



Harris & AssociatesSM

SHAPING THE FUTURE ONE PROJECT AT A TIMESM

Final Engineer's Report

For

City of South Pasadena

**Landscape and Lighting
Maintenance District No. 2016-1**

Fiscal Year 2017-18

Submitted To:

South Pasadena, California

November 16, 2016

Prepared By:



Harris & AssociatesSM

22 Executive Park, Suite 200
Irvine, CA 92614
Tel. (949) 655-3900

BY: K. Dennis Klingelhofer, P.E.
R.C.E. No. 50255



**ENGINEER'S REPORT
Table of Contents**

Certifications.....1

Report.....2

 Part A – Plans and Specifications4

 Part B – Estimate of Cost.....5

 Part C – Method of Apportionment of Assessments6

 Part D – Assessment Diagram12

 Part E – Assessment Roll13

Appendices

A Assessment Diagram

B Assessment Roll

ENGINEER'S REPORT

CITY OF SOUTH PASADENA

**LANDSCAPE AND LIGHTING
MAINTENANCE DISTRICT NO. 2016-1**

The undersigned acting on behalf of Harris & Associates, respectfully submits the enclosed Engineer's Report as directed by City Council pursuant to the provisions of Section 4 of Article XIID of the California Constitution, and provisions of the Landscaping and Lighting Act of 1972, Section 22500 et seq. of the California Streets and Highways Code. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

DATED: November 16, 2016



BY: K. Dennis Klingelhofer, P.E.
R.C.E. No. 50255



HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll and Assessment Diagram thereto attached, was filed with me on the ____ day of _____, 2016.

Evelyn G. Zneimer, City Clerk,
City of South Pasadena
Los Angeles County, California

By _____

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 of the City of South Pasadena, California, on the ____ day of _____, 2016.

Evelyn G. Zneimer, City Clerk,
City of South Pasadena
Los Angeles County, California

By _____

CITY OF SOUTH PASADENA

FISCAL YEAR 2017-18

ENGINEER'S REPORT

**PREPARED PURSUANT TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972
SECTION 22500 THROUGH 22679
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE,
ARTICLE XIID OF THE CALIFORNIA CONSTITUTION, AND
THE PROPOSITION 218 OMNIBUS IMPLEMENTATION ACT
(GOVERNMENT CODE SECTION 53750 ET SEQ.)**

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, Article XIID of the California Constitution (Proposition 218), and the Proposition 218 Omnibus Implementation Act and in accordance with the Resolution of Initiation, adopted by the City Council of the City of South Pasadena, State of California, in connection with the proceedings for:

**CITY OF SOUTH PASADENA
LANDSCAPE AND LIGHTING
MAINTENANCE DISTRICT NO. 2016-1**

Hereinafter referred to as the "Assessment District" or "District", I, K. Dennis Klingelhofer, P.E., the authorized representative of Harris & Associates, the duly appointed ENGINEER OF WORK, submit herewith the "Report" consisting of five (5) parts as follows:

**PART A
PLANS AND SPECIFICATIONS**

Plans and specifications for the improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Engineer and are incorporated herein by reference.

**PART B
ESTIMATE OF COST**

An estimate of the costs of the proposed improvements, including incidental costs and expenses in connection therewith, is as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and incorporated herein by reference.

PART C
METHOD OF APPORTIONMENT OF ASSESSMENTS

The method of apportionment of assessments, indicating the proposed assessment of the net amount of the costs and expenses of the improvements to be assessed upon the several lots and parcels of land within the District, in proportion to the estimated benefits to be received by such lots and parcels.

PART D
ASSESSMENT DIAGRAM

The Diagram of the District Boundaries showing the exterior boundaries of the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

PART E
ASSESSMENT ROLL

An assessment of the estimated cost of the improvements on each benefited lot or parcel of land within the District.

PART E
METHOD OF APPORTIONMENT

The method of apportionment of assessments, indicating the proposed assessment of the net amount of the costs and expenses of the improvements to be assessed upon the several lots and parcels of land within the District, in proportion to the estimated benefits to be received by such lots and parcels.

PART A Plans and Specifications

The proposed improvements for Fiscal Year 2017-18 may be generally described as the continued maintenance and operation of streets and sidewalks within the Assessment District, including the construction, operation, servicing and maintenance of landscaping, lighting and appurtenant facilities, including but not limited to, personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these services described as follows:

- Landscaping and Appurtenant Facilities

Landscaping, planting, shrubbery, trees, irrigation systems, hardscapes, fixtures, sidewalk and curb and gutter maintenance adjacent to street trees, and appurtenant facilities, in public street and sidewalk rights-of-way, including parkways, medians and dedicated easements within the boundary of said Assessment District.

- Lighting and Appurtenant Facilities

Poles, fixtures, bulbs, conduits, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide safety lighting and traffic signals in public street and sidewalk rights-of-way and easements within the boundaries of said Assessment District. Servicing of the Southern California Edison Company-owned lights shall be furnished by Southern California Edison Company or its successors or assignees and shall be adequate for the intended purpose. Rates for power and maintenance shall be authorized by the Public Utilities Commission, State of California.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the landscaping, public lighting facilities and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping, public lighting facilities or appurtenant facilities providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of water for the irrigation of the landscaping and the maintenance of any of the public lighting facilities or appurtenant facilities and the furnishing of electric current or energy, gas or other illuminating agent for the public lighting facilities, or for the lighting or operation of landscaping or appurtenant facilities.

The plans and specifications for the improvements, showing the general nature, location, and the extent of the improvements, are on file in the office of the City Clerk and are incorporated herein by reference.

PART B Estimate of Cost

The estimated cost of the construction, operation, servicing and maintenance of the street and sidewalk improvements for Fiscal Year 2016-17, as described in Part A, are summarized herein and described below. All costs include administration and utilities where applicable.

Estimate of Cost

Item	Budget
<u>Landscape Maintenance</u>	
Street Trees	\$429,400
Medians	\$64,000
Sidewalk Replacement	\$10,000
Total Landscape Maintenance Cost	\$503,400
<u>Street Lighting Maintenance</u>	
Street Lighting	
Major Thoroughfare Lighting	\$74,205
Local Lighting	\$251,097
Total Street Lighting Maintenance Cost	\$325,302
<u>Other Costs</u>	
Administrative Costs	\$20,000
Supplemental Tree Removals/Replacements	\$200,000
Tree Related Sidewalk Repairs	\$50,000
Total Other Costs	\$270,000
<u>Total Budget</u>	\$1,098,702
<u>Operating Reserves (50% of Budget) x (20%)¹</u>	\$109,870
Total Costs	\$1,208,572
Assessment Revenue FY 2017-18	\$1,176,090
General Benefit Contribution from City²	\$32,482
Total Revenue	\$1,208,572

1. The Operating Reserve is provided to ensure funding of the operation and maintenance activities prior to the City receiving the assessment funds through the property tax collection process. Section 22569(a) of the Streets and Highways Code specifically permits the inclusion of a reserve for this purpose equal to half of the annual operation and maintenance costs. The amount shown is equal to 20% of permitted Operating Reserves so that the Operating Reserve Fund will be built up over a five-year period.
2. Refer to page 8 of this Report for a discussion of general benefit and calculation of the general benefit cost.

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.

PART C Method of Apportionment of Assessments

General

The 1972 Act permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include the construction, maintenance and servicing of street lights, traffic signals and landscaping facilities.

Street and Highways Code Section 22573 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This section 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 1972 Act permits the designation of areas of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements." (Sec. 22574). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

In addition, Proposition 218 (Prop. 218), the "Right to Vote on Taxes Act" which was approved on the November 1996 Statewide ballot and added Article XIID to the California Constitution, requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Prop. 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. Prop. 218 also requires that publicly owned property which benefit from the improvements be assessed.

Special Benefit

In determining the proportionate special benefit derived by each identified parcel, the proximity of the parcel to the public improvements detailed in Part A above, and the capital, maintenance and operating costs of said public improvements, was considered and analyzed. Due to the citywide nature the improvements detailed in Part A above, it has been demonstrated and determined that all of the parcels are uniquely benefited by, and receive a direct advantage from, and are conferred a particular and distinct special benefit over and above general benefits by, said public improvements in a way that is particular and distinct from its effect on any other parcels and that real property in general and the public at large do not share.

As a result, each parcel within the District receives a special and distinct benefit from the improvements.

The assessment for special benefit received by parcels that are not levied (i.e. public agency parcels) is calculated and paid for by sources other than assessment revenue (i.e. general fund contributions or other revenue sources as determined by the City Council)..

Special Benefit from Landscape Maintenance

All parcels within the District receive special benefit from Landscape Maintenance. Trees, landscaping, hardscaping, ornamental structures and appurtenant facilities, if well maintained, confer a particular and distinct special benefit upon real property within the District by providing beautification, shade and positive enhancement of the community character, attractiveness and desirability of the surroundings. In addition, all of the aforementioned contributes to a specific increase in property desirability and a specific enhancement of the property value of each parcel within the District. In *Parkways and Land Values*, written by John Nolan and Henry V. Hubbard in 1937, it is stated:

“... there is no lack of opinion, based on general principals and experience and common sense, that parkways do in fact add value to property, even though the amount cannot be determined exactly.... Indeed, in most cases where public money has been spent for parkways the assumption has been definitely made that the proposed parkway will show a provable financial profit to the City. It has been believed that the establishment of parkways causes a rise in real estate values throughout the City, or in parts of the City...”

It should be noted that the definition of “parkways” above may include the roadway as well as the landscaping alongside the roadway.

Numerous studies since then have confirmed the positive impact that well-maintained landscaping and trees has on property values, rental rates, the desirability of commercial spaces and the ability to attract residents to those areas. In addition, street trees and landscaping provide effective visual barriers, reduce noise transmission in urban areas, provide shade and enhance the outdoor environment.

Special Benefit from Street Lighting Maintenance

All parcels within the District receive special benefit from Street Lighting Maintenance. The special benefit from street lighting can be measured by increased safety to people and property, as well as the increased availability of lighting. The safety to people benefit results in a special benefit to residential parcels because street lighting improves traffic safety during ingress and egress to the property and creates a deterrent to crime against people on the property. The safety to property benefit results in a special benefit to both residential and vacant non-developable parcels because street lighting operation, maintenance and servicing provides for the protection of buildings and personal property against crimes such as theft and vandalism. Additionally, all parcels in the District receive a special benefit from the installation, operation, maintenance and servicing of the operation, maintenance and servicing of street lighting on major thoroughfares, primarily because the properties, and the persons using the properties, are provided safe major thoroughfare access.

General Benefit

Examples of general benefit include, but are not limited to, traffic signals and enhanced landscaping and lighting improvements in public areas that are provided for the benefit of the public at large. For this District the enhanced level of street lighting related to the arterial street lights provides general benefit. Street lights along major thoroughfares are brighter than the street lights along local streets (16,000 lumens or greater for major thoroughfare street lights compared to 9,500 lumens or less for local street lights). The extra illumination determines the general benefit cost of street lighting as follows:

Item	Budget
<u>Street Lighting Maintenance</u>	
Major Thoroughfare Lighting (Full Illumination Lighting Cost)	\$74,205
Less: Major Thoroughfare Lighting (Local Illumination Lighting Cost)	(\$41,722)
Total General Benefit of Street Lighting Maintenance Cost	\$32,482

Apportionment

Since the assessment will be levied against parcels of property as shown on the tax roll, the final charges must be assigned by Assessor's Parcel Number. If assessments were to be spread just by parcel, not considering land use or parcel size, a single family parcel would be paying the same as a 50 unit apartment parcel or a large commercial establishment in a similar zone and this would not be equitable.

The single family residential lot has been selected as the basic unit for calculation of assessments and is defined as one Equivalent Dwelling Unit (EDU). A methodology has been developed to calculate the EDU's for other residential land uses and for non-residential parcels. Every land-use is converted to EDU's: parcels containing apartments are converted to EDU's based on the number of dwelling units on each parcel of land; commercial parcels are converted based on the lot size of each parcel of land.

The EDU method is seen as the most appropriate and equitable method of spread of benefit to each parcel from the improvements since it is based on land-use type and parcel size. The Equivalent Dwelling Unit method uses the single family home as the basic unit of assessment. A single family home equals one Equivalent Dwelling Unit (EDU). Every other land-use is converted to EDU's based on an assessment formula appropriate for the City. Multi-family and condominium parcels are converted to EDU's based on the number of dwelling units on each parcel of land; Commercial and Industrial parcels are converted to EDU's based on the lot size of each parcel of land.

Equivalent Dwelling Units

Single Family Residential (SFR). The single family parcel has been selected as the basic unit for calculation of the benefit assessments. This basic unit shall be called an Equivalent Dwelling Unit (EDU). Parcels designated as single family residential per the Los Angeles County land-use code are assessed 1 EDU.

Multi-Family Residential and Condominiums. Multiple family uses, including condominiums, are given a factor of .80 EDU per dwelling unit. Based on data from representative cities in Southern California, the multiple residential factor of 80 percent is determined by the statistical proportion of relative trip generation from various types of residential uses, in combination with population density per unit.

Commercial/Industrial. Commercial/Industrial properties are designated as commercial, industrial, recreational, institutional or miscellaneous uses per the Los Angeles County land-use codes. In converting improved Commercial/Industrial properties to EDUs, the factor used is the City of South Pasadena's average single family residential lot size of 7,500 square feet, or 5.808 dwelling units per acre. The Commercial/Industrial parcels will be assessed 5.808 EDU for the first acre or any portion thereof, and then 25% of 5.808 EDUs (1.4520) for every additional acre or portion thereof, as the utilization of that portion of non-residential property greater than one acre is reduced and will be treated as vacant land. The minimum number of EDUs per parcel will be 1 EDU.

Vacant Property. Vacant property is described as parcels with no improved structures. Property values in a community increase when public infrastructure is in place, improved, operable, safe, clean and maintained, all properties, including vacant parcels, receive benefits as this is the basis of their value. Based upon the opinions of professional appraisers, appraising current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in South Pasadena, we find that the average is about 50 percent. Additionally, the utilization of vacant property is significantly less than improved property and vacant property has a traffic generation rate of 0. Therefore, we recommend that vacant property be assessed at the rate of 25 percent of improved property.

Vacant Residential. Parcels defined as single family residential parcels which do not have structures on the parcels are assessed 25% of a single family dwelling. The parcels will be assessed 0.25 EDU per parcel.

Vacant Non-Residential. Parcels defined as parcels which are not single family residential and which do not have structures on the parcel are assessed based upon the acreage of the parcel. The parcels will be assessed at the rate of 25% of the developed non-residential properties, or 1.4520 EDU per acre or any portion thereof, with a minimum of .25 EDU per parcel.

Public Agency Parcels. Publicly owned parcels are assigned benefit units which are similar to the benefit units assigned to equivalent single-family residential, multi-family residential, commercial and industrial parcels. Publicly owned open space including, but not limited to, public parks, recreation fields or other vacant lands are not assessed since the property exists for the benefit of other land uses in the City.

Vacant property that cannot be developed for residential, commercial or industrial uses is not assessed. This includes, but is not limited to, public streets, utility easements, rights-of-way, common areas, landlocked parcels and parcels that are too small for development.

Appeals

Property owners may appeal the designated land use for their property by submitting a letter of appeal to the City with an explanation of what the correct land use designation should be and any supporting evidence. The City will review the appeal and make a decision based on the evidence provided and any other pertinent information. Appeal must be received by March 1 in order for any change in land use designation to be in effect for the fiscal year that begins on the following July 1.

Zones of Benefit

There are two zones of benefit within the District. Parcels are included within one of the two zones of benefit depending on their proximity to local street lighting improvements and street trees which are being maintained.

Zone 1 - This zone consists of all property which is adjacent to, or in near proximity to, local street lighting improvements and street trees which are being maintained. These parcels are deemed to receive the full amount of special benefit conferred upon parcels from the improvements. Parcels within Zone 1 are assigned EDU's based on land use as follows:

Land Use Classification	Basic Unit		EDU Factor	EDU Rates
Single Family Residential (SFR)	1 Dwelling Unit	x	1.00	1.00 EDU per Dwelling Unit
Multi-Family Residential/Condominiums	1 Dwelling Unit	x	0.80	0.80 EDU per Dwelling Unit
Commercial/Industrial	1 Acre	x	5.81	5.81 EDU per Acre (first acre, minimum 1.00 EDU per Parcel)
		x	1.453	1.453 EDU per Acre (after first acre)
Vacant - SFR	1 Parcel	x	0.25	0.25 EDU per Parcel
Vacant - Non-SFR	1 Acre	x	1.453	1.453 EDU per Acre (minimum 0.25 EDU per Parcel)

Zone 2 - This zone consists of all property which is not adjacent to, nor in near proximity to, local street lighting improvements and street trees which are being maintained. These parcels are deemed to receive reduced special benefit conferred upon parcels from the improvements. These parcels are assigned EDU's at a rate equal to 75% of the assigned EDU's for similar parcels within Zone 1. Parcels within Zone 2 are assigned EDU's based on land use as follows:

Land Use Classification	Basic Unit		EDU Factor	EDU Rates
Single Family Residential (SFR)	1 Dwelling Unit	x	0.75	0.75 EDU per Dwelling Unit
Multi-Family Residential/Condominiums	1 Dwelling Unit	x	0.6	0.60 EDU per Dwelling Unit
Commerical/Industrial	1 Acre	x	4.358	4.358 EDU per Acre (first acre, minimum 1.00 EDU per Parcel)
		x	1.089	1.089 EDU per Acre (after first acre)
Vacant - SFR	1 Parcel	x	0.25	0.25 EDU per Parcel
Vacant - Non-SFR	1 Acre	x	1.089	1.089 EDU per Acre (minimum 0.188 EDU per Parcel)

Land Use Summary and Distribution of EDUs

For parcels that are assessed, the following information regarding parcel count, number of dwelling units, and parcel acreage was compiled and calculated from the Los Angeles County Assessor's Roll, Assessor's Parcel Maps, and the City of South Pasadena's Planning Department:

Zone 1

Land Use Classification	No. of Parcels	Dwelling Units	Acres	EDUs
Single Family Residential (SFR)	4,021	4,021	-	4,021.00
Multi-Family Residential/Condominiums	1,968	6,430	-	5,144.00
Commerical/Industrial	322	-	122.96	653.21
Vacant - SFR	124	-	21.61	31.00
Vacant - Non-SFR	18	-	3.32	6.16
Public Agency Property	106	83	34.90	152.04
Totals:	6,559	10,534	182.80	10,007.41

Zone 2

Land Use Classification	No. of Parcels	Dwelling Units	Acres	EDUs
Single Family Residential (SFR)	344	344	-	258.00
Multi-Family Residential/Condominiums	14	47	-	28.20
Commerical/Industrial	0	-	0.00	0.00
Vacant - SFR	74	-	15.61	13.88
Vacant - Non-SFR	2	-	0.19	0.38
Public Agency Property	5	1	0.75	1.50
Totals:	486	392	16.54	301.95

Total EDUs calculated for the District is as follows:

Zone of Benefit	EDUs
Zone 1	10,007.41
Zone 2	301.95
Totals:	10,309.36

Assessment Rate Calculation

The Assessment Rate per EDU for the District is as follows:

Decription	Amount
Total Cost Estimate	\$1,208,572
Less: General Benefit Contribution from Ci	<u>(\$32,482)</u>
Total to be Assessed	\$1,176,090
Divided by Total EDUs	10,309.36
Maximum Assessment Rate per EDU	\$114.08

- The maximum annual assessment rate will increase each year based on the annual change in the Consumer Price Index, All Urban Consumers, for the Los Angeles-Riverside-Orange County Area ("CPI-U"). The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum annual assessment rate without receiving property owner approval for the increase pursuant to Article XIII D of the California State Constitution.

Assessment Revenue

The total assessment for the District is as follows:

Zone of Benefit	EDUs	Assessment
Zone 1	10,007.41	\$1,141,644
Zone 2	301.95	\$34,446
Total to be Assessed	10,309.36	\$1,176,090

PART D

Assessment Diagram

The boundary diagram for the District is included herein as Appendix A, and is part of this report.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

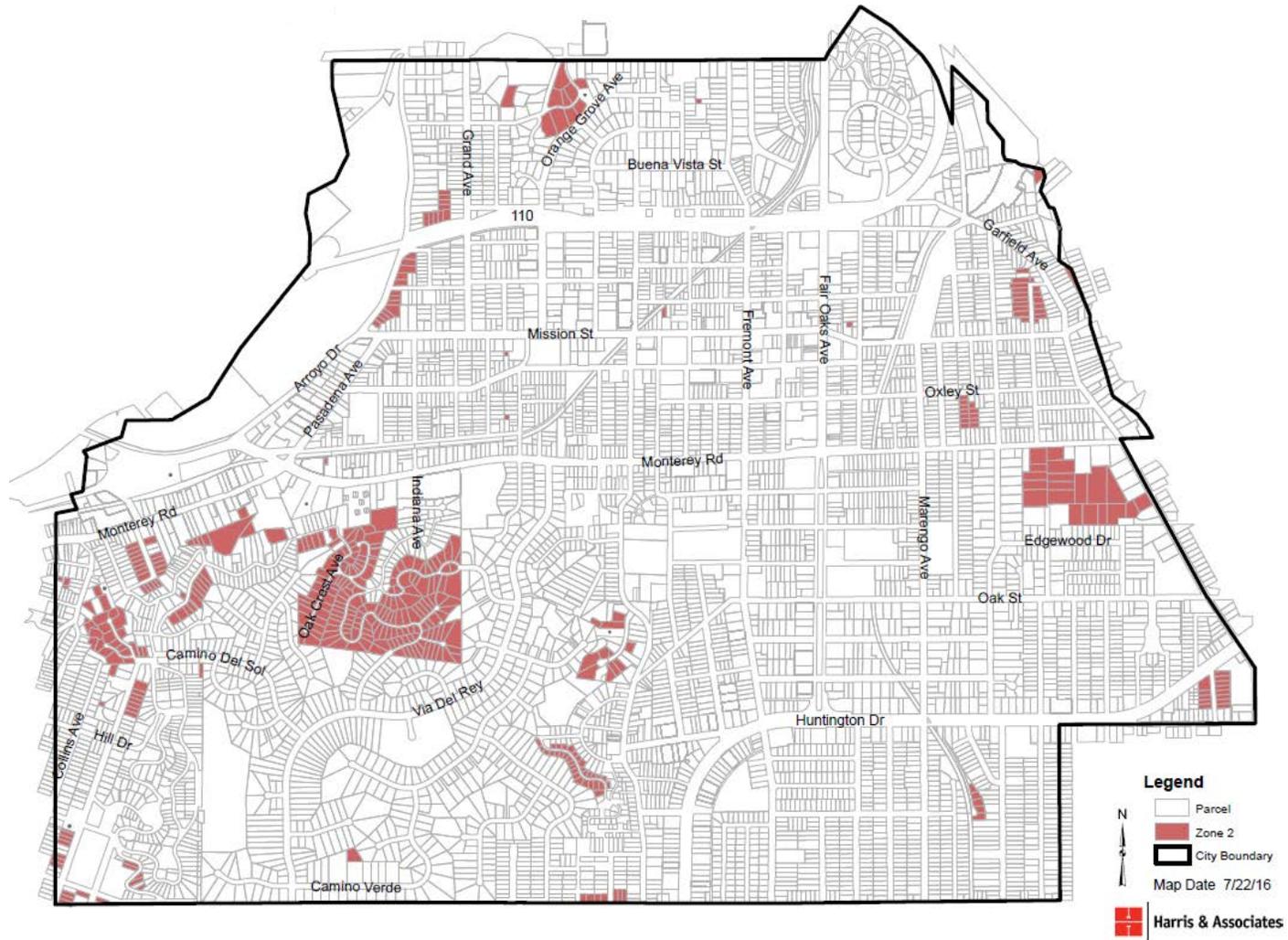
PART E

Assessment Roll

All assessed lots or parcels of real property within the District are listed on the Assessment Roll. The Assessment Roll states the net amount to be assessed upon assessable lands within the District for Fiscal Year 2017-18, shows the Fiscal Year 2017-18 assessment upon each lot and parcel within the District, and describes each assessable lot or parcel of land within the District. These lots are more particularly described in the Assessment Roll, which is included in this Report as Appendix B. The list is keyed to the records of the Assessor of the County of Los Angeles which are incorporated herein by reference.

APPENDIX A Assessment Diagram

City of South Pasadena
Landscape and Lighting Maintenance District No. 2016-1



APPENDIX B

Assessment Roll

City of South Pasadena Landscape and Lighting Assessment District No. 2016-1

The Assessment Roll is a separately bound file and hereby incorporated and made a part of this Report. Reference is made to the Los Angeles County Assessment Roll for a description of the lots or parcels in each of the assessment districts.

The FY 2017-18 Assessment Roll is on file and available for public viewing at the Public Works Department of the City of South Pasadena.