

Shasta Gateway Industrial Park Landscape and Lighting Maintenance District - Formation

**SGIP Owner Questions / Answers (as of 01-09-2024)**

| Question:  | Answer:  |
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| <p>1 Assessments are calculated using Equivalent Benefit Unit ("EBU"). I don't understand the methodology? Why can't we use per lot basis?</p>   | <p>The formula used for calculating assessments 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 those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution. The District is utilized to pay for the benefits of the beatification of the area. The EBU method is utilized to best calculate each property's share of benefits of the improvements and services. It establishes a basic unit of benefit that compares land use and property size. The larger the property the greater the benefit of the improvements and services.</p> <p>It is not typical to utilize a per lot/per parcel assessment since this type of District is tied to benefit. Conducting a Benefit Analysis is vital in the creation of the LMD to guarantee that the district is legally sound and less susceptible to court challenges and overturning.</p> |
| <p>2 Lighting – the resolution and most of the text in the Willdan report says that the SGIP LLMD will be responsible for lighting. There is one reference, however, on page 5 that says the City will be responsible for lighting. If this is the case (as I thought it was), I think the references to the LLMD being responsible for lighting should be deleted from all documents.</p>                   | <p>The City will remove the street light budget item and will continue to maintain the existing lights. If the SGIP LMD decides at a later time to replace the existing street lights with ornamental street lights. The maintenance would then shift to the SGIP owners under the LMD.</p>  |
| <p>3 EBU methodology – This seems reasonable in theory, but the use of gross acreage instead of usable acreage seems problematic. I do recall a discussion about using a per-lot basis, but I cannot find where that was "codified" anywhere. I understand how the base EBU was arrived at, but I don't understand how Willdan got to 4 EBU for a commercial lot – seems like that came out of thin air.</p> | <p>Per the question of gross and usable acreages, the parcels have already been subdivided out so, the gross acreage of the property is the net buildable acreage for each parcel. The property owner can opt to build any additional units on the property at a later time. The EBU method utilizes the single-family home acreage as a basic unit of assessment. The average acreage of a single-family home in the City is 0.2555. Using this method, 4 single-family (1 EBU per SFR Lot) homes can fit on 1 acre of commercial property making each commercial property assessed at 4.0 EBU per acre. This is referenced below:</p>  |
|  | <p>For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the various improvements in the District based on the average acres of single-family residential property. The average single-family home in the surrounding area equates to 0.2555 (0.25) acres of land. Thus, the "benchmark" property (the single-family residential parcel) derives one (1) EBU of benefit and <del>would be assigned 1.00 Equivalent Benefit Unit if existed in place of commercial development</del> <u>as such each acre of commercial land would be assigned 4.00 EBU per acre</u>.</p>   |
| <p>4 I don't understand how Willdan got to a total of ~195 EBU. They don't show their math for the equations listed on page 10. Would you please have them add that to the report for our review?</p>  | <p>The 195.52 EBU comes from the total EBUs of all parcels in the District. Willdan added the math in the equations below. The EBUs are listed on the budget on page 13 as well as the assessment roll on page 16 (below).</p>   |
|  | <p><b>F. ASSESSMENT CALCULATIONS</b></p> <p>The total number of Equivalent Benefit Units (EBU's) is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of all parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.</p> <p style="text-align: center;"><b>Total Balance to Levy / Total EBU = Levy per EBU</b></p> <p style="text-align: center;"><b>Levy per EBU x Parcel EBU = Parcel Levy Amount</b></p>   |
| <p>5 Utilize a per lot assessment allocation consistent with prior PO agreements, to fairly share the costs of the landscape maintenance among all property owners.</p>  | <p>See answer to "1" above. Per the question of gross and net acreages, the parcels have already been subdivided out so, the gross acreage of the property is the net buildable acreage for each parcel. The property owner can opt to build any additional units on the property at a later time.</p>   |
| <p>6 Categorically and specifically limit the LMD (not LLMD) costs to the landscape maintenance, including utilities, and nothing else, consistent with the original declaration.</p>  | <p>See answer to "2" above.</p>  |
| <p>7 Include POs in the process with full transparency and communication and gain PO approval PRIOR to putting together a new ballot package or scheduling public hearings.</p>  | <p>The City has been available to all Property Owners throughout this LMD formation process. Furthermore, the City has scheduled a meeting on Wednesday January 17th to discuss the formation documents and next steps.</p>  |
| <p>8 Prepare and submit to Council an amendment to CC-2023-73 to incorporate these corrections.</p>  | <p>The City Council has directed staff to collaborate with Willdan ("Consultant") in establishing the assessment district pursuant to State regulations. No amendments to the City Council Resolution are required. The Council will oversee the public hearing, ballot counting, and make a decision on the formation or denial at a subsequent date.</p>   |
| <p>9 When will the City be able to take over the management and payment of the landscaping?</p>  | <p>Once the formation of the LMD is approved. This was originally scheduled for January 2, 2024, but is now delayed to February to address property owners' questions.</p>   |

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|    | <b>Question:</b>  | <b>Answer:</b>   |
|----|---|--|
| 10 | Does the Public Hearing Notice have to be published in general circulation newspaper? | There are no additional noticing requirements for this public hearing. The required noticing was sent directly to the effected property owners along with their ballot.  |
| 11 | How was the budget developed?   | <p>The City provided the consultant an estimate on costs based on either quotes from licensed qualified contractors or actual costs.</p> <p>The reason the first-year budget is higher than expected is due to the CIP projects as well as the 50% reserve collection. This amount is estimated on a recommended 50% reserve collection due to the property tax installment dates and when the City will receive their funds.</p> <p>Please see page 12 of the report for the District Budget.</p> |
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