1 Unit per property  4 Units per property  7 Units per property  7 Units per property</p>
Industrial	
<ul style="list-style-type: none"> <li>• Small Industrial</li> <li>• Vacant &gt; 50,000 SF</li> <li>• Medium Industrial</li> <li>• Major Industrial</li> </ul>	<p>1 Unit per property  1 Unit per property  4 Units per property  7 Units per property</p>
Exempt	
<ul style="list-style-type: none"> <li>• Open Space/Common Areas, Public Facilities, Parks, Redevelopment Agency</li> </ul>	<p>0 Units per property</p>



## Part III – Estimate of Costs

The following budgets outline the estimated costs to maintain and service the various landscaping improvements described in this Report for Fiscal Year 2024/2025.

The budgeted expenses outlined in the following pages for the District and the Zones therein reflect the estimated annual expenses required to support and maintain the improvements to be provided for fiscal year 2024/2025. The estimated annual expenses provided in the budgets are considered to be appropriate full-service level costs. These full-service expenses, minus the general benefit expenses (Expenses not assessed and identified as the City’s financial obligation to support the improvements) result in the amount of funding the property owners should reasonably be assessed to fully fund their proportional special benefit from the improvements to be maintained (“Special Benefit Expenses”).

**CITY OF SANTA MARIA  
NORTHEAST LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. DS-10  
ESTIMATED BUDGET**

	2023/2024	2024/2025
<b>ESTIMATED EXPENDITURES</b>		
Utilities	\$113,817	\$113,817
Contract, Supplies, Renovation	\$315,216	\$340,440
Administration	\$291,623	\$291,622
<b>Total Expenditures</b>	<b>\$720,656</b>	<b>\$745,879</b>
<b>ESTIMATED REVENUES</b>		
Special Assessment	\$522,659	\$540,952
City General Benefit Contribution	\$197,997	\$204,927
<b>Total Revenues</b>	<b>\$720,656</b>	<b>\$745,879</b>



<b>SUEY AND DONOVAN SBZ</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b>ESTIMATED EXPENDITURES</b>		
Utilities	\$0	\$0
Contract, Supplies, Renovation	\$6,215	\$6,529
Administration	\$2,764	\$2,764
<b>Total Expenditures</b>	<b>\$8,979</b>	<b>\$9,293</b>
<b>ESTIMATED REVENUES</b>		
Special Benefit Assessment	\$8,979	\$9,293
<b>Total Revenues</b>	<b>\$8,979</b>	<b>\$9,293</b>

<b>RIVERGATE ROEMER SBZ</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b>ESTIMATED EXPENDITURES</b>		
Utilities	\$29,844	\$29,844
Contract, Supplies, Renovation	\$64,529	\$68,150
Administration	\$16,608	\$16,608
<b>Total Expenditures</b>	<b>\$110,981</b>	<b>\$114,602</b>
<b>ESTIMATED REVENUES</b>		
Special Benefit Assessment	\$110,981	\$114,602
<b>Total Revenues</b>	<b>\$110,981</b>	<b>\$114,602</b>

<b>DONOVAN ESTATES SBZ</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b>ESTIMATED EXPENDITURES</b>		
Utilities	\$263	\$263
Contract, Supplies, Renovation	\$14,045	\$15,294
Administration	\$2,725	\$2,725
<b>Total Expenditures</b>	<b>\$17,033</b>	<b>\$18,282</b>
<b>ESTIMATED REVENUES</b>		
Special Benefit Assessment	\$17,033	\$18,282
<b>Total Revenues</b>	<b>\$17,033</b>	<b>\$18,282</b>



<b>LA VENTANA SBZ</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b>ESTIMATED EXPENDITURES</b>		
Utilities	\$11,277	\$11,277
Contract, Supplies, Renovation	\$76,666	\$81,686
Administration	\$15,906	\$15,906
<b>Total Expenditures</b>	<b>103,849</b>	<b>\$108,869</b>
<b>ESTIMATED REVENUES</b>		
Special Benefit Assessment	\$103,849	\$108,869
<b>Total Revenues</b>	<b>\$103,849</b>	<b>\$108,869</b>



### **Annual Inflationary Adjustment (Assessment Range Formula)**

Pursuant to Article XIID of the California Constitution (Proposition 218), any “new or increased assessments” require certain noticing and balloting requirements. However, Government Code Section 54954.6(a) provides that a “new or increased assessment” does not include “an assessment which does not exceed an assessment formula or range of assessments...previously adopted by the agency or approved by the voters in the area where the assessment is imposed.” This definition of a new or increased assessment is reaffirmed in the Proposition 218 Omnibus Implementation Act, Government Code Section 53753.5.

As previously adopted and approved by the City Council, each fiscal year the maximum assessment rates established for the improvements in the previous fiscal year for the District and each Zone may be adjusted by the percentage increase of the Local Consumer Price Index (CPI). The Consumer Price Index used for the inflationary adjustment shall be for the Los Angeles- Riverside-Orange County Area for All Urban Consumers, as developed by U.S. Bureau of Labor Statistics. The CPI used shall be as determined by the Bureau of Labor Statistics for a similar period of time.

Each fiscal year the City shall identify the annual percentage change in the CPI, using the difference over a 12-month period between the current year and of the previous year as of January of each succeeding year. This percentage difference shall then establish the range of increase to the maximum assessment rates allowed. If the percentage change in the CPI is negative, the maximum assessment rates shall not be adjusted from the previous fiscal year (unchanged). Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City may use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

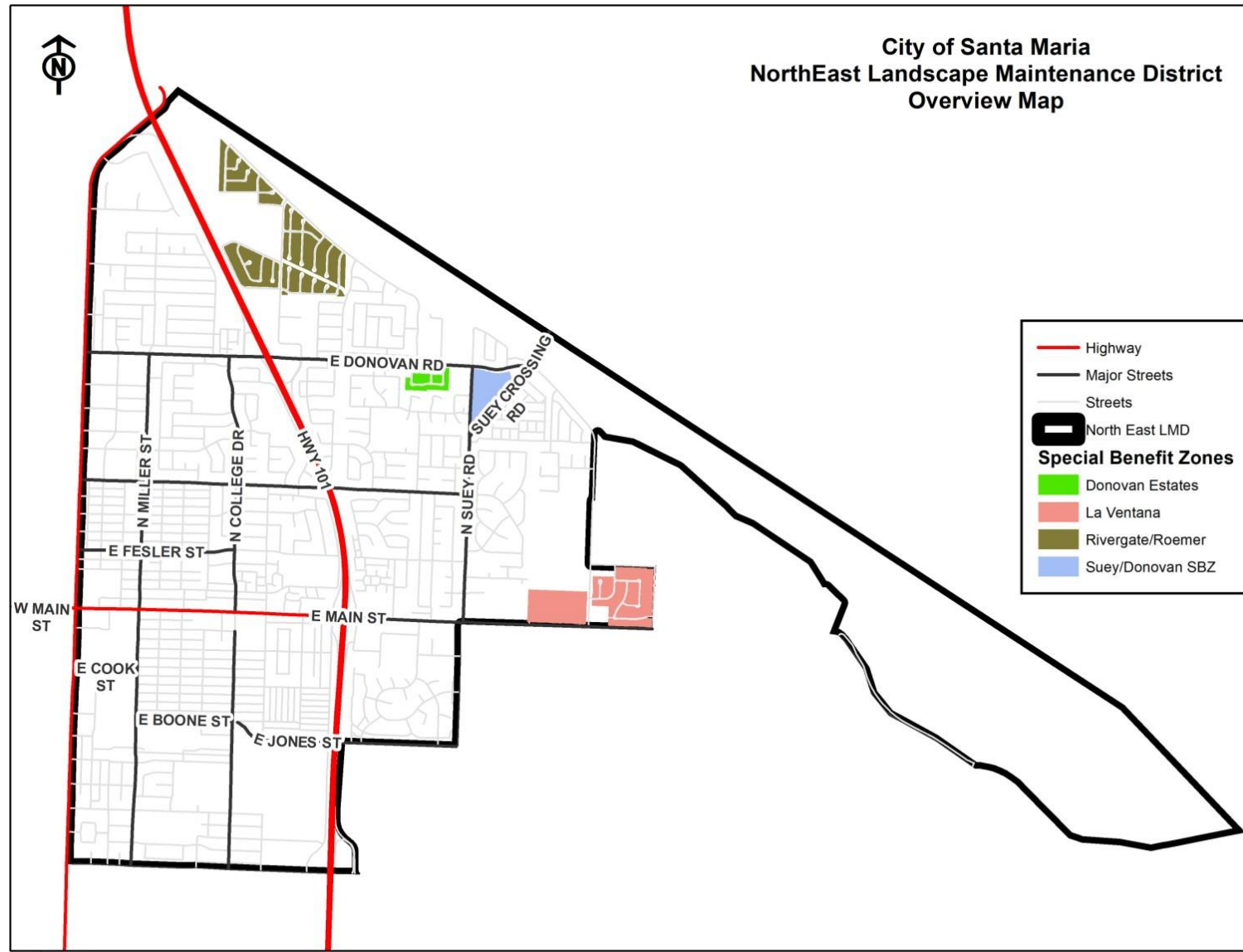
The percentage change in CPI from December 2022 to December 2023 as reported by the U.S. Bureau of Labor Statistics was 3.5 percent. Therefore, the maximum assessment rates for fiscal year 2024/2025 will be increased by 3.5 percent over the maximum assessment rates for fiscal year 2023/2024.



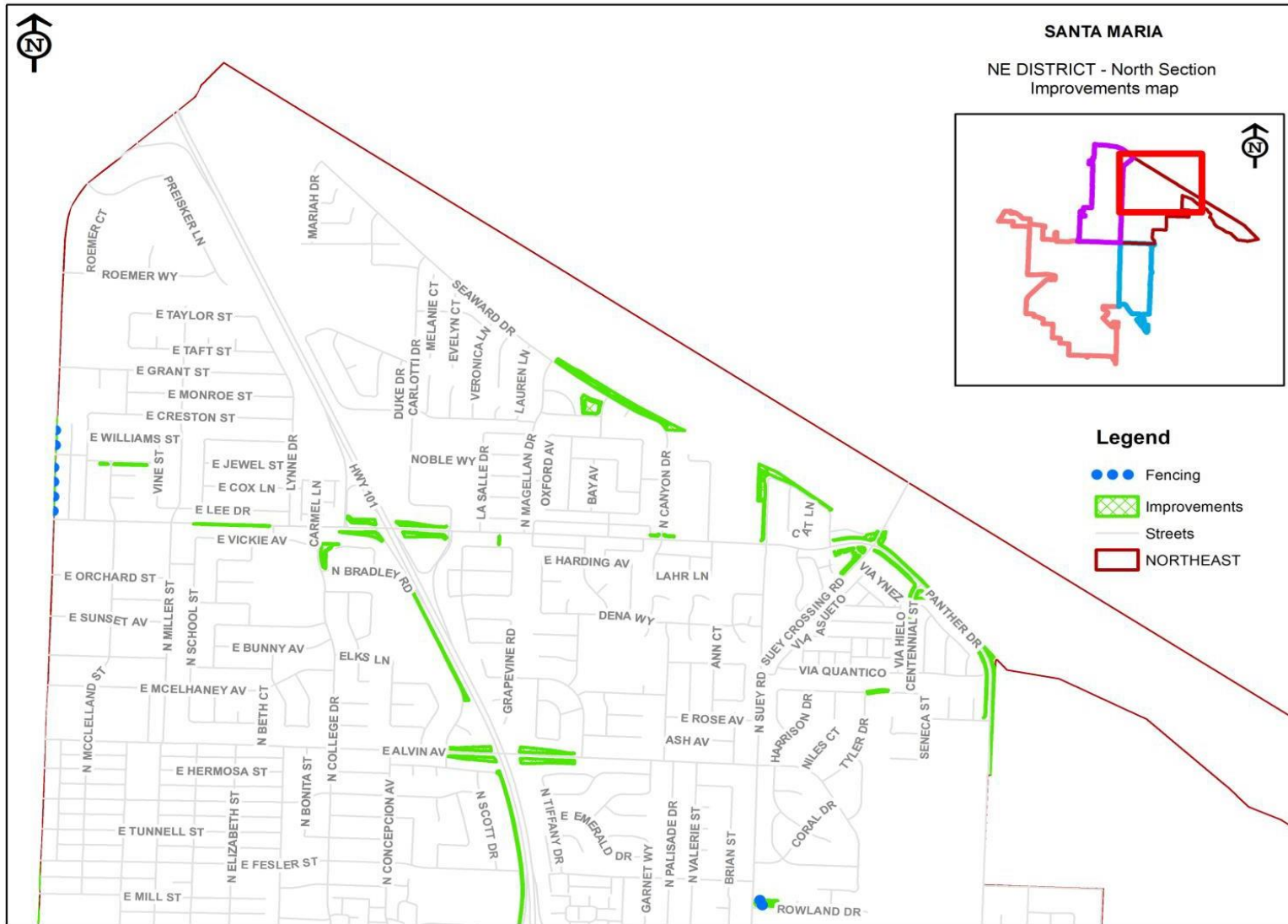
## **Part IV – District/Zone Diagrams**

The following section contains a series of diagrams showing the boundaries of Santa Maria Landscape Maintenance Assessment District No. DS-10 and the Zones therein for Fiscal Year 2024/2025. In addition to depicting the boundaries of the Zones, the diagrams also provide a visual depiction of the general location of the improvement areas being funded and maintained within the District and Zones. All parcels that will receive a special benefit from the improvements provided within the District and each respective Zone consist of the lots, parcels and subdivisions of land within the boundaries of the District and/or Zones as depicted by these diagrams and the lines and dimensions of those lots, parcels and subdivisions of land shall be those lines and dimensions shown on the Santa Barbara County Assessor's parcel maps for the current fiscal year and by reference the Santa Barbara County Assessor's parcel maps are incorporated herein and made part of this Report. These diagrams along with the Assessment Roll incorporated in Part V of this Report constitute the District Assessment Diagram for Fiscal Year 2024/2025.

# District Boundary Diagram



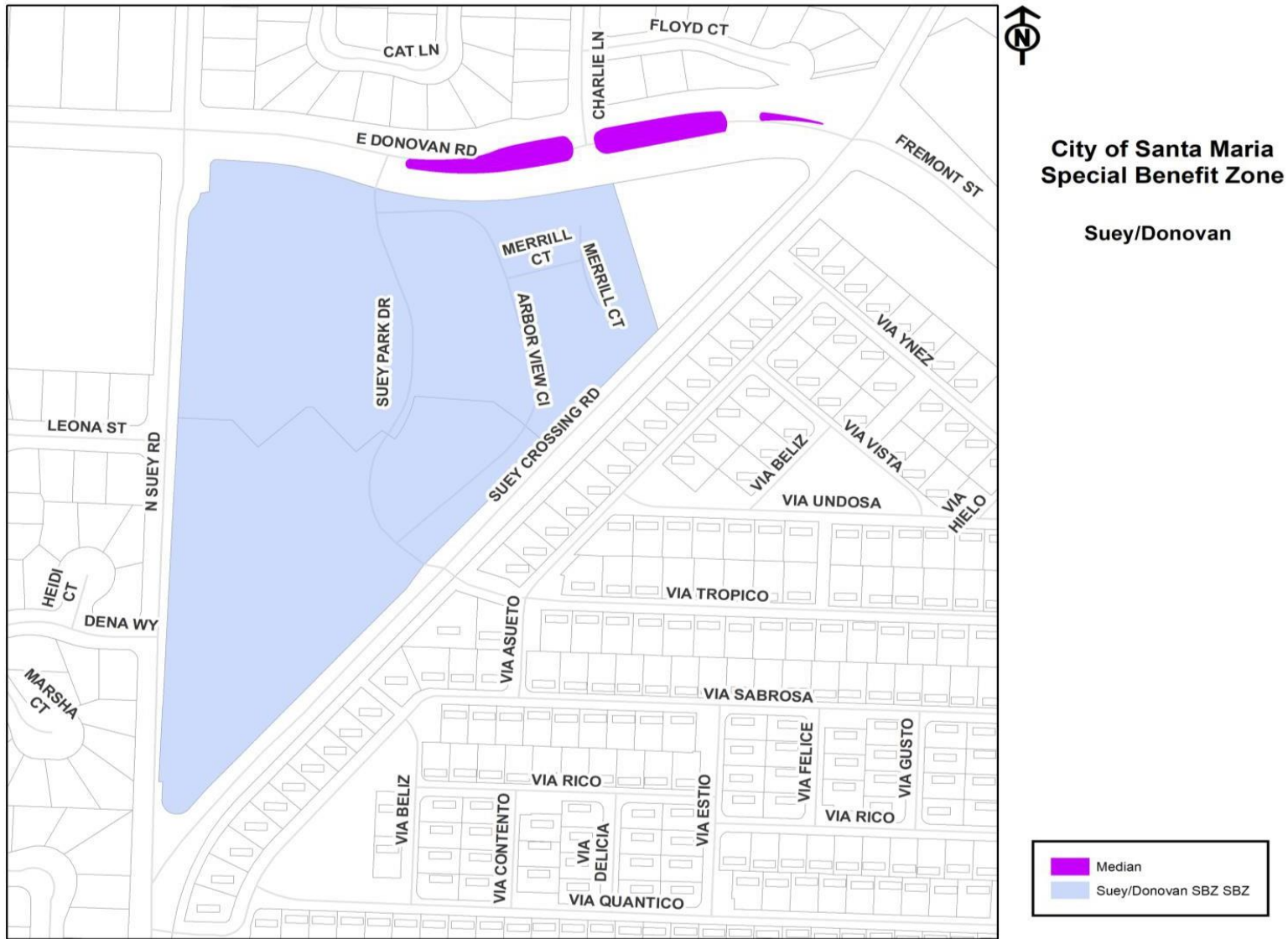
# District Improvement Diagram (Northern Section)







# Suey and Donovan Special Benefit Zone



Date: 2/2/2022

# Rivergate Roemer Special Benefit Zone



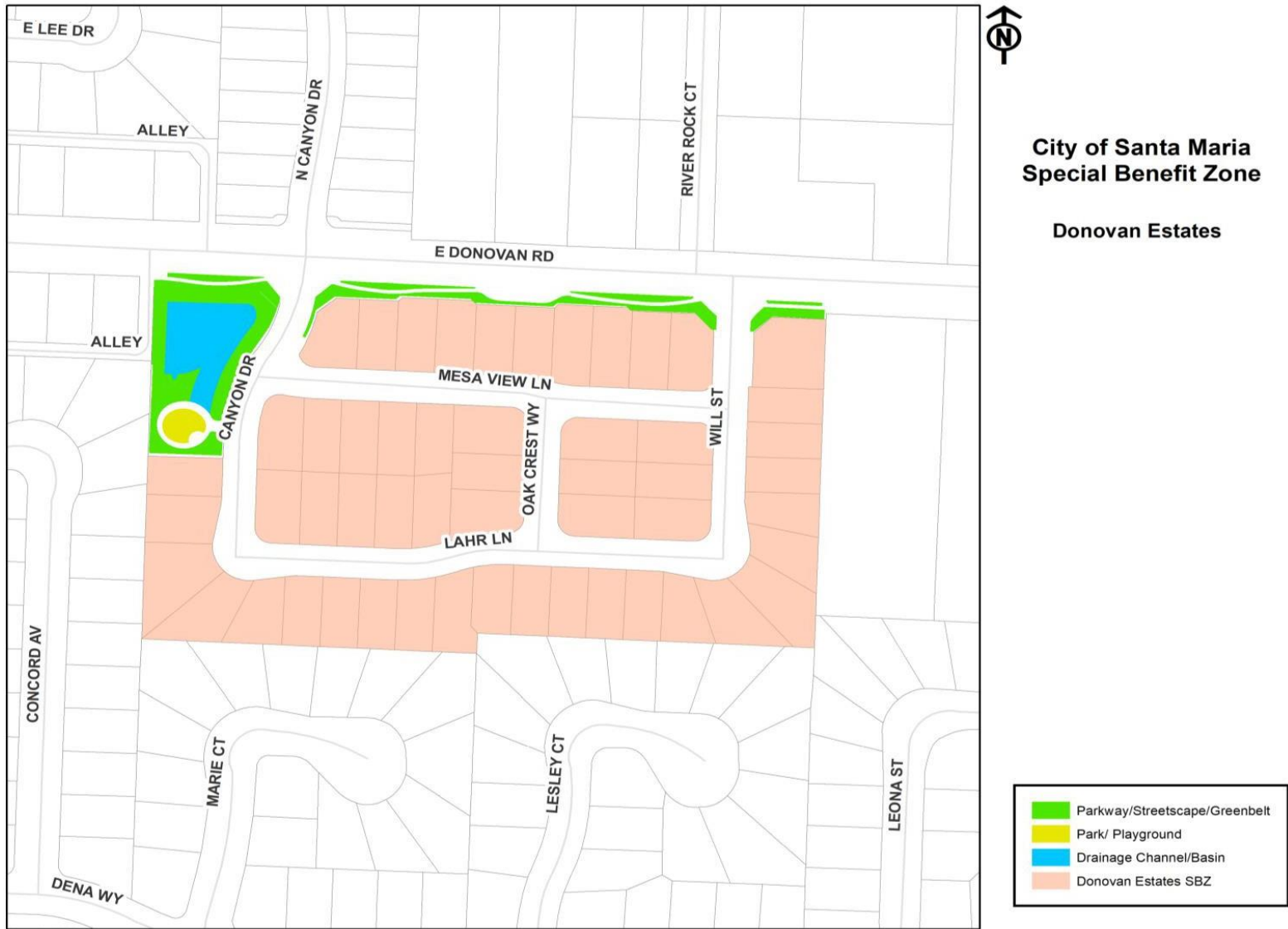
## City of Santa Maria Special Benefit Zone

### Rivergate/Roemer



Date: 2/2/2022

# Donovan Estates Special Benefit Zone



Date: 2/2/2022

# La Ventana Special Benefit Zone



Date: 2/2/2022

## Part V - Assessment Rolls

Due to the number of parcels in the District, the Assessment Roll for fiscal year 2024/2025 (a listing of the parcels to be assessed within this District along with the assessment amounts) has been filed with the City Clerk in an electronic format and is, by reference, made part of this Report. The proposed Assessment Roll shall be available for public inspection in the City Clerk's Office during normal office hours.

The Assessment Roll identified the parcels within the District that are assessed for special benefits and their corresponding assessment amount(s) for fiscal year 2024/2025. Each parcel listed on the Assessment Roll is currently shown and illustrated on the County Assessor's Roll and the County Assessor's Parcel Number Maps (APN maps). These records are, by reference, made part of this Report and shall govern for all details concerning the description of the lots or parcels. All assessments presented on the assessment roll are subject to change as a result of parcel changes made by the County including parcel splits, parcel merges or development changes that occur prior to the County Assessor's Office securing the final roll and generating tax bills for fiscal year 2024/2025.