

**CITY OF RICHMOND
ENGINEER'S FINAL ANNUAL
LEVY REPORT
Hilltop Landscape Maintenance District
Fiscal Year 2008/2009**



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City Engineer

Mr. Anthony Norris
District Administrator

Assessment Engineer

MuniFinancial

ENGINEER'S REPORT AFFIDAVIT

Hilltop Landscape Maintenance District

City of Richmond
Contra Costa County, State of California

This Report describes the District and all relevant zones therein including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2008/2009 as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Contra Costa County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2008.

MuniFinancial
Assessment Engineer
On Behalf of the City of Richmond

By: _____

Marc Grijalva
District Administration Services

By: _____

Richard Kopecky, P.E.
R. C. E. #16742

CERTIFICATE

The undersigned respectfully submits the enclosed Engineer's Report as directed by the Richmond City Council pursuant to the provisions of Article XIID, Section 4 of the California Constitution, and Section 12.60.240 of the Richmond Municipal Code. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

Dated: _____

By: _____
Rich Davidson, City Engineer
R.C.E. No.38042

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

By: _____
Diane Holmes, City Clerk
City of Richmond, California

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

By: _____
Diane Holmes, City Clerk
City of Richmond, California

I HEREBY CERTIFY that the enclosed Engineer's Report, including the Assessment Roll and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Contra Costa on the _____ day of _____, 2008.

By: _____
Diane Holmes, City Clerk
City of Richmond, California

SECTION I
INTRODUCTION
ENGINEER'S REPORT
HILLTOP LANDSCAPE MAINTENANCE DISTRICT
FISCAL YEAR 2008/2009

The Hilltop Landscape Maintenance District was formed in 1986 under the provisions of Chapter 12.60 of the Richmond Municipal Code ("City of Richmond Maintenance District Procedure") to provide a method of financing for enhanced maintenance services in the Hilltop area, including general area cleanup, maintenance of directional and entrance signs, and maintenance of the street and open-space landscaping within the area.

On November 5, 1996, California voters approved Proposition 218, entitled "Right to Vote on Taxes Act", which added Articles XIIC and XIID to the California Constitution. While its title refers only to taxes, Proposition 218 established new procedural requirements for the formation and administration of assessment districts. Proposition 218 also required that with certain specified exceptions, beginning July 1, 1997 all existing, new or increased assessments shall comply with Article XIID.

As a result of the passage of Proposition 218, in 1998 the City of Richmond ordered that a new Engineer's Report be prepared for the Hilltop Landscape Maintenance District that:

1. Separated the general benefits, which resulted from the proposed improvements, from the special benefits to be received by those parcels being assessed in accordance with the requirements of Article XIID of the California Constitution;
2. Annexed additional lands into the existing Hilltop Landscape Maintenance District; and
3. Established a range of future assessments, up to a stated maximum amount, in accordance with the requirements of Article XIID including the authority to increase the maximum amount annually by a specified CPI without going back through the assessment ballot procedures of Section 4 of Article XIID.

Every property owner subject to the proposed assessment within the Hilltop Landscape Maintenance District was mailed an assessment ballot allowing the property owner to vote on whether to ratify the District. A public notice describing the total assessment, the individual property owner's assessment, the duration of the assessment, the reason for the assessment and the basis upon which the assessment was calculated accompanied the ballots.

A Public Hearing was held on June 9, 1998, and the City Council found that the property owner ballots returned which were cast in favor of the assessment exceeded the property owner ballots cast against the levy of the assessment. Therefore, the City Council approved the Engineer's Report including the annexation of the additional lands, and authorized the City's Finance Director to place the assessments on the County tax roll for fiscal year 1998-99 for collection.

For fiscal year 1999-00, the City Council approved (Resolution No. 85-99) the levy of the assessments not to exceed the maximum assessment amount adjusted for the change in the CPI following the mailing of a notice to each property owner.

This report, as required by Section 12.60.240 of the Richmond Municipal Code, sets forth the proposed assessments for each parcel within the Hilltop Landscape Maintenance District for fiscal year 2008/2009 based upon the summary cost estimate shown below. The proposed assessments, as shown herein, do not exceed the maximum assessment amount approved by the property owners adjusted for the change in the CPI. Following the submittal of this report, a notice will be sent to each property owner as required by Section 12.60.250 of the Code.

SUMMARY COSTS ESTIMATE 2008/2009 FISCAL YEAR

Costs of Improvements	\$818,529
Incidental Expenses	\$17,827
Total Costs	\$836,356

Surplus or deficit from Previous Year	\$(0)
Adjustment	(\$62,659)
Assessment for Fiscal Year 2008/2009	\$773,697

SECTION II

ENGINEER'S REPORT

PREPARED PURSUANT TO THE PROVISIONS SECTION 12.60.240 OF THE RICHMOND MUNICIPAL CODE

HILLTOP LANDSCAPE MAINTENANCE DISTRICT FISCAL YEAR 2008/2009

Pursuant to the Section 12.60.240 of the City of Richmond Municipal Code, MuniFinancial, Assessment Engineer for the annual levy of assessments for the Assessment District, submits the following report, consisting of Section I (Introduction), and this Section II, which consists of five (5) parts, as follows:

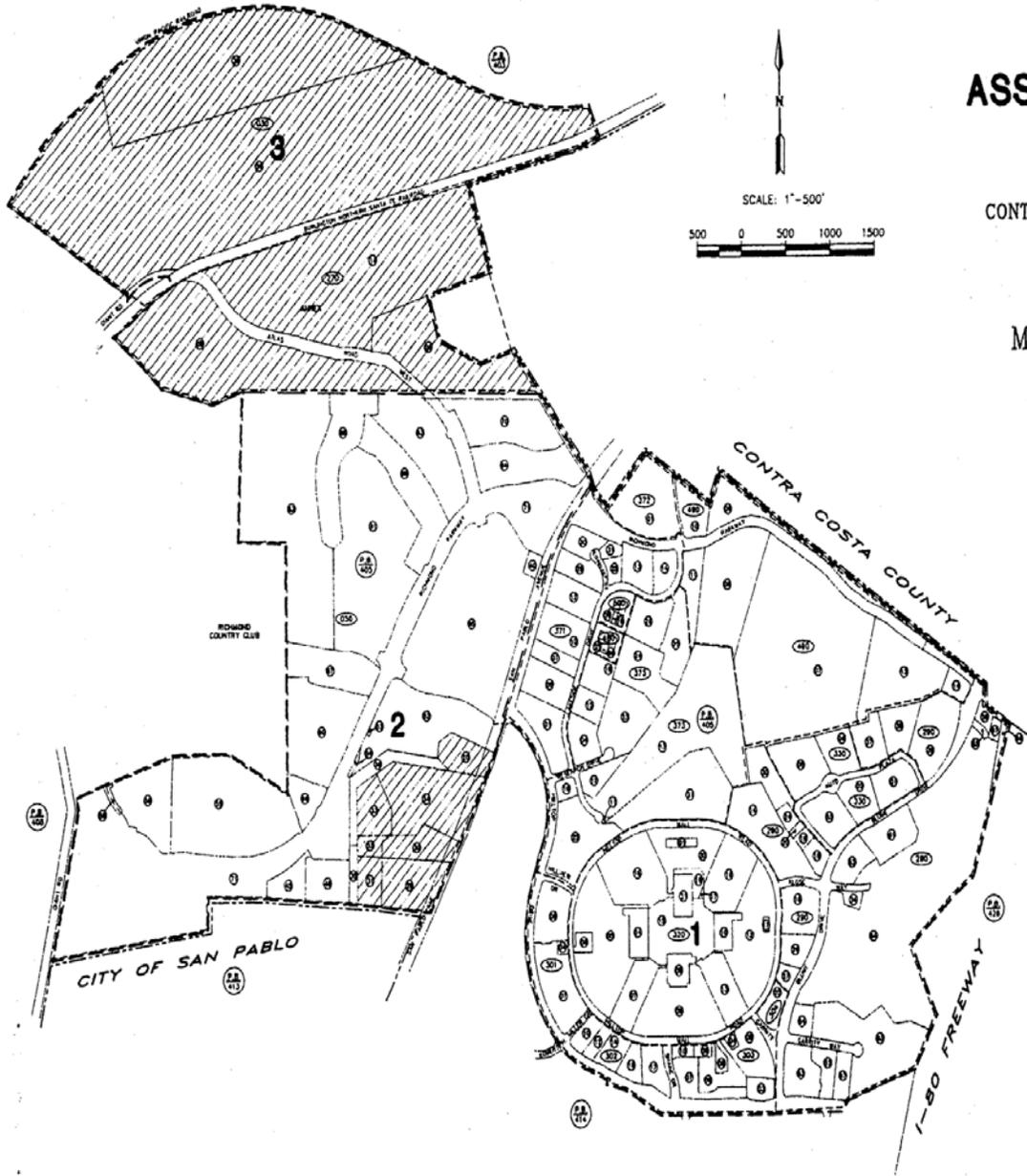
- Part A – Description of district boundaries (including assessment diagram and assessor's maps attached to the field report)
- Part B – Description of improvements to be made or maintained
- Part C – Estimate of costs of improvements
- Part D – Rationale for distributing the costs of improvements
- Part E – Statement of the method used to calculate the assessments for each parcel
- Part F – List of parcels by assessor's parcel number, owner, street address, owner's mailing address and the assessment on each parcel (Assessment Roll)

PART A - DISTRICT BOUNDARIES

The boundaries of the existing Hilltop Landscape Maintenance District (hereinafter referred to as HLMD) are shown on the Assessment Diagram attached to this report. A reduced copy of the assessment diagram appears as Figure 1, on the following page. The HLMD contains 878 parcels (based on the last equalized tax roll), and is divided into three (3) benefit zones.

The City has initiated annexation proceedings for the "Richmond Parkway Transit Center" site with the Local Agency Formation Commission (LAFCO). The property is owned by the State Department of Transportation (CalTrans) and will be annexed to the HLMD concurrent with annexation to the City of Richmond.

The Assessment Diagram refers to the Maps of the Contra Costa County Assessor for an exact description of the lines and dimensions of each lot or parcel of land within the District. The Maps of the County Assessor are incorporated into this report by reference. Its Assessor's Parcel Number keys each parcel on the Assessment diagram to the assessment, which appears in the Assessment Roll.



ASSESSMENT DIAGRAM

CITY OF RICHMOND
 CONTRA COSTA COUNTY, CALIFORNIA

**HILLTOP LANDSCAPE
 MAINTENANCE DISTRICT**

LEGEND:

- ASSESSOR'S BOOK NUMBER
- ASSESSOR'S PAGE/BLOCK NUMBER
- ASSESSOR'S LOT NUMBER
- LOT LINE
- ASSESSOR'S PAGE BOUNDARY
- DISTRICT BOUNDARY
- ZONE BOUNDARY
- RICHMOND CITY LIMIT
- 2** ZONE NUMBER

NOTES:
 REFERENCE IS MADE TO THE COUNTY ASSESSOR'S MAPS
 FOR THE DIMENSIONS OF VARIOUS PARCELS OF LAND
 WITHIN THE DISTRICT

FIGURE 1

SHEET 1 OF 1
 R/C/0001.D/W/G BCN 4/21/00
 BASE MAP PREPARED BY CHAUDHARY & ASSOCIATES FILE #7021.00

PART B - IMPROVEMENTS

The improvements consist of the maintenance, servicing, installation, and construction of landscaping on public streets and in easements and public right of ways immediately adjacent to and within the HLMD. In general, the developers of the various properties within the HLMD have installed the improvements.

The subsequent maintenance of these HLMD improvements can proceed uninterrupted by changes in City General Fund each year. Staffing and/or contracting for services will be exempt therefore from periodic hiring freezes and budget cuts intended for General Fund as if the HLMD is an 'enterprise' operation.

The maintenance and improvement work to be performed is generally described as follows:

1. Landscape maintenance within the right of way and medians including: watering, pruning, staking and guying, weeding, providing insect and disease control, fertilizing, repairing irrigation systems and appurtenances, and replacement of missing or dying plants and trees as budget permits in the following areas:
 - a) Street trees along both sides of Auto Plaza, Research Dr., Lakeside Dr., Shane Dr., Robert H. Miller Dr., Hillview Dr., Klose Way, Garrity Way, and Blume Dr.
 - b) Street trees along the outside edge of Hilltop Mall Road.
 - c) Street trees and landscaping in the area along the northerly side of Hilltop Dr. from the back of the curb to the adjacent property line fence.
 - d) Street trees and landscaping in the areas along both sides of Atlas Road and Richmond Parkway from Giant Highway to I-80.
 - e) Landscaping in median islands.
 - f) Landscaping in the Parkway Transit Center at Richmond Parkway and I-80.
 - g) Landscaping and the lake in Hilltop Lake Park and adjacent open space, including increased management of the lake involving drainage and watershed management.
1. Maintaining all directional and entrance signs, including the monument/pylon sign adjacent to I-80. The monument/pylon sign will, under permit be reconstructed and maintained by agreement in partnership with several Hilltop businesses and their agents.
2. Providing at least one person with vehicle and equipment for general cleanup and litter control.

3. Eliminating graffiti from all public sound walls, retaining walls, signs, equipment cabinets and appurtenances, and other facilities within public property and rights-of-way.
4. Maintaining the public sound walls along San Pablo Ave. from Richmond Parkway to Hilltop Dr. and along the north side of Richmond Parkway from I-80 to Giant Highway.
5. Maintaining existing and future sculptures within the assessment district.

The landscaping to be maintained by the assessment district is generally shown on the Conceptual Improvement Plan. A reduced copy of this plan appears as Figure 2 on the following page. The conceptual plan is not detailed and is intended only to show the general nature and location of the various items of work to be performed. The services to be provided for the 2008/2009 Fiscal Year are indicated in Part C, the Estimate of Cost.

Three zones of service are identified on the Conceptual Improvement Plan. They are:

Zone	Description
1	Hilltop Mall Road & adjoining streets, Blume Drive, Auto Plaza, Richmond Parkway, Hilltop Plaza, the Summit and Bay View Apartment complex, Lakeside Drive Residential Area, and the Lakeside Drive Industrial Area
2	Richmond Parkway West Residential/Commercial Area
3	Atlas Road Industrial Area

The specific maintenance services to be performed are directed by the City of Richmond Parks & Landscaping Superintendent as Administrator for the HLMD. The improvements, added to the District as a part of the 1998 Annexation, are generally shown on the planting and irrigation plans for the Atlas Road West, Atlas Road & Blume Drive Extension, Richmond Parkway between Giant Highway and San Pablo Avenue. The new improvements in Zone 2 are generally shown on the Residential Development plans. These plans are available for inspection in the office of the City Engineer and have been incorporated into this report by reference.

PART C - ESTIMATE OF COST

The estimated cost of the improvements for the 2008/2009 fiscal year is indicated in Table 1, below. Table 2 shows the estimated costs by zone for the 2008/2009 fiscal year. The estimated maximum future annual costs by zone are also shown in Table 2, on the following page. The total cost of the improvements has been reduced by a contribution from the City for general benefit, estimated to be received by owners of property outside of the District boundaries. A discussion of the rationale for this contribution is included in Part D of this report.

Incidental expenses associated with the preparation of this report and with the levy and collection of assessments have been included in the estimate. The net total estimated costs of the improvements to be maintained for the current fiscal year equals the total amount to be assessed, which appears on the last page of Part F, the assessment roll. The future maximum cost estimate is the estimated maintenance cost at build out of all zones, subject to an annual CPI adjustment.

TABLE 1: COST ESTIMATE FY 2008-09		
	Proposed FY 2007-08	Proposed FY 2008-09
Balance as of June 30	\$0	\$0
A. Maintenance or Replacement Expenses		
Personnel Services	\$714,029	\$714,029
Tree Maintenance	15,000	15,000
Sign Maintenance	12,000	12,000
Landscape Repacement/Renovation	40,000	40,000
Subtotal	\$781,029	\$781,029
B. Facilities & Utilities Expenses		
Maintenance & Inspection	\$5,000	\$5,000
Lights, Electricity & Telephone	2,500	2,500
Water	30,000	30,000
Subtotal	\$37,500	\$37,500
C: Incidental Expenses		
District Administration & Legal	\$11,610	\$11,610
Assessment Engineering	5,000	5,000
County Collection Fees	1,217	1,217
Subtotal	\$17,827	\$17,827
Total Fiscal Year Budget	\$836,356	\$836,356
Adjustments	0	0
City Contribution for General Benefit	(80,499)	(67,934)
Total Amount To Be Assessed for all District properties	\$755,857	\$768,422
MAXIMUM ASSESSMENT ALLOWED	\$755,857	\$768,422

The "Maximum Assessment Allowed" is also shown in Table 1, and was determined based upon the estimated maximum future annual costs, which are shown in Table 2.

The City has established a special fund for the revenues and expenditures of the Assessment District. Any balance remaining on July 1 must be carried over to the next fiscal year unless the funds are being accumulated for future capital improvements and operating reserves.

TABLE 2 ESTIMATED FUTURE MAXIMUM COST BY ZONE FOR FISCAL YEAR 2008-09										
No.	Description of O&M Maintenance Activity	Maximum Expense	Zone 1		Zone 2		Zone 3		General Benefit	
			%	Amount	%	Amount	%	Amount	%	Amount
1	Hilltop Dive Landscaped frontages & medians	101,418	67%	67,950					33%	33,468
2	Blune Dr / Auto Plaza frontages & medians	59,539	100%	59,539						
3	Hilltop Mill Rd & Magazine Street frontages, gres & medians	70,763	100%	70,763						
4	Hilltop Lake Park open space, lake drain pumping systems with incidental landscaping	67,975	100%	67,975						
5	Industrial Park open space & landscaped medians and islands	8,686	100%	8,686						
6	Richmond Parkway North open space, & Landscaped medians, frontages & sound walls, I-80 to San Pablo Ave	55,674	100%	55,674						
7	Richmond Parkway West frontages, gres, medians open space verges, San Pablo to Gart Highway	78,646			100%	78,646				
8	San Pablo Ave sound walls, landscaped frontages Richmond Parkway to Robert H Miller	32,486	9%	2,924	9%	29,562				
9	Park & Ride / Transit landscaped parking lots islands and frontages	4,588							100%	4,588
10	Richmond Parkway I-80 interchange landscaped & open space verges, gres & frontages	17,317	21%	3,637	18%	3,117	11%	1,905	50%	8,669
11	Hilltop Dive & San Pablo Avenue retaining walls and islands	49,149	21%	10,321	18%	8,847	11%	5,406	50%	24,575
12	Atlas Road West landscaped frontages, medians & open space verges	61,796			17%	10,505	83%	51,291		
13	Hilltop Dive West landscaped frontages & medians	30,467			100%	30,467				
14	Residential neighborhoods street trees, play lots and recreational parks	111,320			77%	85,716			23%	25,604
15	Open space/courtyards, undeveloped open spaces, trail systems & wetlands	63,377			77%	48,800			23%	14,577
	Total Operating Expenses	813,221		347,479		295,681		53,602		111,479
	Contingency 10%	81,322		34,748		29,568		5,860		11,148
	Plus Incidental Expense	17,827		7,617		6,481		1,285		2,444
	Total Cost	912,370		389,844		331,709		65,747		125,071

Notes: 1. Costs rounded to whole dollars.

PART D – ASSESSMENT RATIONALE

Section 12.60 of the City of Richmond Municipal Code permits the establishment of assessment districts within the City for the purpose of providing certain public improvements, which include the operation, maintenance and servicing of landscaping, street lighting and park and recreational facilities. Article XIIID, Section 4(a) of the California Constitution limits the amount of any assessment to the proportional special benefit conferred on the property.

Consistent with those requirements, the City Council determined that the maintenance of the landscaping, trees, median shrubs, and other structural and horticultural amenities is specifically crucial to maintaining the image of a business, commercial or residential property. They also determined that the overall quality of life and desirability of an area is enhanced when landscaping, trees, median shrubs, and other structural and horticultural amenities are in place, improved, operable, safe, clean, and maintained. Conversely, property desirability decreases when those facilities are poorly maintained or destroyed by the elements or vandalism. Property desirability in an area also increases when there is an increase in the level of landscaping, trees, median shrubs, and other structural and horticultural amenities within the public right-of-way.

The City Council also found that the improvements are of special benefit to the various parcels of land within the district boundaries, in that they improve the quality of life on a day-to-day basis by providing an attractive, clean, safe and secure environment in which to live and work. The HLMD has been divided into three zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas receive differing degrees of benefit from the improvements. These zones are indicated on the Conceptual Improvement Plan and the Assessment Diagram. In general, the estimated benefit to be received by a parcel from the improvements may be said to vary in accordance with that parcel's location, area, and use. Except as noted otherwise the improvements within each zone have been assessed to the parcels within that zone because they are proximate and of special benefit to those parcels. These zones and the improvements within each zone are described below:

Zone 1 – Review of Public and Private Zone 1: Upon review of all of the streets, public and private in Zone 1, it is readily apparent that the maintenance of the district was uniformly necessary to all parcels to preserve the integrity of the properties, both active and inactive within the limits of the area generally bounded:

- On the South, West and Southwest: By Hilltop Drive
- On the East: By I-80
- On the West: By San Pablo Avenue
- On the North: By the Richmond City Limits

Zone 1 developed segmentally and there has been a wide variation in the different areas and their maintenance requirements. At the present time, however, the District is substantially built out and the need for landscape maintenance is obvious, to the untrained eye. It is virtually impossible to pick a location where landscape maintenance could be discontinued without there being a marked economic impact on the immediate properties. Therefore, it seems that the various areas in Zone 1, as defined herein, have lost their identity insofar as differential assessment bases are concerned and the property within this zone has been assessed uniformly, according to acreage, for the cost to maintain the improvements, except those costs relating to general Benefit. The City parking lots within the Hilltop Mall Road have not been assessed.

Zone 2 – Richmond Parkway West Residential/Commercial/Industrial Area: includes the lands of Subdivision 7970 (Hilltop West aka Fairways at Country Club) which, with the exception of one parcel is pre-planned for attached and detached single family homes, open spaces and park amenities. It is estimated that 613 equivalent residential dwelling units (EDUs) will occupy this zone at buildout. In addition, Zone 2 contains commercial/industrial parcels and utility facilities. Passing through the subdivision is the Westerly extension of the Richmond Parkway and the Westerly extension and realignment of Atlas Road to Giant Road. All of the improvements being installed are specifically beneficial to the properties in the zone with the exception of general benefit relating to park use. The further subdivision of the property will take place over a period of years, and additional facilities will be built at the time of development. Therefore, the cost of the maintenance of the improvements within Zone 2, with the exception of costs relating to improvements which are considered to be of General Benefit, has been assessed uniformly to the parcels within this zone according to parcel acreage.

Residential use within Subdivision 7970 (Hilltop West aka Fairways at Country Club) and other adjacent residential subdivisions are projected to be a combination of attached and detached single family dwellings assessed on the following basis:

The benefit received by a residential dwelling unit is estimated to be inversely proportionate to density. A detached single family residential (SFR) dwelling is defined as one equivalent dwelling unit (EDU). EDUs for attached or cluster units are estimated as follows:

- Density for detached units equals $572 \text{ units} / 126.5 \text{ acres} = 4.52 \text{ units per acre}$.
- Density for attached units (cluster) equals $69 \text{ units} / 9.23 \text{ acres} = 7.47 \text{ units per acre}$.
- One attached unit = $4.52 / 7.47$ or 0.6 EDU.

Zone 3 – Atlas Road Industrial Area: This developing industrial area located west of the Richmond Parkway is specifically benefited by improvements which consist of streets, landscaping, utilities, sidewalks and facilities installed under City of Richmond Improvement District No. 853 (Atlas Road West).

Improvement District No. 853 determined that the benefit to properties within the district resulted as a combination of two elements. These were an “area component and a traffic generation component.” The area component reflected “site access benefits” and “trip generation component” reflected the “estimated use of the road.” The assessments levied in District 853 were for the construction of the facilities being maintained. The HLMD is not to be confused with Improvement District No. 853 but derives a concept of improvement values from it.

PARCELS NOT BENEFITED

There are areas within the district that, by virtue of the use to which they have been indefinitely committed, are deprived from receiving an economic benefit from the HLMD improvements. These parcels are identified as open spaces, parks, playgrounds, water storage reservoirs, and areas where the title is vested in the City, such as the parking areas in the Hilltop Mall. These are all areas that do not benefit. Other property that does not benefit and has not been assessed includes public streets; avenues, lanes, roads, drives, court, alleys, and railroad rights of way. The benefit received by privately owned common areas has been apportioned to the various units' assessment. Common areas are therefore not assessed. Federal property within the district (like the Post Office) is exempt from assessments.

UNIMPROVED PARCELS

Within each zone, maintenance is required for unimproved parcels. Landscaping not maintained will perish from lack of water or pruning and from the overgrowth of weeds. Attractive landscaping will assist the property owner with the marketing of the vacant lots. Early plant establishment costs may even exceed future maintenance costs. Hence, it is concluded that for the HLMD the benefit received by a vacant or unimproved lot is essentially the same as that received by an improved lot.

GENERAL BENEFIT

There are some areas of General Benefit, within the District. These areas are mainly of benefit to the traveling public and have no significant impact on the commercial and residential areas within the District. The cost to maintain these areas is being offset by a contribution from the City. They are described below:

- **Zone 1, Hilltop Drive, I-80 Interchange to San Pablo Avenue:**
This improvement is vital to the economic well being of the Hilltop Mall and adjacent commercial areas since it is the primary entrance. The properties fronting on the south side of Hilltop Drive not in the district are beneficiaries of the improvement as well as the “drive through” traffic. Hence, the estimated cost to maintain the south frontage, approximately a third or 33% is deemed to be General Benefit and not assessable to HLMD lands.
- **Zone 1, Park and ride at I-80 and Richmond Parkway:**
This improvement benefits properties from such a large area surrounding the district that only miniscule special benefit can be discerned as applying to properties in the district. Therefore the costs of maintaining the Park and ride facility have not been assessed to the properties in the HLMD.
- **Zone 1, Richmond Parkway Interchange at I-80 and San Pablo Avenue at Hilltop Drive:**
The Richmond Parkway/I-80 and San Pablo Avenue/Hilltop Drive interchanges are the gateway to the mall area and the maintenance of landscaping and related improvements at these two locations is considered to be of significant special benefit to the properties in and around the mall (within Zone 1 of the HLMD). There exists special benefit as well a general benefit, which is not traceable to Zone 1 properties, but rather is for the motoring public in general. This general benefit, while not easily quantified, is fair to say that the total should be distributed equally between the Zone 1 properties and the general public. Thus, 50% of the total maintenance cost at these two locations is classified as General Benefit and is not assessed to the HLMD.
- **Zone 2, Richmond Parkway West Residential/Commercial Area:**
The City of Richmond currently maintains active and passive parks throughout the community. The general benefit received from active and passive parks and open space within this zone may be said to be equal to the maintenance, which exceeds that which the City normally provides. Conversely, the special benefit in Zone 2 results from the maintenance of the improvements, which exceed the normal City effort. Assuming a goal of 5 acres per 1,000 residents, the General Benefit may be calculated as follows:

$$\begin{aligned} \text{Number of EDUs} &= 572 * 1.0 + 69 * 0.6 = 613 \\ \text{Estimated persons per EDU} &= 3 \\ \text{Estimated population} &= 3 * 613 = 1,839 \text{ persons} \\ \text{Active + Passive Park Goal} &= (1,839/1,000)*5 = 9.20 \text{ Acres} \\ \text{Total Active + Passive Parks} &= 39.59 \text{ Acres} \\ \text{\% of General Benefit} &= (9.20/39.59) * 100 = 23\% \end{aligned}$$

Table 3 below, summarizes the improvements, which are considered to be of benefit to property owners outside of the HLMD in the following proportions.

TABLE 3: GENERAL BENEFIT	
Description	% General Benefit
Hilltop Drive, I-80 to San Pablo Ave	33%
Park and Ride @ I-80 & Richmond Parkway	100%
I-80 Interchange @ Richmond Parkway	50%
I-80 Interchange @ Hilltop Drive	50%
Zone 2 active and passive parks	23%
Zone 2 open space containment, underdeveloped & wetlands	23%

SUMMARY OF BENEFIT

In summary, the benefit received by a parcel is proportionate to its size, its use, and its location (or zone of improvement). The district is comprised of three distinct zones of landscape improvements. Location of a parcel within a zone of improvement is not determined to be significant. The benefits provided by median and frontage landscaping may be referred to as “drive by” which accrue to passing motorists in route to the property within the zone of service. The land use in Zone 1 is a combination of high-density residential and light industrial/commercial and benefit is proportional to the weighted parcel area. Weighted parcel area reflects whether or not the parcel has on site parking. Zone 2 includes single family detached and cluster (attached) housing and commercial/light industrial use. The benefit within this zone is proportional to parcel area. Residential land within Zone 2 is assessed based upon equivalent dwelling units. Zone 3 consists of the industrial area on Atlas Road that comprises the 1998 Annexation. The benefit received is proportionate to parcel area and traffic generation as applied in AD 853.

PART E – CALCULATION OF ASSESSMENTS

The net total amount to be assessed has been distributed among the various parcels of land within the District in accordance with the estimated special benefits to be received, respectively by each parcel from the improvements as said special benefits have been estimated in Part D above.

The estimated cost to perform maintenance services in each zone for the 2008/2009 fiscal year and for the future built out condition is estimated in Tables 4.

The assessment for a parcel in each zone has been calculated as follows:

Zone 1

- Step 1: Calculate the number weighted area units (AU) for the parcels within the inner circle by prorating a portion of the City parking to each parcel within the circle by parcel area.
- Step 2: Calculate the number of AU for remaining parcels within this zone by multiplying the number of acres by 1.00.
- Step 3: Calculate the total number of AU within this zone.
- Step 4: Calculate the assessment per AU by dividing the net total cost for the zone by the sum of the AU within the zone.
- Step 5: Calculate the annual assessment for each parcel by multiplying the assessment per AU by the number of AU for that parcel.

Zone 2

- Step 1: Calculate the assessment per acre by dividing the total maintenance cost by the total area assessed.
- Step 2: Calculate the total number of EDUs for Single Family Residence (SFR). Detached as 1.00 times the number of SFR units.
- Step 3: Calculate the total number of EDUs for cluster homes by multiplying the total number of cluster homed by 0.6.
- Step 4: Calculate the assessment for SFR parcels by multiplying the assessment per acre times the total acres of residential land divided by the total number of EDUs.
- Step 5: Calculate the assessment for a cluster home by multiplying the assessment for a SFR unit by 0.6.

Zone 3

Step 1: Calculate a summation of the assessments levied against the parcels in Zone 3 for the construction of improvements in the Engineer's Report for Assessment District No. 853, Atlas Road West, by Centennial Engineering, Inc. dated February 1994.

Step 2: Pro-rate the estimated maintenance cost to the properties in Zone 3 in proportion to the initial improvement assessments per the following:

AD No. 853 Number	Assessor's Parcel Number	AD No. 853 Amount	Area Units	2008-09 Amount	Maximum Amount
3	405-270-008	\$154,571	9.24	\$1,897.52	\$1,897.52
4	405-270-009*	715,223	40.04	8,222.60	8,222.60
2	405-270-011	1,201,841	67.75	13,913.14	13,913.14
11	405-030-029*	2,620,462	147.82	30,356.30	30,356.30
14	405-030-030*	778,394	43.12	8,855.12	8,855.12
Total		\$5,470,491	307.97	\$63,244.68	\$63,244.68

* Not assessed because parcel dedicated open space, common parcel, or other parcel not benefitted by district.

The assessment rates and maximum rate (increased based upon the percentage increase from April 1 of the prior year to March 31 of the current year in the California Consumer Price Index (CPI) for the San Francisco Bay Area as determined by the California Department of Industrial Relations) for each zone for the 2008/2009 fiscal year, respectively, are shown below in Table 4.

AMOUNT OF ASSESSMENT

The amount of assessment levied per unit of benefit shall be in the range indicated above, respectively for each zone, with the exact amount to be levied in any given year to be determined by the budget for that year. This range of assessments is the range for Fiscal Year 2008/2009 and it shall be increased in each subsequent year by the percentage increase from April 1 of the prior year to March 31 of the current year in the California Consumer Price Index (CPI) for the San Francisco Bay Area as determined by the California Department of Industrial Relations. The maximum amount of assessment in any future year shall not exceed the maximum amount set forth above, as adjusted by the CPI, unless otherwise approved by the City Council or by ballot pursuant to the laws which govern such increases in assessments. The improvements are permanent and maintenance and assessments will be continued indefinitely.

TABLE 5: ASSESSMENT RATES					
ZONE	LAND USE	UNITS	FY 2007-08	FY 2008-09	MAXIMUM FUTURE
1	All	Acre*	\$887.46	\$913.18	\$913.18
2	Single Family Detached	Dwelling	298.04	306.68	306.68
	Cluster Home	Dwelling	178.82	184.00	184.00
	Other	Acre	1,354.58	1,393.86	1,393.86
3	All	Acre	199.58	205.36	205.36
*weighted					

Zone 1 – Hilltop Mall Road and adjoining streets, Blume Drive, Auto Plaza, Richmond Parkway, Hilltop Plaza, the Summit and Bay View Apartment complex, Lakeside Drive Residential Area, and the Lakeside Drive Residential Area, and the Lakeside Drive Industrial Area. Zone 1 is a combination of high-density residential and light industrial/commercial.

Zone 2 – Richmond Parkway West Residential/Commercial Area. Zone 2 is single family detached and cluster (attached) housing and commercial/light industrial use.

Zone 3 – Atlas Road Industrial Area.

PART F – ASSESSMENT ROLL

An Assessment Roll for the District has been prepared, based on the Assessment Methodology described in Parts D and E of this report, and the information shown on the Contra Costa County Assessor's Roll as of March 1, 2008. The Assessment Roll that includes the net annual assessment for FY 2008/2009 and shows the Assessor's Parcel Number, owner, property address, and mailing address for each parcels, is on the following page.