CONEJO RECREATION AND PARK DISTRICT

PARK MAINTENANCE AND RECREATION IMPROVEMENT DISTRICT

ENGINEER'S REPORT

FISCAL YEAR 2016-17

APRIL 2016

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972
AND ARTICLE XIIID OF THE CALIFORNIA CONSTITUTION

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CONEJO RECREATION AND PARK DISTRICT

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INTRODUCTION

OVERVIEW

The Conejo Recreation and Park District (the "Park District") currently provides park facilities and recreational programs for its service area of over 47,000 parcels. The Park District currently owns, operates and maintains 50 developed sites consisting of neighborhood parks, playfields, community parks, a district-wide park, and special facilities. In addition, the Park District shares in ownership, operation and maintenance of 39 open space areas and regional parks presently comprising 14,270 acres (Conejo Recreation and Park District, Conejo Open Space Conservation Agency, and City of Thousand Oaks). (For locations of the Park District's facilities, see the Diagram following in this Report.)

The Park District's facilities are summarized as follows:

District Parks	Total Acres	Developed Acres	Undeveloped Acres	Location
Banyan Park	7.4	3.0	4.4	3605 Erinlea Ave
Beyer Park	4.0	4.0		280 Conejo School Rd
Borchard Community Park	28.7	28.7		190 Reino Rd
Canada Park	9.2	4.0	5.2	1619 Calle Zocalo
Conejo Creek West	51.1	44.0	7.1	1350 E Avenida De Las Flores
Dog Park at Conejo Creek West	3.5	3.5		
Conejo Community Park	38.4	20.0	18.4	1175 Hendrix Avenue
Conejo Creek North Park	44.1	44.1		1379 E Janss Rd
Conejo Creek South Park	54.7	54.7		1300 E Janss Rd
Conejo Creek Southwest Park	14.1	0	14.1	Paige Lane & Combes Ave
Cypress Park	5.0	5.0		469 ½ S Havenside Ave
Del Norte	3.7	0	3.7	N/E Sapra St
Dos Vientos Neighborhood Park	5.2	5.2		4850 Via Andrea
Del Prado Playfield	26.0	26.0		402 Calle del Prado
Dos Vientos Community Park	27.8	27.8		4801 Borchard Rd
El Parque de la Paz	4.8	4.8		2580 Pleasant Way
Estella Park	1.9	1.9		300 Erbes Rd
Evenstar Park	4.0	4.0		1021 Evenstar Ave
Fiore Park	9.6	7.1	2.5	S/W Rt 23 & Arboles
Glenwood Park	5.2	5.2		1291 Windsor Dr
Hickory Park	4.6	4.6		3977 S Camphor Ave
Kimber	8.3	8.3		3295 Bear Creek Dr
Lang Ranch Neighborhood Park	10.4	7	3.4	3287 Lang Ranch Parkway

District Parks (Continued)	Total Acres	Developed Acres	Undeveloped Acres	Location
Sapwi Trails Community Park	124	0	124	S/W Westlake Blvd & Avenida De Los Arboles
Lynn Oaks Park	8.8	4.0	4.8	359 Capitan St
McCrea Ranch	246.3	12.3	234	4500 N Moorpark Rd
Newbury Gateway Park	6.9	2.3	4.6	2250 Michael Dr
North Ranch Neighborhood Park	12.0	12.0		1901 Upper Ranch Rd
North Ranch Playfield Park	12.0	12.0		952 Rockfield
Northwood Park	8.5	8.5		3619 Avenue Verano
Oakbrook Neighborhood Park	13.5	13.5		2787 Erbes Rd
Old Meadows Park	31.0	6.2	24.8	1600 Marview Dr
Pepper Tree Playfield	21.7	21.7		3720 Old Conejo Rd
Rancho Conejo	12.7	12.7		950 North Ventu Park Rd
Russell Park	7.0	7.0		3199 N Medicine Bow Ct
Southshore Hills Park	4.5	4.5		2025 Tanbark Ct
Spring Meadow Park	7.2	7.2		3283 Spring Meadow Ave
Stagecoach Inn Park	4.9	4.9		51 Ventu Park Rd
Suburbia Park	2.0	2.0		2600 Tennyson St
Sunset Hills Park	5.8	5.8		3350 Monte Carlo Dr
Sycamore Neighborhood Park	4.5	4.5		198 Via Katrina
Thousand Oaks Community Park	35.8	35.8		2525 N Moorpark Rd
Triunfo Park	23.4	23.4		980 Aranmoor Ave
Walnut Grove Equestrian Center	13.0	4.5	8.5	401 Ronel Ct
Walnut Grove Park	6.5	6.5		400 Windtree Ave
Waverly Park	5.5	5.5		1300 Ave de Las Flores
Wendy Park	4.3	4.3		815 American Oaks Ave
Wildflower Playfield	19.0	19.0		635 W Ave De Los Arboles
Wildwood Neighborhood Park	5.8	5.8		650 W Ave De Los Arboles

Regional Parks and Open Space Areas	Total Acres	Developed Acres	Undeveloped Acres	Note
Alta Vista Open Space	42.9			
Arroyo Conejo	302.3			
Conejo Canyons	1,671.6			
Conejo Ridge	406.3			
Deer Ridge Open Space	187.5			
Dos Vientos Open Space	1,260.2			
Fireworks Hill	50.0			
Hope Nature Preserve	359.4			

Regional Parks and Open Space Areas (Continued)	Total Acres	Developed Acres	Undeveloped Acres	Note
Knoll Open Space	21.1			
Labisco Hill Open Space	23.9			
La Jolla Open Space	14.8			
Lake Eleanor Open Space	512.8			
Lang Ranch Open Space	913.8			
Los Padres Open Space	186.7			
Los Robles Open Space	357.8			
Los Vientos Open Space	28.2			
Lynnmere Open Space	114.4			
Joel McCrea Wildlife Refuge	74.8			
McCrea Open Space	98.0			
Morrow Circle	4.0			S Morrow Circle
Mt ClefRidge Open Space	217.1			
North Ranch Open Space	2,595.3			
Oakbrook Regional Park	431.4			
Old Conejo Open Space	38.2			
Old Meadows Open Space	48.7			
Olsen Channel (COSCA)	8.5	8.5		3125 Wildwood Ave
Potrero Open Space	201.7			
Rancho Potrero	323.4			
Skyline Open Space	58.6			
South Ranch Open Space	723.3			
Southshore Hills Open Space	12.8			
Summit House Open Space	33.7			
Sunset Hills Open Space	410.2			
Tarantula Hill Open Space	45.0			
Ventu Park Open Space	141.1			
Walnut Open Space	8.9			
Wildwood	1,732.1			
Woodridge Open Space	608.4			
Zuniga Ridge Open Space	0.6			

Other special facilities operated and/or maintained by the Park District include Hillcrest Center and Hillcrest Center for the Arts, Borchard Community Center, Conejo Community Center, Dos Vientos Community Center, Thousand Oaks Community Center, Old Meadows Center, Conejo Creek West Equestrian Center (51.1 acres), Walnut Grove Equestrian Center, Dog Park, Estella Neighborhood Park Off Leash Area, Kimber Neighborhood Park Off Leash Area, Walnut Grove Neighborhood Park Off Leash Area, Skate Park, Joel McCrea Ranch, Las Flores Community Garden, Conejo Valley Botanic Garden (47.8 acres), Crowley House, Community Pool at Cal Lutheran University, Thousand Oaks High School Pool, Newbury Park High School Pool, Goebel Adult Center, Thousand Oaks Teen Center, Stagecoach Inn Museum, Chumash Interpretive Center, Oak Creek Canyon Whole Access Interpretive Trail (.25 miles), and Rabbit Flats Disc Golf Course.

ASSESSMENT PROCESS

Prior to 2001, the Park District had been experiencing a revenue shortfall that was primarily due to escalating costs and declining revenues. In fact, the Park District lost over $20 million between fiscal year 1991-92 and 2000-01, due to the State shifting funds away from the Park District to help pay for education costs.[1] As a result of this significant cut in funding and limited revenues from other sources, the Park District was forced to postpone many projects, discontinue services, and reduce park maintenance and staffing. During this same period, the cost of maintaining the District's parks had risen to over $7.9 million per year, further straining the District's ability to provide the desired level of park maintenance and improvement. Therefore, in absence of a new local revenue source, the baseline level of park and recreation facilities in the Park District (the "Baseline Service"), as of 2001, would be a deteriorating level of maintenance and upkeep of the park and recreation facilities and properties listed above.

Due to this combination of decreased revenues and increased costs, in 2001 the Park District proposed to establish an Improvement District to provide revenues for improved park maintenance services as well as for expanding and improving park facilities to meet the growing demand placed on the parks. The proposed Assessments would fund the Improvements listed below that would be provided throughout the Park District, extending above and beyond the baseline level of service and the likely elimination of services projected for future years in the Park District.

In March and April 2001 the Board conducted an assessment ballot proceeding pursuant to the requirements of Article XIIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Landscaping and Lighting Act of 1972. During this ballot proceeding, property owners in the Park District were provided with a notice and ballot for the proposed parks assessment ("the Parks Maintenance and Recreation Improvement District" or the "Improvement District"). A 45-day period was provided for balloting and a public hearing was conducted on April 19th, 2001. At the public hearing, all ballots returned within the 45-day balloting period were tabulated. It was determined at the public hearing that the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted). In fact, the final balloting result was 64% support in favor of the Park Maintenance and Recreation Improvement District assessments.

As a result, the Board gained the authority to approve the levy of the assessments for the fiscal year 2001-02 and to continue to levy them in future years. The authority granted by the ballot proceeding includes an annual adjustment in the assessment levies equal to the annual change in the Consumer Price Index for the Los Angeles Area, not to exceed 3%.

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[1]. Since 1991, the Park District has lost more than $30.8 million in funding due to the State's revenue shift to schools through ERAF (the Educational Revenue Augmentation Fund)

ENGINEER'S REPORT AND CONTINUATION OF ASSESSMENTS

In each subsequent year for which the assessments will be continued, the Board must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Board may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Board.

This Engineer's Report ("Report") was prepared to establish the budget for the continued improvements and services that would be funded by the proposed 2016-17 assessments, determine the benefits received by property from the improvements and services within the Park District and the method of assessment apportionment to lots and parcels within the Park District. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the *California Streets and Highways Code* (the "Act") and Article XIIID of the California Constitution (the "Article").

The Board preliminarily approved the Engineer's Report and the continuation of the assessments by resolution. A notice of public hearing will be published in a local paper at least 10 days prior to the date of a public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for May 5, 2016. At this hearing, the Board would consider approval of a resolution confirming the continuation of the assessments for fiscal year 2016-17. If the assessments are so confirmed and approved, the levies would be submitted to the County Auditor/Controller by August 2016 for inclusion on the property tax roll for Fiscal Year 2016-17.

PROPOSITION 218

This assessment is levied consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now codified as Articles XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which specially benefits the assessed property.

Proposition 218 describes a number of important requirements, including property-owner balloting, for the imposition, increase and extension of assessments, and these requirements are satisfied by the process used to establish this assessment.

PLANS & SPECIFICATIONS

The Conejo Recreation and Park District maintains park facilities in locations throughout its boundaries.

The work and improvements (the "Improvements") are proposed to be undertaken by the Conejo Recreation and Park District's Park Maintenance and Recreation Improvement District (the "Improvement District") and the cost thereof, including any debt service on bonds or other indebtedness issued for the work and improvements, paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the Improvement District as defined in the Method of Assessment herein. In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the "Act") the work and improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, including, but not limited to, turf and play areas, playground equipment, hard court surfaces, ground cover, shrubs and trees, irrigation and sprinkler systems, landscaping, park grounds and facilities, drainage systems, lighting, fencing, entry monuments, basketball courts, tennis courts, gymnasiums, senior centers, running tracks, swimming pools, landscape corridors, open space, trails, other recreational facilities, security patrols to protect the Improvements, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, at each of the locations owned, operated or maintained by the Conejo Recreation and Park District. Plans and specifications for these improvements have been filed with the General Manager of the Conejo Recreation and Park District and are incorporated herein by reference.

As applied herein, "Installation" means the construction of recreational improvements, including, but not limited to, land preparation (such as grading, leveling, cutting and filling), sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, recreational facilities and public restrooms.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of said improvements, including repair, removal, or replacement of all or part of any improvement; providing for the life, growth, health and beauty of landscaping; and cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c)

compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Improvement District plus Incidental expenses. Reference is made to the Summary of District's Improvement Plans section in the following section of this Report which specifically identifies the parks, recreation areas and other sites to be funded by the assessment proceeds and to the plans and specifications, including specific expenditure and improvement plans by park/recreation site and zone of benefit, which are on file with the Conejo Recreation and Park District.

FISCAL YEAR 2016-17 ESTIMATE OF COST AND BUDGET

INTRODUCTION

Following are the proposed Improvements, and resulting level of improved parks and recreation facilities, for the Improvement District. As previously noted, the baseline level of service included a declining level of parks and recreation facilities due to shortages of funds for the Park District. Improvements funded by the assessments are over and above the previously declining baseline level of service. The formula below describes the relationship between the final level of improvements, the existing baseline level of service, and the enhanced level of improvements to be funded by the proposed assessment.

Final Level of Improvements	=	Baseline Level of Improvements	+	Enhanced Level of Improvements

SUMMARY OF DISTRICT'S IMPROVEMENT PLANS

The budget to be financed by the assessments is partially based on the results of an independent survey conducted for the District, which indicated property owners' priorities for various improvement projects and park maintenance services. Projects have been selected based on how closely they meet the needs expressed by the survey results. Projects have been chosen throughout the Park District in order to ensure that all properties in the narrowly drawn Park District boundaries will receive improved access to better maintained and improved parks in their area. The multi-year improvement plan includes projects that will add new neighborhood parks and trails to the Park District's infrastructure; improve park and open space security by enhancing lighting and adding park rangers; replace outdated playground equipment; enhanced maintenance of all parks and recreation areas to help ensure the continued beauty, usability, and accessibility of the Park District's parks, playfields, and open space areas; develop playfields and youth oriented activity areas on undeveloped land owned by the Park District. A detailed project improvement plan has been developed and is available for review at the Park District offices.

IMPROVEMENT PLAN HIGHLIGHTS

- Improved maintenance of all parks and recreation areas in the Improvement District
- Completion of playfields at Conejo Creek Park
  - ✓ Status – Phase 2 improvements, including 3 playfields, 8 acres of parking, and undergrounding drainage channel on the east end - completed April 2009
  - ✓ Construction of community meeting room / snack shack completed March 2013.

  - ✓ Additional future improvements in accordance with master plan to be scheduled for design and implementation
- Increased Ranger staffing and patrols to protect and maintain the Improvements
- New Play Equipment at
  - ✓ Borchard Community Park, status - completed
  - ✓ Lynn Oaks Neighborhood Park, status - completed
  - ✓ Triunfo Community Park, status - completed
  - ✓ Evenstar Neighborhood Park, status - completed
  - ✓ Conejo Community Park, status - completed
  - ✓ Wildflower Neighborhood Park, status - completed
- Open Space trails in Wildwood, North Ranch, Portrero, Hill Canyon, and Lakeview Canyon
  - ✓ Status - completed
- Northwood Park development
  - ✓ Status – Phase 2 improvements, including all weather surface walking trail, outdoor fitness equipment and picnic tables – completed November 2010
  - ✓ Phase 3 improvements include playground, basketball and volleyball courts, and restrooms scheduled for construction winter 2016
- Walkways and security lighting at neighborhood parks
  - ✓ Waverly Park, status - completed
  - ✓ Lynn Oaks, status - completed
  - ✓ Estella, status - completed
  - ✓ Banyan, status - completed
  - ✓ Cypress, status - completed
  - ✓ Springmeadow, status - completed
  - ✓ Evenstar, status - completed
  - ✓ Glenwood, status - completed
  - ✓ El Parque de la Paz, status - completed
  - ✓ Suburbia, status - completed
- Development of Lang Ranch Community Park: ball fields, tot-lots, picnic areas, sport courts
  - ✓ Status – Master plan abandoned January 2012; Renamed Sapwi Trails Community Park March 2014. Future waterwise improvements in accordance with April 2012 approved concept plan and December 2014 adopted environmental analysis. Project currently in design development.
- Improve open space trailheads at Triunfo, Wildwood, Hillcrest, Los Robles and North Ranch
  - ✓ Status - completed
- Improvements at McCrea Ranch to include summer camp, family picnic areas, and fishing pond
  - ✓ Status – Master plan abandoned October 2009; Visitor Center improvements completed April 2011
- New neighborhood park at Conejo Creek Southwest

- ✓ Status – Design Development Phase scheduled to start fiscal year 2018 - 2019

- Wildland fire protection measures
  - ✓ Status - completed
- Addition to Oakbrook Neighborhood Park
  - ✓ Status – completed May 2013.
- Walnut Grove Therapeutic Equestrian Center improvements
  - ✓ Status – completed initial improvements. Additional improvements scheduled and ongoing
- Stagecoach Inn maintenance and enhancements
  - ✓ Status – completed initial improvements. Additional improvements scheduled and ongoing.
- Replace softball lights at Borchard Community Park
  - ✓ Status – completed

Since its inception in fiscal year 2001-2002 to April of fiscal year 2015-2016, the park maintenance and recreation improvement district has assessed approximately $22.2 million. Of that amount, approximately $12.4 million has been utilized for Capital Improvements and $9.8 million for improved park maintenance, and capital outlay.

BUDGET FOR FISCAL YEAR 2016-17

The following budget lists the improvement projects and park maintenance and security services that would be funded by the Improvement District in Fiscal Year 2016-17.

TABLE 1 - ESTIMATE OF COST, FISCAL YEAR 2016-17

CONEJO RECREATION AND PARK DISTRICT
Park Maintenance and Recreation Improvement District
Estimate of Cost
Fiscal Year 2016-17

	Final Total Budget
Beginning Fund Balance, July 16	$3,689,200
Installation, Maintenance & Servicing Costs	
Capital Outlay	$0
Capital Improvements	$625,000
Major Repairs	$120,000
Maintenance and Operations of Improvements[1]	$4,029,910
Park Ranger Safety and Security Services	$16,700
Services and Supplies[2]	$4,039,029
Totals for Installation, Maintenance and Servicing	$8,830,639
Less: District Contribution [3]	($7,217,386)
Net Cost of Installation, Maintenance and Servicing	$1,613,253
Incidental Costs:	
Assessment Administration and County Charges	$32,470
Allowance for Uncollectible Assessments	$5,000
Subtotals - Incidentals	$37,470
Less: Beginning Fund Balance (July 1, 16)	($3,689,200)
Contribution to/(from) Reserve Fund/Improvement Fund/Contingency [4]	$3,797,426
Total Park Maintenance and Recreation Improvement District Budget [5] (Net Amount to be Assessed)	$1,758,949

Budget Allocation to Property

Total Assessment Budget* $1,758,949

Zone of Benefit	SFE Units	SFE Rate per Unit	Total *
Zone A	48,099.61	$35.37	$1,701,283.21
Zone B	3,261.65	$17.68	$57,665.97
Totals			$1,758,949.18

Assessment per Single Family Equivalent Unit $35.37

* All assessments are rounded to lower even penny. Therefore, the budget amount may slightly differ from the assessment rate.

Notes to Estimate of Cost:

1. The item, Maintenance and Operations of Improvements would provide funding for enhanced maintenance of all parks and recreation facilities. Improvements would include mowing turf, trimming and caring for landscaping, providing for waterwise improvements in response to the statewide drought conditions (such as converting irrigated turf), fertilization and aeration of grounds and playfields, routine maintenance and safety inspections, painting, replacing/repairing broken or damaged equipment, trash removal and cleanup, irrigation and irrigation system maintenance, and other services as needed.

2. The item, Services and Supplies includes the costs of supplies, materials, and utilities necessary to maintain and operate the Improvements.

3. As determined in the following section, at least 35% of the cost of Improvements must be funded from sources other than the assessments to cover any general benefits from the Improvements. Therefore, out of the total cost of Improvements of $8,830,639, the District must contribute at least $3,090,724 from sources other than the assessments. The District will contribute much more than this amount, which more than covers any general benefits from the Improvements.

4. This amount is the projected ending fund balance as of June 30, 2016. The Fund Balance shown includes operating reserves and the Capital Improvement Reserve Fund.

5. The Act requires that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Improvement District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, July 1, must be carried over to the next fiscal year. The Park District may also establish a reserve fund for contingencies and special projects as well as a capital improvement fund for accumulating funds for larger capital improvement projects or capital renovation needs. Any remaining balance would either be placed in the reserve fund, the capital improvement fund, or would be used to reduce future years' assessments.

METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the special and general benefits to be derived from the Improvements to park facilities and District maintained property throughout the Park District, and the methodology used to apportion the total assessment to properties within the Improvement District.

The Improvement District consists of all Assessor Parcels within the boundaries of the Conejo Recreation and Park District. The method used for apportioning the assessment is based upon the proportional special benefits conferred to the properties over and above the general benefits conferred to real property in the Improvement District or to the public at large. Special benefit is calculated for each parcel in the Improvement District using the following process:

1. Identification of all benefit factors derived from the Improvements
2. Calculation of the proportion of these benefits that are general
3. Determination of the relative special benefit within different areas within the Improvement District
4. Determination of the relative special benefit per property type
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type, property characteristics, improvements on property and other supporting attributes

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. Any and all general benefit must be funded from another source. This special benefit is received by property over and above any general benefits from the Improvements. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

> *"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."*
>
> *"The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) [of the Streets and Highways Code, State of California]."*

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property and that the value of the special benefits must reasonably exceed the cost of the assessment:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIIIA of the California Constitution.

SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

This Engineer's Report is consistent with the SVTA vs. SCCOSA decision and with the requirements of Article 13C and 13D of the California Constitution because the improvements to be funded are clearly defined; the benefiting property in the Improvement District enjoys close and unique proximity, access and views to the Improvements; the Improvements serve as an extension of usable land area for benefiting properties in the Improvement District and such special benefits provide a direct advantage to property in the Improvement District that is not enjoyed by the public at large or other property.

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

> *The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Finally, Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Art. XIIID, sections 2(i) & 4(f).)

BENEFIT FACTORS

The special benefits from the Improvements are listed below:

EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS

In large part because it is cost prohibitive to provide large open land areas on property in the Improvement District, the residential, commercial and other benefiting properties in the Improvement District do not have large outdoor areas and green spaces. The parks in the Improvement District provide these larger outdoor areas that serve as an effective extension of the land area for proximate properties because the Improvements are uniquely proximate and accessible to property in close proximity to the Improvements. The Improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties with good and close proximity to the Improvements.

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), neighborhood parks in urban areas have a service area radius of generally one-half mile and community parks have a service area radius of approximately two miles. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within this service radii close proximity and easy walking access to such public land areas. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within this service area clearly receive a direct advantage and special benefit from the Improvements - and this advantage is not received by other properties or the public at large.

Moreover, most neighborhood parks in the Improvement District do not provide a restroom or parking lot. Such public amenities were specifically excluded from neighborhood parks because neighborhood parks are designed to be an extension of usable land area specifically for properties in close proximity, and not the public at large or other non-proximate property. The occupants of proximate property do not need to drive to their local park and do not need restroom facilities because they can easily reach their local neighborhood park and can use their own restroom facilities as needed. This is further tangible evidence of the effective extension of land area provided by the Improvements to

proximate parcels in the Assessment District and the unique direct advantage the proximate parcels receive from the Improvements.

An analysis of the service radii for the Improvements finds that all properties in the Improvement District enjoy the distinct and direct advantage of being close and proximate to parks within the Improvement District. The benefiting properties in the Improvement District therefore uniquely and specially benefit from the Improvements.

PROXIMITY TO IMPROVED PARKS AND RECREATIONAL FACILITIES

Only the specific properties within close proximity to the Improvements are included in the Improvement District. Therefore, property in the Improvement District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Improvement District do not share.

In absence of the assessments, the Improvements would not be provided and the parks and recreation areas in the Improvement District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the Improvement District, they provide a direct advantage and special benefit to property in the Improvement District.

ACCESS TO IMPROVED PARKS, OPEN SPACE AND RECREATIONAL AREAS

As described previously, the parcels in the Improvement District enjoy uniquely close proximity to the Improvements. Access to the improvements is directly equated with proximity, as demonstrated by the neighborhood park service area radii, which is based on being within easy walking distance (access). Therefore, the parcels in the Improvement District also directly benefit from the unique close access to improved parks, open space and recreation areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Improvement District that is not enjoyed by other parcels or the public at large because they do not have such close access to the Improvements.

IMPROVED VIEWS

The Park District, by maintaining the landscaping at its park, recreation and open space facilities provides improved views to properties with direct line-of-sight to the improvements as well as other local properties which benefit from improved views when traveling about the Improvement District or to one of the improvements. The open space areas maintained and improved by the Assessments are uniquely located on the hillsides surrounding the Improvement District and the benefiting property in the Improvement District. Given this geography, properties throughout the Improvement District have direct views of natural lands or parks that are improved by the Assessments. Therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Improvement District.

BENEFIT FINDING

In summary, real property located within the boundaries of the Improvement District distinctly and directly benefits from closer proximity, access and views of improved parks, recreation facilities, open space, landscaped corridors, greenbelts, trail systems and other public resources funded by the Assessments. The Improvements are specifically designed to serve local properties in the Improvement District, not other properties or the public at large. The public at large and other properties outside the Improvement District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Improvement District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

GENERAL VERSUS SPECIAL BENEFIT

Article XIIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

Total Benefit	=	General Benefit	+	Special Benefit

There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements.

DAHMS V. DOWNTOWN POMONA PROPERTY

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments, including landscaping maintenance, were directly provided to property in the assessment district. Dahms establishes a basis for minimal general benefits from assessments that fund services directly provided within the assessment district; however, in this report, the

general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

BONANDER V. TOWN OF TIBURON

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits. This report is consistent with Bonander because the assessments have been apportioned based on overall cost of the improvements and proportional special benefit to each property.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits. This report is consistent with Beutz because the improvements will directly benefit property in the Improvement District and the general benefits have been explicitly calculated and quantified and excluded from the assessments.

GOLDEN HILL NEIGHBORHOOD ASSOCIATION V. CITY OF SAN DIEGO

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels. This report is consistent with Greater Golden Hill because the general benefits have been explicitly calculated and quantified and excluded from the assessments.

The starting point for evaluating general and special benefits is the current, baseline level of service. The assessment will fund Improvements "over and above" this general, baseline level and the general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

General Benefit	=	Benefit to real property outside of improvement district	+	Benefit to real property inside of improvement district	+	Benefit to public at large

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it "receives a direct advantage from the improvement (e.g., proximity to a park)." In this assessment, as noted, properties in the Improvement District have close and unique proximity, views and access to the Improvements and uniquely improved desirability from the Improvements and other properties and the public at large do not receive significant benefits because they do not have proximity, access or views of the Improvements. Therefore, the overwhelming proportion of the benefits conferred to property is special, and is only minimally received by property outside the Improvement District or the public at large.

CALCULATING GENERAL BENEFIT

In this section, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

BENEFIT TO PROPERTY OUTSIDE THE IMPROVEMENT DISTRICT

Properties within the Improvement District receive almost all of the special benefits from the Improvements because properties in the Improvement District enjoy unique close proximity and access to the Improvements that is not enjoyed by other properties or the public at large. However, certain properties within the proximity/access radius of the Improvements, but outside of the boundaries of the Improvement District, may receive some benefit from the Improvements. Since this benefit is conferred to properties outside the Improvement District boundaries, it contributes to the overall general benefit calculation and will not be funded by the Assessments.

The properties outside the Improvement District and within the proximity radii for neighborhood or community parks in the Improvement District may receive some benefits from the Improvements. Since these properties are not assessed for their benefits because they are outside of the area that can be assessed by the District, this is form of general benefit to the public at large and other property. A 50% reduction factor is applied to these properties because they are all geographically on only one side of the Improvements and are over twice the average distance from the Improvements compared to properties in the Improvement District. The general benefit to property outside of the Improvement District is calculated as follows with the parcel and data analysis performed by SCI Consulting Group.

Assumptions:

10,626 parcels outside the district but within either 0.5 miles of a neighborhood park or 2.0 miles of a community park within the Improvement District.

45,900 parcels in the Improvement District (the most recent data available when general benefit computed).

50% relative benefit compared to property within the Improvement District.

Calculation of General Benefit to Property Outside the Improvement District

10,626 / (45,900 + 10,626) * 0.5 = **9.4%**

Although it can reasonably be argued that Improvements inside, but near the Park District boundaries are offset by similar park and recreational improvements provided outside, but near the Park District's boundaries, we use the more conservative approach of finding that 9.4% of the Improvements may be of general benefit to property outside the Improvement District.

BENEFIT TO THE PUBLIC AT LARGE AND TO PROPERTY WITHIN THE IMPROVEMENT DISTRICT

The "indirect and derivative" benefit to property within the Improvement District is particularly difficult to calculate. A solid argument can be presented that all benefit within the Improvement District is special, because the Improvements are clearly "over and above" and "particular and distinct" when compared with the baseline level of service and the unique proximity, access and views of the Improvements enjoyed by benefiting properties in the Improvement District.

Nevertheless, the SVTA vs. SCCOSA decision indicates there may be general benefit "conferred on real property located in the district" A measure of the general benefits to property within the Assessment area is the percentage of land area within the Improvement District that is publicly owned and used for regional purposes such as major roads, rail lines and other regional facilities because such properties, while physically within the Improvement District, are used for regional purposes and could provide indirect benefits to the public at large. Approximately 2.6% of the land area in the Improvement District is used for such regional purposes, so this is a measure of the general benefits to property within the Improvement District.

The general benefit to the public at large can be estimated by the proportionate amount of time that the Park District's parks and recreational facilities are used and enjoyed by individuals who are not residents, employees, customers or property owners in the Park

District[2]. A survey of park and recreation facility usage conducted by SCI Consulting Group found that less than 5% of the Park District's facility usage is by those who do not live or work within District boundaries.[3]

When people outside the Improvement District use parks, they diminish the availability of parks for people within the Improvement District. Therefore, another 5% of general benefits are allocated for people within the Improvement District. This is another measure of general benefits to property within the Improvement District.

TOTAL GENERAL BENEFITS

Using a sum of these four measures of general benefit, we find that approximately 22.0% of the benefits conferred by the Improvements may be general in nature and should be funded by sources other than the assessment.

General Benefit Calculation

9.4%	**(Outside the Assessment District)**
+ 2.6%	**(Property within the District)**
+ 5.0%	**(Public at Large)**
+ 5.0%	**(Property within the District)**
= 22.0%	**(Total General Benefit)**

Although this analysis finds that 22.0% of the assessment may provide general benefits, the Assessment Engineer establishes a requirement for a minimum contribution from sources other than the assessments of 35%. This minimum contribution above the measure of general benefits will serve to provide additional coverage for any other general benefits.

The Park District's total budget for maintenance and improvement of its parks and recreational facilities is $8,830,639. Of this total budget amount, the Park District will contribute $7,217,386 from sources other than the assessments for park maintenance and operation. This contribution by the Park District equates to approximately 82% of the total budget for maintenance and improvements and constitutes far more than the amount

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[2] . When District facilities are used by those individuals, the facilities are not providing benefit to property within the Park District. Use under these circumstances is a measure of general benefit. For example, a non-resident who is drawn to utilize the Park District facilities and shops at local businesses while in the area would provide special benefit to business properties as a result of his or her use of the Improvements. Conversely, one who uses Park District facilities but does not reside, work, shop or own property within the Park District boundaries does not provide special benefits to any property and is considered to be a measure of the general benefits.

[3] . A total of 200 park users were surveyed on different days and times during the months of December 2000 and January 2001. Eleven respondents (5.5%) indicated that they did not reside or work within the Park District.

attributable to the general benefits from the Improvements. And furthermore, to the extent that there are additional general benefits that have not been identified, this additional contribution would serve to cover any such additional general benefits.

ZONES OF BENEFIT

Properties in two areas of the Park District, commonly known as the Dos Vientos Ranch and Rancho Conejo, currently support an annual assessment for the purpose of financing a portion of the cost of maintaining and improving parks, playfields, open space and recreation facilities within these areas. These existing assessments are named Landscaping Maintenance District No. 92-1 and Landscaping Maintenance District No. 94-1, respectively. These areas are hereinafter referred to as Zone of Benefit B or Zone B and are depicted on the Assessment Diagram included with this Report. All other properties within the Improvement District are classified into Zone of Benefit A or Zone A.

The existing landscaping districts primarily fund the maintenance and improvement neighborhood park facilities that primarily used by residents within these areas. It is estimated that approximately 50% of the proceeds from the Improvement District will be used to finance the maintenance and improvement of similar neighborhood park and recreation facilities. The remaining proceeds from the Improvement District would be used to maintain and improve park and recreation facilities that are utilized by the overall community, such as the District's community center, open space areas, trails, community parks, open space areas and park ranger services. Therefore, it is determined that all parcels within Zone of Benefit B or Zone B receive 50% of the relative benefits as do properties within Zone of Benefit A.

All assessed properties within the Improvement District are within the industry-accepted proximity/service area for parks and recreation facilities. As noted, these proximity radii were specifically established to only encompass properties with good proximity and access to local parks and in effect make local parks within the proximity radii an extension of usable land area for the properties in the area. The benefits from the Improvements within each Zone of Benefit do not vary further based on proximity of the parcels to the Improvements because the increased benefits of greater proximity to the Improvements are generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that comes with increased proximity. Consequently, since all parcels in the Improvement District have good access and proximity to the Improvements and the benefits to relatively closer proximity are offset by other factors, additional proximity is not considered to be a factor in determining benefit within each Zone of Benefit. In other words, the boundaries of the Improvement District and the Zones of Benefit have been narrowly drawn to include only properties that have good proximity and access and will specially benefit from the Improvements.

The SVTA vs. SCCOSA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under

section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district's property values).

In the Improvement District, the advantage that each parcel receives from the Improvements is direct, and the boundaries are narrowly drawn to include only parcels that benefit from the assessment. Therefore, the even spread of assessment throughout each narrowly drawn Zone of Benefit is indeed consistent with the SVTA vs. SCCOSA decision and satisfies the "direct relationship to the 'locality of the improvement.'" standard.

METHOD OF ASSESSMENT

As previously discussed, the assessments provide specific Improvements that confer direct and tangible special benefits to properties in the Improvement District. These benefits can partially be measured by the occupants on property in the Improvement District because such parcel population density is a measure of the relative benefit a parcel receives from the Improvements. Therefore, the apportionment of benefit is partially based the population density of parcels.

It should be noted that many other types of "traditional" assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed. Moreover, assessments have a long history of use in California and are in large part based on the principle that benefits from a service or improvement funded by assessments that is enjoyed by tenants and other non-property owners ultimately is conferred directly to the underlying property.

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a single family home on one parcel. In this case, the "benchmark" property is the single family detached dwelling which is one Single Family Equivalent or one SFE.

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, an assessment only for all residential improved property was considered but was determined to be inappropriate because commercial, industrial and other properties also receive direct benefits from the Improvements.

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that would benefit from proximity and improved access to well maintained and improved parks and recreational facilities. So the potential population of employees or residents is a measure of the special benefits received by the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

In conclusion, the Assessment Engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, the relative size of the property, its relative population and usage potential and its proximity to parks and recreational facilities. This method is further described below.

RESIDENTIAL PROPERTIES

Certain residential properties in the Improvement District that contain a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses and town homes are included in this category of single family residential property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. The population density factors for the Conejo Recreation and Park District, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain property type in the area of the Park District from the 1990 Census and dividing it by the total number of such households, finds that approximately 3.17 persons occupy each single family residence, whereas an average of 2.16 persons occupy each multi-family residence. Using the ratio of one SFE for each single-family residence, which equates to one SFE for every 3.17 persons, 0.68 SFE would equate to one multi-family unit or 0.68 SFE for every 2.16 residents. Likewise, each condominium unit receives 0.70 SFE and each mobile home receives 0.48 SFE.

TABLE 2 - RESIDENTIAL DENSITY AND ASSESSMENT FACTORS

	Total Population	*Occupied Households*	*Persons per Household*	*SFE Factor*
Single Family Residential	76,515	24,150	3.17	1.00
Condominium	10,385	4,669	2.22	0.70
Multi-Family Residential	13,697	6,339	2.16	0.68
Mobile Home on Separate Lot	1,583	1,051	1.51	0.48

Source: 1990 Census, city of Thousand Oaks (most recent data available when Improvement District established).

The single family equivalency factor of 0.68 per dwelling unit for multifamily residential properties applies to such properties with 20 or fewer units. Properties in excess of 20 units typically offer on-site recreational amenities and other facilities that tend to offset some of the benefits provided by the improvements. Therefore the benefit for properties in excess of 20 units is determined to be 0.68 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

COMMERCIAL/INDUSTRIAL PROPERTIES

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single family residential property and the average commercial/industrial property. The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously can be measured by the average number of people who work at commercial/industrial properties.

In order to determine employee density factors, the findings from the San Diego Association of Governments Traffic Generators Study (the "SANDAG Study") are used because these findings were approved by the State Legislature as being a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24.

In comparison, the average number of people residing in a single family home in the area is 3.17. Since the average lot size for a single family home in the Park District is approximately 0.24 acres, the average number of residents per acre of residential property is 13.20.

The employee density per acre is generally 2 times the population density of single family residential property per acre (24 employees per acre / 13.20 residents per acre). Therefore, the average employee density can be used as the basis for allocating benefit to commercial or industrial property since a commercial/industrial property with 2 employees receives generally similar special benefit to a residential property with 1 resident. This factor of equivalence of benefit between 1 resident to 2 employees is the basis for

allocating commercial/industrial benefit. Table 4 shows the average employees per acre of land area or portion thereof for commercial and industrial properties and lists the relative SFE factors per quarter acre for properties in each land use category.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per quarter acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres.

Institutional properties that are used for residential, commercial or industrial purposes are also assessed at the appropriate residential, commercial or industrial rate.

TABLE 3 - COMMERCIAL/INDUSTRIAL DENSITY AND ASSESSMENT FACTORS

Type of Commercial/Industrial Land Use	*Average Employees Per Acre* [1]	*SFE Units per 1/4 Acre* [2]
Commercial	24	1.00
Office	68	2.83
Shopping Center	24	1.00
Industrial	24	1.00
Self Storage or Parking Lot	1	0.04

1. Source: San Diego Association of Governments Traffic Generators Study.

2. The SFE factors for commercial and industrial parcels are applied by the quarter acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

VACANT PROPERTIES

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of improvements on the property. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the Fiscal Year 2000-01 assessed valuation data from the County of Ventura, found that 35% of the assessed value of improved properties is classified as the land value. It is reasonable to assume, therefore, that approximately 35% of the benefits are related to the underlying land and 65% are related to the improvements and the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.35 per parcel.

When property is approved for development with a final map, the property has passed the final significant hurdle to development and can shortly undergo construction. Since the property is nearing the point of development, its special benefits increase, because special benefits can be measured by the resident or employee populations on property. In

addition, these properties are generally sold soon after completion of improvements, so the properties receive the additional benefit of desirability from prospective buyers due to the special benefits provided by proximity to improved parks and recreational facilities of the Park District. It is therefore determined that property with final map approval receives 50% of the relative benefit to improved property of similar use-type.

OTHER PROPERTIES

Article XIIID stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.

All properties that are specially benefited are assessed. Other publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property.

Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value These miscellaneous parcels receive minimal benefit from the Improvements and are assessed an SFE benefit factor or 0.

DURATION OF ASSESSMENT

It is proposed that the Assessment be levied for fiscal year 2001-02 and continued every year thereafter, so long as the parks and recreational areas need to be improved and maintained Conejo Recreation and Park District requires funding from the Assessments for its Improvements in the Improvement District. As noted previously, the Assessment can continue be levied annually after the Conejo Recreation and Park District Board of Directors approves an annually updated Engineer's Report, budget for the Assessment, Improvements to be provided, and other specifics of the Assessment. In addition, the District Board of Directors must hold an annual public hearing to continue the Assessment.

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the General Manager or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the General Manager or his or her designee will promptly review the appeal and any information provided by the property owner. If the General Manager or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the General Manager or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the General Manager or her or his designee, shall be referred

to the Board of the Conejo Recreation and Park District and the decision of the Board of the Conejo Recreation and Park District shall be final.

ASSESSMENT

WHEREAS, the Conejo Recreation and Park District Board of Directors directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Improvement District and an assessment of the estimated costs of the improvements upon all assessable parcels within the Improvement District, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the Board of said Conejo Recreation and Park District, hereby make the following assessment to cover the portion of the estimated cost of the improvements, and the costs and expenses incidental thereto to be paid by the Improvement District.

The amount to be paid for the Improvements and the expense incidental thereto, to be paid by the Improvement District for the fiscal year 2016-17 is generally as follows:

SUMMARY COST ESTIMATE

	F.Y. 2016-17 Budget
Parks Maintenance	$8,085,639
Parks Improvements	$745,000
Contingency and Reserve	$3,797,426
Incidental Expenses	$37,470
TOTAL BUDGET	$12,665,535
Less:	
Beginning Fund Balance (July 1, 16)	($3,689,200)
Park District Contribution	($7,217,386)
NET AMOUNT TO ASSESSMENTS	$1,758,949

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Improvement District. The distinctive number of each parcel or lot of land in the Improvement District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Improvement District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the Consumer Price Index-U for the Los Angeles Area as of December of each succeeding year (the "CPI"), with a maximum annual adjustment not to exceed 3%. Any change in the CPI in excess of 3% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied adjusted annually by the minimum of 1) 3% or 2) the change in the CPI plus any Unused CPI as described above.

The change in the CPI from December 2014 to December 2015 was 2.03%. Therefore, the maximum authorized assessment rate for fiscal year 2016-17 is increased by 2.03% which equates to $35.37 per single family equivalent benefit unit. The estimate of cost and budget in this Engineer's Report proposes assessments for fiscal year 2016-17 at the rate of $35.37, which is the maximum authorized assessment rate.

The assessment is made upon the parcels or lots of land within the Improvement District in proportion to the special benefits to be received by the parcels or lots of land, from said improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Ventura for the fiscal year 2016-17. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2016-17 for each parcel or lot of land within the Improvement District.

Dated: April 14, 2016

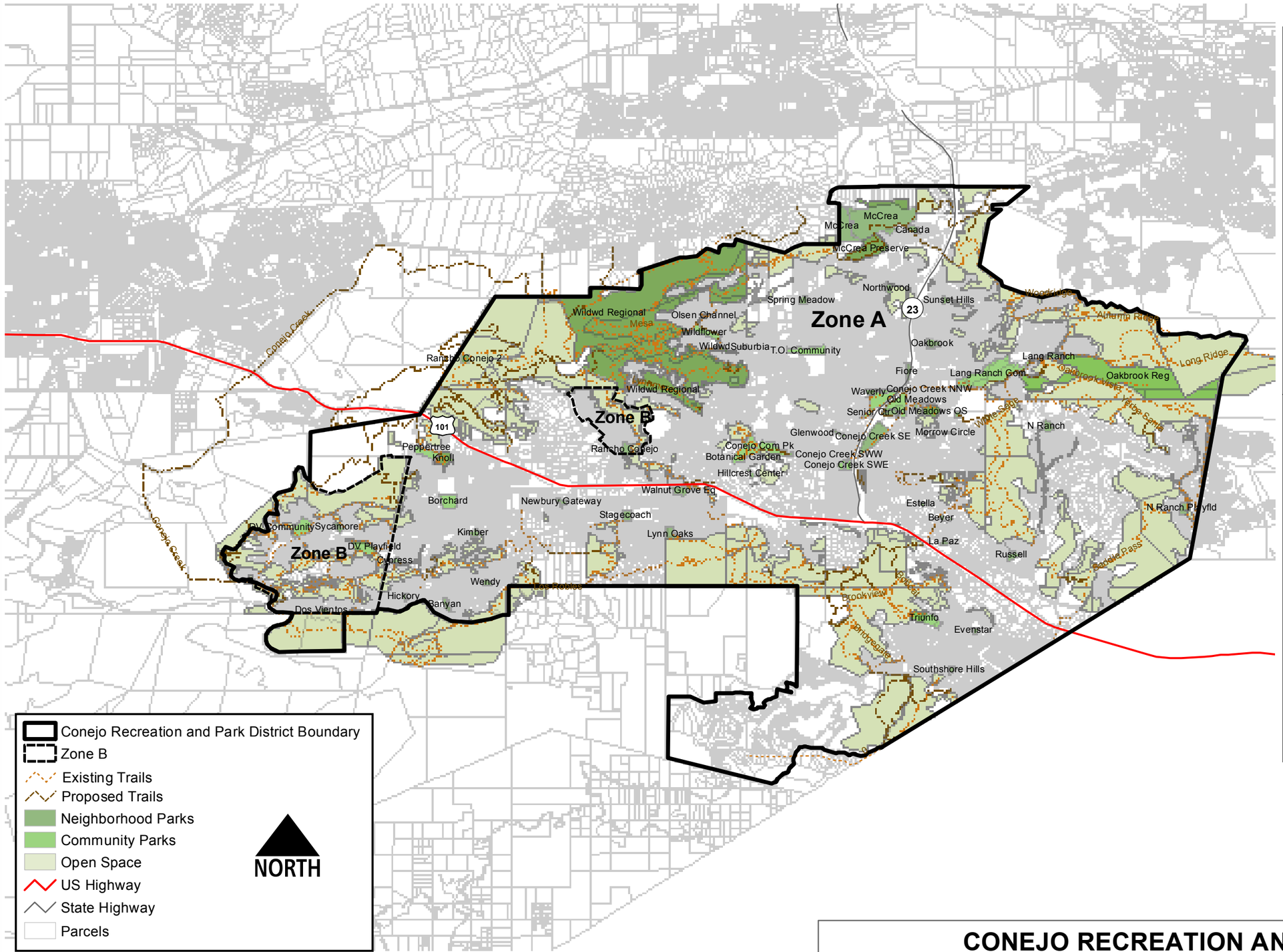
Engineer of Work

By_____

John W. Bliss, License No. C052091

ASSESSMENT DIAGRAM

The Improvement District includes all properties within the boundaries of the Conejo Recreation and Park District. The boundaries of the Improvement District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Improvement District are those lines and dimensions as shown on the maps of the Assessor of the County of Ventura, for fiscal year 2016-17, and are incorporated herein by reference, and made a part of this Diagram and this Report.



FILED IN THE OFFICE OF THE GENERAL MANAGER OF THE CONEJO RECREATION AND PARK DISTRICT, COUNTY OF VENTURA, CALIFORNIA, THIS _____ DAY OF _____, 2016.

_____
GENERAL MANAGER

RECORDED IN THE OFFICE OF THE GENERAL MANAGER OF THE CONEJO RECREATION AND PARK DISTRICT, COUNTY OF VENTURA, CALIFORNIA THIS _____ DAY OF _____, 2016.

_____
GENERAL MANAGER

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF THE CONEJO RECREATION AND PARK DISTRICT, COUNTY OF VENTURA, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _____DAY OF _____, 2016 FOR THE FISCAL YEAR 2016-17 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF VENTURA ON THE _____ DAY OF _____, 2016. REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

_____
GENERAL MANAGER

FILED THIS _____ DAY OF _____, 2016 AT THE HOUR OF _____ O'CLOCK __.M. IN THE OFFICE OF THE COUNTY TAX COLLECTOR OF THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AT THE REQUEST OF THE BOARD OF THE CONEJO RECREATION AND PARK DISTRICT.

_____
COUNTY TAX COLLECTOR, COUNTY OF VENTURA

Note:
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF VENTURA FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER

SCI Consulting Group
4745 Mangels Blvd
Fairfield, CA 94534

CONEJO RECREATION AND PARK DISTRICT
PARK MAINTENANCE AND RECREATION IMPROVEMENT DISTRICT
ASSESSMENT DIAGRAM

APPENDIX A - 2016-17 ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the Improvement District and the amount of the assessment) will be filed with the Secretary of the Board and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.