



America's Finest City

THE CITY OF SAN DIEGO



Assessment Engineer's Report

NORTH PARK MAINTENANCE ASSESSMENT DISTRICT

Annual Update for Fiscal Year 2015

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscaping & Lighting Act of 1972
of the California Streets & Highways Code**

Prepared For

City of San Diego, California

Prepared By

EFS Engineering, Inc.

P.O. Box 22370

San Diego, CA 92192-2370

(858) 752-3490

June 2014

CITY OF SAN DIEGO

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Scott Chadwick

City Clerk

Elizabeth Maland

Independent Budget Analyst

Andrea Tevlin

City Engineer

James Nagelvoort

Assessment Engineer

EFS Engineering, Inc.

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Assessment Engineer's Report

North Park

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscaping and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the NORTH PARK MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), EFS ENGINEERING, INC., as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____ ,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2014.

Elizabeth Maland, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA



Executive Summary

Project: North Park
 Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2014	FY 2015 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	9,202	9,204	--
Total Estimated Assessment:	\$401,376	\$408,187	--
Total Number of EBUs:	17,887.84	17,889.44	--
Assessment per EBU:	\$22.44	\$22.82	\$22.82 ⁽³⁾

⁽¹⁾ FY 2015 is the City's Fiscal Year 2015, which begins July 1, 2014 and ends June 30, 2015. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBUs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum authorized annual amounts subject to cost-indexing provisions as set forth in this Assessment Engineer's Report.

⁽³⁾ Prior fiscal year's maximum authorized annual assessment increased by cost-indexing factor of 1.71%.

Proposition 218 Compliance: The District, originally formed in April 1996, was re-engineered in Fiscal Year 1999 for compliance with Proposition 218. By a ballot proceeding, majority property owners (61.5% of the weighted vote) approved Fiscal Year 1999 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost-indexing.

Annual Cost-Indexing: The maximum authorized assessment rate has been increased based on the approved annual cost-indexing provisions.

Bonds: No bonds will be issued in connection with this District.



Background

The North Park Maintenance Assessment District (District) was originally established in April 1996, and assessments were levied for Fiscal Year 1997. The District boundary, the parcels included, and the method of apportionment were reviewed in May 1997 for the purpose of compliance with Proposition 218. Through consultation with engineering and legal consultants, and with concurrence of City staff and City Council, it was determined that assessments would not be levied for Fiscal Year 1998. The District's maintenance operations continued to be funded from available reserve funds through Fiscal Year 1998.

The District was re-engineered in 1998 for compliance with Proposition 218, with provisions for additional improvements to be maintained and provided by the District. These additional improvements, as determined through a process of community participation and input, resulting in the scope of maintenance and capital improvements described in subsequent sections of this report.

By a mail ballot proceeding, property owners approved the re-engineering with 61.5% of weighted votes supporting the proposed assessments. The Assessment Engineer's Report, preliminarily accepted by Resolution Number R-290012 on May 4, 1998, proposed Fiscal Year 1999 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost-indexing of the maximum authorized assessments.

The original purpose of the District was, and still is, to maintain and provide specified landscape and lighting improvements within the District boundaries.

District Proceedings for Fiscal Year 2015

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscaping and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIII D of the California Constitution), and



provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Assessment Engineer's Report is to update the District budget and assessments for Fiscal Year 2015. The Fiscal Year 2015 assessments proposed within this Assessment Engineer's Report are equal to or less than the maximum authorized assessment. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map and Assessment Diagram for the District are on file in the Maintenance Assessment Districts section of the Park and Recreation Department of the City of San Diego and by reference are made a part of this report. The Boundary Map and Assessment Diagram for the District are available for public inspection during normal business hours. A reduced copy of the Boundary Map is included as **Exhibit A**.

Project Description

The projects to be funded by the proposed assessments include both capital improvement projects and maintenance of existing improvements. The improvements to be provided and maintained generally consist of street lighting, median and right-of-way landscaping, streetscape, community identification signs, and cleaning and repair of sidewalks along the major streets in the District. The approximate locations of these improvements are shown on **Exhibit A**.

New capital improvements to be provided shall be as described herein. The improvements and services provided by the District will be



maintained in accordance with specifications and contracts on file with the Park and Recreation Department. These documents are available for public inspection during normal business hours.

Capital Improvements

Provisions of the following new capital improvements are to be funded:

- ◆ Installation of new mid-block street lights.
- ◆ Planting of new street trees, including concrete sidewalk cuts, tree grates, standpipes, and related appurtenances along corridors.
- ◆ Design and construction of a streetscape and art project along 30th Street at Switzer Canyon, with construction costs to be supplemented by other sources (Switzer Bridge Enhancement Project).

Maintenance

Maintenance of the following improvements is to be funded:

- ◆ Operations, maintenance, and energy costs for existing street lights on University Avenue, 30th Street, Dale/Upas Streets, and 32nd Street from University Avenue to Upas Street.
- ◆ Maintenance of landscaped medians along El Cajon Boulevard.
- ◆ Maintenance of streetscape improvements along 30th Street, University Avenue, North Park Way, and El Cajon Boulevard.
- ◆ Cleaning, maintenance, and energy costs for community identification signs, on El Cajon Boulevard and University Avenue.
- ◆ Street cleaning along 30th Street, University Avenue, and El Cajon Boulevard.
- ◆ Sidewalk steam cleaning along University Avenue and 30th Street.
- ◆ Maintenance of newly planted street trees, each for a three-year establishment period after planting, including new trees to be planted using District funds, as described above under “Capital Improvements,” and new trees to be planted using funds other than the District’s.
- ◆ Maintenance and trimming of existing street trees depicted in **Exhibit A** at a level less than that described for new street trees.



- ◆ Maintenance of the Switzer Bridge Enhancement Project described above under “Capital Improvements.”
- ◆ Maintenance of streetscape and rights of way along Boundary Street between North Park Way and Monroe Avenue.
- ◆ Partial funding of miscellaneous sidewalk repairs throughout the District in collaboration with affected property owners, through a rebate program as follows: 50% City Street Division, 12.5% maintenance assessment district, and 37.5% property owner.

Separation of General and Special Benefits

The identified improvements/services provide benefits to the parcels located within the District. Some of these benefits are “special benefits,” benefits that are above and beyond the City’s standard level of service, and exclusive of those “general benefits” provided to the public at large or properties located outside the District. Under Assessment Law, only “special benefits” are assessable. As such, isolation and quantification of the “special benefits” associated with the improvements/services are paramount, and illustrated in the following equations:

$$\text{Special Benefits} = \text{Total Benefits} - \text{General Benefits}$$

$$\text{General Benefits} = \text{City Standard} + \text{External Benefits}$$

$$\text{Special Benefits} = \text{Total Benefits} - [\text{City Standard} + \text{External Benefits}]$$

In these equations, “Total Benefits” refers to the cost of providing the total benefits of the improvements/services; “City Standard” represents the cost of providing the City’s standard level of service; and “External Benefits” refers to the cost of those additional benefits accruing to the public at large or properties located outside the District. In order to isolate the “Special Benefits,” it is necessary to quantify the amount of “General Benefits” associated with the improvements/services.

City Standard

As a “general benefit” (not funded by assessments), the District will continue to receive the standard level of service provided to the public



at large under City-funded and administered programs for maintenance and servicing of public facilities and improvements (e.g., medians, open space, street lights, street trees, sidewalks, parks, etc.), including street sweeping and graffiti removal on public property. Consistent with City policy for the public at large, the City will provide the District with standard service levels and annual contributions from the Gas Tax Fund for median maintenance (28.03¢ per square foot of landscaped median and 4.43¢ per square foot of hardscaped median). The City will contribute for lighting maintenance and energy costs an amount equivalent to that used for City minimum required streetlights (see *City Council Policy 200-18* for lighting standards). These levels of service and cost allocations, reviewed and adjusted annually by the City, are “general benefits” administered by the District.

External Benefits

Assessment Law prohibits levying assessments to pay for “general benefits” conferred to the public at large or properties located outside the District. Based on a review of the spatial limits of the District and the proposed improvements/services, it has been determined that the maintenance and servicing of the improvements has the potential to confer benefits to others outside the District.

It is estimated as much as 7.2% of the total benefit (in excess of the City standard) may accrue to the public at large or properties located outside the District (with an estimated 0.0% accruing directly to properties located outside the District, and the remaining 7.2% accruing to the general public as indirect/incidental beneficiaries passing through the District or utilizing District-provided amenities). The estimated costs associated with these “general benefits” have been quantified and will not be funded by assessments.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2015 annual expenses, revenues, reserves, and assessments (provided by the City) are included as **Exhibit B** hereto.



Annual Cost-Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 1999, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 1999 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. The annual change in second half SDCPI-U values, as compiled by the U.S. Bureau of Labor Statistics (see www.bls.gov), for the prior year period was from 257.285 to 261.679 (a 1.71% increase). In accordance with the approved cost-indexing provisions, the maximum authorized assessment rates contained within this Assessment Engineer's Report have been increased by 1.71%.

Method of Apportionment

Estimated Benefit of Improvements

The improvements to be maintained and provided by the North Park Maintenance Assessment District are specified in the "Project Description" section above. In general, the improvements consist of street lighting, median and right-of-way landscaping, streetscape, community identification signs, and cleaning and repair of sidewalks



along the major streets in the District. The improvements lie along the primary access routes used for inter-community and intra-community trips. Parcels within the District benefit from the improvements in terms of enhanced public safety, community image, and aesthetics.

Apportionment Methodology

The total cost for maintaining and providing the improvements funded by the District will be assessed to the various parcels in proportion to the estimated Equivalent Benefit Units (EBUs) assigned to a parcel, in relationship to the total EBUs of all the parcels in the District.

EBUs for each parcel have been determined as a function of three factors: Parcel Acreage or Number of Dwelling Units, a Land Use Factor, and a Benefit Factor, related as shown in the following equation:

$$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$$

Each of these factors is discussed below. Parcels determined to receive no benefit from maintenance of the District improvements have been assigned zero (0) EBUs.

Land Use Factor

The improvements to be maintained and provided by the District are primarily associated with the Transportation Element of the General and Community Plans. Accordingly, trip generation rates for various land use categories (as previously established by the City's Transportation Planning Section) have been used as the primary basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of street lighting and landscape improvements maintained and provided by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. Trip



generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code.

Land use/zoning classifications have been grouped with averaged trip generation rates assigned to establish the Land Use as shown in **Table 1**.

TABLE 1: Land Use Factors

Land Use/Zoning	Code	Land Use Factor ^{(1) (2)}
Residential – Single Family (detached)	SFD	1.0 per dwelling unit
Residential – Condominium	CND	0.7 per dwelling unit
Residential – Duplex	DUP	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Church & House of Worship	CRH	2.8 per acre
Commercial – Office & Retail	COM	45.0 per acre
Educational – Primary & Secondary	EPS	5.0 per acre
Fire/Police Station	FPS	15.0 per acre
Industrial & Institutional	IND	15.0 per acre
Library	LIB	40.0 per acre
Open Space (designated)	OSP	0.0 per acre
Park – Developed	PKD	5.0 per acre
Street/Roadway	STR	0.0 per acre
Undevelopable	UND	0.0 per acre
Utility Facility	UTL	3.0 per acre

⁽¹⁾ Proportional to vehicle trip generation per the City's Transportation Element.

⁽²⁾ For vacant properties zoned residential, benefit units were estimated based on allowable density.

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is sometimes permitted, these activities are usually allowed only to the limited extent consistent with the primary purpose of natural preservation. Since this land is essentially “unused” in the customary terms of land use (which relate to human use, not use by nature), the trip generation rate is zero. Therefore, the designated Open Space receives no benefit from the Transportation Element and has been assigned a Land Use Factor of zero.



While those traveling streets and roadways enjoy the improvements maintained by the District during their travel, the actual benefit of this enjoyment accrues to the lands at the origins and destinations of their trips, not to the lands of the streets and roadways, themselves. Accordingly, the Street/Roadway category receives no benefit and has been assigned a Land Use Factor of zero.

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements to be maintained and provided by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements considered may include some or all of the following: public safety, view corridors, aesthetics, enhancement of community identity, drainage corridors, and recreational potential. These are the components used for this District: public safety and aesthetics/community identity.

As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements maintained by the district, Benefit Factors will generally vary from one district to another, based on the specific character and nature of the applicable land uses and improvements maintained.

For a given land use, the composite Benefit Factor is equal to the sum of the subcomponent values. If a land use category receives no benefit from a subcomponent, then a value of zero is assigned to that subcomponent. A composite Benefit Factor of 1.0 indicates that full benefit is received. A decimal fraction indicates that less than full benefit is received.

The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various land use/zoning categories within this District are as shown in **Table 2**.



TABLE 2: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (max. 0.4)	Aesthetics (max. 0.6)	Composite Benefit Factor (max. 1.0)
Residential – Single Family (detached)	0.4	0.6	1.0
Residential – Condominium	0.4	0.6	1.0
Residential – Duplex	0.4	0.6	1.0
Residential – Multi-Family & Apartment	0.4	0.6	1.0
Church & House of Worship	0.4	0.6	1.0
Commercial – Office & Retail	0.4	0.6	1.0
Educational – Primary & Secondary	0.4	0.6	1.0
Fire/Police Station	0.4	0.6	1.0
Industrial & Institutional	0.4	0.6	1.0
Library	0.4	0.6	1.0
Open Space (designated)	0.4	0.0	0.4
Park – Developed	0.4	0.0	0.4
Street/Roadway	0.4	0.0	0.4
Undevelopable	0.4	0.0	0.4
Utility Facility	0.4	0.0	0.4

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements (street lighting and landscape improvements). Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of District improvements (street lighting and landscape improvements) varies among land use categories. Due to the highly urbanized character of this District, residential land uses are closely interspersed with commercial, institutional, and industrial land uses. All share a common urban environment, and accordingly, all receive comparable benefit from the aesthetic elements of District improvements.

Lands in the Open Space, Parks, Streets, Undevelopable, and Utility Facility categories are considered to receive no significant



benefit from the aesthetic elements of District improvements, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

Sample Calculations

As described above, the number of Equivalent Benefit Units (EBUs) assigned to each parcel in the District has been calculated based on each parcel's land use and the identified apportionment factors, as shown in the following equation:

$$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$$

Shown below are sample EBU calculations for several common land uses found in the District.

- **1 Single-Family Residence**
EBUs = 1 unit x 1.00 x 1.00 = 1.00 EBUs
- **1 Condominium**
EBUs = 1 unit x 0.70 x 1.00 = 0.70 EBUs
- **10-unit Apartment Complex**
EBUs = 10 units x 0.70 x 1.00 = 7.00 EBUs
- **½-acre Commercial Property**
EBUs = 0.50 acres x 45.00 x 1.00 = 22.50 EBUs

The total assessment for each parcel in the District is based on the calculated EBUs for the parcel and the applicable unit assessment rate, as shown in the following equation:

$$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Assessment Rate}$$

The EBUs calculated for each property, based on the above formula, are provided in the Assessment Roll (**Exhibit C**).



Summary Results

The District Boundary is presented in **Exhibit A**.

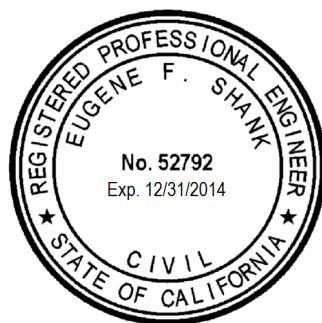
An estimate of the costs of the improvements provided by the District is included as **Exhibit B** to this report.

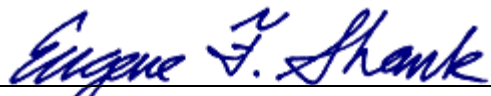
The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EBUs and Fiscal Year 2015 District assessment for each parcel were calculated and are shown in the Assessment Roll (**Exhibit C**).

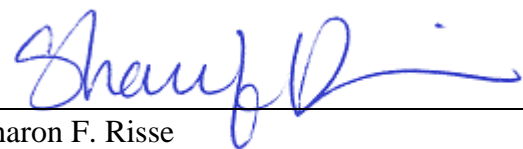
Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2015 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

EFS ENGINEERING, INC.




Eugene F. Shank, PE C 52792


Sharon F. Risse



I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the ____ day of _____, 2014.

Elizabeth Maland, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the ____ day of _____, 2014.

Elizabeth Maland, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A

EXHIBIT B

EXHIBIT C

ASSESSMENT ENGINEER'S REPORT
ASSESSMENT ROLL

The undersigned, pursuant to the "Maintenance Assessment Districts Ordinance" (Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), the "Landscaping and Lighting Act of 1972" (Part 2, Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (Article XIID of the California Constitution), and the "Proposition 218 Omnibus Implementation Act" (California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), does hereby submit the following:

1. Pursuant to the provisions of Assessment Law and the Resolution of Intention, we have assessed the costs and expenses of the works of improvement (maintenance) to be performed in the Assessment District upon the parcels of land in the Assessment District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram and Boundary Map on file in the Maintenance Assessment Districts section of the Park and Recreation Department of the City of San Diego. A copy of the Boundary Map is included in the Assessment Engineer's Report as **Exhibit A**.
2. The Assessment Diagram included in this report shows the Assessment District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within the Assessment District, the same as existed at the time of the passage of the Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon the Assessment Diagram and in the Assessment Roll (**Exhibit C**).
3. By virtue of the authority contained in said Assessment Law, and by further direction and order of the legislative body, we hereby make the following assessment to cover the costs and expenses of the works of improvement (maintenance) for the Assessment District based on the costs and expenses as set forth in the Assessment Engineer's Report.

For particulars as to the individual assessments and their descriptions, reference is made to the Assessment Roll (**Exhibit C**) attached hereto.

DATED: June 13, 2014

EFS ENGINEERING, INC.



By: Eugene F. Shank
Eugene F. Shank, PE C 52792

By: Sharon F. Risse
Sharon F. Risse