



City of Rialto

Council Chambers
150 S. Palm Ave.
Rialto, CA 92376

Legislation Text

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For City Council Meeting [June 27, 2017]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Conduct the Continued Public Hearing Regarding the Proposed Annexation of Territory to the Rialto Landscaping and Lighting District No. 2, Adopt **Resolution No. 7137** Declaring the Results of the Property Owner Protest Ballot Proceedings Conducted for the Proposed Levy of Assessments Related to the Annexation of Territory to the Rialto Landscaping and Lighting District No. 2, Commencing in Fiscal Year 2017/2018; and Adopt **Resolution No. 7138** Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting District No. 2, the Levy of Annual Assessments Described Therein, and the Assessment Diagram Connected Therewith, and Ordering the Levy and Collection of Assessments Commencing in Fiscal Year 2017/2018 for Said Annexation.

(ACTION)

BACKGROUND:

The Landscaping and Lighting Act of 1972, (the Act), beginning with Section 22500 of the California Streets and Highways Code, authorizes the City Council to establish Special Districts to pay for the costs to operate and maintain public improvements that benefit private properties. In January 2005, the City Council established Rialto Landscaping and Lighting Maintenance District No. 2 (LLMD 2) to fund costs for the operation of new street lights added to the City's street light system, and to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development. LLMD 2 is currently comprised of forty-three (43) separate areas throughout the City, the annexation of which occurred along with various developments approved after 2005. Within LLMD 2, the City currently maintains a total of over 15 acres of landscaped area.

The City established LLMD 2 to annex all new development within the City because, unlike LMD No. 1, the City may assess current costs and adjust the special assessments annually by a cost escalator tied to the Consumer Price Index (CPI). The City conditions all new development to annex into LLMD 2 to provide funding for exterior landscaped parkways or medians or new streetlights. The special assessments levied with LLMD 2 are not limited to any historic maximum special assessment, and pursuant to Proposition 218, the maximum assessment may increase commensurate with the CPI.

ANALYSIS/DISCUSSION:

Development projects approved by City Council within the City that include the construction of

parkway and/or median landscaping, and installation of City street lights are conditioned to be annexed into LLMD2 as a condition of the City's acceptance of any publicly maintained landscaping or street lighting for the purpose of funding ongoing maintenance of these facilities.

Staff currently recommends the following development projects to be annexed into LLMD2. The annexation includes the projects identified below and in the Engineer's Report included in **Attachment 1**:

Residential Annexations

PPD 2445 (Casmalia Homes): This development consists of 19 single-family residential lots on approximately 3.02 gross acres (2.72 net acres) of land located on the south side of Casmalia Street, approximately 250 feet west of Spruce Avenue, within the Low Density Residential (LDR) zone of the Renaissance Specific Plan. The District will annex this development as part of Zone 1 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the new development.

Non-Residential Annexations

PPD 2333 (2893 S. Willow Ave.): This development consists of a truck parking storage yard on a 0.89 gross acre parcel of land, to include a 3,600 square foot canopy, paving, and landscaping located at the northeast corner of Willow Avenue and Jurupa Avenue. The District will annex this development as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

PPD 2409 (Casmalia St. & Locust Ave.): This development consists of a 44,210 square foot manufacturing building on 3.99 acres of land located on the northwest corner of Casmalia Street and Locust Avenue within the Employment (EMP) zone of the Renaissance Specific Plan. The District will annex this development as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

PPD 2458 (Locust Distribution): This development consists of a 1,099,046 square foot distribution center in the Business Center zone of the Renaissance Specific Plan located at the northeast corner of Locust Avenue and Miro Way. The District will annex this development as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

The City proposes to annex these areas into LLMD2 to fund, in whole or in part, the expenses required to service and maintain the improvements that provide special benefits to the subject properties.

The City has previously engaged Willdan Financial Services as the City's Assessment Engineer to prepare an Engineer's Report identifying the properties for annexation into LLMD2, and the amount of the levy of special assessments against those properties beginning July 1, 2017. A copy of the Engineer's Report is included as **Attachment 1**.

In order to establish an appropriate special benefit connection between the improvements and services provided and the benefits to specific properties, the City has established Zones of benefit within LLMD2. Based on the various improvements, services and the type of property, the City assigned each property to a Zone. The Engineer's Report allocates the net annual costs to provide

services to each Zone within LLMD2 among all properties using a weighted method to ensure that each property receives a reasonable assessment relative to the special benefits realized.

The process required by the California Constitution requires a protest ballot proceeding for the proposed levy of new assessments as described in the Engineer's Report, and a minimum 45-day notice of a public hearing prior to the City Council's consideration of the annexation. On March 28, 2017, the City Council adopted Resolution No. 7092 setting a Public Hearing to consider annexation to Rialto Landscaping and Lighting District No. 2 for May 23, 2017; however, due to cancellation of the Council meeting scheduled for May 23, 2017, the Public Hearing date was changed to June 13, 2017. Subsequently, the City mailed public notices and official ballots to the property owners of record for the various properties to be annexed into LLD2. At the close of the Public Hearing, the City Clerk will open and tabulate the ballots received to determine if the subject property owner voters have approved the annexations.

Since the City conditioned each of these developments to annex into LLMD 2, the ballots must be tabulated separately rather than collectively as a single annexation. If a property owner does not vote in favor of the annexation, the City will not annex that development and will remove it from the annexation action. If annexations pass, the City Council may approve the Engineer's Report, approve the related assessment diagrams, order the annexation of the various properties and confirm the assessments as described in the Engineer's Report. If approved by the City Council, the assessments will be made a part of the annual LLMD 2 Engineer's Report for fiscal year 2017/2018, and submitted to the San Bernardino County Auditor/Controller for inclusion on the property tax rolls for each of the affected parcels. A boundary map showing the Landscape and Lighting District No. 2 LLD2 Parcels and new annexation areas is included as **Attachment 2**.

ENVIRONMENTAL IMPACT:

The administrative process to annex properties into a Special District is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

This action is also consistent with the following goals and policies:

Goal 2-11: Design streetscapes in Rialto to support and enhance the City's image as a desirable place to live, work, shop, and dine.

Policy 2-11.1: Require the screening of commercial or industrial parking areas, storage yards, stockpiles, and other collections of equipment from the public right-of-way.

Policy 2-11.2: Provide and maintain street trees and parkway landscaping within the public right-of-way for developed properties within Rialto. Require private development to do the

same as per City design regulations.

Policy 2-11.4: Incorporate street trees and other landscape treatments along corridors to provide sufficient shade canopy and promote pedestrian comfort.

Policy 2-11.5: Require that projects with perimeter walls (including gated residential communities) provide an interesting streetscape, with pedestrian access to major travel ways.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report, resolutions and Engineer's Report.

FINANCIAL IMPACT:

The initial Maximum Assessment Rate proposed for the proposed annexations will be as follows or less:

Proposed Property	Type of Development	Initial Maximum Assessment
PPD 2445 (Casmalia Development & Investment LLC)	Residential	\$7,019.02
PPD 2333 (Leo Karras)	Non-Residential	\$3,966.61
PPD 2409 (Pusan Pipe America Inc)	Non-Residential	\$10,665.90
PPD 2458 (Rialto Renaissance LLC)	Non-Residential	\$7,355.65

If all of these projects are annexed into LLMD2, beginning July 1, 2017, the City will levy and collect increased special assessments of \$29,007.18 for fiscal year 2017/2018. These revenues will be budgeted accordingly in fiscal year 2017/2018.

RECOMMENDATIONS:

Staff recommends that the City Council:

- Conduct a Public Hearing and take public testimony regarding the proposed annexation of territory to the Rialto Landscaping and Lighting District No. 2; and
- Close the Public Hearing and tabulate the ballots received; and
- Adopt a **Resolution** Declaring the Results of the Property Owner Protest Ballot Proceedings Conducted for the Proposed Levy of Assessments Related to the Annexation of Territory to the Rialto Landscaping and Lighting District No. 2, Commencing in Fiscal Year 2017/2018; and
- Adopt a **Resolution** Confirming the Engineer's Report Regarding the Annexation of Territory to the Rialto Landscaping and Lighting District No. 2, the Levy of Annual Assessments Described Therein, and the Assessment Diagram Connected Therewith, and Ordering the Levy and Collection of Assessments Commencing in Fiscal Year 2017/2018 for Said Annexation.



City of Rialto

Engineer's Annexation Report

Landscaping and Lighting District No. 2

Annexation of

PPD 2333 (2893 S. Willow Ave.)
PPD 2409 (Casmalia St. & Locust Ave.)
PPD 2445 (Casmalia Homes)
PPD 2458 (Locust Distribution)

FY 2017/2018

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ENGINEER'S ANNEXATION REPORT AFFIDAVIT

Rialto Landscaping and Lighting District No. 2

Fiscal Year 2017/2018

PPD 2333 (2893 S. Willow Ave.)
PPD 2409 (Casmalia St. & Locust Ave.)
PPD 2445 (Casmalia Homes)
PPD 2458 (Locust Warehouse)

City of Rialto,

County of San Bernardino, State of California

This Report and the enclosed budgets, diagrams and descriptions outline the annexation of territory to the Rialto Landscaping and Lighting District No. 2 for Fiscal Year 2017/2018 as the same existed at the time this Report was prepared and the establishment of annual assessments related thereto commencing in Fiscal Year 2017/2018. Said annexation includes all parcels of land within PPD 2333 (2893 S. Willow Ave.), PPD 2409 (Casmalia St. & Locust Ave.), PPD 2445 (Casmalia Homes) and PPD 2458 (Locust Warehouse).


Reference is hereby made to the San Bernardino County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each parcel within the annexation territories. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this 15 day of May, 2017.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Rialto

By: 

Susana Medina
Project Manager, District Administration Services

By: 

Richard Kopecky
R.C.E. # 16742



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INTRODUCTION

In Fiscal Year 2004/2005, the City of Rialto, County of San Bernardino, State of California (hereafter referred to as "City"), under the provisions of the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the "1972 Act") and in compliance with the substantive and procedural requirements of the *California State Constitution, Articles XIID* (hereafter referred to as the "California Constitution") established the assessment district designated as the:

RIALTO LANDSCAPING AND LIGHTING DISTRICT NO. 2

Pursuant to the provisions of the 1972 Act and in compliance with the substantive and procedural requirements of the California Constitution, the City has annually levied special benefit assessments within the Rialto Landscaping and Lighting District No. 2 (hereafter referred to as the "District"), has subsequently annexed new developments and territories to the District pursuant to Chapter 2, Article 2 of the 1972 Act, and for Fiscal Year 2017/2018 the City Council proposes to annex to the District certain territory within the City which includes the annexation area named below (the "Annexation Territory"):

- PPD 2333 (2893 S. Willow Ave.)
- PPD 2409 (Casmalia St. & Locust Ave.)
- PPD 2445 (Casmalia Homes)
- PPD 2458 (Locust Distribution)

Pursuant to the provisions of Article XIID, Section 4 of the California Constitution the City will conduct a property owner protest ballot proceeding (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 on June 13, 2017 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 protest ballots received will be opened and tabulated to determine whether 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."

In this annexation proceedings, because each of the three areas proposed to be annexed to this District have been conditioned as part of their development agreements 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 ballots for each development will be tabulated separately rather than collectively as a single annexation.

Based on the results of the ballot tabulations, the City Council may adopt and approve the Report as amended, order the annexation of the Annexation Territory, approve the related assessment diagrams, and confirm the assessments. Those assessments and annexations as approved shall be made part of, and incorporated as part of, the District's annual engineer's report for Fiscal Year 2017/2018 and together with the assessments for other properties within the District shall be finalized, approved and submitted to the San Bernardino County

Auditor/Controller for inclusion on the property tax roll for each affected parcel as part of the annual approval process.

DISTRICT OVERVIEW

The annual assessments to be levied on properties within the Annexation Territory and the District provide the source of funding for the continued operation and maintenance of local street lighting and/or landscaping improvements installed in connection with the development of those properties. The approved development plans and specifications for the Annexation Territory along with the existing developments within the District are on file in the office of the City Public Works Department and by reference these plans and specifications are made part of this Report. Each Fiscal Year, the City establishes the District's assessments based on the estimated costs associated with the regular annual maintenance, operation, and servicing of the improvements that provide special benefit to properties therein. The cost of the improvements determined to be of special benefit and assessed against properties within the District may include the estimated expenditures for regular annual maintenance and repairs, incidental expenditures related to the operation and administration of the District, deficits or surpluses from prior years, revenues from other sources, and the collection of adequate funds for operational reserves or periodic expenditures including installments collected for long-term improvement projects. Each parcel is assessed proportionately for only those improvements, services, and expenses for which the parcel will receive special benefits.

The District was originally formed in Fiscal Year 2004/2005 to provide for the ongoing maintenance and operation of the landscaping and street lighting installed in connection with and for the special benefits of properties within the residential subdivisions identified as:

- Tract 16308 (Blackmon Homes)
- Tract 16422 (Escrow Street, Inc.)
- Tract 16517 (Walton Development, Inc LLC)
- Tract 16625 (Pacific Grove Community).

For Fiscal Year 2006/2007, the City annexed additional properties to the District including three residential subdivisions identified as:

- Tract 17244 (Elm Park),
- Tract 16764 (Pacific Homes),
- Tract 16708 (Rialto Heights), as well as the
- three non-residential (commercial) developments known as the Opus Logistics Center, the Target Center, and Tract 16813 (Tudor Plaza).

For Fiscal Year 2009/2010, the City annexed the residential development identified as Tract 17219 (Crestwood Communities).

For Fiscal Year 2011/2012 the residential development identified as Tract 17220 (Walton – 26) was annexed into the District.

For Fiscal Year 2014/2015, the properties annexed to the District included all parcels of land within three single-family residential developments identified as:

- Tract 17511 (Frontier Enterprises),

- Tract 17957 (Blackmon Homes),
- Tract 18794 (Spruce Homes), as well as
- the residential condominium development identified as Tract 17921 (Bloomington Lane), and
- three non-residential developments identified as:
 - Tract 18916 (Panattoni)
 - Assessor Parcel Number book 0240, page 211, parcel 37 (Golden Bear/Target Development)
 - and Assessor Parcel Numbers book 0240, page 201, parcels 21, 22 and 23 (Fontana Water Company)

Additionally, for Fiscal Year 2014/15, the City annexed to the District Tract 17324, Assessors Parcels Numbers book 0131, page 142, parcel 01 through 17 (Frontier Communities) to the newly established Zone 06 of the District.

For Fiscal Year 2015/2016, the City annexed to the District:

- residential project PPD 2285 (SA Golden/R&U Builder)
- non-residential developments:
 - PPD 2204 (SGW Water Company)
 - PPD 2233R (Panattoni Development)
 - PPD 2235 (Scannell Properties)
 - PPD 2264 (DCT Industrial Operating LLC)
 - PPD 2267 (Prologis)
 - NEC Riverside Ave. & Easton St. Retail Center
 - PPD 2216 (Lilac Distribution Center)

Additionally, for Fiscal Year 2015/16, the City annexed to the District:

- Tract 17708 (Secured Income Group)
- PPD 2286 (Locust Ave. & Bohnert Ave. Warehouse)
- PPD 2295 (B&B Plastics)
- PPD 2290 (Casmalia St. & Linden Ave. Warehouse)

For Fiscal Year 2016/2017, the City annexed to the District:

- PPD 2228 (San Gabriel Valley Water)
- PPD 2283, PM 19463 (Panattoni Development Company)
- PPD 2345, PM 19537 (Linden Ave and Summit Ave)

Additionally, for Fiscal Year 2016/17, the City annexed to the District:

- PPD 2082 (Riverside Avenue and Jurupa Avenue)
- PPD 2102 (Wal-Mart Super Center)
- PPD 2271 (2321 S. Willow Avenue)
- PPD 2365 (Miro Way and Locust Avenue)

- PPD 2363 (1401 N. Alder Avenue)

For Fiscal Year 2017/18, the City annexed to the District:

- PPD 2328 (Multi-Family Project)
- PPD 2335 (2225 N. Alder Ave.)
- PPD 2415 (Crestwood Communities)

The Annexation Territory addressed in this Report shall be levied annual assessments commencing in Fiscal Year 2017/2018 to fund in whole or in part the costs and expenses required to service and maintain the improvements that provide special benefits to those parcels including, but not limited to the improvements constructed and installed in connection with the development of those properties and/or existing improvements associated with and shared by other properties within the District. This Report generally describes the Annexation Territory, the improvements, and the assessments to be imposed upon such properties for the special benefits these properties will receive from the maintenance and servicing of the improvements.

In order to establish an appropriate special benefit nexus between the improvements and services provided and the benefits to specific properties, zones of benefit (hereafter referred to as "Zones") have been established within the District. Each of the developments and properties within the District (including the Annexation Territory) are grouped into a Zone based on the various types of improvements and services to be provided by the District and the type of property development associated with those specific improvements. The net annual cost to provide the improvements for each Zone, are allocated to all the benefiting properties within that Zone using a weighted method of apportionment that establishes a calculated proportional special benefit and assessment for each parcel as compared to other properties that benefit from the Zone improvements and services. This Zone structure and proportional allocation of improvement costs ensures that each property is reasonably and proportionately assessed for the special benefits each property receives from the improvements provided through the District.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the County Assessor's Office. The County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

This Report has been prepared in connection with the annexation of parcels within the Annexation Territory to the District for Fiscal Year 2017/2018, pursuant to a resolution of the City Council and consists of five (5) parts:

PART I

Plans and Specifications: Provides an overall description of the District, the Zones therein and the improvements to be provided including those improvements associated with the Annexation Territory being addressed by this Report. The Zones previously established for this District or established herein as part of this annexation proceedings are based on the type of improvements and services provide to properties within each development and the type of property development (residential versus non-residential).

PART II

Method of Apportionment: A discussion of benefits the improvements and services provide to properties within the District and the method of calculating each property's proportional special benefit and annual assessment. This section also identifies and outlines an Assessment Range Formula that provides for an annual adjustment to the maximum assessment rate initially established by this Report. This Assessment Range Formula limits increases on future assessments, but also provides for reasonable cost adjustments due to inflation without the added expense of additional property owner protest ballot proceedings.

PART III

Budget: An estimate of the annual expenditures and revenues budgeted for the maintenance and servicing of the landscaping and lighting improvements installed and constructed in connection with the development of properties within the Annexation Territory and/or shared with other properties in the District that benefit from similar improvements. The budget(s) include an estimate of anticipated direct maintenance costs and incidental expenses associated with the improvements, including but not limited to administration expenses and the collection of appropriate fund balances. The maximum assessment rates established for the Zones are based on similarities in property developments, improvements, services and expenses. The maximum allowable assessment rate (Rate per Benefit Unit) for each Zone of the District, as approved by a vote of the property owners in a protest ballot proceeding, includes an assessment range formula that provides for an annual Consumer Price Index adjust to the maximum rate.

PART IV

Diagram: This Report provides an Assessment Diagram of the Annexation Territory. Collectively, the map for the Annexation Territory along with the assessment roll contained herein, constitute the Assessment Diagram for the Annexation Territory. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the Annexation Territory are inclusive of all parcels as shown on the San Bernardino County Assessor's Parcel Map depicted by the diagram and referenced by the Assessment Roll of this Report, including all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the San Bernardino County Assessor's Parcel Map for a detailed description of the lines and dimensions of each parcel within the Annexation Territory.

PART V

Annexation Assessment Roll: A listing of the maximum assessment amount to be levied on each parcel being annexed to the District for Fiscal Year 2017/2018, based on the method of apportionment and budgets described herein. This amount represents each parcel's proportional assessment obligation and proportional weighted assessment amount being balloted for each parcel. The actual amount levied for Fiscal Year 2017/2018 may be less than this balloted amount (adjusted in accordance with the approved assessment range formula) and shall be approved and adopted along with all other assessments for the District.

PART I — PLANS AND SPECIFICATIONS

ZONES OF BENEFIT

For Fiscal Year 2017/2018, all parcels, lots, subdivisions and developments within the District (existing and annexed) shall be identified and grouped into one of six zones of benefit referred to as Zones. These Zones identify specific parcels and developments that receive special benefits 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 benefits 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:

Zone 01: This Zone includes parcels within residential subdivisions that the District provides for the maintenance, operation and servicing of:

Local Street Lighting within, adjacent to and/or in close proximity to the residential subdivision;

Standard Residential Parkway landscaping located on the perimeter or entryway of a residential subdivision that was installed as part of developing the properties within that particular residential subdivision; and/or

Standard Residential Parkway landscaping installed as part of an existing (previous) established residential development that is directly associated with or adjacent to the residential subdivision included in this Zone, because the existing landscaping is located on a street or streets leading into the residential development.

Note: "Standard Residential Parkway" is considered landscaped areas (easement, right-of-way or public property) that are located on the perimeter or entryway to a residential development that has a property set-back (face of curb to property line) that is less than or equal to fifteen feet and may include areas of turf, ground cover, shrubs, trees, fencing, sidewalks, monument signs and various hardscape amenities that meet the City's landscape standards.

Zone 02: This Zone includes developments and parcels that are generally considered non-residential properties (commercial, industrial, institutional facilities, office buildings, etc.) that the District provides for the maintenance, operation and servicing of:

Local Street Lighting adjacent to and/or in close proximity to the development or property;

Parkway landscaping on the perimeter of the development 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.

Note: Although Zone 02 improvements may include the maintenance and operation of only those landscaping and/or lighting improvements directly installed in connection with the development of the properties within those developments, the public improvements that provide special benefits to these properties and for which they may be assessed as part of this Zone, may also include existing landscaping and/or lighting improvements near or adjacent to the development that would otherwise have been necessary for the development of such properties or directly serve that property. These exiting improvements may in part be funded by other revenue sources including other assessments that are not part of this Zone's assessments.

Zone 03: This Zone currently includes only the parcels within the Rialto Heights residential subdivision (Tract 16708) and the District provides for the maintenance, operation and servicing of:

Local Street Lighting within and adjacent to the residential subdivision and

Non-Streetscape Slope landscaping located with the public right-of-way or easement on the perimeter of the subdivision (but not within a street right-of-way or easement) that was installed as part of developing the properties within the residential subdivision and will be maintained by the District.

Zone 04: This Zone includes developments and parcels that are generally considered non-residential properties (commercial, industrial, institutional facilities, office buildings, etc.) that the District provides for the maintenance, operation and servicing of only:

Local Street Lighting adjacent to and/or in close proximity to the development or property.

Note: Although Zone 04 improvements may include the maintenance and operation of local street lighting improvements directly installed in connection with the development of the properties within those developments, the improvements that provide special benefits to these properties and for which they may be assessed as part of this Zone may also include existing street lights near or adjacent to the development that would otherwise have been necessary for the development of such properties or directly serve that property. These exiting improvements may in part be funded by other revenue sources including other assessments that are not part of this Zone's assessments.

Zone 05: This Zone includes parcels within multi-family residential developments (where individual parcels have two or more residential units) and/or residential condominium/townhome subdivisions (where each residential unit is assigned its own Assessor's Parcel Number) for which the District provides for the maintenance, operation and servicing of:

Local Street Lighting adjacent to and/or in close proximity to the development or property, but not within the residential development;

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.

Note: Although Zone 05 improvements may include the maintenance and operation of only those landscaping and/or lighting improvements directly installed in connection with the development of the properties within those developments, the public improvements that provide special benefits to these properties and for which they may be assessed as part of this Zone, may also include existing landscaping and/or lighting improvements near or adjacent to the development that would otherwise have been necessary for the development of such properties or directly serve that property. These exiting improvements may in part be funded by other revenue sources including other assessments that are not part of this District's assessments.

Zone 06: This Zone includes parcels within residential subdivisions that the District provides for the maintenance, operation and servicing of local Street Lighting adjacent to and/or in close proximity to the development or property, but not within the residential development.

Note: Zone 6 was created for residential parcels within the District that receive special benefit from and are being assessed for local street lighting only.

PROPERTIES WITHIN THE DISTRICT

EXISTING DISTRICT PROPERTIES

Prior to these proceedings, the District consisted of all lots, parcels and subdivisions of land located in the following developments and generally described as:

Residential Developments

Tract 16308 (Blackmon Homes): This residential tract encompasses the area of land identified by the boundaries of Tract 16308 located at the northwest corner of Cedar Avenue and Wildflower Street consisting of 16 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 1133-321-26 through 1133-321-41.

Tract 16422 (Escrow Street, Inc.): This residential tract encompasses the area of land identified by the boundaries of Tract 16422 located north of Summit Street on the west side of Linden Avenue consisting of 9 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0239-341-23 through 0239-341-31.

Tract 16517 (Walton Development): This residential tract encompasses the area of land identified by the boundaries of Tract 16517 located south of Wabash Street, between Pepper Avenue and Meridian Avenue consisting of 33 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the

improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0133-243-01 through 0133-243-33.

Tract 16625 (Pacific Grove Community): This residential tract encompasses the area of land identified by the boundaries of Tract 16625 located south of Persimmon Street, between Locust Avenue and Maple Avenue consisting of 15 single-family residential lots. This development was part of the original District formation in Fiscal Year 2004/2005 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 1133-111-03 through 1133-111-17.

Tract 17244 (Elm Park): This residential tract encompasses an area of land (approximately 18.0 acres) located south of Baseline Road between Cactus Avenue and Lilac Avenue and includes 132 single-family residential lots. This development was annexed to the District in Fiscal Year 2006/2007 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0127-293-001 through 0127-293-45, 0127-294-001 through 0127-294-72, and 0127-362-01 through 0217-362-24.

Tract 16764 (Pacific Homes): This residential tract encompasses an area of land (approximately 6.7 acres) located west of Linden Avenue (City Limits) at McWethy Avenue and includes 24 single-family residential lots. This development was annexed to the District in Fiscal Year 2006/2007 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by Assessor's Parcel Numbers 0127-391-01 through 0127-391-24.

Tract 16708 (Rialto Heights): This residential tract encompasses an area of land (approximately 5.9 acres) located north of Walnut Avenue at the end of Primrose Avenue and Pampas Avenue, just west of Eucalyptus Avenue and includes 20 single-family residential lots. This development was annexed to the District in Fiscal Year 2006/2007 and based on the improvements and services provided (slope area landscaping at the north end of the tract), the properties in this development were established as a separate zone of benefit (Zone 03). The parcels within this development are identified by Assessor's Parcel Numbers 0133-361-40 through 0133-361-59.

Tract 17219 (Crestwood Communities): This residential tract encompasses an area of land (approximately 7.0 acres) located on the north side of Merrill Avenue, west of Linden Avenue and includes 24 single-family residential lots. This development was annexed to the District in Fiscal Year 2009/2010 and based on the improvements and services (perimeter parkway landscaping and street lighting), and these properties are included in Zone 01. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0246-321-01 through 0246-321-24.

Tract 17220 (Walton – 26): This residential tract encompasses an area of land (approximately 7.85 acres) located on the northwest corner of Pepper Avenue and Etiwanda Avenue, and includes 26 single-family residential lots. This development was annexed to the District in Fiscal Year 2011/2012 and based on the improvements and services, these properties are included in Zone 01. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0133-221-04 through 0133-221-29.

Tract 17511 (Frontier Enterprises): This residential tract encompasses an area of land (approximately 5.6 acres) located North of Summit Street and East of Maple Avenue, and includes 20 single-family residential lots and a detention basin parcel. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0239-341-32 through 0239-341-52. This development has been annexed to the District as part of Zone 01 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping including the development's detention basin area and street lighting associated with the development.

Tract 17957 (Blackmon Homes): This residential tract encompasses an area of land (approximately 4.0 acres) located on the west side of Cedar Avenue south of Persimmon Avenue and includes 15 planned single-family residential lots. The parcel(s) that currently comprise this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Number 1133-301-01. This development has been annexed to the District as part of Zone 01 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Tract 18794 (Spruce Homes): This residential tract encompasses an area of land (approximately 1.9 acres) located South of Merrill Avenue at Spruce Avenue, and includes 8 single-family residential lots. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0128-741-63 through 0128-741-70. This development has been annexed to the District as part of Zone 01 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Tract 17921 (Bloomington Lane): This residential condominium tract encompasses an area of land (approximately 6.8 acres) located South of Bloomington Avenue and West of Riverside Avenue, and includes 70 condominium parcels. This development has been annexed to the District as part of Zone 05 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

PPD 2285 (SA Golden/R&U Builder): This annexation consists of two parcels of land located at the southwest corner of Linden Avenue and Persimmon Street that will consist of two single family residential homes. The Development has been annexed to the District as part of Zone 06 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

Tract 17708 (Secured Income Group, 24 lot Residential Subdivision) This annexation consisted of one parcel of land divided into twenty-four (24) lot subdivisions located on west side of Acacia Avenue between James Street and Merrill Avenue in the Planned Residential Development (PRD-D) zone. It was annexed to the District as part of Zone 01 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2345, PM 19537 (Linden Ave and Summit Ave): This residential tract encompasses the area of land identified by the boundaries of Tract 19537 located at the Southeast corner of Linden Ave and Summit Ave, consisting of four (4) single-family residential units. This tract was annexed into Zone 6 for Fiscal Year 2016/17 to provide funding for street lighting associated with the development.

PPD 2328 (Multi-Family Project): This development consists of a 115-unit apartment complex on a 4.78-acre parcel of land located on the west side of Riverside Avenue approximately 450 feet south of Bloomington Avenue. This development is being annexed to the District as part of Zone 5 for Fiscal Year 2017/18 to provide funding for street lighting, perimeter and median landscaping associated with the development.

PPD 2415 (Crestwood Communities): This development consists of 75 detached single-family residences on approximately 7.16 acres of land located on the east side of Cactus Avenue approximately 650 feet south of Merrill Avenue. This development is being annexed to the District as part of Zone 1 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

Non-Residential Developments

Target Center: This is a non-residential development that encompasses an area of land totaling approximately 239 acres located south of Casa Grande Drive, north of Summit Avenue, west of Alder Avenue and the Rialto City Limits and east of Mango Avenue (generally east of Sierra Avenue). This development was annexed to the District in Fiscal Year 2006/2007 and was incorporated into the District as part of Zone 02. The parcels within this development are identified by Assessor's Parcel Numbers 0239-161-01 through 0239-161-08, 0239-161-10, 0239-161-11, 0239-161-31, 0239-161-32, 0239-161-33, 0239-161-34, 0239-161-45 and 0239-161-46.

Opus Logistics Center: This is a non-residential development that encompasses an area of land totaling approximately 39 acres located on the west side of Riverside Avenue south of Resource Drive. This development was annexed to the District in Fiscal Year 2006/2007 and was incorporated into the District as part of Zone 02. The parcels within this development are identified by Assessor's Parcel Numbers 0260-021-51 through 0260-021-55.

Tract 16813 (Tudor Plaza): This is a non-residential development that encompasses an area of land totaling approximately 13 acres located on the north side of Foothill Boulevard between Cedar Avenue and Larch Avenue. This development was annexed to the District in Fiscal Year 2006/2007 and was incorporated into the District as part of Zone 02. The parcels within this development are identified by Assessor's Parcel Numbers 0128-571-16, 0128-571-19 and 0128-571-24.

Tract 18916 (Panattoni): This is a non-residential development that encompasses an area of land totaling approximately 18 acres located on the north side of Baseline Avenue west of Locust Avenue. The parcel within this development is identified by the San Bernardino County Assessor's Office as Assessor's Parcel Number 0240-241-60. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Golden Bear/Target: This is a non-residential development that encompasses an area of land totaling approximately 36 acres located on the east side of Alder Avenue and south of Easton Street. The parcel within this development is identified by the San Bernardino County Assessor's Office as Assessor's Parcel Number 0240-211-37. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2014/2015 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

Fontana Water Company: This is a non-residential development that encompasses an area of land totaling approximately 4 acres located on the east side of Tamarind Avenue and north of Baseline Road. The parcels within this development are identified by the San Bernardino County Assessor's Office as Assessor's Parcel Numbers 0240-201-21, 0240-201-22, and 0240-201-23. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2014/2015 to provide funding for street lighting associated with the development.

PPD 2204 (SGV Water Company): This development consists of one 1.0 million gallon aboveground water tank reservoir, one future 1.0 million gallon aboveground water take reservoir, and a booster station on a 1.57 acre parcel located on the west side of Linden Avenue approximately 750 feet south of Bohnert Avenue. This development has been annexed to the District as Part of Zone 04 for Fiscal Year 2015/16 to provide funding for street lighting associated with the development.

PPD 2233R (Panattoni Development): This development consists of a 718,000 square foot warehouse building to be located at the northeast corner of Baseline Road and Locust Avenue within the Renaissance Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2235 (Scannell Properties): This property consists of one 307,100 square foot logistics terminal building with 7,100 square feet of accessory buildings on 36 acres of vacant land located on the east side of Cactus Avenue approximately 1,650 feet south of Jurupa Avenue. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

PPD 2264 (DCT Industrial Operating LLC): This is a 927,575 square foot distribution warehouse on 40.80 acres of land located on the south side of Renaissance Parkway between Laurel Avenue and Locust Avenue within the Renaissance Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2267 (Prologis): This annexation consists of a 677,225 square foot distribution warehouse on 29.5 acres of land located between Palmetto Avenue and Tamarind Avenue approximately 600 feet north of Baseline Road and an off-site detention basin on 7.101 acres of land located on the east side of Tamarind Avenue approximately 600 feet north of Baseline Road within the Airport Specific Plan. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

NEC Riverside Ave. & Easton St. Retail Center: This development consists of a 3,750 square foot restaurant with a drive-thru located at the northeast corner of Riverside Avenue and Easton Street. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for the perimeter parkway landscaping and street lighting associated with the development.

PPD 2216 (Lilac Distribution Center): This development consists of the Lilac Distribution Center, located at the northwest corner of Merrill Avenue and Lilac Avenue. This development has been annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

PPD 2286 (Locust Avenue & Bohnert Avenue, Distribution Warehouse): This Development consists of a 614,824 square foot distribution warehouse on 26.30 acres of land located at the northeast corner of Locust Avenue and Bohert Avenue within the I-PID (Planned Industrial Development) zone of the Rialto Airport Specific Plan. It will be annexed to the District as part of Zone 04 for Fiscal Year 2015/2016 to provide funding for street lighting associated with the development.

PPD 2295 (B&B Plastics): This development consists of a 289,139 square feet of which 146,670 square feet is planned for Storage Facility and Corporate Offices. The building is located at the northeast corner of N. Locust Avenue and W. Casmalia Street within the Renaissance Specific Plan. It will be annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding perimeter landscaping and street lighting associated with the development.

PPD 2290 (Casmalia Street & Linden Avenue, Distribution Warehouse): This development consists of a 428,208 square feet of which 10,000 square feet is planned for office space and remaining 418,208 square feet is planned for high-cube warehouse. The building is located at the northwest corner of Linden Avenue and Casmalia Street. It was annexed to the District as part of Zone 02 for Fiscal Year 2015/2016 to provide funding for perimeter landscaping and street lighting associated with the development.

PPD 2228 (San Gabriel Valley Water): This development consists of one (1) 1.0 million gallon above-ground water tank reservoir, one future 1.0 million gallon aboveground water take reservoir, and a booster station on a portion of a 2.88 acre parcel located on the west side of Riverside Avenue approximately 650 south of Locust Avenue. This development has been annexed to the District as Part of Zone 04 for Fiscal Year 2016/17 to provide funding for street lighting associated with the development.

PPD 2283, PM 19463 (Panattoni Development Company): This development consists of a 757,503 square foot distribution warehouse on 35.2 acres of land located on the north side of Baseline Road between Maple Avenue and Linden Avenue. This development has been annexed to the District as Part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2082 (Riverside Avenue and Jurupa Avenue): This development consists of a 300,773 square foot distribution warehouse generally located at the southwest corner of Riverside Avenue and Jurupa Avenue in the Heavy Industrial Zone in the Agua Mansa Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2102 (Wal-Mart Super Center): This development consists of a Walmart Super Center (also known as Rialto Marketplace) located on 25.80 acres of land, south of W. San Bernardino Avenue, west of S. Riverside Avenue, and east of S. Willow Avenue. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2271 (2321 S. Willow Avenue): This development consists of a sorting facility for municipal construction of non-hazardous materials on a 3.5 acre site located at 2321 S. Willow Avenue in the Heavy Industrial Zone in the Agua Mansa Specific Plan. This development has

been annexed to the District as part of Zone 04 for Fiscal Year 2016/17 to provide funding for street lighting associated with the development.

PPD 2365 (Miro Way and Locust Avenue): This development consists of a 1,070,320 square foot warehouse building located at the northwest corner of Miro Way and Locust Avenue within the Business Center zone of the Renaissance Specific Plan. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2363 (1401 N Alder Ave): This development consists of a 596,749 square foot Niagara Water bottling facility located at 1401 N. Alder Avenue. This development has been annexed to the District as part of Zone 02 for Fiscal Year 2016/17 to provide funding for street lighting and landscaping associated with the development.

PPD 2335 (2225 N. Alder Ave.): This development consists of a 630,200 square foot warehouse building on 32.44 acres of land located on the northeast corner of 2225 N. Alder Ave. This development is being annexed to the District as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

ANNEXATIONS FOR FISCAL YEAR 2017/2018

As directed by the City Council, this Report addresses the proposed annexation of additional territory to the District for Fiscal Year 2017/2018, consisting of the following development(s) including all the lots, parcels and subdivisions of land therein and generally described as:

Residential Annexations

PPD 2445 (Casmalia Homes): This development consists of 19 single-family residences on approximately 3.02 gross acres (2.72 net acres) of land located on the south side of Casmalia Street approximately 250 feet west of Spruce Avenue within the Low Density Residential (LDR) zone of the Renaissance Specific Plan. This development is being annexed to the District as part of Zone 1 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

Non-Residential Annexations

PPD 2333 (2893 S. Willow Ave.): This development consists of a truck parking storage yard on a 0.89 gross acre parcel of land, to include a 3,600 square foot canopy, paving and landscaping located at the northeast corner of Willow Avenue and Jurupa Avenue. This development is being annexed to the District as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

PPD 2409 (Casmalia St. & Locust Ave.): This development consists of a 44,210 square foot manufacturing building on 3.99 acres of land located on the northwest corner of Casmalia Street and Locust Avenue within the Employment (EMP) zone of the Renaissance Specific Plan. This development is being annexed to the District as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping associated with the development.

PPD 2458 (Locust Distribution): This development consists of a 1,099,046 square foot distribution center in the Business Center zone of the Renaissance Specific Plan located at the northeast corner of Locust Avenue and Miro Way. This development is being annexed to the District as part of Zone 2 for Fiscal Year 2017/18 to provide funding for street lighting and landscaping 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 dedicate easements, right-of-ways 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 of the various Zones within 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.

Zone 01 Landscape Improvements

Tract 16308 – approximately 3,700 square feet of parkway landscaping located along the perimeter of the tract on the west side of Cedar Avenue, north of Wildflower Street, and on the north side of Wildflower Street, west of Cedar Avenue.

Tract 16422 – approximately 4,400 square feet of parkway landscaping located along the perimeter of the tract located north of Summit Street along the west side of Linden Avenue.

Tract 16517 – approximately 5,300 square feet of parkway landscaping located along the perimeter of the tract along Pepper Avenue and Meridian Avenue.

Tract 16625 – approximately 5,000 square feet of parkway landscaping located along the perimeter of the tract on the west side of Maple Avenue.

Tract 17244 – approximately 38,800 square feet of parkway landscaping located along the entire perimeter of the tract on the east side of Cactus Avenue and the south side of Baseline Avenue and along the perimeter of the tract on west side Lilac Avenue from Baseline Avenue to just south of Jackson Street.

Tract 16764 – approximately 3,800 square feet of parkway landscaping located along the perimeter of the tract on the west side of Linden Avenue.

Tract 17219 – approximately 4,200 square feet of landscaped parkway area located along the perimeter of the development on the north side of Merrill Avenue.

Tract 17220 – approximately 3,900 square feet of landscaped parkway area located along the perimeter of the development on the west side of Pepper Avenue.

Tract 17511 – approximately 11,600 square feet of landscaped parkway area located along the perimeter of the development on the east side of Maple Avenue and north side of Summit Avenue including the detention basin area along the perimeter of the development.

Tract 17957 – approximately 1,200 square feet of landscaped parkway area located along the perimeter of the development on the west side of Cedar Avenue.

Tract 18794 – approximately 2,400 square feet of landscaped parkway area located along the perimeter of the development on the south side of Merrill Avenue.

Tract 17708 – approximately 33,350 square feet of landscaped parkway area located along the perimeter of the sub-development on west side of Acacia Avenue and North side of James Avenue.

PPD 2415 (Crestwood Communities) – approximately 3,500 square foot of perimeter landscaping.

Zone 1 Landscaping Improvements - Annexation Territory:

PPD 2445 (Casmalia Homes) – approximately 10,687 square feet of landscaping located on the south side of Casmalia Street along the development.

Zone 02 Landscape Improvements:

Target Center – approximately 146,000 square feet of parkway landscaping located along the perimeter of the development on the south side of Casa Grande Drive, approximately 50,000 square feet of median-island landscaping on 1401 N Alder Avenue (Casa Grande Drive to Summit Avenue) and approximately 121,000 square feet of hardscape areas associated with the parkways and medians.

Opus Logistics Center – approximately 13,000 square feet of median-island landscaping on Riverside Avenue from Resource Drive south to the end of the project.

Tract 16813 (Tudor Plaza) – approximately 8,100 square feet of median-island landscaping on Foothill Boulevard between Cedar Avenue and Larch Avenue.

Tract 18916 (Panattoni): – approximately 7,500 square feet of parkway landscaping located along the perimeter of the development on the north side of Baseline Avenue, west side of Locust Avenue and south side of Miro Way and approximately 2,500 square feet of median-island landscaping on Baseline Avenue between Locust Avenue and Laurel Avenue.

Golden Bear/Target – approximately 25,000 square feet of parkway landscaping located along the perimeter of the development on the south side of Easton Street/Renaissance Parkway, on the west side of Laurel Avenue and on the east side of Alder Avenue and approximately 10,000 square feet of median-island landscaping on Easton Street/Renaissance Parkway between Laurel Avenue and Alder Avenue.

PPD 2233R (Panattoni Development) PM 19411 – approximately 31,853 square feet of parkway landscaping located along the perimeter of the development on the east side of Locust Avenue, the north side of Baseline Road, the west side of Maple Avenue, and a portion of the south side of Miro Way.

PPD 2264 (DCT Industrial Operating LLC – approximately 927,575 square foot distribution warehouse on 40.80 acres of land located on the south side of Renaissance Parkway between Laurel Avenue and Locust Avenue.

NEC Riverside Ave. & Easton St. Retail Center – approximately 10,224 square feet of landscaping surrounding the restaurant site on the west side of Riverside Avenue and the northeast side of Easton Street.

PPD 2295 (B&B Plastics) – approximately 35,726 square feet of landscaping located on the perimeter of the development on north side of W. Casmalia Street and east side of N. Locust Avenue.

PPD 2283, PM 19463 (Panattoni Development Company) – approximately 37,039 square feet of landscaping located on the perimeter of the development on the north side of Baseline Road, on the east side of Maple Avenue, on the west side of Linden Avenue and on the south side of Miro Way.

PPD 2082 (Riverside Avenue and Jurupa Avenue) – approximately 2,460 square feet of landscaping located on the perimeter of the development on the west side of Riverside Avenue and the south side of Jurupa Avenue and median landscaping on Riverside Avenue adjacent to the development.

PPD 2102 (Wal-Mart Super Center) – approximately 5,940 square feet of median landscaping on Riverside Avenue, adjacent to the development.

PPD 2365 (Miro Way and Locust Avenue) - approximately 1,490 square feet of landscaping located on the perimeter of the development on the west side of Locust Avenue, on the north side of Miro Way and on the east side of Laurel Avenue.

PPD 2290 (Casmalia St. & Linden Ave. Warehouse) –approximately 25,099 square feet of parkway landscaping located on the perimeter of the development on the north side of Casmalia Street and west side of Linden Avenue.

PPD 2363 (1401 N Alder Ave) – approximately 18,400 square feet of landscaping located on the perimeter of the development on the south side of Walnut Avenue, the east side of Alder Avenue, and the north side of Miro Way adjacent to the development.

PPD 2335 (2225 N. Alder Ave.) – approximately 25,099 square feet of landscaping located on the perimeter of the development on the east side of Alder Avenue, on the north side of Casmalia Street and on the west side of Laurel Avenue, as well as median landscaping on Casmalia Street, adjacent to the development.

Zone 2 Landscaping Improvements - Annexation Territory:

PPD 2333 (2893 S. Willow Ave.) – approximately 6,545 square feet of landscaping on the south side of the development along the north side of Jurupa Avenue and on the west side of the development along the east side of Willow Avenue.

PPD 2409 (Casmalia St. & Locust Ave.) – approximately 17,599 square feet of landscaping located on the perimeter of the development on the west side of N. Locust Avenue and on the north side of W. Casmalia Street, as well as median landscaping on W. Casmalia Street.

PPD 2458 (Locust Distribution) – approximately 12,137 square feet of landscaping on the south side of the development along the north side of Miro Way and on the west side of the development along the east side of Locust Avenue.

Zone 03 Landscape Improvements:

Tract 16708 – approximately 52,000 square feet of perimeter slope landscaping that was installed as part of developing the properties within the subdivision, located between the residential property lines and the future park-site parcel on the north end of the development, including a 9,700 square foot crib retaining wall.

Zone 04 No Landscaping Improvements:

None – This Zone is specifically for street light improvements associated with non-residential developments.

Zone 05 Landscape Improvements:

Tract 17921 – approximately 4,000 square feet of parkway landscaping located along the perimeter of the development on the southeast side of Bloomington Avenue and approximately 7,600 square feet of median-island landscaping on Bloomington Avenue along the frontage of the development.

PPD 2328 (Multi-Family Project) – approximately 5,128 square feet of landscaping consisting of parkway perimeter landscaping located along on the west side of Riverside Avenue and median landscaping on Riverside Avenue adjacent to the development.

Zone 06 Landscape Improvements:

None – This Zone is specifically for street light improvements associated with residential developments.

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 within the residential subdivisions of Zones 01, 03 and 06, the non-residential developments of Zone 02 and 04 and the multi-family residential developments and/or residential condominium/townhome subdivisions of Zone 05.

The parcels and developments included in the District (Zones 01, 02, 03, 04, 05 and 06) were originally subject to the City's Street Light Maintenance District No. 1 assessments, but upon the successful inclusion (annexation) of these developments and properties to this District, the City shall concurrently detach these parcels from Street Light Maintenance District No. 1 for the upcoming Fiscal Year's assessments.

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.

PART II — METHOD OF APPORTIONMENT

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarize an analysis of the benefits the improvements and services to be provided by the District (both general and special), the formulas used to calculate each parcel's proportional special benefit and assessment obligation based on the entirety of the cost to provide the improvements (method of assessment), and the establishment of an inflationary formula for such assessments to address anticipated cost increases due to inflation (assessment range formula).

BENEFIT ANALYSIS

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include but are not limited to the construction, maintenance, operation, and servicing of street lighting and landscaping improvements and appurtenant facilities within public easements or right-of-ways.

The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"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."

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIID Section 2i defines Special Benefit as

"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"; and

Article XIID Section 4a defines proportional special benefit assessments as

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from local lighting and landscaping improvements and services that are funded by such assessments, and the assessment obligation for

each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits as outlined in the preceding definitions established in the 1972 Act and the California Constitution.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the scope of the improvements and services provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally distributes the net cost of only those improvements determined to be of special benefit to properties within the District.

SPECIAL AND GENERAL BENEFITS

In reviewing the improvements associated with the Annexation Territory as well as those improvements associated with the existing developments within the District, the proximity of those improvements to properties within each development as well as adjacent properties outside of the boundaries of the Annexation Territory and District, it is evident that these District improvements are localized improvements installed for and in connection with the collective development of the properties within the District. All of the District improvements (both landscaping and street lighting) were clearly designed and installed to serve as an extension and shared responsibility of the individual private properties, resulting from and/or required for the development of those properties. These improvements are a direct and collectively representation of those individual private properties, similar to any other privately funded and maintained common areas, private streets, or parking lots that are often times associated with many residential and non-residential developments. Like many other developments related improvements and infrastructure, the landscaping and lighting improvements to be maintained by the District and funded through special benefit assessments, collectively serve as a direct physical extension of the individual private properties and would otherwise not be necessary or provided by the City, if not for the development of those properties.

The fact that these improvements are located within public right-of-ways or easements and are maintained by the City through an assessment district rather than privately through a homeowner's or business association does not make these improvements less of a direct and special benefit to those properties nor does it suggest that because these improvements are considered "public improvements" such improvements must have a direct benefit to the City or to the public at large.

While these improvements may certainly be visible to the general public or other properties in the area, the fact that these improvements were only necessary for the development of the properties within the District and were neither required nor necessarily desired by any other properties or developments, the visibility such improvements may afford to other properties or to the public at large is incidental and certainly not quantifiable. Furthermore, similar 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 because these localized improvements were facilitated by the development of only properties within the District, they provide no measurable or tangible benefits (general or special) to properties outside the District or to the public at large.

It is therefore apparent that the improvements and certainly the need to provide ongoing maintain these improvements are exclusively for the special benefit of properties in the District and the level of service associated with such improvements directly affects only the properties within those developments.

ASSESSMENT METHODOLOGY

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.

For this District, Zones 01, 03, 05 and 06 are comprised entirely of residential developments and the single-family residential home site is used as the base value of benefit and assessment. Zone 02 and 04 however, are comprised entirely of properties that are non-residential developments or proposed non-residential developments and the base unit of comparison is a factor that is based on the total acreage of the development and the total square footage of the landscaped area associated with that development. The following provides a description of the various land use designations and apportionment associated with the improvements provided in the District's six Zones, including the Annexation Territory, which will be annexed into Zones 01, 02, and 05 as described above.

EBU Application for Properties in Zones 01, Zone 03 and Zone 06:

Single Family Residential – This land use is defined as a fully subdivided residential home site with or without a structure and the improvements and services associated with the parcel has been accepted or will be accepted by the City for maintenance in the Fiscal Year. This land use is assessed 1.0 EBU per lot or parcel.

Multi-Family Residential – This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property 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. This land use is assessed 0.75 EBU per unit.

Approved Residential Development – This land use is defined as any property that is not fully subdivided, but the specific number of single-family residential lots or multi-family residential units has been approved for development, and the improvements and services associated with the development and/or parcel have been accepted or will be accepted by the City for maintenance in

the Fiscal Year. This land use type is assigned an EBU that reflects the total EBU's associated with that parcel at build-out (1.0 EBU per single-family residential lot and 0.75 per multi-family residential unit).

Planned Residential Development – This land use is defined as any property that specific number of proposed single-family residential lots or multi-family residential units has been approved for development (fully subdivided or not), but the City does not anticipate acceptance of the improvements associated with the development and/or parcel in the upcoming Fiscal Year. This land use type shall be assigned 0.0 EBU for the upcoming Fiscal Year. However, for purposes of determining the property's maximum assessment and proportional special benefit for balloting purposes, the parcel shall be assigned an EBU that reflects the total EBU's associated with that parcel at build-out (1.0 EBU per single-family residential lot and 0.75 per multi-family residential unit).

Vacant Residential – This land use is defined as property currently zoned for residential development, but a tentative or final tract map has not been submitted and/or approved for the property; however, the improvements and services associated with the parcel have been accepted or will be accepted by the City for maintenance in the Fiscal Year. This land use is assessed at 1 EBU per acre. Parcels less than 1 acre are assigned a minimum of 1.0 EBU. Parcels over 50 acres are assigned a maximum of 50 EBU.

EBU Application for Properties in Zones 02 and Zone 04:

Approved Non-Residential Development – 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 specific improvements identified herein and directly associated with the property as compared to other properties that benefit from the same improvements.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights 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 or proportional street lights per acre). The resulting base value of benefit is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per acre only and the lighting costs shall be proportionately allocated based on that EBU as well).

Planned Non-Residential Development – This land use is defined as any property or properties that have been partially developed or will be developed (vacant land) for non-residential use including but not limited to commercial properties, office buildings, industrial properties, churches or other non-profit organizations, but the City does not anticipate acceptance of the improvements associated with the development and/or parcel in the upcoming Fiscal Year.

This land use type shall be assigned 0.0 EBU for the upcoming Fiscal Year. However, for purposes of determining the property's maximum assessment and proportional special benefit for balloting purposes, this land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights 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 or proportional street lights per acre). The resulting base value of benefit is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per acre only and the lighting costs shall be proportionately allocated based on that EBU as well).

EBU Application for Properties in Zones 05:

Approved Residential Condominium Development— This land use is defined as any property or properties that have been developed or will be developed as a fully subdivided residential condominium or townhome subdivisions or other residential developments for which the County Assessor has established individual Assessor's Parcel Numbers for each residential unit and may include parcels for common area facilities or common area properties. In addition, the improvements and services associated with the development are all located on the perimeter of the development and 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 specific improvements identified herein and directly associated the property as compared to other properties that benefit from the same improvements.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights associated with that development by the total number of benefiting residential units (generally each parcel has one unit) to establish a base value of benefit (landscape square footage per unit/parcel or proportional street lights per unit/parcel). In addition to the residential units, in some cases common area parcels that incorporate pools, community buildings or other recreational facilities may be included in the unit count as one unit per parcel, but this is typically not the case. The resulting base value of benefit is then multiplied by the each parcel's specific unit/parcel assignment to establish each parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per unit/parcel only and the lighting costs shall be proportionately allocated based on that EBU as well).

Approved Multi-Family Residential — This land use is defined as any property or properties that have been developed or will be developed as a fully subdivided residential parcels with more than one residential unit developed on the property (multiple residential units on one Assessor's Parcel Number) 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 specific improvements identified herein and directly associated the property as compared to other properties that benefit from the same improvements.

This land use type is assigned an EBU that is calculated by dividing the total square footage of the landscaped area or number of street lights 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 or proportional street lights per acre). If the overall development includes parcels with no residential units such as parcels comprised entirely of parking facilities or landscaping, those parcels may be excluded from the acreage used to establish the base value of benefit. The resulting base value of benefit is then multiplied by each parcel's specific acreage resulting in the parcel's proportionate EBU. (If the improvements include both landscaping and lighting improvements, the EBU assigned to each parcel will be based on the landscape square footage per acre only and the lighting costs shall be proportionately allocated based on that EBU as well).

Planned Multi-Family Residential — This land use is defined as any property or properties that have been partially developed or will be developed (vacant land) as either a Residential Condominium Development or Multi-Family Residential development as described above; but the City does not anticipate acceptance of the improvements associated with the development and/or parcels in the upcoming Fiscal Year.

This land use type shall be assigned 0.0 EBU for the upcoming Fiscal Year. However, for purposes of determining the property's maximum assessment and proportional special benefit for balloting purposes, this land use type is assigned an EBU calculation that reflects the type of property development planned for the property, either as a Residential Condominium Development or as a Multi-Family Residential development as described above.

Calculation of Assessments

The benefit formula applied to parcels within the District 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).

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

Parcel Type EBU value is based on the assigned values outlined in the preceding "EBU Application for Properties".

For each Zone of the District, the total number of calculated Equivalent Benefit Units (EBU's) for the Fiscal Year equals the sum of all individual EBU's 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 EBU's 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.

$$\text{Total Balance to Levy (for the Zone)} / \text{Total EBU (to be assessed)} = \text{Levy per EBU}$$

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

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 exempted from assessment and are assigned 0.00 EBU.

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 does 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 effects 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 adjustment 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 the 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 Los Angeles-Riverside-Orange County Area for All Urban Consumers from January to January. Each Fiscal Year, the Maximum Assessment will be recalculated and a new Maximum Assessment established.

The Maximum Assessment is adjusted annually and is calculated independent 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.

PART III – ANNEXATION BUDGETS

Rialto Landscaping and Lighting District No. 2 Fiscal Year 2017/2018 Estimated Annexation Budget

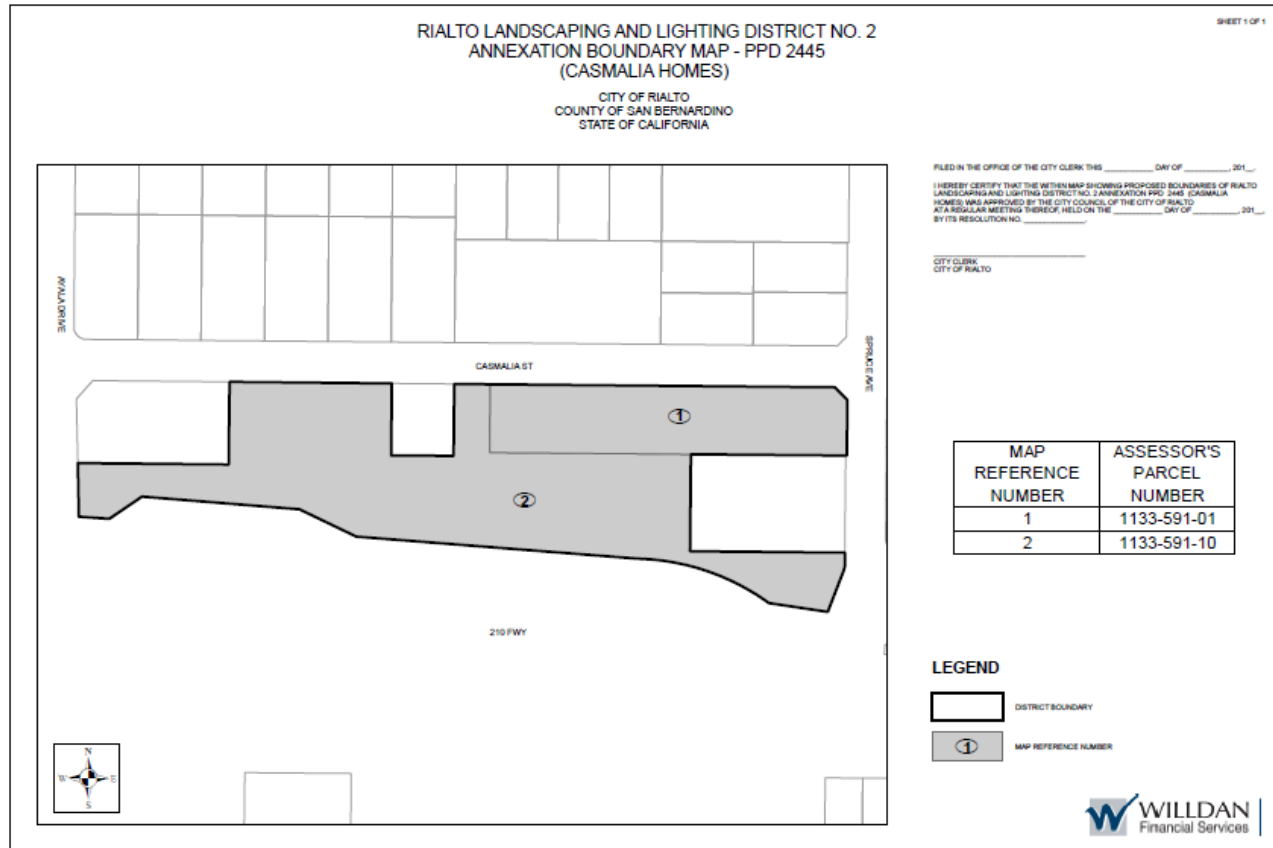
BUDGET ITEM	PPD 2445 Casmalia Homes Zone 1	PPD 2333 2893 S Willow Ave Zone 2	PPD 2409 Casmalia St & Locust Ave Zone 2	PPD 2458 Locust Distribution Zone 2
ANNUAL MAINTENANCE (DIRECT COSTS)				
Landscape/Streetlight Maintenance and Energy	\$2,867	\$1,644	\$4,420	\$3,048
Other Services and Supply Expenses	197	110	296	204
Personnel Services	2,524	1,412	3,796	2,618
Total Landscaping and Lighting Maintenance	\$5,587	\$3,166	\$8,512	\$5,870
ADMINISTRATION				
District Administration	\$184	\$103	\$277	\$191
County Administration Fee	5	\$0	\$1	\$0
Miscellaneous Administration Expenses	1,045	585	1,572	1,084
Total Administration	\$1,234	\$688	\$1,850	\$1,276
TOTAL COSTS & EXPENSES	\$6,821	\$3,853	\$10,362	\$7,146
REPAIR/REHABILITATION PROGRAM	\$2,305	\$1,289	\$3,467	\$2,391
LEVY ADJUSTMENTS				
Reserve Fund Collection/(Contribution)	\$198	\$113	\$304	\$210
Landscape Replacement/Rehabilitation Collection/(Transfer)	(2,305)	(1,289)	(3,467)	(2,391)
Revenue from Other Sources (Contribution)	0	0	0	0
General Fund Collection/(Contribution)	0	0	0	0
Total Levy Adjustments	(\$2,107)	(\$1,176)	(\$3,163)	(\$2,181)
BALANCE TO LEVY	\$7,019.02	\$3,966.61	\$10,665.90	\$7,355.65
Total Parcels	2	1	4	2
Total EBUs Fiscal Year 2017/2018	19	6,545.00	17,599.00	12,137.00
Fiscal Year 2016/2017 Rate per EBU	\$369.42	\$0.61	\$0.61	\$0.61
Fiscal Year 2016/2017 Maximum Rate per EBU	\$369.42	\$0.61	\$0.61	\$0.61
Maximum Assessable Amount	\$7,019.02	\$3,966.61	\$10,665.90	\$7,355.65

Note: Budget and maximum amounts are based on Fiscal Year 2016/17 budgeted costs and are subject to increase for Fiscal Year 2017/18 in accordance with the Assessment Range Formula.

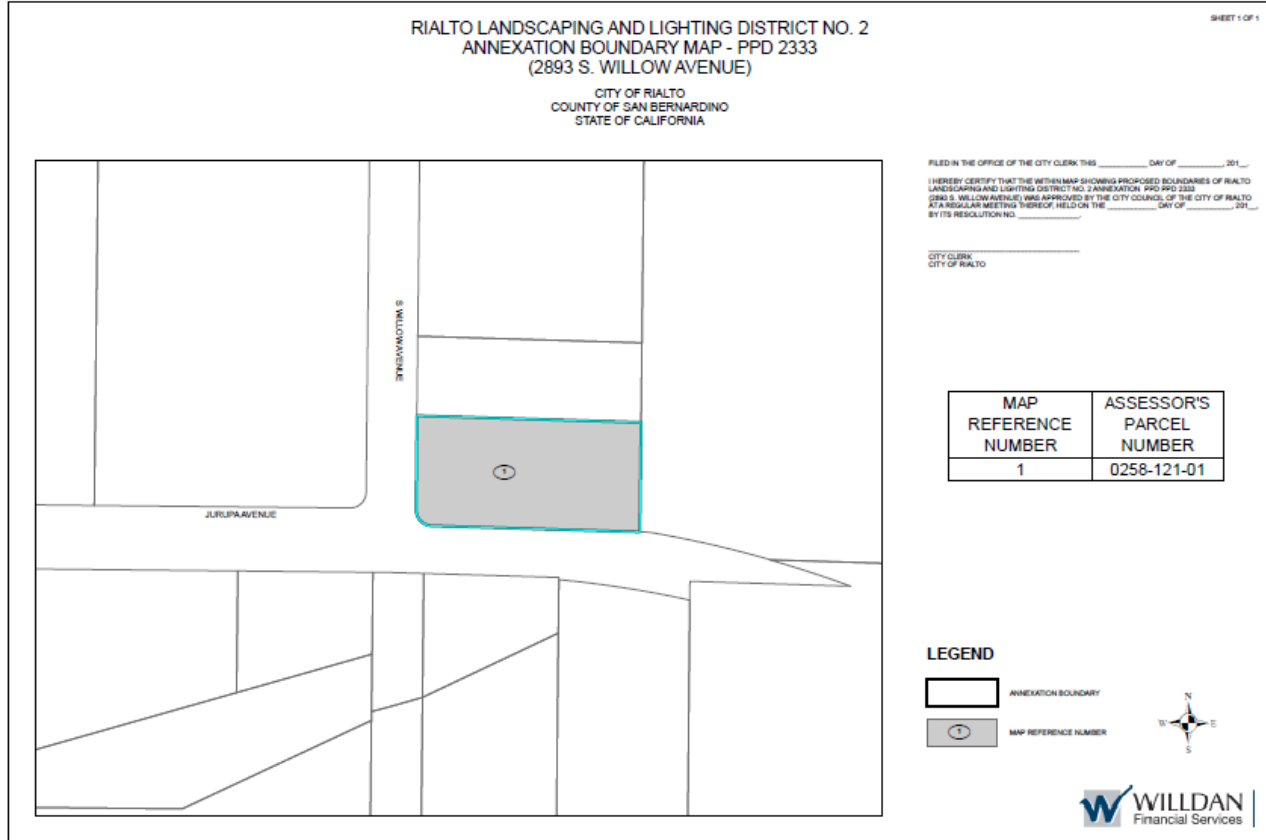
PART IV — DIAGRAM

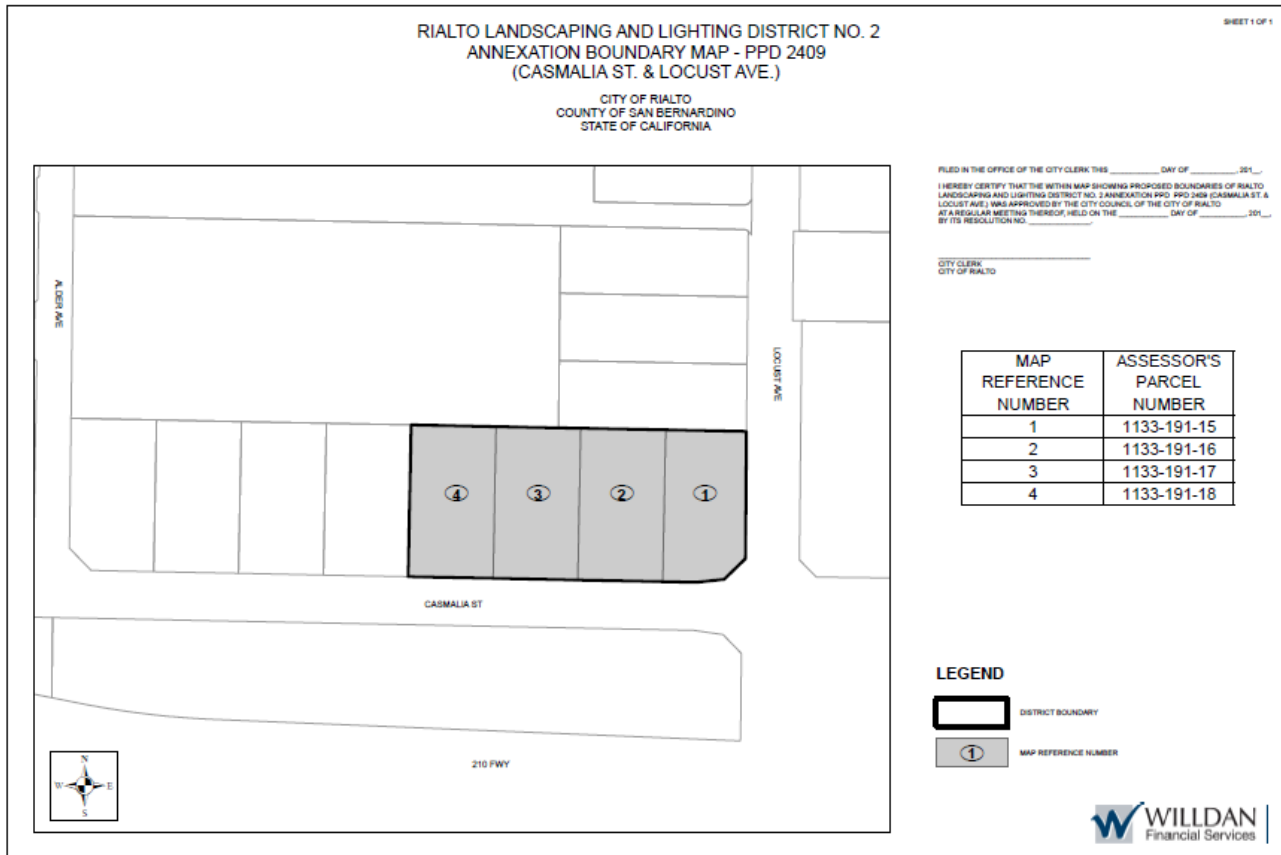
The original District Diagram for the Rialto Landscaping and Lighting District No. 2 and each of the previous and subsequent annexations are on file in the office of the City Public Works Department and the City Clerk and by reference herein is made part of this Report. The following page shows a copy of the Assessment Diagram for the Annexation Territory. The parcels within the Annexation Territory for the Rialto Landscaping and Lighting District No. 2 addressed in this Report consist of all lots, parcels and subdivisions of land that comprise PPD 2333 (2893 W. Willow Ave.), PPD 2409 (Casmalia St. & Locust Ave.), PPD 2445 (Casmalia Homes) and PPD 2458 (Locust Distribution) as described in the diagrams shown below and depicted on the San Bernardino County Assessor's parcel maps. All lots, parcels and subdivisions of land within the boundaries of the Annexation Territory as depicted by these diagrams shall consist and be dictated by the lines and dimensions as those lots, parcels and subdivisions of land are shown on the San Bernardino County Assessor's parcel maps for the current year and by reference the maps is incorporated herein and made part of this Report including all subsequent lot-line adjusts and/or parcel changes made thereto by the San Bernardino County Assessor.

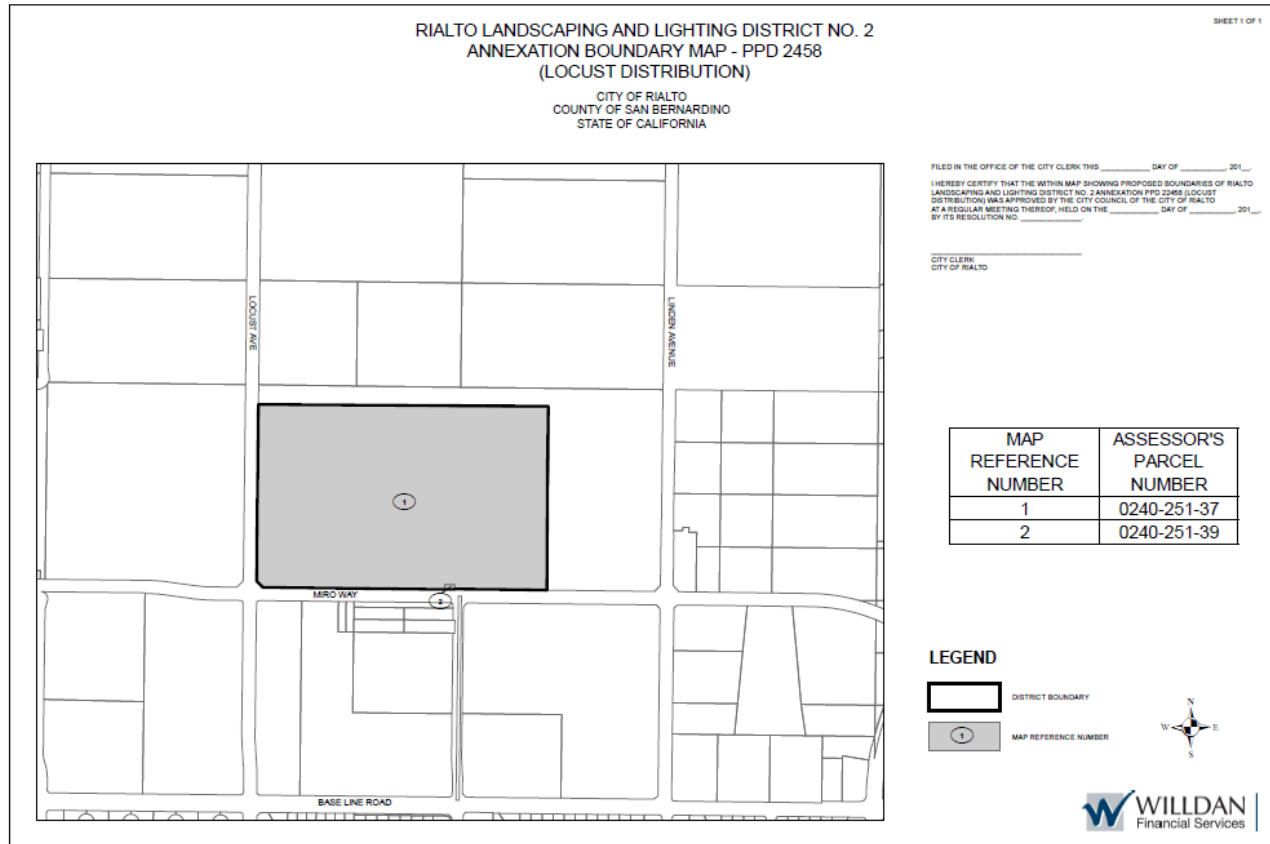
Annexation Diagrams



Rialto Landscaping and Lighting District No. 2
 Engineer's Annexation Report
 Fiscal Year 2017/2018







PART V — ASSESSMENT ROLL

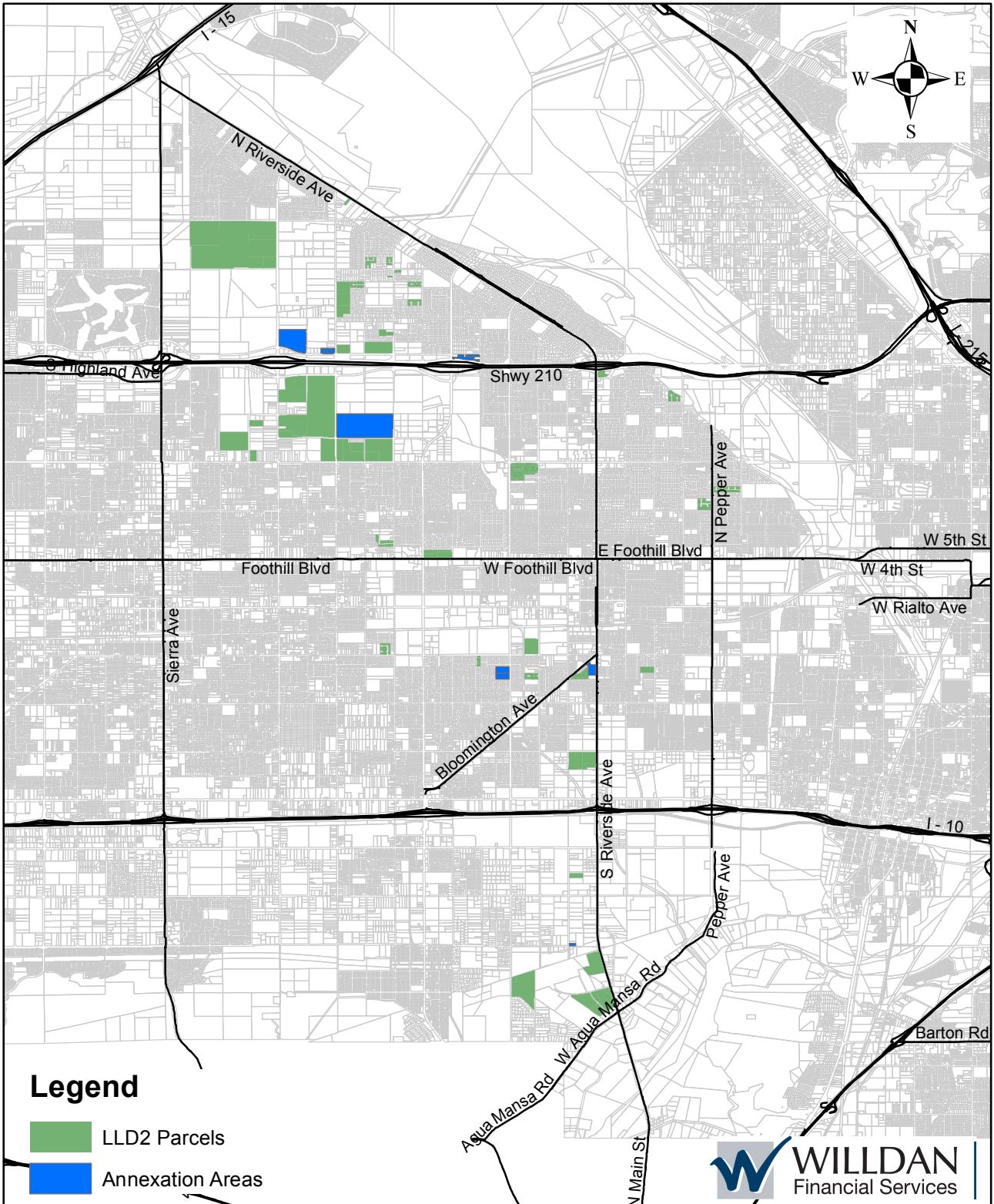
Parcel identification for each lot or parcel within the Annexation Territory shall be the parcels as shown on the San Bernardino County Secured Roll for the year in which this Report is prepared and reflective of the Assessor's Parcel Maps. A listing of the lots and parcels to be assessed within this Annexation Territory along with the maximum assessment amount calculated for each parcel is provided below.

APN	Project ID	Landowner	Zone	Acres	EBU	Max Rate	Max Charge
1133-591-01	PPD 2445	Casmalia Investment & Development LLC	01	1.48	9.31	\$369.42	\$3,439.79
1133-591-10	PPD 2445	Casmalia Investment & Development LLC	01	3.89	24.47	\$369.42	\$9,041.06
Subtotal	PPD 2445	Casmalia Investment & Development LLC	01	3.02	19.00	\$369.42	\$7,019.02
0258-121-01	PPD 2333	Leo Karras	02	1.10	6,545.00	\$0.61	\$3,966.61
1133-191-15	PPD 2409	Pusan Pipe America Inc	02	1.00	4,394.24	\$0.61	\$2,663.13
1133-191-16	PPD 2409	Pusan Pipe America Inc	02	1.00	4,407.47	\$0.61	\$2,671.15
1133-191-17	PPD 2409	Pusan Pipe America Inc	02	1.00	4,389.82	\$0.61	\$2,660.46
1133-191-18	PPD 2409	Pusan Pipe America Inc	02	1.00	4,407.47	\$0.61	\$2,671.15
Subtotal	PPD 2409	Pusan Pipe America Inc	02	3.99	17,599.00	\$0.61	\$10,665.90
0240-251-37	PPD 2458	Rialto Renaissance LLC	02	48.83	12,137.00	\$0.61	\$7,355.65
0240-251-39	PPD 2458	City of Rialto	02	0.00	0.00	\$0.61	\$0.00
Subtotal	PPD 2458	Various Landowners	02	48.83	12,137.00	\$0.61	\$7,355.65

The Max Rate and Max Charge shown on based on Fiscal Year 2016/17 budgeted costs. These amounts may increase for Fiscal Year 2017/18 in accordance with the Assessment Range Formula.

CITY OF RIALTO

LANDSCAPE AND LIGHTING DISTRICT NO. 2



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1 California Constitution and the ballots presented clearly identified the total amount balloted
2 to all properties, the proposed assessment rate, the property's proportional annual amount
3 commencing with Fiscal Year 2017/2018 and the inflationary adjustment applicable to
4 future assessments; and

5 **WHEREAS**, upon the close of the Public Hearing held on June 13, 2017 the protest
6 ballots returned by the landowners of record within the Annexation Territory, were opened
7 and tabulated, the results of which are illustrated below:

	Zone 01		Zone 02
	PPD 2445		PPD 2333
	(Casmalia Homes)		(2893 S. Willow Ave.)
11	Yes: _____	11	Yes: _____
12	No: _____	12	No: _____
13		13	
14		14	
15		15	
16		16	
17	Zone 02	17	Zone 02
18	PPD 2409	18	PPD 2458
19	(Casmalia St. & Locust Ave.)	19	(Locust Distribution)
20	Yes: _____	20	Yes: _____
21	No: _____	21	No: _____

22 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES**
23 **HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

24 **Section 1:** The above recitals are true and correct.

25 **Section 2:** The protest proceedings were conducted with the notices and ballots of
26 the proposed new assessments presented to the qualified property owners within the
27 Annexation Territory as required by law, with a required receipt of the returned ballots to
28 the City Clerk prior to the close of the Public Hearing on June 13, 2017.

1 **Section 3:** The canvass of the protest ballots cast for the proposed assessments
2 and Annexation Territory, received prior to the close of the public hearing and weighted
3 according to the proportional financial obligation of the affected properties is hereby
4 approved and confirmed.

5 **Section 4:** The City Clerk is hereby directed to enter this Resolution on the minutes
6 of this meeting, which shall constitute the official declaration of the result of such property
7 owner protest ballot proceeding.

8 **Section 5:** This Resolution shall become effective immediately upon its adoption
9 and the City Clerk shall certify the adoption of this Resolution.

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PASSED APPROVED AND ADOPTED this _____ day of _____, 2017.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, Esq., City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the _____ day of _____, 2017.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the
City of Rialto this _____ day of _____, 2017.

BARBARA McGEE, CITY CLERK

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1 **WHEREAS**, the City Council desires to levy and collect assessments against parcels
2 of land within the Annexation Territory for the fiscal year commencing July 1, 2017 and
3 ending June 30, 2018 (Fiscal Year 2017/2018), to pay the costs and expenses of the
4 ongoing operation, maintenance, and servicing of improvements, appurtenant facilities; and
5 the incidental expenses related thereto that have been determined to be of special benefit
6 to the properties and the development of properties within the Annexation Territory, as
7 described in the Engineer's Report.

8 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES**
9 **HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

10 **Section 1:** The above recitals are true and correct.

11 **Section 2** Based on testimony given, the results of the property owner protest
12 ballot proceedings and the documents and discussion presented, the City Council has
13 directed and confirmed any necessary modifications or amendments to the Engineer's
14 Report previously presented and filed based on the tabulation of the property owner protest
15 ballots, and said modifications or amendments so reflected by the minutes of this meeting
16 shall by reference be incorporated into the approved Engineer's Report.

17 **Section 3** The Engineer's Report and Assessment Diagram connected therewith
18 as approved, shall constitute the territory and properties within the Annexation Territory,
19 and confirm and establish the method of apportionment and the maximum assessment rate
20 including the assessment range formula as presented to the property owners of record in
21 the ballot proceeding. Said assessments as described in the Engineer's Report as
22 submitted or amended, including the assessment range formula described therein, are
23 hereby confirmed and adopted by the City Council.

24 **Section 4** Based upon its review (and amendments, as applicable) of the
25 Engineer's Report, which has been filed with the City Clerk, the City Council hereby finds
26 and determines that:
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1 4a) The land within the Annexation Territory as approved will receive special
2 benefit from the operation, maintenance and servicing of landscaping and lighting
3 improvements and all appurtenant facilities related thereto, to be provided by the District as
4 described in the approved Engineer's Report.

5 4b) The Annexation Territory as defined by the Assessment Diagrams in the
6 approved Engineer's Report includes all of the lands receiving such special benefit.

7 4c) The net amount to be assessed upon the lands within the Annexation
8 Territory as approved has been apportioned by a formula and method which fairly
9 distributes the net amount among all eligible parcels in proportion to the special benefit to
10 be received by each parcel from the improvements and services to be provided
11 commencing with Fiscal Year 2017/2018.

12 **Section 5** The City Council hereby orders the proposed improvements as
13 described within the approved Engineer's Report to be made. The improvements so
14 described generally include, but are not limited to, the maintenance, operation and
15 servicing of the local landscaping and lighting improvements established or installed in
16 connection with the development of properties within the approved Annexation Territory or
17 directly associated with the properties within those Annexation Territories and shall be
18 maintained by the City for the special benefit of the properties therein pursuant to the Act.

19 **Section 6** The adoption of this Resolution constitutes the annexation of the
20 approved Annexation Territory to the District, the boundaries of which are contained in the
21 Assessment Diagrams; the establishment of the maximum assessment rate and
22 assessment range formula connected therewith; and the assessments for the fiscal year
23 commencing July 1, 2017 and ending June 30, 2018, as described in the approved
24 Engineer's Report and adopted by the City Council, and the County Auditor of San
25 Bernardino shall enter on the County Assessment Roll opposite each parcel of land the
26 amount of levy so described in the approved Engineer's Report, and such levies shall be
27 collected at the same time and in the same manner as the County taxes are collected. After
28 collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 7 The City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the City Council's approval of the annexation of the Annexation Territory to the District; the adoption and confirmation of the Assessment Diagram; and the establishment of the maximum assessment rate(s), assessment range formula and the assessments for Fiscal Year 2017/2018 as described in the approved Engineer's Report as submitted or amended herein.

Section 8 The City Clerk or their designee is hereby authorized and directed to file the levy of assessments for Fiscal Year 2017/2018 as approved, with the County Auditor of San Bernardino upon adoption of the Resolution confirming the annual assessments for all Zones and parcels in the District.

PASSED APPROVED AND ADOPTED this _____ day of _____, 2017.

DEBORAH ROBERTSON, Mayor

ATTEST:

BARBARA McGEE, City Clerk

APPROVED AS TO FORM:

FRED GALANTE, Esq., City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the _____ day of _____, 2017.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the
City of Rialto this _____ day of _____, 2017.

BARBARA McGEE, CITY CLERK