

COUNTY OF RIVERSIDE STATE OF CALIFORNIA



ENGINEER'S REPORT FOR FISCAL YEAR 2012-13

for

**LANDSCAPING AND LIGHTING MAINTENANCE
DISTRICT NO. 89-1-CONSOLIDATED
ZONE 174
(MEAD VALLEY)**

PREPARED BY:

**RIVERSIDE COUNTY
TRANSPORTATION DEPARTMENT
APRIL 12, 2012**

AGENCY: COUNTY OF RIVERSIDE, CALIFORNIA
PROJECT LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT
NO. 89-1-CONSOLIDATED - ZONE 174 ANNEXATION
TO: BOARD OF SUPERVISORS

ENGINEER'S REPORT
FOR FISCAL YEAR 2012-13
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Pursuant to the provisions of Section 22565 through 22574 of the Landscaping and Lighting Act of 1972, said act being Part 2 of Division 15 of the Streets and Highways Code of the State of California, Section 4 of Article XIID of the California Constitution, and direction from the Board of Supervisors of Riverside County, California submitted herewith is the Report for Landscaping and Lighting Maintenance District No. 89-1-Consolidated ("L&LMD No. 89-1-C") - Zone 174 Annexation consisting of five (5) parts as follows:

PART I	INTRODUCTION	PAGE I - 1
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A background of the procedures for the preparation of the Engineer's Report for L&LMD No. 89-1-C.

PART II	DESCRIPTIONS	PAGE II-1
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A general description and maintenance plans of the streetlight and traffic signal improvements proposed to be funded.

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An estimate of the cost of the streetlight and traffic signal maintenance including incidental costs and expenses in connection therewith for fiscal year 2012-13, is as set forth on the lists thereof, attached hereto.

A diagram showing L&LMD No. 89-1-C Zone 174 annexation, the lines and dimensions of each parcel of land within said Zone 174, as the same exists on the maps of the Assessor of Riverside County for fiscal year 2012-13 is filed in the Office of the Riverside County Transportation Department. A reduced copy thereof is filed herewith and made a part hereof. Any changes in organization for said District (i.e. annexation) is discussed in this part.

A proposed assessment of the total costs and expense of the proposed improvements for fiscal year 2012-13 upon each parcel of land within said Zone 174, in proportion to the estimated benefits to be received by such parcels from said streetlight and traffic signal improvements, is set forth upon the assessment roll filed herewith and made a part hereof.

PART I

INTRODUCTION

LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT

NO. 89-1-CONSOLIDATED, ZONE 174

COUNTY OF RIVERSIDE, CALIFORNIA

Since the Passage of Proposition 218, Right to Vote on Taxes Act, which added Articles XIII C and XIII D to the California Constitution, new procedures must be followed to levy annual assessments under the Landscaping and Lighting Act.

Proposition 218 requires that all annual assessments be supported by a detailed Engineer's Report (hereinafter referred to as the "Report") prepared by a registered professional engineer. The Report includes the information required by law.

The Act provides for the annual levy of assessments for the Landscaping and Lighting Maintenance District No. 89-1-Consolidated (hereinafter referred to as the District and Zones) for the express purpose of installing, maintaining, and servicing landscaping, trails, fossil filters and bio-swales; providing electricity for streetlights; the maintenance and electricity for traffic signals and bridge lights; and graffiti abatement improvements. The costs associated with the installation, maintenance, and servicing of the improvements may be assessed against those properties which are specially benefited by the installation, maintenance, and servicing. A County may levy annual assessments for an assessment district after complying with the requirements of the Act, and the provisions in Proposition 218.

The County initiates proceedings for the annual levy of assessments by passing a resolution, which proposes the annual levy under the Act. This resolution also describes the improvements, describes the location of the District, and finally orders an engineer,

who is a registered professional engineer, certified by the State of California, to prepare and file a detailed report.

The report prepared by the engineer must include maintenance plans for the improvements. The Report must also include an estimate of the costs of the improvements, a diagram, i.e., map of the District showing the boundary of the District, and an assessment of the estimated costs of the improvements against the parcels or lots which benefit from the improvements. Once the report is completed it is presented to the County Board of Supervisors for its review and approval as presented, or it may be modified and approved.

After the report is preliminarily approved, the County Board of Supervisors may adopt a Resolution of Intention, which declares its intent to levy the annual assessments against parcels within the existing District, describes the improvements, and refers to the Report for details of the District. The Resolution of Intention also sets a time and place for a hearing on the annual levy of assessments for the District.

In accordance with Proposition 218, property owners of the assessed parcels must approve any new or increased assessments.

PART II

DESCRIPTION OF IMPROVEMENTS AND MAINTENANCE PLANS FOR FISCAL YEAR 2012-13 LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 89-1-CONSOLIDATED, ZONE 174 COUNTY OF RIVERSIDE, CALIFORNIA

Description of Improvements

Improvements to be funded by Zone 174 of Landscaping and Lighting Maintenance District No. 89-1-Consolidated generally include the maintenance and servicing of traffic signals, and the provision of electricity for streetlights and traffic signals within the public right-of-way:

- Blanding Way
- Harley Knox Blvd
- Harvill Ave
- Nandina Ave,
- Oleander Ave

Maintenance Plans

Plans for the improvements of Zone 174 are not bound in this report but by this reference are incorporated and made a part of this report. The streetlight and traffic signal plans for Parcel Map No. 33942 and Plot Plan No. 20699R1 shall be, upon final approval, on file in the office of the Riverside County Transportation Department, 4080 Lemon St 2nd Floor, Riverside, CA 92501, where they are available for public inspection. A reduced map of the maintained improvements is filed in Part IV of this Report; see Assessment Diagram.

PART III

**ENGINEER'S ESTIMATE OF COSTS AND EXPENSES
FOR FISCAL YEAR 2012-13
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT
NO. 89-1-CONSOLIDATED, ZONE 174
COUNTY OF RIVERSIDE, CALIFORNIA**

The cost estimate contains each of the items specified in Section 22569 of the Landscaping and Lighting Act of 1972.

Cost Estimate for Zone 174

Costs for Maintenance of Improvements

Maintenance ¹ & Servicing ² of the Streetlights and Traffic Signals	\$11,875
Administrative Costs ³	836
Total Amount to be Assessed for FY 2012-13	\$12,711

¹Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of traffic signals, and appurtenances including repair and replacement.

²Servicing means funding of energy costs for traffic signals and streetlights.

³Administrative Costs include County administration, preparation of Engineer's Report, and County Auditor-Controller fees.

LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 89-1-CONSOLIDATED
 ZONE 174
 SUMMARY
 ANNUAL BUDGET
 FISCAL YEAR 2012-13

QTY	TYPE	PERCENT OF TOTAL MAINTENANCE COST	COST PER TYPE	TOTAL MAINTENANCE COSTS	ANNUAL ADMIN COSTS	ANNUAL RATE
1	Traffic Signal Harvill Ave/ Harley Knox Blvd	60% of \$5,500	\$ 3,300	\$ 3,300	\$	\$ 3,300
1	Traffic Signal Harvill Ave/Oleander Ave	25% of \$5,500	\$ 1,375	\$ 1,375	\$	\$ 1,375
24	Streetlights	100%	\$ 300	\$ 7,200	\$ 720	\$7,920
5	ACO/Treasurer				\$ 116	\$ 116
TOTAL BUDGET				\$ 11,875	\$ 836	\$12,711
FISCAL YEAR 2012-13 ASSESSMENT				\$211.42/acre		

60.12 acre(s)

Utility Provider: SCE

PART IV

ASSESSMENT DIAGRAM AND CHANGES IN ORGANIZATION FOR FISCAL YEAR 2012-13 LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 89-1-CONSOLIDATED, ZONE 174 COUNTY OF RIVERSIDE, CALIFORNIA

Assessment Diagram

The boundary map/Assessment Diagram for Zone 174 by this reference is incorporated and made a part of this Report. Only the parcels identified within the Assessment Diagram are within said boundary.

If any parcel submitted for collection is identified by the County Auditor-Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel number will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

Information identified on this map was received from several sources including the owner/developer, Transportation Department, and the Riverside County Assessor.

Changes in Organization

Zone 174

Annexation of Zone 174 as described and shown in Exhibit "A" is filed herewith and made a part hereof changes the organization for this District for Fiscal Year 2012-13.

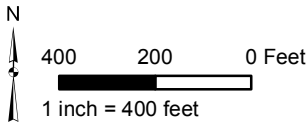
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 89-1-CONSOLIDATED

ZONE 174

PORTION OF SECTION 35, T.3S., R.4W.
PARCEL MAP NO. 33942 & PLOT PLAN NO. 20699R1
5 PARCELS

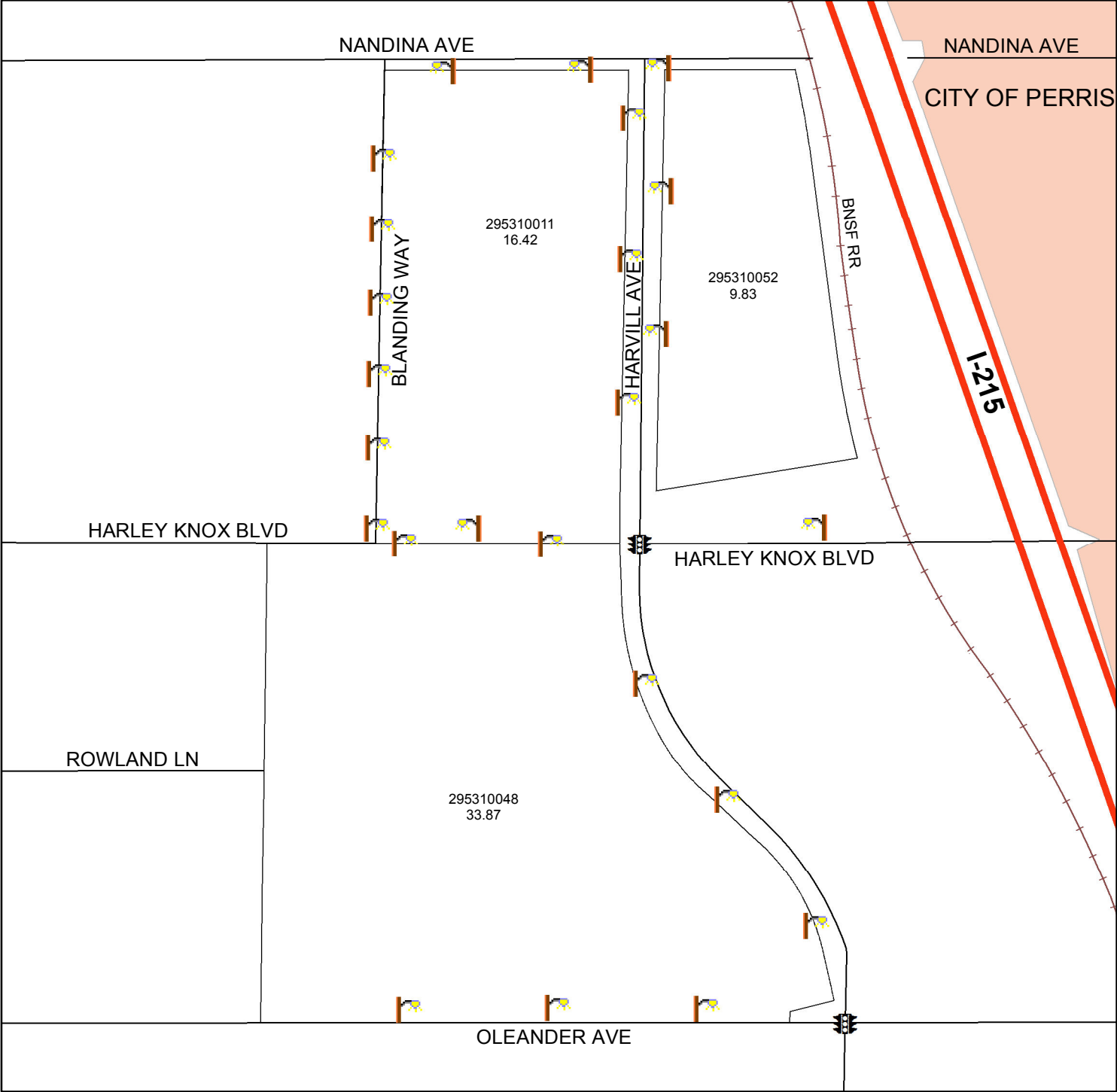


The County of Riverside assumes no warranty or legal responsibility for the information contained on this map. Data and information represented on this map is subject to updates, modifications and may not be complete or appropriate for all purposes. County GIS and other sources should be queried for the most current information. Do not copy or resell this map.



ASSESSMENT DIAGRAM

Printed by jpickeri on 3/15/12



DENOTES MAINTAINED STREETLIGHT



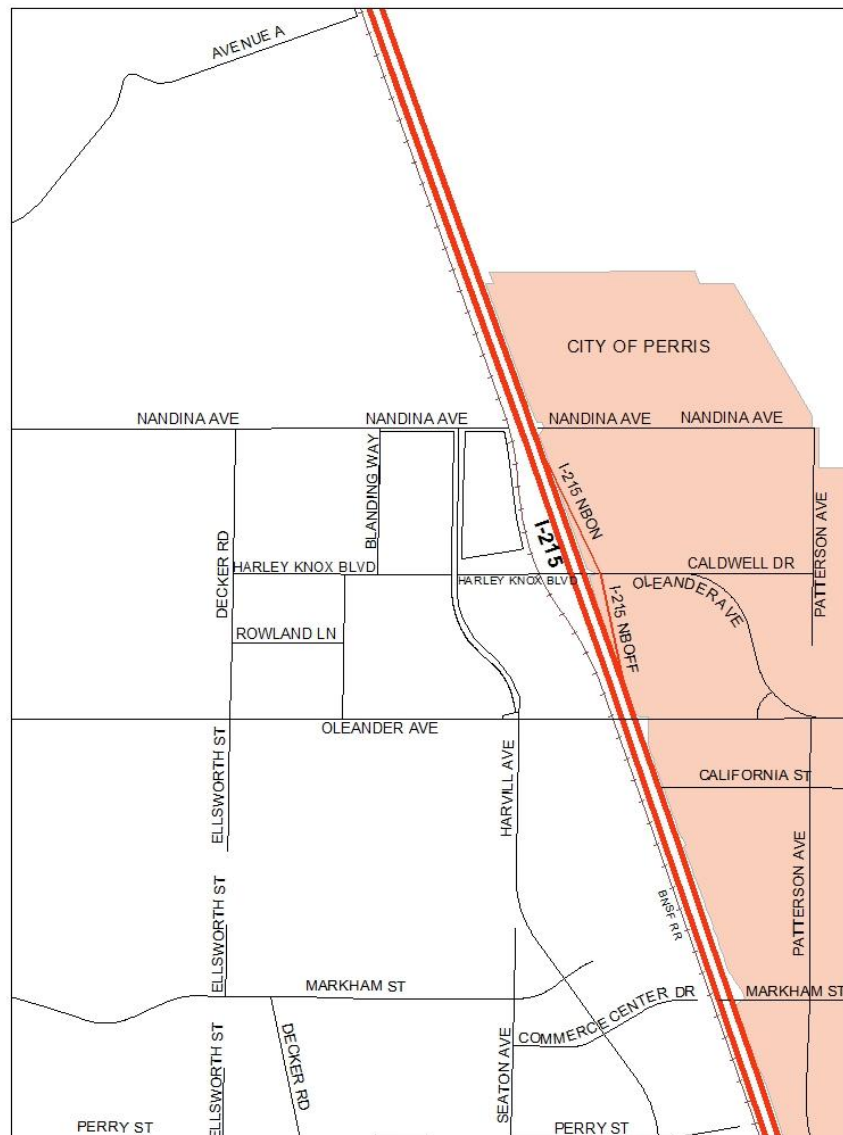
DENOTES MAINTAINED TRAFFIC SIGNAL

EXHIBIT "A"

Description of Boundaries

The boundaries of Zone 174 to be annexed into Landscaping and Lighting Maintenance District No. 89-1-Consolidated, of the County of Riverside, are coterminous with the boundaries of APN 295-310-011, 048, and 052 as shown on Assessment Roll in the County of Riverside, State of California in Fiscal Year 2012-13.

Vicinity Map (Mead Valley Area)



PART V

**ASSESSMENT FOR FISCAL YEAR 2012-13
LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT
NO. 89-1-CONSOLIDATED, ZONE 174
COUNTY OF RIVERSIDE, CALIFORNIA**

**“LANDSCAPING AND LIGHTING ACT OF 1972”, DIVISION 16 OF THE
STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA**

WHEREAS, on May 1, 2012 the Board of Supervisors of the County of Riverside, State of California, did, pursuant to the provisions of the “Landscaping and Lighting Act of 1972”, being Division 15 of the Streets and Highways Code of the State of California, adopt Resolution No. 2012-092 ordering the preparation of the engineer’s report for a special assessment district known and designated as:

Landscaping and Lighting Maintenance District No. 89-1-Consolidated, Zone 174 (herein referred to as “District”); and,

WHEREAS, the Board of Supervisors, did direct the appointed Engineer to make and file a “Report”, in accordance with Article 4 (commencing with Section 22565) of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, being an article of the aforementioned Landscaping and Lighting Act of 1972.

WHEREAS, Section 22567 of said Article 4 states the “Report” shall consist of the following;

- a. Maintenance plans for the streetlight and traffic signal improvements
- b. An estimate of the costs of servicing streetlight and traffic signal improvements
- c. A diagram for the assessment district

- d. An assessment of the estimated costs of maintenance of the improvements

NOW, THEREFORE, I, the appointed ENGINEER, pursuant to the 'Landscaping Act of 1972", do hereby submit the following:

1. Pursuant to the provisions of law the costs and expenses of the District have been assessed upon the parcels of land in the District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcel, reference is made to the Assessment Diagram, a reduced copy of which is included herein.
2. As required by law, a Diagram is filed herewith, showing the District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within said District as the same exist, each of which subdivisions of land or parcels or lots, respectively, have been given a separate number upon said Diagram and in the Assessment Roll contained herein.
3. The separate numbers given the subdivisions and parcels of land, as shown on said Assessment Diagram and Assessment Roll, correspond with the numbers assigned to each parcel by the Riverside County Assessor. Reference is made to the County Assessment Roll for a description of the lots or parcels.
4. There are no parcels or lots within Zone 174 that are owned by a federal, state or other local governmental agency that will benefit from the services to be provided by the assessments to be collected.

Method of Assessment Apportionment

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of public lights, landscaping, dedicated easements for

landscape use, and appurtenant facilities. The 1972 Act further provides that assessments may be apportioned upon all assessable lot(s) or parcel(s) of land within an assessment district in proportion to the estimated benefits to be received by each lot or parcel from the improvements 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.”

The formula used for calculating assessments reflects the composition of the parcels and the improvements and services provided by the District to fairly apportion the costs based on the estimated benefit to each parcel.

In addition, Article XIII D of the California Constitution (the “Article”) requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Article provides that only special benefits are assessable, and the County must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the district. The general enhancement of property value does not constitute a special benefit.

Special Benefit

The streetlight and traffic signal improvements within Zone 174 in Landscaping and Lighting Maintenance District No. 89-1-Consolidated (DISTRICT) provide direct and special benefit to the lots or parcels within the DISTRICT. Therefore, the maintenance of these improvements also provides direct and special benefit by maintaining the

functionality of the improvements and allowing the improvements to operate in a proper manner.

Each and every lot or parcel within the DISTRICT, receives a particular and distinct benefit from the improvements over and above general benefits conferred by the improvements. First, the improvements were conditions of approval for the creation or development of the parcels. In order to create or develop the parcels, the County required the original developer to install streetlights and traffic signals and to guarantee the maintenance of the streetlights and traffic signals and appurtenant facilities serving the lots or parcels. Therefore, each and every lot or parcel within the proposed DISTRICT could not have been developed in the absence of the installation and expected maintenance of these facilities.

In addition, the improvements continue to confer a particular and distinct special benefit upon parcels within the DISTRICT because of the nature of the improvements. The proper maintenance of streetlights specially benefit parcels within the DISTRICT by improved neighborhood protection and increased traffic safety by improving visibility. The proper maintenance of traffic signals specially benefits parcels within the District by controlling or restricting the flow of traffic into and out of the development, and increasing public safety for both pedestrians and the motoring public.

Streetlights also provide safety for pedestrians and motorists living and owning property in the DISTRICT during the nighttime hours, and to assign rights-of-way for the safety of pedestrians and motorists by defining a specific path during all hours of the day.

Streets are constructed for the safe and convenient travel of vehicles and pedestrians. They also provide an area for underground and overhead utilities. These elements are a distinct and special benefit to all developed parcels in the DISTRICT. Streetlights are installed on and are for street purposes and are maintained and serviced to allow the street to perform to the standards it was designed.

Streetlights are determined to be an integral part of “streets” as a “permanent public improvement.” One of the principal purposes of fixed roadway lighting is to create a nighttime environment conducive to quick, accurate, and comfortable seeing for the user of the facility. These factors, if attained, combine to improve traffic safety and achieve efficient traffic movement. Fixed lighting can enable the motorist to see detail more distinctly and to react safely toward roadway and traffic conditions present on or near the roadway facility.

The system of streets within the DISTRICT is established to provide access to each parcel in the DISTRICT. Streetlights provide a safer street environment for owners of the parcels served. If the parcels were not subdivided to provide individual parcels to owners within the DISTRICT, there would be no need for a system of streets with streetlights. Therefore, the installation of streetlights is for the express, special benefit of the parcels within the DISTRICT.

Finally, the proper maintenance of streetlights and traffic signals, and appurtenant structures provides an enhanced quality of life and sense of well being as well as improved neighborhood aesthetics for lots or parcels within the DISTRICT.

Because the benefiting properties consist of a uniform land use (non-residential), it is determined that each of the non-residential parcels within the DISTRICT benefit equally from the improvements. It has been determined that the costs and expenses for the traffic signal improvements for the DISTRICT at the intersection of Harvill Ave and Harley Knox Blvd do not exceed 60% of the County's total maintenance cost (\$5,500); the costs and expenses for the traffic signal improvements for the DISTRICT at the intersection of Harvill Ave and Oleander Ave do not exceed 25% of the County's total maintenance cost (\$5,500). Percentages were based on project traffic percent of total growth. Source of data--05/31/05 traffic study prepared by Urban Crossroads. Therefore the proportionate share of the costs and expenses for the maintenance of traffic signals

and the provision of electricity for the traffic signals as well as costs and expenses for the provision of electricity for streetlights are apportioned equally on a per acre basis.

Based on the benefits described above, streetlights and traffic signals are an integral part of the quality of life of the DISTRICT. This quality of life is a special benefit to those parcels with a non-residential land use within the DISTRICT and do not include government owned easements, easements, and flood channel parcels. Government-owned easement, utility easement and flood channel parcels do not benefit from the improvements due to their use and lack of habitation on such parcels. Parcels of this nature are usually vacant narrow strips of land or flood control channels and therefore do not generate or experience pedestrian or vehicular traffic. Nor do these types of parcels support dwelling units or other structures that would promote frequent use of the parcels by the traveling public. As a result of this lack of activity on such parcels they do not receive any benefit from streetlights and traffic signals and are not assessed.

General Benefit

The total benefit from the works of improvement is a combination of the special benefits to the parcels within the DISTRICT and the general benefits to the public at large and to adjacent property owners. The portion of the total streetlight and traffic signal maintenance costs, if any, associated with general benefits will not be assessed to the parcels in the DISTRICT, but will be paid from other Transportation Department Funds.

Because the streetlight improvements are located immediately adjacent to properties within the DISTRICT and are maintained solely for the benefit of the properties within the DISTRICT, any benefit received by properties outside of the DISTRICT is nominal. Therefore, the general benefit portion of the benefit received from the streetlight improvements for the DISTRICT is zero.

Because the traffic signal improvements are located immediately adjacent to properties within the DISTRICT and are proportionately maintained for the benefit of the properties within the DISTRICT, any benefit received by properties outside of the DISTRICT will be in the proportions stated under Special Benefit.

As a result, no property is assessed in excess of the reasonable cost of the proportional special benefit conferred on that property.

The dollar per acre value for Fiscal Year 2012-13 for Zone 174 is as follows:

$$\begin{array}{rcll} \text{Total Budget} & = & \underline{\$12,711} & \\ \text{Total No. Acres} & & 60.12 & = \quad \$211.42/\text{acre} \end{array}$$

The assessment for Fiscal Year 2012-13 for Zone 174 that is to be annexed into L&LMD No. 89-1-C will be \$211.42 per acre. Each succeeding fiscal year the special assessment may be subject to an annual adjustment that is the greater of two percent (2%) or the cumulative percentage increase, if any, in the Consumer Price Index for all Urban Consumers "for electricity" ("CPI-U for electricity") for the Los Angeles-Riverside-Orange County California Standard Metropolitan Statistical area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor. The annual CPI-U for electricity adjustment will be based on the cumulative increase, if any, in the "Index" as it stands on March of each year over the base Index for March of 2012. Any increase larger than the greater of 2% or the CPI-U for electricity annual adjustment requires a majority approval of all the property owners in Zone 174.

Waiver and Consent Regarding Date of Assessment Ballot Election

There is only one individual/entity which owns all of the property within the proposed boundaries of Zone 174 and said property owner has executed a "Waiver and Consent Regarding Date of Assessment Ballot Election" allowing for the election and public hearing to be held on June 19, 2012; a copy of said waiver is filed herewith and made a part hereof.

In conclusion, it is my opinion that the assessments for Landscaping and Lighting Maintenance District No. 89-1-Consolidated, Zone 174 have been spread in direct accordance with the benefits that each parcel receives from the items being financed.

Dated April 12, 2012

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line.

Juan C. Perez, Director of Transportation

L&LMD No. 89-1-C, Zone 174, County of Riverside, California

APN	ACRES	ASSESSMENT
295-310-011	16.42	3,471.52
295-310-048	33.87	7,160.80
295-310-052	9.83	2,078.26

**LANDSCAPING AND LIGHTING MAINTENANCE
DISTRICT NO. 89-1-CONSOLIDATED
OF THE COUNTY OF RIVERSIDE, CALIFORNIA**

**WAIVER AND CONSENT REGARDING DATE OF
ASSESSMENT BALLOT ELECTION**

The undersigned, an authorized representative of Knox Logistics LLC (the "Owner") owns property within the unincorporated area of the County of Riverside (the "County") represented by the following Assessor's Parcel Numbers for fiscal year 2012-13 (the "Property"): APN(s) 295-310-011, 048, and 052.

The Owner has made application that the Property be annexed as Zone 174 to Landscaping and Lighting Maintenance District No. 89-1-Consolidated of the County ("L&LMD No. 89-1-C") and certifies the following:

1. The Owner waives the requirements of Section 4000 of the Elections Code of the State of California (the "Elections Code") that the mailed ballot election required for annexation and the levy of an annual assessment must be held on an established mailed ballot election date pursuant to Section 1500 of the Election Code; and
2. The Owner consents to the mailed assessment ballot election with respect to the levy of an annual assessment on the Property being held on June 19, 2012

OWNER: Knox Logistics LLC
(Name of Company
as Stated in Initial Paragraph)

By: 
Signature

Name: David Nazaryk
Print

Title: Vice President