



Preliminary Engineer's Report

Fiscal Year 2024-2025

City of Rialto

Landscaping and Lighting Maintenance District No. 2

Annexation of:

PPD 2021-0055 (Locust Springs, LLC)

PPD 2022-0001 (AIREF Rialto Commerce Center II LP)

Prepared For



February 2025



webbmfinance.com

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i. Engineer's Statement

AGENCY: CITY OF RIALTO

TO: CITY COUNCIL
CITY OF RIALTO
STATE OF CALIFORNIA

PROJECT: RIALTO LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 2 ANNEXATION
FISCAL YEAR 2024-2025
PPD 2021-0055 (LOCUST SPRINGS, LLC)
PPD 2022-0001 (AIREF RIALTO COMMERCE CENTER II LP)

Report Pursuant to "Landscaping and Lighting Act of 1972"

Pursuant to direction from the City of Rialto City Council (the "City Council"), submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, being the "Landscape and Lighting Act of 1972," (the "Act") as amended, commencing with Section 22500 and Article XIII D of the California Constitution (Proposition 218), and which is in accordance with Resolution No. 8313, adopted by the City of Rialto City Council, San Bernardino County, California ordering the preparation of the Engineer's Report for the annexation of territory (the "Annexation Territory") into Rialto Landscaping and Lighting Maintenance District No. 2 (hereinafter referred to as the "District" or "LLMD No. 2"), and the levy and collection of Assessments for Fiscal Year 2024-2025. This "Report" is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2024, to June 30, 2025. The City will conduct a property owner protest ballot proceeding (hereafter referred to as "Ballot Proceeding") for the proposed levy of new assessments for these developments. In addition to this Ballot Proceeding, the City Council will conduct a public hearing to consider public testimonies, comments and written protests regarding the annexations, and the levy of the new assessments. Upon conclusion of the public hearing, property owner ballots received will be opened and tabulated to determine whether a majority protest exists:

"A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

The area proposed to be annexed to this District has been conditioned as part of its development agreement to provide for a means to finance the ongoing maintenance of related public improvements either by annexation to this District or by other means. For purposes of determining majority protest, the ballot for this development will be tabulated and based on the results of the ballot tabulation, the City Council may adopt and approve the Engineer's Report (hereafter referred to as "Report") as amended, order the annexation of the Annexation Territory, approve the related assessment diagrams, and confirm the assessments. The assessments and annexation as approved shall be made part of, and incorporated as part of, the District's annual Engineer's Report for Fiscal Year 2024-2025 and together with the assessments for other properties within the District shall be finalized, approved and submitted to the County Auditor/Controller for inclusion on the property tax roll for each affected parcel(s) as part of the annual approval process.

i. Engineer's Statement

SECTION 1 **PLANS AND SPECIFICATIONS** of the improvements to be maintained and/or improved for Fiscal Year 2024-2025. The plans and specifications show and describe the existing improvements and are sufficient in showing and describing the general nature, location, and extent of the improvements.

SECTION 2 A **COST ESTIMATE** of the improvements to be maintained and/or improved for the mentioned Fiscal Year.

SECTION 3 A **METHOD OF APPORTIONMENT** showing the proportionate amount of the assessment to be charged in proportion to the benefit received by each lot or parcel within the Annexation Territory boundaries as shown in Appendix B.

SECTION 4 The **PROPOSED ASSESSMENTS** contain the total costs and expense of the proposed improvements for Fiscal Year 2024-2025 upon each parcel of land within the Annexation Territory within LLMD No. 2, in proportion to the estimated benefit received by such parcels from said improvements, is set forth upon the assessment roll filed herewith and made a part hereof.

I, Matthew E. Webb, a Professional Civil Engineer (employed at Albert A. Webb Associates and retained through an agreement between Webb Municipal Finance, LLC and my employer), acting on behalf of the City of Rialto, pursuant to the Act do hereby assess and apportion the total amount of the costs and expenses upon the parcels of land within Landscaping and Lighting Maintenance District No. 2 Annexation Territory, liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance, works of improvement, and appurtenances.

Executed this ____ day of _____, 2025.



ALBERT A. WEBB ASSOCIATES

MATTHEW E. WEBB
PROFESSIONAL CIVIL ENGINEER NO. 37385
ENGINEER OF WORK
CITY OF RIALTO
STATE OF CALIFORNIA

i. Engineer's Statement _____

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's "Report" were made on the _____ day of _____, 2025, by adoption of Resolution No. _____ by City Council.

CITY CLERK
CITY OF RIALTO
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's "Report" were filed in the City Clerk's Office on the _____ day of _____, 2025.

CITY CLERK
CITY OF RIALTO
STATE OF CALIFORNIA

i. Engineer’s Statement

WHEREAS, on January 14, 2025, the City Council of the City of Rialto (the “City”), State of California, under the Act, adopted its Resolution Initiating Proceedings for annexing the territory into LLMD No. 2 and the Levy and Collection of Assessments. The area(s) of the annexation shall be known as: “Annexation Territory” or (the “Annexation”).

WHEREAS, the Resolution of Initiation directed Webb Municipal Finance, LLC to prepare and file a report presenting plans and specifications describing the general nature, location, and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the Annexation to LLMD No. 2 for the referenced fiscal year, a diagram for the Annexation within LLMD No. 2 showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations and servicing of the improvements, assessing the net amount upon all assessable lots and/or parcels within the Annexation to LLMD No. 2 in proportion to the special benefit received.

NOW THEREFORE, the following assessments are intended to fund the estimated costs of maintenance, operation, and servicing of said improvements to be paid by the assessable real property within the Annexation Territory to LLMD No. 2 in proportion to the special benefit received on such parcels by the improvements:

Table i-1
Summary of Assessments

Zone 40 Assessments

Annexation	Total Assessment	Assessment Rate per EBU
PPD 2021-0055	\$4,881.85	\$1.63

Zone 41 Assessments

Annexation	Total Assessment	Assessment Rate per EBU
PPD 2022-0001	\$17,742.55	\$1.63

Zone L Assessments

Annexation	Total Assessment	Assessment Rate per EBU
PPD 2021-0055	\$60.38	\$13.38
PPD 2022-0001	\$470.61	\$16.88

1. Plans and Specification

Description of the Boundaries of the Annexation Territory to LLMD No. 2

The annexation territory consists of the following developments that are located within the boundaries of the City of Rialto.

PPD 2021-0055: This proposed non-residential development is located north of West Lowell Street and west of North Locust Avenue.

PPD 2022-0001: This proposed non-residential development is located north of West Rialto Avenue and east of North Lilac Avenue.

Assessment Diagram

The Assessment Diagram for the Annexation Territory is attached. The lines and dimensions shown on the map of the County Assessor of the County of San Bernardino for the current year are incorporated by reference in Appendix B herein and made part of this Report.

Zones of Benefit

For Fiscal Year 2024-2025, all Annexation Territory shall be identified and grouped into zones of benefit referred to as Zones. These Zones identify specific parcels and developments that receive special benefit from the maintenance, operation, and servicing of various District improvements. Each Zone reflects the improvements (street lighting and/or landscaping) associated with the development of properties in that Zone in order to fairly and equitably apportion the net cost of providing those improvements to the properties that receive special benefit from the maintenance and operation of such improvements. By establishing and utilizing a Zone structure, similar properties with similar types of improvements will be assessed a proportional amount for the total annual expenses related to the maintenance, operation, and servicing of the improvements provided by the District and for which the properties receive special benefits. The following is a brief description of the District Zones to which the Annexation Territory is proposed to be annexed:

Zones 40 and 41: These Zones include parcels that are classified as non-residential developments for which the District provides the maintenance, operation, and servicing of:

- Parkway landscaping on the perimeter of the development/subdivision within the public right-of-way or easement (face of curb to property line), that was installed as part of developing the associated properties or was previously installed, but necessary for the development of such property; and/or
- Median/island landscaping near or adjacent to the development that was installed as part of developing the properties within that particular development or was previously installed, but necessary for the development of such property.

Zone L: This Zone includes developments and parcels for which the District provides the maintenance, operation, and servicing of street lighting adjacent to and/or in close proximity to the development or property.

Annexation Territory for Fiscal Year 2024-2025

As directed by the City Council, this Report addresses the proposed annexation of additional non-residential territory to the District for Fiscal Year 2024-2025, consisting of the following development(s) including all the lots, parcels, and subdivisions of land therein and generally described as:

PPD 2021-0055: This development consists of one parcel proposed for commercial development on 5.01 acres of land. This development is being annexed to the District as Zone 40 and part of Zone L for Fiscal Year 2024-2025 to provide funding for the landscaping and lighting associated with the development.

1. Plans and Specification

PPD 2022-0001: This development consists of one parcel proposed for commercial development on 13.58 acres of land. This development is being annexed to the District as Zone 41 and part of Zone L for Fiscal Year 2024-2025 to provide funding for the landscaping and lighting associated with the development.

Improvements and Services

Landscape Improvements

The landscape improvements for the District may include, but are not limited to, various streetscape landscaping including parkways and medians as well as public landscaped areas within or adjacent to the properties within a particular development such as landscaped slopes, irrigated and non-irrigated open space areas, landscaped detention or retention basins, and neighborhood greenbelts, trails, or parks. These landscape improvements may include turf, ground cover, plants and shrubs, trees, irrigation and drainage systems, ornamental lighting structures, masonry walls or other fencing, entryway monuments, and associated appurtenant facilities located within the various dedicated easements, rights-of-way or public properties associated with the landscaped areas. The following outlines the location and extent of the landscape improvements associated with the properties and developments within Zones 40 and 41 of the District. The detailed plans and specifications of the District Improvements are on file in the office of the City Public Works Department and by reference are made part of this Report.

Annexation Territory:

Zone 40 (PPD 2021-0055): Approximately 2,995 square feet along Lowell Street and Locust.

Zone 41 (PPD 2022-0001): Approximately 10,885 square feet along Lilac Avenue and Rialto Avenue.

Public Street Lighting Improvements

The street lighting improvements for the District may include but are not limited to, electrical energy and the maintenance, repair or replacement of the lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities associated with the public street lighting benefiting and serving the Annexation Territory of Zone L.

Zone L Lighting Improvements - Annexation Territory:

PPD 2021-0055: One (1) 185-watt streetlight on Locust Avenue.

PPD 2022-0001: Seven (7) 127-watt streetlights on Rialto Avenue and two (2) 127-watt streetlights on Lilac Avenue.

2. Cost Estimate

The cost of servicing, maintaining, repairing, and replacing the actual improvements of the Annexation Territory as described in the Plans and Specifications are summarized as follows:

Table 2-1
Landscape Cost Estimate for Maintenance
Landscaping and Lighting Maintenance District No. 2, Fiscal Year 2024-2025

BUDGET ITEM	Zone 40 (PPD 2021-0055)	Zone 41 (PPD 2022-0001)
DIRECT COSTS		
Landscape & Street Light Maintenance	\$2,376.78	\$8,638.13
Other Services and Supply Expenses	\$272.89	\$991.78
Utilities	\$324.35	\$1,178.83
Subtotal Direct Costs	\$2,974.02	\$10,808.74
ADMINISTRATION COSTS		
City Personnel & Miscellaneous Administrative Services	\$395.73	\$1,438.24
Consultant Services	\$14.44	\$52.47
Subtotal Administration Costs	\$410.17	\$1,490.71
TOTAL DIRECT AND ADMINISTRATION COSTS	\$3,384.18	\$12,299.44
LEVY ADJUSTMENTS		
Reserve Fund Collection/(Contribution)	\$1,497.67	\$5,443.11
Subtotal Levy Adjustments	\$1,497.67	\$5,443.11
TOTAL ASSESSMENT	\$4,881.85	\$17,742.55
DISTRICT STATISTICS		
Total Parcels	1	1
Total EBUs Fiscal Year 2024/2025	2,995.00	10,885.00
Fiscal Year 2024/2025 Rate per EBU	\$1.63	\$1.63
Fiscal Year 2024/2025 Maximum Rate per EBU	\$1.63	\$1.63
Maximum Assessable Amount	\$4,881.85	\$17,742.55

2. Cost Estimate

Table 2-2
 Zone L Lighting Cost Estimate for Maintenance
 Landscaping and Lighting Maintenance District No. 2, Fiscal Year 2024-2025

BUDGET ITEM	PPD 2021-0055	PPD 2022-0001
DIRECT COSTS		
Light Maintenance	\$91.20	\$710.64
Other Services and Supply Expenses	\$0.00	\$0.00
Personnel Services	\$0.00	\$0.00
Subtotal Direct Costs	\$91.20	\$710.64
ADMINISTRATION COSTS		
District Administration	\$2.28	\$17.77
County Administration Fee	\$0.00	\$0.00
Miscellaneous Administration Expenses	\$0.00	\$0.00
Subtotal Administration Costs	\$2.28	\$17.77
TOTAL DIRECT AND ADMINISTRATION COSTS		
LEVY ADJUSTMENTS		
General Benefit Contribution	(\$78.70)	(\$613.21)
Reserve Fund Collection/(Contribution)	\$45.60	\$355.42
Subtotal Levy Adjustments	(\$33.10)	(\$257.79)
TOTAL ASSESSMENT	\$60.38	\$470.61
DISTRICT STATISTICS		
Total Parcels	1	1
Number of Lights	1	9
Total EBUs Fiscal Year 2024/2025	4.51	27.88
Fiscal Year 2024/2025 Rate per EBU	\$13.38	\$16.88
Fiscal Year 2024/2025 Maximum Rate per EBU	\$13.38	\$16.88
Maximum Assessable Amount	\$60.38	\$470.61

3. Method of Apportionment

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218 entitled “Right to Vote on Taxes Act” which added Article XIII D to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exceptions, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

Any assessment imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.

Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment formula (e.g., CPI increase).

Proposition 218 does not define the term “streets”, however, based on the opinions of the public agency officials, attorneys, assessment engineers and Senate Bill 919, it has been determined that streets include all public improvements located within the street right-of-way. This would include median and parkway landscaping, traffic signals, safety lighting and street lighting.

Proposition 218 defines “assessment” as “any levy or charge upon real property by an agency for a special benefit conferred upon the real property.” Cal. Const., art. XIII D, §2(b). A special assessment, sometimes called a “benefit assessment,” is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. Special assessments are levied according to statutory authority granted by the Legislature or, in some instances, local charters. Distinguishing among taxes, fees and assessments can be difficult and often depends on the context in which the distinction is made. For example, taxes, assessments and property-related fees all may be imposed on property. The key feature that distinguishes an assessment from a tax, fee or charge is the existence of a special benefit to real property. Without identifying a special benefit, there can be no assessment.

Distinguishing General and Special Benefit

Proposition 218 added a set of procedures and requirements that a local government must follow to levy an assessment. In addition to notice, hearing and assessment ballot proceedings, Proposition 218 provides that “only special benefits are assessable” and requires a local government to “separate the general benefits from the special benefits conferred on a parcel.”

By its nature most every public improvement financed through an assessment district contains an element of public benefit. The test is: does there exist, with relation to the improvement, a special benefit to the property assessed? The law requires that the portion of the cost of the improvement which benefits the public generally to be separated from that portion of the cost of the improvement which specially benefits assessed properties. Proposition 218 provides the following definition of “special benefit”:

“Special benefit” means a particular and distinct benefit over, and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit”.

3. Method of Apportionment

General Benefit

Although the landscape improvements provided by the District include public easements, rights-of-way, streets and other amenities available or visible to the public at large, it has been determined that the construction and installation of these landscape improvements were only necessary for the development of properties within the District and were not required nor necessarily desired by any properties or developments outside the District boundaries. Furthermore, similar landscape improvements and services associated with other developments within the City of Rialto are provided and funded by similar assessment districts or are maintained privately by the individual property owners or associations. Therefore, it has been determined that public access or use of the landscape improvements by others is incidental and there is no measurable general benefit to properties outside the District or to the public at large and the landscape improvements provided by the District are entirely a special benefit to the developments and properties therein that required the installation of such improvements.

The street light improvements maintained by the District in Zone L were installed as a condition of approval for new development annexing into the District. Although necessary for the development of these specific properties, the improvements also provide a general benefit to the pass-through traffic on the streets on which the lights have been installed. Based upon the most current average daily trip (ADT) information available, the pass-through traffic represents, on average, 86.29% of the total daily traffic, resulting in a general benefit contribution of 86.29% of the total street light maintenance cost in Zone L for FY 2020-21. The general benefit contribution may be adjusted for future Annexations or Annual Engineer's Reports as more current information becomes available.

Method of Apportionment

Pursuant to the Landscaping and Lighting Act of 1972 and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

The method of apportionment for this District and the Annexation Territory calculates the receipt of special benefit from the respective improvements based on the land use of the parcels. The special benefit received by each lot or parcel is equated to the overall land use of the parcels benefiting from the improvements provided based on each parcel's actual land use or proposed planned development as compared to other properties. This comparison is reliant upon the special benefit received from the specific type of improvements and services provided or planned within each respective Zone of the District.

The method of apportionment (method of assessment) developed for this District and the Annexation Territory is based on the premise that each of the property to be assessed receives a direct and special benefit from the improvements, services and facilities to be financed by the District assessments.

Equivalent Benefit Units

To proportionally and equitably assess the special benefits to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. The Equivalent Benefit Unit method of apportionment uses a basic unit (base value) of assessment that is common to all properties benefiting from the improvements and services provided and assigns a weighted value to each parcel based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to the base value.

3. Method of Apportionment

For this District, Zones 40 and 41 are proposed non-residential developments for commercial use and the base unit of comparison is a factor that is based upon the total acreage of the development and the total square footage of the landscaped area associated with that development. Zone L is comprised of properties, both residential and non-residential, benefiting from streetlight improvements and the base unit of comparison is a factor that is based upon the acreage of the development and/or the number of planned parcels and/or units of the development and the number and wattage of the lights associated with that development. The following provides a description of the various land use designations and apportionments associated with the improvements provided in the District's Zones 40, 41, and Zone L.

EBU Application for Properties in Zones 40 & 41

Non-Residential – This land use is defined as any property or properties that have been developed or will be developed (vacant land) for non-residential use including but not limited to commercial properties, office buildings (public or private), industrial properties, churches or other non-profit organizations; and the improvements and services associated with the parcel have been accepted or will be accepted by the City for maintenance in the fiscal year. The EBU calculated for each parcel is based on the parcel's proportional benefit from the landscape improvements identified herein and directly associated with the property.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area associated with that development; by the total acreage of all properties within the development to establish a base value of benefit (landscape square footage per acre). The resulting base value of benefit is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU.

EBU Application for Properties in Zone L

In order to account for the various wattages used in the streetlights each development is bringing into the District, a Light EBU Factor is assigned to each wattage category using 41 Watts as the base unit, which is assigned a Light EBU Factor of one (1). Each higher wattage category is then assigned a Light EBU Factor based on its relation to the base unit of 41 watts.

Non-Residential - For each non-residential development annexed into Zone L, the total number of Light EBU Factors for that development shall be calculated by determining the number of lights within each Wattage Category and multiplying that number by the corresponding Light EBU Factor for each Wattage Category. The summation of the calculation for each Wattage Category will be the total Light EBU Factor for the annexing development. The total Light EBU Factors are then divided by the total acreage of the development to attain the Light EBU Factor per acre. The resulting Light EBU Factor per acre is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate share of the Light EBU Factor.

Residential - For each residential development annexed into Zone L, the total number of Light EBU Factors for that development shall be calculated by determining the number of lights within each Wattage Category and multiplying that number by the corresponding Light EBU Factor for each Wattage Category. The summation of the calculation for each Wattage Category will be the total Light EBU Factor for the annexing development. The total Light EBU Factors are then divided by the total number of proposed or actual residential units at buildout to attain the Light EBU Factor per unit.

3. Method of Apportionment

The following are the EBU Factors applied to various streetlight wattage:

Table 3-1
Zone L EBU Factors

Watts	Light EBU Factor	Unit
41	1	Per Light
58	1.41	Per Light
127	3.10	Per Light
185	4.51	Per Light

Calculation of Assessments

Zones 40 & 41: The benefit formula applied to parcels within these zones is based on the preceding Equivalent Benefit Unit (EBU) discussion. Each parcel's EBU correlates to the parcel's special benefit received as compared to all other parcels benefiting from the improvements. The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Landscape Square Footage/Total Acre} = \text{Landscape EBU per Acre}$$

$$\text{Parcel's Acres} \times \text{Landscape EBU per Acre} = \text{Parcel EBU}$$

Zone L: The benefit formula applied to parcels within Zone L is based on the preceding Equivalent Benefit Unit (EBU) discussion. Each parcel's EBU correlates to the parcel's special benefit received as compared to all other parcels benefiting from the improvements. The following formula is used to calculate each parcel's EBU (proportional benefit).

$$\text{Light EBU Factor} \times \text{Number of Lights/Unit or Acre}^* = \text{Parcel Light EBU}$$

*Units for developed residential parcels or Acres for undeveloped and non-residential parcels.

For each Zone of the District, the total number of calculated Equivalent Benefit Units (EBUs) for the Fiscal Year equals the sum of all individual EBU applied to parcels in that Zone. An assessment amount per EBU (Rate) for the improvements is established by taking the total cost of the improvements (amount budgeted) and dividing that amount by the total number of EBUs of all parcels to be assessed. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Assessment Amount (for the Zone)} / \text{Total EBU(s)} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

Exempt Properties: Properties classified as Exempt Properties (exempt from assessment) may include but is not limited to lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County); dedicated public easements, rights-of-way, public greenbelts and parkways; utility rights-of-ways; common areas, sliver parcels and bifurcated lots; or any other property the City has determined that the parcel cannot be developed or is a publicly owned property that is part of the District improvements or that has little or no improvement value. These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempt from assessment and are assigned 0.00 EBU.

3. Method of Apportionment

Special Cases: As with any assessment district, there may be a specific property or properties that the typical land use classifications and method of apportionment do not completely reflect the proportional special benefits received as compared to other parcels. Usually, this type of issue arises from property-specific development issues in which either the use of that property is significantly restricted or limited compared to other properties, or the timing of the City accepting the specific improvements associated with that property as compared to other properties and developments. In these cases, the assessment engineer may determine that an appropriate calculation of proportional benefit would be better reflected by applying a reduced weighting factor that accounts for the property's reduced benefit. Because a district's method of apportionment ultimately establishes not only the assessment for each parcel, but the proportional benefit between parcels, identifying any parcel as a "Special Case" and deviating from the standard method of apportionment applied to other properties in the district ultimately affects the proportional assessment of those other properties.

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218 (California Constitution Articles XIII C and XIII D), legislative changes in the Brown Act defined a "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through Senate Bill 919 (the Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. As part of the District formation, balloting of property owners is required pursuant to Article XIII D Section 4. The property owner ballots include an Assessment to be approved, as well as the approval of an assessment range formula.

For this District, the Maximum Assessment is equal to the initial Assessment Rate approved by property owners adjusted annually by the percentage increase of the Local Consumer Price Index ("CPI") for the Riverside-San Bernardino-Ontario Area for All Urban Consumers from January to January. As of January 2018, the Bureau of Labor Statistics ("BLS") split the Los Angeles/Riverside/Orange County Area for All Urban Consumers to the Los Angeles-Long-Beach-Anaheim Area and the Riverside-San Bernardino-Ontario Area. Each Fiscal Year, the Maximum Assessment will be recalculated, and a new Maximum Assessment established.

The Maximum Assessment is adjusted annually and is calculated independently of the annual budgets and proposed assessments established for each Zone of the District. Any proposed annual assessment (rate per EBU) less than or equal to this Maximum Assessment (for each Zone) is not considered an increased assessment, even if the proposed assessment is much greater than the assessment applied in the prior Fiscal Year.

4. Proposed Assessment

The actual assessment and the amount of the assessment for the Fiscal Year 2024-2025 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County of San Bernardino Assessor's Office and such records are, by reference, made part of this Report.

APPENDIX A

Annexation Territory Assessment Roll



APN	Project ID	Owner	Acres/Units	Landscape				Lighting			
				Zone	EBU	Maximum Rate per EBU	Maximum Assessment	Zone	EBU	Maximum Rate per EBU	Maximum Assessment
0239192120000	PPD 2021-0055	LOCUST SPRINGS, LLC	5.01	40	2,995.00	\$1.63	\$4,881.85	L	4.51	\$13.38	\$60.38
0130191090000	PPD 2022-0001	AIREF RIALTO COMMERCE CENTER II LP	13.58	41	10,885.00	\$1.63	\$17,742.55	L	27.88	\$16.88	\$470.61

APPENDIX B

Annexation Territory Assessment Diagram

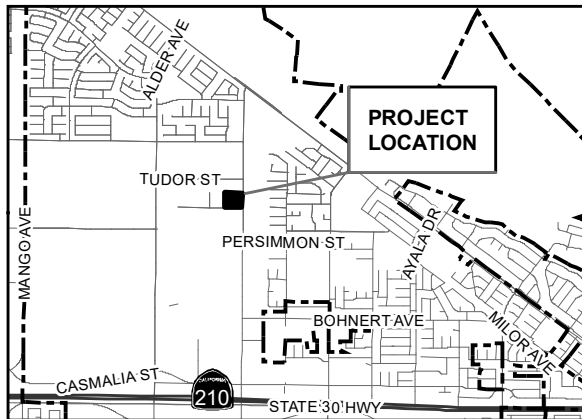


RIALTO LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 2 ANNEXATION BOUNDARY MAP - PPD 2021-0055

LEGEND

- PARCEL BOUNDARY
- ANNEXATION BOUNDARY
- - - - - RIALTO BOUNDARY

XXXX-XXX-XX-XXXX ASSESSOR'S PARCEL NUMBER



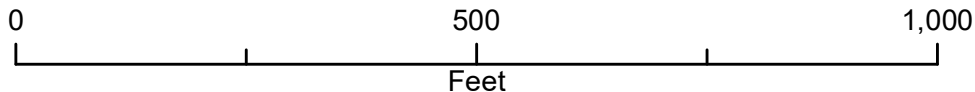
VICINITY MAP
NOT TO SCALE



Not to Scale

THIS ASSESSMENT DIAGRAM CORRECTLY SHOWS EACH SEPARATE LOT OR PARCEL OF LAND INCLUDED WITHIN THE BOUNDARIES OF THE LANDSCAPING AND LIGHTING DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2024-2025.

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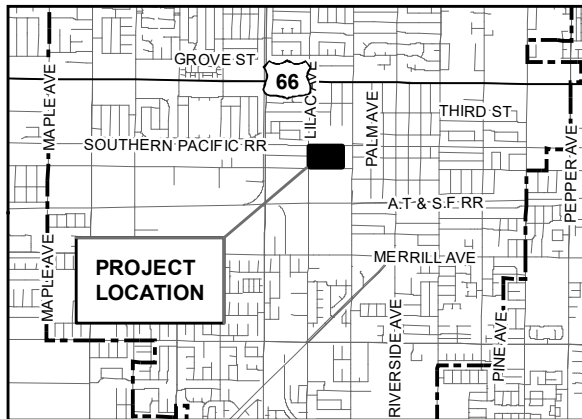


RIALTO LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 2 ANNEXATION BOUNDARY MAP - PPD 2022-0001

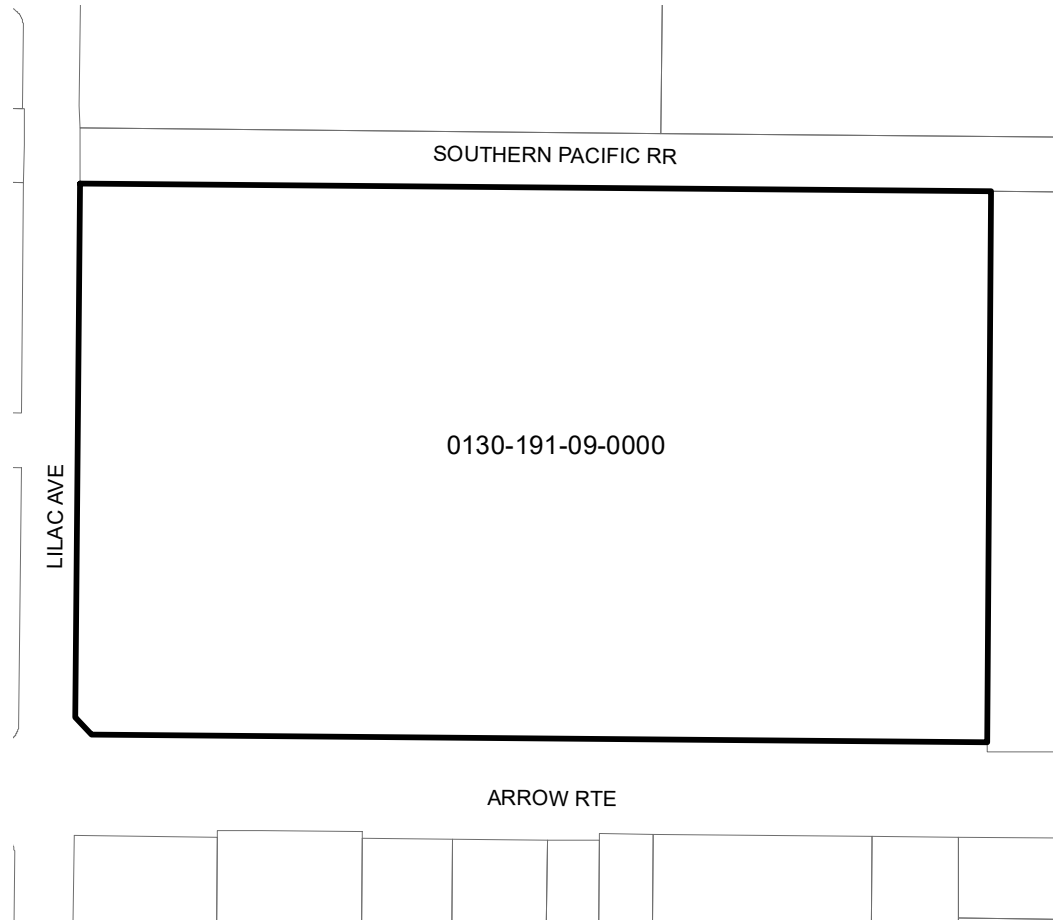
LEGEND

- PARCEL BOUNDARY
- ANNEXATION BOUNDARY
- - - RIALTO BOUNDARY

XXXX-XXX-XX-XXXX ASSESSOR'S PARCEL NUMBER



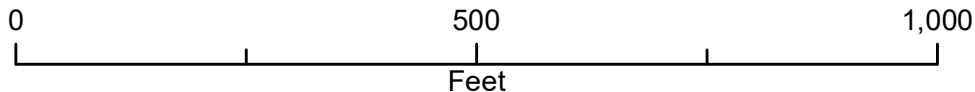
**VICINITY MAP
NOT TO SCALE**



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