



DOWNTOWN OCEANSIDE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

MANAGEMENT DISTRICT PLAN & ENGINEER'S REPORT

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Prepared by Civitas



I. OVERVIEW

Developed by a growing coalition of property owners, the Downtown Oceanside Property and Business Improvement District (DTOPBID) is a benefit assessment district whose main goal is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. This approach has been used successfully in other cities throughout the country to provide special benefits to property owners, namely increased sales, attraction of new tenants, increased occupancies, and specifically increased property values. As required by state law, property owners have created this Management District Plan (Plan) to form the DTOPBID.

Location: The DTOPBID generally includes parcels in the downtown area of the City of Oceanside, as shown on the map in Section IV.

Purpose: The purpose of the DTOPBID is to provide improvements, maintenance, and activities which constitute and convey a special benefit to assessed parcels. The DTOPBID will provide maintenance, economic development / capital improvements, safety, and related administration and advocacy programs directly and only to assessed parcels within its boundaries.

Budget: The DTOPBID annual assessment budget for the initial year of its five (5) year operation is anticipated to be \$370,757.06. The annual budget may be subject to an increase in assessment rates of no more than three percent (3%) per year. The assessment funds will be supplemented by non-assessment funds (such as grants and event income), so that the total budget for the initial year is estimated at \$392,600.24.

Cost: The assessment rate (cost to the parcel owner) is based on parcel size and parcel type. The initial annual rate to each parcel is shown in the table below. Assessment rates may be subject to an increase of no more than three percent (3%) per year.

| Initial Parcel Assessment Rates | |
|---------------------------------|-----------------------|
| Parcel Type | Parcel Size (sq. ft.) |
| Commercial | \$0.2500 |
| Public | \$0.1875 |
| Religious/Condo | \$0.1250 |

Formation: DTOPBID formation requires submittal of petitions from property owners representing more than fifty percent (50%) of the total assessment. The “Right to Vote on Taxes Act” (also known as Proposition 218) requires a ballot vote in which more than fifty percent (50%) of the ballots received, weighted by assessment, be in support of the DTOPBID.

Duration: The DTOPBID will have a five (5) year life beginning January 1, 2020 through December 31, 2024. Near the end of the term, the petition, ballot, and City Council hearing process must be repeated for the DTOPBID to be renewed.

Management: Main Street Oceanside, Inc. (MSO) will serve as the Owners’ Association to provide improvements, maintenance, and activities described in this Plan for the DTOPBID. The MSO Board of Directors shall form a new standing advisory committee to be known as the “Downtown Oceanside PBID Governing Committee” (PGC). The PGC shall possess the authority to manage DTOPBID assessment funds and full decision-making authority regarding DTOPBID programs.

II. IMPETUS

There are several reasons why now is the time to form the DTOPBID. The most compelling reasons are as follows.

1. The Need to be Proactive in Determining the Future of Downtown Oceanside.

In order to protect their investment, parcel owners must be partners in the process that determines the level and frequency of services, and how new improvements and development projects are implemented. The DTOPBID will allow these owners to lead and shape future services and improvements through the DTOPBID.

2. The Need to Attract New Business and Investment throughout Downtown Oceanside.

If Downtown Oceanside is to compete as a successful commercial district it must develop its own well-financed, proactive strategy to retain businesses and tenants as well as attract new business and investment. The DTOPBID provides the financial resources to develop and implement a focused strategy that will work to prevent and fill vacancies and attract new tenants to all areas of Downtown Oceanside.

3. An Opportunity to Create a Private/Public Partnership with a Unified Voice for Downtown Oceanside.

Because parcel owners would be investing financial resources through the DTOPBID, they will be looked upon as a strong partner in negotiations with the City. This partnership will have the ability to leverage the parcel owner's investment with additional public investment in Downtown Oceanside.

4. An Opportunity to Establish Private Sector Management and Accountability.

A non-profit, private organization with a mission for improving Downtown Oceanside will manage the services provided and the DTOPBID. Annual DTOPBID work plans and budgets are developed by a board composed of stakeholders that own property in Downtown Oceanside. Improvements, maintenance, and activities provided by the DTOPBID are subject to private sector performance standards, controls, and accountability.

III. BACKGROUND

The International Downtown Association estimates that more than 1,500 Property and Business Improvement Districts (PBIDs) currently operate throughout the United States and Canada. PBIDs are a time-tested tool for property owners who wish to come together and obtain collective services which benefit their properties.

PBIDs provide supplemental services in addition to those provided by local government. They may also finance physical and capital improvements. These improvements, maintenance, and activities are concentrated within a distinct geographic area and are funded by a special parcel assessment. Services and improvements are only provided to those who pay the assessment.

Although funds are collected by the local government, they are then directed to a private nonprofit. The nonprofit implements services and provides day-to-day oversight. The nonprofit is managed by a Board of Directors or committee representing those who pay the assessment, to help ensure the services meet the needs of property owners and are responsive to changing conditions within the PBID.

PBIDs all over the globe have been proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values, lease rates, occupancy rates, and sales volumes.

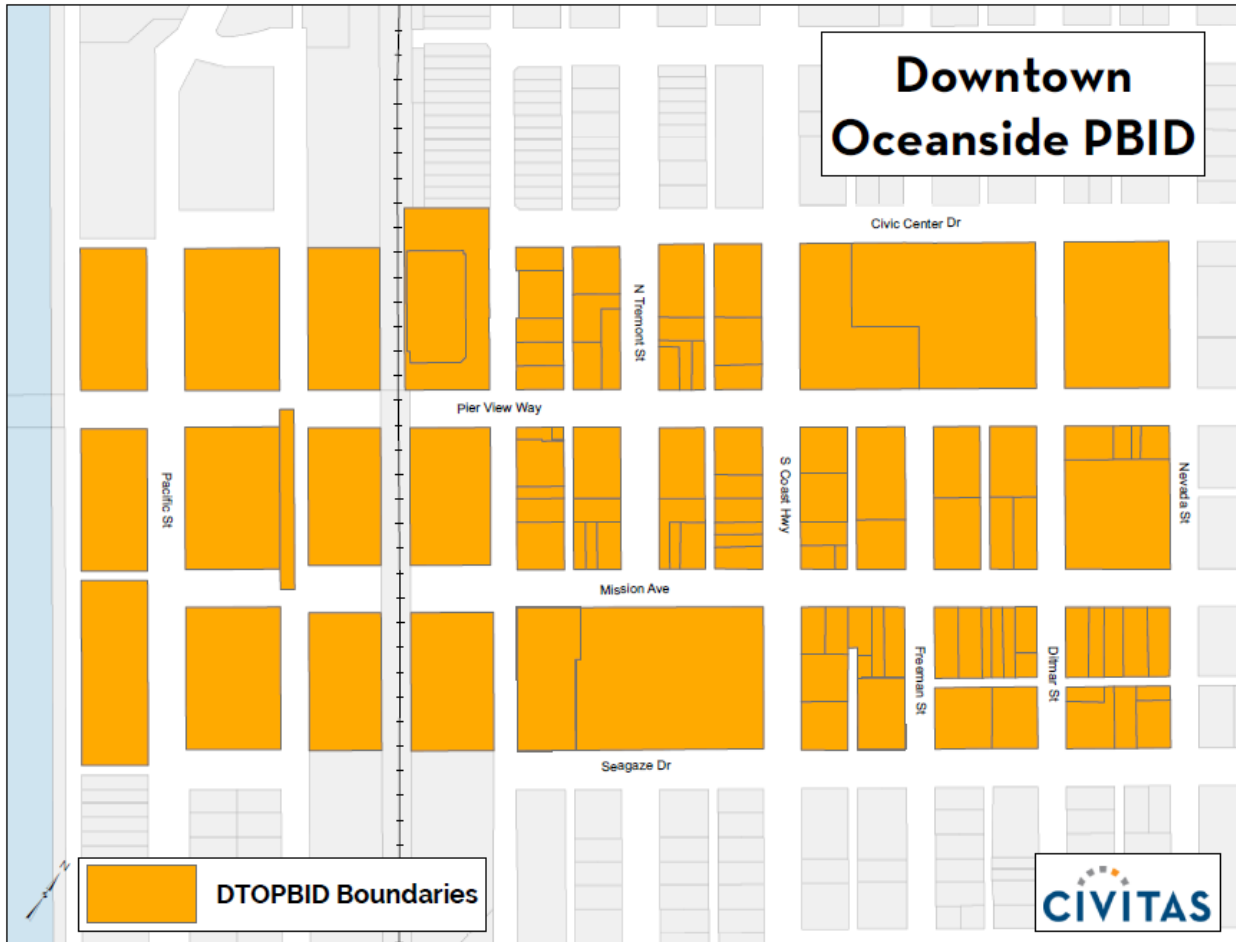
The DTOPBID will be formed pursuant to a state law that took effect in January of 1995. The “Property and Business Improvement District Law of 1994,” which was signed into law by Governor Pete Wilson, ushered in a new generation of Property and Business Improvement Districts in California. Key provisions of the law include:

- Allows a wide variety of services which are tailored to meet specific needs of assessed properties in each individual PBID;
- Requires property owner input and support throughout the formation process;
- Requires written support on both a petition and ballot from property owners paying fifty percent (50%) of proposed assessments;
- Allows for a designated, private nonprofit corporation to manage funds and implement programs, with oversight from property owners and the City;
- Requires limits for assessment rates to ensure that they do not exceed the amount owners are willing to pay; and
- Requires the PBID be renewed after a certain time period, making it accountable to property owners.

The “Property and Business Improvement Business District Law of 1994” is provided in Appendix 2 of this document.

IV. BOUNDARIES

The DTOPBID generally includes parcels in the downtown area of the City of Oceanside, as shown on the map below. The service area includes approximately 192 properties with 125 property owners. The DTOPBID boundary is illustrated by the map below. A larger map is available on request by calling (916)437-4300 or (800)999-7781.



V. SERVICE PLAN & BUDGET

A. Establishment

Property and business owners in Downtown Oceanside have been concerned about the need for coordinated supplemental services in the area for several years. City services and efforts in the area have been welcomed, but limited resources have not allowed for a more comprehensive approach to managing the commercial area.

A service plan to provide special benefits to assessed properties was developed using several methods. A series of property owner meetings, a survey of property owners, and an analysis of current property conditions and needs were all conducted. The primary needs identified were: security, beautification, capital improvements, economic development, and advocacy. To meet those needs, the DTOPBID will provide maintenance, economic development / capital improvements, safety, and related administration and advocacy to assessed parcels within its boundaries.

B. Improvements, Maintenance, and Activities

The DTOPBID will provide supplemental improvements, maintenance, and activities that are above and beyond those provided by the City and other government agencies. None of the services to be provided by the DTOPBID are provided by the City or other government agencies, although the Owners' Association could contract with the City or other government agencies for supplemental services. The improvements, maintenance, and activities will be provided directly and only to assessed parcels; they will not be provided to parcels that are not assessed. Each and every service is unique to the DTOPBID, thus the benefits provided are particular and distinct to each assessed parcel.

1. Maintenance

The maintenance programs will be designed to maintain a clean and inviting district for the special benefit of the assessed parcels. The maintenance program may include:

- Pressure washing sidewalks;
- Litter removal services, including garbage, debris and leaves, and enhanced solid waste and recycling infrastructure needs throughout the DTOPBID;
- Graffiti removal services; and
- Landscape improvements and maintenance, including the trimming and planting of trees and flowers.

2. Safety

The goal of safety programs will be to increase usability of assessed parcel and address issues which discourage property owners, tenants, and customers from visiting the DTOPBID. The safety program may include:

- Hiring ambassadors to provide assistance/direction to pedestrians in need throughout the DTOPBID as well as welcome visitors and create a sense of place and serve as a deterrent to safety issues;
- Supporting crime prevention by working closely with the Oceanside Police Department;
- Hiring ambassadors or a homeless prevention organization to respond and work to reduce or relocate homeless presence within the DTOPBID and reduce loitering; and
- Providing security services provided by dedicated private security patrols and/or the installation of security cameras.

3. Economic Development / Capital Improvements

The economic development / capital improvements programs will include physical improvements to the DTOPBID designed to promote commerce and attract additional tenants and property owners. The economic development / capital improvements program may include:

- Wayfinding signage/banners/seasonal décor;
- Additional street lighting;
- Trolley or shuttle services through the DTOPBID to connect visitors to assessed parcels; and
- Façade improvement program.

4. Administration & Advocacy

The administration portion of the budget will be utilized for administrative costs associated with providing the improvements, maintenance, and activities. Those costs may include rent, telephone charges, legal fees, accounting fees, postage, administrative staff, insurance, and other general office expenses. Advocacy programs will provide a unified voice to represent the DTOPBID's best interests at government agencies, as well as provide property owner educational services, advocate economic development decisions, planning decisions, and implementing initiatives. Advocacy efforts may also include leveraging DTOPBID funds to obtain additional funding to accomplish large scale projects.

5. Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the PGC. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the PGC. The reserve fund may be used for the costs of renewing the DTOPBID.

C. Annual Budget

A projected five (5) year budget for the DTOPBID is provided below. The overall budget shall remain consistent with this Plan. In the event of a legal challenge, assessment funds may be used to defend the DTOPBID. The annual budget is based on the following assumptions and guidelines:

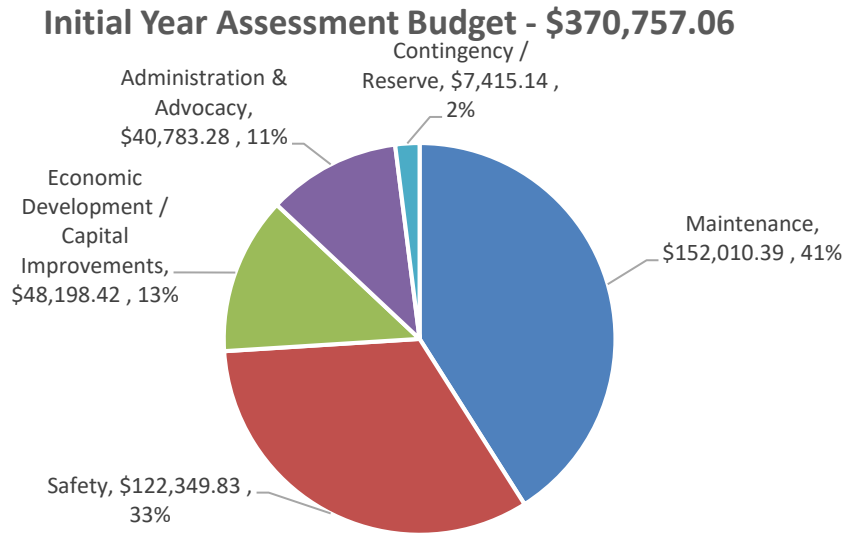
1. The cost of providing improvements, maintenance, and activities may vary depending upon the market cost for those improvements, maintenance, and activities. Expenditures may require adjustment up or down to continue the intended level of improvements, maintenance, and activities. The PGC shall annually have the ability to re-allocate up to fifteen percent (15%) of the budget allocation by line item within the budgeted categories. Any change will be approved by the PGC and submitted with the Annual Report.
2. Funds not spent in any given year may be rolled over to the next year.
3. The assessment rate may be subject to annual increases that will not exceed three percent (3%) per year. Increases will be determined by the PGC and will vary each year. The projections in subsection D below illustrate the maximum annual three percent (3%) increase for all budget items.
4. Each budget category includes all costs related to provide that improvement, maintenance, or activity, in accordance with Generally Accepted Accounting Principles (GAAP). For example, the maintenance budget includes the cost of staff time dedicated to overseeing and implementing

the maintenance program. Staff time dedicated purely to administrative tasks is allocated to the administration and advocacy portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the D'TOPBID improvements, maintenance, and activities will be determined by the PGC on an as-needed basis.

- In the first year of operation, the costs of creating the D'TOPBID may be repaid by deducting repayment funds proportionally from budget categories.

D. Assessment Budget

The total improvement, maintenance, and activity budget for 2020 that is funded by property assessments is \$370,757.06. In addition to the assessment revenue, the programs will be supplemented by non-assessment funds. The total of non-assessment funds, and the determination of special and general benefit, is included in the Engineer’s Report. The total of assessment and non-assessment funds is provided in Appendix 4. Below is an illustration of the estimated total assessment budget allocations for each budget category for the five (5) year life of the D'TOPBID. The allocation of the assessment funds is governed by Section E on the following page. Non-assessment funds may be shifted between budget categories as needed by the PGC.



E. Annual Maximum Budget

The table below assumes the maximum annual increase of three percent (3%) is enacted and that there are no changes to the categorical budget allocations.

| Year | Maintenance | Safety | Economic Development / Capital Improvements | Administration & Advocacy | Contingency / Reserve | Total |
|--------------|---------------------|---------------------|---|---------------------------|-----------------------|-----------------------|
| 2020 | \$152,010.39 | \$122,349.83 | \$48,198.42 | \$40,783.28 | \$7,415.14 | \$370,757.06 |
| 2021 | \$156,570.70 | \$126,020.32 | \$49,644.37 | \$42,006.78 | \$7,637.60 | \$381,879.77 |
| 2022 | \$161,267.83 | \$129,800.93 | \$51,133.70 | \$43,266.98 | \$7,866.72 | \$393,336.16 |
| 2023 | \$166,105.86 | \$133,694.96 | \$52,667.71 | \$44,564.99 | \$8,102.72 | \$405,136.24 |
| 2024 | \$171,089.04 | \$137,705.81 | \$54,247.74 | \$45,901.94 | \$8,345.81 | \$417,290.34 |
| Total | \$807,043.82 | \$649,571.85 | \$255,891.94 | \$216,523.97 | \$39,367.99 | \$1,968,399.57 |

VI. GOVERNANCE

A. Owners' Association

The District shall be governed by Main Street Oceanside, Inc., with oversight from the Oceanside City Council. The Main Street Oceanside, Inc. shall serve as the Owners' Association described in the Streets and Highways Code §36651. After formation of the DTOPBID, the MSO Board of Directors shall create a new standing advisory committee, to be known as the "Downtown Oceanside PBID Governing Committee" (PGC). The MSO Board of Directors resolution creating the PGC shall delegate the authority to the PGC to manage matters related to the DTOPBID, including but not limited to, management of assessment funds and full decision-making authority regarding DTOPBID programs. The PGC shall be comprised solely of property owners and representatives of property owners paying the DTOPBID assessment. The number of members of the PGC shall be set forth in the MSO bylaws. The PGC and MSO staff are charged with the day-to-day operations of the DTOPBID.

B. Brown Act & Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may members of its Board of Directors, PGC, or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association must act as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the MSO Board of Directors at which actions related to the PGC and DTOPBID are heard, discussed, or deliberated; meetings of the PGC; and meetings of certain other committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

C. Annual Report

The MSO shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 2). The annual report is a prospective report for the upcoming year and must include:

1. Any proposed changes in the boundaries of the DTOPBID or in any benefit zones or classification of property within the district;
2. The improvements, maintenance, and activities to be provided for that fiscal year;
3. The estimated cost of providing the improvements, maintenance, and activities to be provided for that fiscal year;
4. The method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year;
5. The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
6. The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this Plan.

VII. ENGINEER'S REPORT

The DTOPBID's parcel assessments will be imposed in accordance with the provisions of Article XIII D of the California Constitution. Article XIII D provides that "only special benefits are assessable,"¹ and requires the City to "separate the general benefits from the special benefits conferred on a parcel."² Special benefits are a "particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public-at-large."³ Conversely, a general benefit is "conferred on real property located in the district or to the public-at-large."⁴ Assessment law also mandates that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."⁵

The Engineer determined the total cost of the improvements, maintenance, and activities, quantified the general benefit accruing to the public-at-large and non-assessed parcels adjacent to and within the DTOPBID, and separated that amount from the special benefit accruing to the assessed parcels. Then, the Engineer determined the proportional special benefit derived by each parcel and allocated the special benefit value of the improvements, maintenance, and activities accordingly. The Engineer's determinations and detailed calculations are summarized in this report.

A. Separation of General and Special Benefits

Each of the improvements, maintenance, and activities, and the associated costs and assessments within the DTOPBID, were reviewed, identified, and allocated based on special and general benefits pursuant to Article XIII D of the California Constitution. The assessment has been apportioned based on the proportional special benefits conferred to the assessed parcels located within the DTOPBID boundaries as determined below.

1. General Benefits

Unlike special benefits, which are conferred directly and only upon assessed parcels, a general benefit is conferred on the general public or non-assessed parcels. Existing City and other public services, which are provided to every person and parcel, everywhere within the City, are an example of a general benefit. Although the DTOPBID's boundaries have been narrowly drawn and programs have been carefully designed to provide special benefits, and improvements, maintenance, and activities will only be provided directly to assessed parcels, it is acknowledged that there will be general benefits as a result of the DTOPBID's improvements, maintenance, and activities.

The California Constitution mandates that "only special benefits are assessable, and an agency shall separate the general benefits from the special benefits."⁶ "Generally, this separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits."⁷ The first step that must be undertaken to separate general and special benefits provided by the DTOPBID's improvements, maintenance, and activities is to identify and quantify the general benefits. There are two bodies who can receive general benefits: the public-at-large within the DTOPBID, and non-assessed parcels surrounding the DTOPBID.

¹ Cal. Const., art. XIII D, §4(a)

² Cal. Const., art. XIII D, §4(a)

³ Id., §2(i)

⁴ Cal. Const., art. XIII D, §2(j)

⁵ Cal. Const., art. XIII D, §4(a)

⁶ Cal. Const., art. XIII D, §4(a)

⁷ Golden Hill Neighborhood Association v. City of San Diego (2011) 199 Cal.App.4th 416

General Benefit to the Public-at-Large

Although the improvements, maintenance, and activities are narrowly designed and carefully implemented to specially benefit the assessed parcels, and only provided directly to assessed parcels, they will generate a general benefit to the public-at-large within the DTOPBID. State law indicates that “Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed.”⁸ However, “the mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.”⁹ Further, “the value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.”¹⁰ Thus, although there may be some incidental benefit to persons engaged in business on the assessed parcels, that incidental benefit is not considered general benefit because it is inherently produced by improvements, maintenance, and activities that provide special benefits to the assessed parcels. There is, however, a general benefit to persons not engaged in business on the assessed parcels.

Intercept surveys conducted in similar districts have found that approximately 97.3% of pedestrian traffic within PBID boundaries is engaged in business on assessed parcels, while the remaining approximately 2.7% is simply passing through and not engaging in business on the assessed parcels¹¹. The 2.7% of traffic passing through does not have any connection to the assessed parcels, and therefore does not represent a special benefit to the assessed parcels. The 2.7% will, however, receive a derivative and indirect general benefit as a result of the improvements, maintenance, and activities being provided in the District. Therefore, it is estimated that 2.7% of the benefit created by the District’s services is general benefit provided to the public-at-large. To ensure that the assessment dollars do not fund general benefits to the public-at-large, that portion of the cost of improvements, maintenance, and activities will be paid for with funds not obtained through assessments. Using the 2.7% figure, based on the initial year improvement, maintenance, and activity budget, the value of this general benefit to the public-at-large is \$10,600.21 ($\$392,600.24 \times 0.027$).

General Benefit to Non-Assessed Parcels

Although they are only provided directly to the assessed parcels, the DTOPBID’s improvements, maintenance, and activities may also confer general benefits upon non-assessed parcels surrounding the DTOPBID. One study examining property values in PBID areas found “no evidence of spill-over impacts (either good or bad) on commercial properties located just outside the BID’s boundaries;”¹² however, the California Court of Appeals has stated that “services specifically intended for assessed parcels concomitantly confer collateral general benefits to surrounding properties.”¹³ It is reasonable to conclude that improvements, maintenance, and activities within the DTOPBID will have an incidental impact on non-assessed parcels surrounding the DTOPBID boundaries. Although the legislature has indicated that “the value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit

⁸ Streets and Highways Code section 36601(h)(2)

⁹ Ibid

¹⁰ Streets and Highways Code section 36622(k)(2)

¹¹ Surveys conducted in: North Park, San Diego (January 2015); Mack Road, Sacramento (July 2014); and Sunrise MarketPlace, Citrus Heights (December 2013)

¹² Furman Center for Real Estate & Urban Policy; The Impact of Business Improvement Districts on Property Values: Evidence from New York City (2007) p. 4

¹³ Beutz v. Riverside (2010) 184 Cal.App.4th 1516

property or persons not assessed shall *not* be deducted from the entirety of the cost of any special benefit,”¹⁴ the California Court of Appeals has noted that “the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement...or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement.”¹⁵ Those derivative and indirect impacts are considered general benefits and will be quantified and separated.

In this Engineer’s opinion, because improvements, maintenance, and activities are provided only within the DTOPBID and on its perimeter, parcels separated from the DTOPBID by either at least one intervening parcel or an impassable physical barrier such as a wall, railroad track, freeway, or ditch will not receive spill over benefits. Parcels separated from the DTOPBID will not benefit because they are physically removed from the actual location of improvements, maintenance, and activities provided, and do not face serviced parcels. Therefore, this analysis considers non-assessed surrounding parcels that are immediately adjacent to and accessible from the DTOPBID’s boundaries.

The total DTOPBID improvement, maintenance, and activity budget for the first year is \$392,600.24. After reducing the improvement, maintenance, and activity budget by the general benefit to the public-at-large (\$10,600.21), the remaining benefit to parcels is \$382,000.03. This benefit has been distributed to both assessed and non-assessed parcels using the following methodology. The general benefit to the public-at-large has been proportionally allocated to the DTOPBID’s improvement, maintenance, and activity categories as shown in the following table.

| Category | Benefit to Parcels | Benefit to Public-at-Large | Total |
|--|---------------------------|-----------------------------------|---------------------|
| Maintenance | \$156,486.06 | \$4,342.37 | \$160,828.43 |
| Safety | \$125,952.20 | \$3,495.08 | \$129,447.28 |
| Economic Development / Capital Improvements | \$49,901.76 | \$1,384.73 | \$51,286.49 |
| Administration & Advocacy; Contingency/Reserve | \$49,660.01 | \$1,378.03 | \$51,038.04 |
| TOTAL | \$382,000.03 | \$10,600.21 | \$392,600.24 |

To determine the general benefit to parcels, the Engineer assigned each parcel group a benefit factor, determined the appropriate parcel characteristic to use in the calculation, multiplied the benefit factor by the benefit characteristic to determine the benefit units attributable to each parcel group, and apportioned the remaining service cost (service cost minus general benefit to the public) in accordance with the benefit units derived by each parcel group.

Benefit Factors

All parcels within and adjacent to the DTOPBID have been assigned a benefit factor to mathematically represent the proportional special and general benefit and quantify the value of each. The determination of benefit factors for each type of improvement, maintenance, and activity follows.

¹⁴ Streets and Highways Code section 36622(k)(2)

¹⁵ Tiburon v. Bonander (2009) 180 Cal.App.4th 1057, 1077

Improvements

The improvements to be provided by the DTOPBID provide two types of special benefits:

Improvement – The primary special benefit provided by the DTOPBID’s improvements is the improvements themselves, which are available to tenants and customers of assessed parcels.

Proximity – The DTOPBID’s improvements also provide the special benefit of being in proximity to a parcel that is benefitting from an improvement, as parcels will enjoy the spillover benefits of neighboring parcels utilizing the improvements.

The majority of the benefit is the improvements themselves; proximity is a lesser benefit. It is this Engineer’s estimation that eighty-five percent (85%) of the special benefit from the DTOPBID’s improvements is the improvement, while the presence and proximity special benefits each account for fifteen percent (15%) of the special benefit. Assessed parcels will receive both benefits; non-assessed parcels within and adjacent to the DTOPBID will not be directly improved, and therefore only receive the general benefit of proximity.

Tangible Activities

The tangible activities (those that are physically provided via a person or people working throughout the DTOPBID) to be provided by the DTOPBID generate three types of special benefits:

Service – The primary special benefit provided by the DTOPBID’s physical activities is the actual service.

Presence – The DTOPBID’s physical activities also provide the special benefit of an individual’s presence on the assessed parcel as the activities are provided, which can have a deterrent effect and creates a positive impression that the area is well-maintained and safe. The “Disneyland effect” is the benefit the parcels receive from the observation that parcels are being maintained. There are studies which link the perception of cleanliness to a perception of increased security.

Proximity – The DTOPBID’s physical activities also provide the special benefit of being in proximity to a cleaner, safer parcel. Neighboring parcels enjoy the spillover benefits of being adjacent to increased safety and cleanliness.

The majority of the benefit received by the parcels is the results of the DTOPBID’s services; onsite presence and proximity are lesser benefits. It is this Engineer’s estimation that seventy-five percent (75%) of the special benefit from the DTOPBID’s physical activities is the service, while the presence and proximity benefits each account for twelve and one-half percent (12.5% presence, 12.5% proximity) of the special benefit. Assessed parcels will receive all three benefits; non-assessed parcels within and adjacent to the DTOPBID will not be directly serviced by individuals present on the parcels and therefore only receive the general benefit of proximity.

Factors Determined

Based on the foregoing analysis, all assessed parcels within the DTOPBID specially benefit from the DTOPBID’s improvements, maintenance, and activities, and have been assigned a benefit factor of 1.0. Parcels that are not assessed have been assigned benefit factors based on the portion of the benefit they will receive, as described above. The non-assessed parcels will benefit from 15% of the improvements and 12.5% of the tangible activities; therefore they have been assigned benefit factors of 0.150 and 0.125, respectively.

Non-Assessed Benefit Characteristics

There are two types of parcels that are not assessed; those within the DTOPBID and those immediately adjacent to and accessible from the DTOPBID. Because they generally benefit in a differing manner, distinct parcel characteristics are used to quantify the general benefit to each type.

- *Inside* – Non-assessed parcels inside of the DTOPBID are surrounded by parcels that are assessed and receiving the full special benefits; they will, therefore, receive the general benefit of proximity. These parcels are impacted on more than one side by the DTOPBID's improvements, maintenance, and activities and improvements, maintenance, and activities are provided all around them. Because these parcels are surrounded by specially benefitted parcels, it is appropriate that parcel square footage be used to measure the general benefit they receive.
- *Adjacent* – Adjacent parcels are those that are immediately adjacent to or directly across the street from specially benefitted parcels, and accessible from specially benefitted parcels. These parcels generally benefit differently than those inside the DTOPBID, because these parcels are adjacent to, rather than surrounded by, specially benefitted parcels. Square footage is not an appropriate measure of benefit to these parcels. Because the parcels are not surrounded by serviced parcels, a long, shallow parcel with the same square footage as a deep, narrow parcel will receive a different level of general benefit. Likewise, two parcels with the same depth but a different width adjacent to serviced parcels will benefit differently. To account for this difference, it is appropriate that parcel linear frontage be used to measure the general benefit the adjacent parcels receive.

Calculations

To quantify and separate the general benefit to non-assessed parcels, the following calculations were undertaken for each budget category.

1. The total service budget for each category was determined and the amount of general benefit to the public-at-large was subtracted from the category budget.
2. The benefit factor applicable to each improvement, maintenance, or activity was multiplied by the linear frontage of assessed and non-assessed parcels, to determine the number of benefit units received by each parcel group.
3. The benefit units for all parcel groups were summed, and the percentage of benefit units attributable to each parcel group was calculated.
4. The total remaining improvement, maintenance, and activity budget, less the amount already determined to be general benefit to the public-at-large, was allocated to general and special benefit categories for each parcel group using the calculated benefit percent and applicable benefit characteristic methodology.
5. The special and general benefit resulting from the administration and advocacy and contingency / reserve portions of the budget were determined based on the proportional allocation of benefits derived from improvements, maintenance, and activities.

Maintenance

The maintenance budget, minus the amount of general benefit to the public-at-large, is \$156,295.31. The calculations below determine the amount of general benefit to non-assessed parcels within the DTOPBID.

| Parcel Type | Square Footage | Benefit Factor | Benefit Units | Benefit Percent | Remaining Budget | |
|--------------|----------------|----------------|---------------|-----------------|------------------|----------------|
| Assessed | 1,688,052 | X 1.000 | =1,688,052.00 | 99.878% | X \$156,486.06 | = \$156,295.31 |
| Non-Assessed | 16,482 | X 0.125 | =2,060.25 | 0.122% | X \$156,486.06 | = \$190.76 |

The maintenance budget, minus the amount of general benefit to the public and non-assessed parcels within the DTOPBID, is \$156,295.31. The calculations below determine the amount of general benefit to parcels adjacent to the DTOPBID.

| Parcel Type | Linear Frontage | Benefit Factor | Benefit Units | Benefit Percent | Remaining Budget | |
|-------------|-----------------|----------------|---------------|-----------------|------------------|----------------|
| Inside | 31,294 | X 1.000 | =31,294.00 | 97.258% | X \$156,295.31 | = \$152,010.39 |
| Adjacent | 7,057 | X 0.125 | =882.13 | 2.742% | X \$156,295.31 | = \$4,284.91 |

Therefore, the allocation of the maintenance budget is as follows:

| | |
|------------------------------------|--------------|
| General Benefit – Public At Large | \$4,342.37 |
| General Benefit – Inside Parcels | \$190.76 |
| General Benefit – Adjacent Parcels | \$4,284.91 |
| Special Benefit | \$152,010.39 |
| Total | \$160,828.43 |

Safety

The safety budget, minus the amount of general benefit to the public-at-large, is \$125,952.20. The calculations below determine the amount of general benefit to non-assessed parcels within the DTOPBID.

| Parcel Type | Square Footage | Benefit Factor | Benefit Units | Benefit Percent | Remaining Budget | |
|--------------|----------------|----------------|---------------|-----------------|------------------|----------------|
| Assessed | 1,688,052 | X 1.000 | =1,688,052.00 | 99.878% | X \$125,952.20 | = \$125,798.67 |
| Non-Assessed | 16,482 | X 0.125 | =2,060.25 | 0.122% | X \$125,952.20 | = \$153.54 |

The safety budget, minus the amount of general benefit to the public and non-assessed parcels within the DTOPBID, is \$125,798.67. The calculations below determine the amount of general benefit to parcels adjacent to the DTOPBID.

| Parcel Type | Linear Frontage | Benefit Factor | Benefit Units | Benefit Percent | Remaining Budget | |
|-------------|-----------------|----------------|---------------|-----------------|------------------|----------------|
| Inside | 31,294 | X 1.000 | =31,294.00 | 97.258% | X \$125,798.67 | = \$122,349.83 |
| Adjacent | 7,057 | X 0.125 | =882.13 | 2.742% | X \$125,798.67 | = \$3,448.83 |

Therefore, the allocation of the safety budget is as follows:

| | |
|-----------------------------------|------------|
| General Benefit – Public At Large | \$3,495.08 |
| General Benefit – Inside Parcels | \$153.54 |

| | |
|------------------------------------|--------------|
| General Benefit – Adjacent Parcels | \$3,448.83 |
| Special Benefit | \$122,349.83 |
| Total | \$129,447.28 |

Economic Development / Capital Improvements

The economic development / capital improvements budget, minus the amount of general benefit to the public-at-large, is \$49,901.76. The calculations below determine the amount of general benefit to non-assessed parcels within the DTOPBID.

| Parcel Type | Square Footage | Benefit Factor | Benefit Units | Benefit Percent | Remaining Budget | |
|--------------|----------------|----------------|---------------|-----------------|------------------|---------------|
| Assessed | 1,688,052 | X 1.000 | =1,688,052.00 | 99.854% | X \$49,901.76 | = \$49,828.78 |
| Non-Assessed | 16,482 | X 0.150 | =2,472.30 | 0.146% | X \$49,901.76 | = \$72.98 |

The economic development / capital improvements budget, minus the amount of general benefit to the public and non-assessed parcels within the DTOPBID, is \$49,828.78. The calculations below determine the amount of general benefit to parcels adjacent to the DTOPBID.

| Parcel Type | Linear Frontage | Benefit Factor | Benefit Units | Benefit Percent | Remaining Budget | |
|-------------|-----------------|----------------|---------------|-----------------|------------------|---------------|
| Inside | 31,294 | X 1.000 | =31,294.00 | 96.728% | X \$49,828.78 | = \$48,198.42 |
| Adjacent | 7,057 | X 0.150 | =1,058.55 | 3.272% | X \$49,828.78 | = \$1,630.36 |

Therefore, the allocation of the economic development / capital improvements budget is as follows:

| | |
|------------------------------------|-------------|
| General Benefit – Public At Large | \$1,384.73 |
| General Benefit – Inside Parcels | \$72.98 |
| General Benefit – Adjacent Parcels | \$1,630.36 |
| Special Benefit | \$48,198.42 |
| Total | \$51,286.49 |

Administration & Advocacy; Contingency / Reserve

The administration and advocacy and contingency / reserve budget line items relate to the improvements, maintenance, and activities provided. These costs have been allocated proportionally based on the special and general benefit provided by each category.

| | Special Benefit to Parcels | General Benefit to Parcels |
|---|----------------------------|----------------------------|
| Maintenance | \$152,010.39 | \$4,475.67 |
| Safety | \$122,349.83 | \$3,602.37 |
| Economic Development / Capital Improvements | \$48,198.42 | \$1,703.34 |
| Improvement, Maintenance, and Activity Totals | \$322,558.64 | \$9,781.38 |

| | | |
|--|---------------------|--------------------|
| Percent | 97.057% | 2.943% |
| Administration & Advocacy; Contingency / Reserve | \$48,198.42 | \$1,461.59 |
| Total Parcel Benefits | \$370,757.06 | \$11,242.97 |

iv. Total Benefits

Based on the foregoing calculations, the total benefits to assessed parcels, non-assessed parcels, and the general public are:

| | Special | Parcel General | Public | Total |
|--|---------------------|--------------------|--------------------|---------------------|
| Maintenance | \$152,010.39 | \$4,475.67 | \$4,342.37 | \$160,828.43 |
| Safety | \$122,349.83 | \$3,602.37 | \$3,495.08 | \$129,447.28 |
| Economic Development / Capital Improvements | \$48,198.42 | \$1,703.34 | \$1,384.73 | \$51,286.49 |
| Administration & Advocacy; Contingency / Reserve | \$48,198.42 | \$1,461.59 | \$1,378.03 | \$51,038.04 |
| Total | \$370,757.06 | \$11,242.97 | \$10,600.21 | \$392,600.24 |

c. Non-Assessment Funding

The programs funded by the DTOPBID receive additional non-assessment funding in the form of grants, corporate sponsorships, event income, and other miscellaneous funds. These funding sources are anticipated to equal or exceed the amount of general benefit conferred annually by the DTOPBID’s improvements, maintenance, and activities, \$21,843.18. These non-assessment funds will be used to pay for the general benefit provided by the DTOPBID’s improvements, maintenance, and activities, ensuring that parcel assessments will only be used to provide special benefits.

2. Special Benefit

The improvements, maintenance, and activities to be provided by the DTOPBID constitute and convey special benefits directly to the assessed parcels. Assessment law requires that “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.”¹⁶ Further, “no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”¹⁷ Special benefit “includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed.”¹⁸

To determine the total special benefit value to be conveyed to the assessed parcels, we deduct the general benefit value (\$21,843.18) from the total value of the improvements, maintenance, and activities (\$392,600.24). The remaining \$370,757.06 is considered the special benefit to assessed parcels (the “Total Assessment”). The Total Assessment represents the total value of the special benefit to be provided by the improvements, maintenance, and activities. The Total Assessment has been proportionally divided among the assessed parcels so that no assessment exceeds the reasonable cost of the proportional special benefit conferred on a parcel. The assessment rate has been designed to

¹⁶ Cal. Const., art XIII D §4(a)

¹⁷ Ibid

¹⁸ Streets and Highways Code section 36615.5

ensure that “properties that receive the same proportionate special benefit pay the same assessment.”¹⁹

| Service Provided | Total Benefit Value | General Benefit Value to Public | Benefit Value to Parcels (Special & General) | Special Benefit to Assessed Parcels |
|---|----------------------------|--|---|--|
| Maintenance | \$160,828.43 | \$4,342.37 | \$156,486.06 | \$152,010.39 |
| Safety | \$129,447.28 | \$3,495.08 | \$125,952.20 | \$122,349.83 |
| Economic Development / Capital Improvements | \$51,286.49 | \$1,384.73 | \$49,901.76 | \$48,198.42 |
| Administration & Advocacy | \$43,186.03 | \$1,166.02 | \$42,020.01 | \$40,783.28 |
| Contingency/Reserve | \$7,852.01 | \$212.01 | \$7,640.00 | \$7,415.14 |
| TOTAL | \$392,600.23 | \$10,600.21 | \$382,000.03 | \$370,757.06 |

B. Assessment Methodology

1. Base Formula

Each parcel will be assessed based on proportional special benefits received. The variables used for the annual assessment formula are parcel type and parcel size. These variables are appropriate measures of the proportional special benefit because the need for services, level of services, and quantity of services are all relative to these variables; thus the special benefit provided to each parcel by the services can be proportionally measured using these variables.

Determination of Assessment Rates

“Because not all parcels in the district are identical in size...some will receive more special benefit than others.”²⁰ Each of the variables used relates directly to the service level and special benefit provided to each parcel. Parcel square footage is the size of the parcel, measured in square feet. Size is an appropriate measure of proportional special benefit because it relates directly to the quantity of services provided to the parcel, the highest and best use of a parcel, and reflects the long-term value implications of the DTOPBID. The larger a parcel, the more services and benefit the parcel will receive.

Because not all parcels in the DTOPBID are identical in use, some will receive more special benefit than others. For example, a public parcel will benefit to a lesser degree than a commercial parcel, because it will not enjoy the benefits of increased commerce resulting from the services. Further detail on the benefit to each parcel type is in the following pages. To determine the assessment rates, the assessed parcels were classified by the estimated benefit each type of parcel receives, the estimated special benefit value of the improvements, maintenance, and activities provided to each type was determined based on approximate cost of service provision, and an assessment rate that is proportional to the estimated proportional benefit received by each parcel type was determined.

To determine the assessment rates, the estimated special benefit value for each parcel type was divided by the total assessable parcel square footage and parcel type as shown in the tables below.

Parcel Type

Parcel types were categorized based on the typical amount of foot and vehicle traffic on the various

¹⁹ *Tiburón v. Bonander* (2009) 180 Cal.App.4th 1057

²⁰ *Dahms v. Downtown Pomona* (2009) 174 Cal.App.4th 708

commercial, public, and religious/condo parcels. Parcels with heavy traffic, such as commercial parcels, will receive the highest level of services. Parcels with lower traffic, such as public parcels, will receive a lower level of services. Parcels with the lowest level of traffic, such as religious/condo parcels, will receive the lowest level of services. The approximate cost of services by parcel type was determined. Then, the cost of services by type was divided by the square footage of those parcels to determine the assessment rates.

Parcel Size

The DTOPBID’s services will benefit each assessed parcel as a whole. Condominium assessments are calculated based on the condominium’s unit square footage. The service budget which, in this Engineer’s estimation, represents special benefits to the parcels, has been allocated based on parcel size.

| Parcel Type | Initial Parcel Size Budget | Parcel Square Footage | Initial Parcel Assessment Rate (\$/sqft/yr) |
|--------------------|-----------------------------------|------------------------------|--|
| Commercial | \$264,152.00 ÷ | 1,056,608 = | \$0.2500 |
| Public | \$83,023.69 ÷ | 442,793 = | \$0.1875 |
| Religious/Condo | \$23,581.38 ÷ | 188,651 = | \$0.1250 |

Summary of Assessment Rates

Therefore, for the initial year, the maximum annual assessment rates to parcels are as shown below and in Appendix 1. Maximum annual assessment rates may be subject to an increase of no more than three percent (3%) per year as shown in Appendix 1.

| Initial Parcel Assessment Rates | |
|--|------------------------------|
| Parcel Type | Parcel Size (sq. ft.) |
| Commercial | \$0.2500 |
| Public | \$0.1875 |
| Religious/Condo | \$0.1250 |

Sample assessment calculations are shown in Appendix 3.

2. Commercial Parcels

Commercial parcels will receive and benefit from all DTOPBID services, and will therefore be assessed the full rate. These parcels have a commercial component because their owners aim to benefit from tenant rents, increased customers, or increased use by visitors. The primary purpose of the District is to provide property owner services which generate special benefits to parcels with commercial uses.

3. Publicly-Owned Parcels

Under “The Right to Vote on Taxes Act” (also known as Proposition 218) all public parcels are required to pay assessments unless they can demonstrate by clear and convincing evidence that their parcels do not receive a special benefit. Publicly owned parcels will receive and specially benefit from all of the District’s services. However, because they do not have a commercial component, they will be assessed at a reduced rate commensurate with the special benefit they receive.

4. Religious/Condo Parcels

Because of their non-commercial, non-public nature, parcels owned and utilized by religious organizations do not receive the same degree of special benefit as commercial and public parcels. In addition, because of the unique characteristics of high-density residential use condominium parcels, they do not receive the same degree of special benefits as commercial and public parcels. Therefore, parcels with individually owned residential uses of four units or more, including residential condominiums, shall benefit from the District's services and will therefore be assessed. These parcels will, however, receive some special benefit from the services to be provided, as maintenance and safety programs will be provided directly to them. Religious/condo parcels will be assessed at a rate commensurate with the special benefit they receive.

5. Non-Assessed Parcels

There are two (2) parcels within the DTOPBID that will not be assessed. These parcels are not commercial, public, or religious/condo parcels and will not specially benefit from or directly receive the DTOPBID's improvements, maintenance, and activities. These parcels are accounted for in the analysis of general benefit provided to non-assessed parcels within the DTOPBID. These parcels have the following uses:

- Residential Parcels: There is one (1) residential parcels within the DTOPBID boundary that will not be assessed. The state legislature has determined that "properties zoned solely for residential use...are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessment."²¹ The services and improvements to be provided are designed to specially benefit commercial, public, and religious/condo parcels by attracting and increasing customers and visitors to assessed parcels and by improving the maintenance and safety of the assessed parcels. None of these benefits apply to residential parcels, which will not be serviced or benefit from the DTOPBID's improvements, maintenance, and activities. Residential parcels are those parcels with four family units or less.
- Road Parcel: There is one (1) parcelized road within the DTOPBID boundary that will not be assessed. The vast majority of public roads are not parcelized; this parcel is an oddity. Because the vast majority of public roads are not parcelized and cannot be assessed, and will not receive or benefit from DTOPBID programs, this road parcel is also not assessed. Private roads and driveways which are used to access parcels are not considered public roads, they will receive benefits from improvements and services, and will be assessed.

6. Changes in Data

It is the intent of this Plan and Engineer's Report that each parcel included in the DTOPBID can be clearly identified. Every effort has been made to ensure that all parcels included in the DTOPBID are consistent in the boundary map and the assessment calculation table. However, if inconsistencies arise, the order of precedence shall be: 1) the assessment calculation table and 2) the boundary map.

If the parcel size or type of a parcel changes during the term of this DTOPBID, the assessment calculation may be modified accordingly.

²¹ Streets and Highways Code section 36632(c)

C. Assessment Notice

During the hearing process, an Assessment Ballot will be sent to owners of each parcel in the DTOPBID. The Assessment Ballot provides an estimated assessment. The final individual assessment for any particular parcel may change, up or down, if the parcel square footage or parcel type differ from those used to calculate the amount shown on the notice, which can be found in Appendix 3.

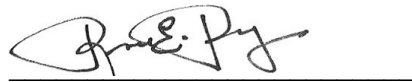
D. Time and Manner for Collecting Assessments

As provided by State Law, the DTOPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of San Diego. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of San Diego shall distribute funds collected to MSO. Existing laws for enforcement and appeal of property taxes, including penalties and interest, apply to the DTOPBID assessments.

E. Engineer's Certification

I hereby certify, to the best of my knowledge and experience, that each of the identified assessed parcels located within the Downtown Oceanside Property and Business Improvement District will receive a special benefit over and above the general benefits conferred and that the amount of the assessment is no greater than the proportional special benefits conferred on each parcel, as described in this Engineer's Report.

Review of this Downtown Oceanside Property and Business Improvement District Management District Plan and preparation of the Engineer's Report was completed by:



Ross Peabody
State of California

August 5, 2019
Date



This Engineer's Report is intended to be distributed as part of the Management District Plan in its entirety, including the Assessment Calculation Table (Appendix 3) and the Boundary Map. Reproduction and distribution of only Section VII of this Management District Plan violates the intent of this stamp and signature.

APPENDIX 1 – MAXIMUM ANNUAL ASSESSMENT RATES

The table below illustrates the maximum annual assessment rate with the assumption that the rates will be increased annually by three percent (3%) with approval of the PGC. The maximum rates listed are a required disclosure and not the anticipated course of action.

| Maximum Parcel Assessment Rates | | | |
|--|------------|----------|-----------------|
| Year | Commercial | Public | Religious/Condo |
| 2020 | \$0.2500 | \$0.1875 | \$0.1250 |
| 2021 | \$0.2575 | \$0.1931 | \$0.1288 |
| 2022 | \$0.2652 | \$0.1989 | \$0.1326 |
| 2023 | \$0.2732 | \$0.2049 | \$0.1366 |
| 2024 | \$0.2814 | \$0.2110 | \$0.1407 |

APPENDIX 2 – PBID LAW

*** THIS DOCUMENT IS CURRENT THROUGH THE 2019 SUPPLEMENT ***
(ALL 2018 LEGISLATION)

STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

CHAPTER 1. General Provisions

ARTICLE 1. Declarations

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations; Legislative guidance

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
 - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
 - (2) Job creation.
 - (3) Business attraction.
 - (4) Business retention.
 - (5) Economic growth.
 - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
 - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

ARTICLE 2. Definitions

36606. “Activities”

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

36606.5. “Assessment”

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. “Business”

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be

an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. "Property"

"Property" means real property situated within a district.

36614.5. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

36614.6. "Property-based assessment"

"Property-based assessment" means any assessment made pursuant to this part upon real property.

36614.7. "Property-based district"

"Property-based district" means any district in which a city levies a property-based assessment.

36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. "Special benefit"

"Special benefit" means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

ARTICLE 3. Prior Law

36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

CHAPTER 2. Establishment

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
 - (1) A map showing the boundaries of the district.
 - (2) Information specifying where the complete management district plan can be obtained.
 - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
 - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
 - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property

assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively 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 activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.
- (c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

- (a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:
- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.
 - (2) The number, date of adoption, and title of the resolution of intention.
 - (3) The time and place where the public hearing was held concerning the establishment of the district.
 - (4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

CHAPTER 3. Assessments

36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

- (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.
- (b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.
- (c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Reflection of modification in notices recorded and maps

- (a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:
 - (1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.
 - (2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

CHAPTER 3.5. Financing

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. Governance

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
- (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements, maintenance, and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

CHAPTER 5. Renewal

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

CHAPTER 6. Disestablishment

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 3 – PARCEL ASSESSMENT CALCULATIONS

| MAP KEY | APN | OWNER NAME | PARCEL SIZE | ASSESSMENT | PARCEL TYPE |
|---------|------------|--|-------------|-------------|-------------|
| 3 | 1470741400 | CITY OF OCEANSIDE | 41998 | \$7,874.63 | Public |
| 4 | 1470741500 | CITY OF OCEANSIDE | 42084 | \$7,890.75 | Public |
| 5 | 1470750800 | WYNDHAM VACATION RESORTS INC | 60048 | \$15,012.00 | Commercial |
| 6 | 1470761300 | OCEANSIDE BEACH RESORT OWNER, LLC | 60052 | \$15,013.00 | Commercial |
| 14 | 1470860100 | CHEADLE GEORGE D TR | 15566 | \$3,891.50 | Commercial |
| 15 | 1470860200 | J C T PROPERTIES LLC | 10052 | \$2,513.00 | Commercial |
| 16 | 1470860300 | J C T PROPERTIES LLC | 5216 | \$1,304.00 | Commercial |
| 17 | 1470860400 | ALDRICH INVESTMENTS LLC | 2843 | \$710.75 | Commercial |
| 18 | 1470860500 | ALDRICH INVESTMENTS LLC | 3287 | \$821.75 | Commercial |
| 19 | 1470860600 | CONSTANTINO DIANA L REVOCABLE TRUST 06-07-12 | 3944 | \$986.00 | Commercial |
| 20 | 1470860700 | TERRY FAMILY TRUST 01-13-87 HATTER LARRY W TR & HATTER CATHLEEN E TR | 4808 | \$1,202.00 | Commercial |
| 21 | 1470860800 | CITY OF OCEANSIDE | 14847 | \$2,783.81 | Public |
| 22 | 1470870400 | KOLB CANDIS FAMILY TRUST 02-26-04 | 5091 | \$1,272.75 | Commercial |
| 23 | 1470870500 | SARKISIAN RONALD E&PAMELA J LIVING TRUST 02-05-92 | 2579 | \$644.75 | Commercial |
| 24 | 1470870600 | MUELLER DAVID E | 2619 | \$654.75 | Commercial |
| 25 | 1470870800 | SARKISIAN RONALD E&PAMELA J LIVING TRUST | 5150 | \$1,287.50 | Commercial |
| 26 | 1470870900 | OMEARA JAMES R&JOANN B | 2229 | \$557.25 | Commercial |
| 27 | 1470871200 | CITY OF OCEANSIDE | 14426 | \$2,704.88 | Public |
| 28 | 1470871300 | MISLEH BROTHERS L L C | 4748 | \$1,187.00 | Commercial |
| 29 | 1470871400 | CITY OF OCEANSIDE | 5291 | \$992.06 | Public |
| 30 | 1470871500 | MISSION TREMONT PROPERTIES L L C | 7089 | \$1,772.25 | Commercial |
| 31 | 1470871600 | B R OCEANSIDE LLC | 5051 | \$1,262.75 | Commercial |
| 32 | 1470880200 | CITY OF OCEANSIDE | 6011 | \$1,127.06 | Public |
| 33 | 1470880300 | LEE FAMILY TRUST 05-03-06 | 5010 | \$1,252.50 | Commercial |
| 34 | 1470880500 | BURNS JACKIE A REVOCABLE TRUST 08-04-94 | 5027 | \$0.00 | Residential |
| 35 | 1470880600 | M&M PROPERTY MANAGEMENT CO L L C | 4968 | \$1,242.00 | Commercial |
| 36 | 1470880700 | SAN DIEGO GAS&ELECTRIC CO | 10010 | \$2,502.50 | Commercial |
| 37 | 1470881000 | PARCHAN WARREN D&BARBARA A FAMILY TRUST 03-20-90 | 6799 | \$1,699.75 | Commercial |
| 38 | 1470881100 | SAN DIEGO GAS&ELECTRIC CO | 7201 | \$1,800.25 | Commercial |

| MAP KEY | APN | OWNER NAME | PARCEL SIZE | ASSESSMENT | PARCEL TYPE |
|---------|------------|---|-------------|-------------|-------------|
| 39 | 1470881200 | LEE FAMILY TRUST 05-03-06 | 5004 | \$1,251.00 | Commercial |
| 40 | 1470881500 | CLEVELAND STREET BEACH LOFTS LLC | 9517 | \$2,379.25 | Commercial |
| 41 | 1470890100 | ARO PARTNERS | 15020 | \$3,755.00 | Commercial |
| 42 | 1470890200 | NGUYEN MANH VAN&TRAN HAY NGUYEN REVOCABLE LIVING TRUST 02-19-10 | 5013 | \$1,253.25 | Commercial |
| 43 | 1470890300 | MIKES LIQUOR PROPERTY L L C | 5006 | \$1,251.50 | Commercial |
| 44 | 1470890400 | OMEARA JAMES R&JOANN B | 2496 | \$624.00 | Commercial |
| 45 | 1470890500 | MADSEN ARTHUR TRUST B 12-21-82 HOME FED TRUST TR | 2491 | \$622.75 | Commercial |
| 46 | 1470890600 | KRISTIN K INVESTMENT LLC | 10008 | \$2,502.00 | Commercial |
| 47 | 1470890700 | KRISTIN K INVESTMENT LLC | 5004 | \$1,251.00 | Commercial |
| 48 | 1470890800 | KRISTIN K INVESTMENT LLC | 2502 | \$625.50 | Commercial |
| 49 | 1470890900 | KRISTIN K INVESTMENT LLC | 9832 | \$2,458.00 | Commercial |
| 50 | 1470891000 | LEYERLY MARGARET A TR | 637 | \$159.25 | Commercial |
| 51 | 1470891100 | LEYERLY MARGARET A TR | 2041 | \$510.25 | Commercial |
| 58 | 1470950400 | CITY OF OCEANSIDE | 101195 | \$18,974.06 | Public |
| 59 | 1470960300 | CONTIS DENIS 1998 FAMILY TRUST | 7628 | \$1,907.00 | Commercial |
| 60 | 1470960400 | TPS EAGLES NEST LP | 7499 | \$1,874.75 | Commercial |
| 61 | 1470960500 | KLEEGER BRUCE&BRENDA F | 14863 | \$3,715.75 | Commercial |
| 62 | 1470960900 | ROMAN CATHOLIC BISHOP OF SAN DIEGO | 14736 | \$1,842.00 | Religious |
| 63 | 1470961000 | ROMAN CATHOLIC BISHOP OF SAN DIEGO | 14729 | \$1,841.13 | Religious |
| 64 | 1470970300 | ROMAN CATHOLIC BISHOP OF SAN DIEGO | 10799 | \$1,349.88 | Religious |
| 65 | 1470970400 | HYMAN SAMUEL S&PHIMPHONE S | 1287 | \$321.75 | Commercial |
| 66 | 1470970500 | OSUNA JAIME&ROSA FAMILY TRUST 09-21-09 | 3622 | \$905.50 | Commercial |
| 67 | 1470970600 | PIER VIEW LLC | 4854 | \$1,213.50 | Commercial |
| 68 | 1470970700 | PIER VIEW LLC | 9970 | \$2,492.50 | Commercial |
| 69 | 1470970800 | PIER VIEW LLC | 9697 | \$2,424.25 | Commercial |
| 70 | 1470970900 | ROMAN CATHOLIC BISHOP OF S D | 20198 | \$2,524.75 | Religious |
| 71 | 1470980800 | CITY OF OCEANSIDE | 52330 | \$9,811.88 | Public |
| 89 | 1471090100 | CITY OF OCEANSIDE | 68382 | \$12,821.63 | Public |
| 90 | 1471611700 | CITY OF OCEANSIDE | 28916 | \$5,421.75 | Public |
| 91 | 1471611800 | PELICAN L 23 OCEANSIDE LLC | 39604 | \$9,901.00 | Commercial |
| 99 | 1471930100 | LAND OF THE LOST COAST LLC | 6823 | \$1,705.75 | Commercial |
| 100 | 1471930200 | LAND OF THE LOST COAST LLC | 7619 | \$1,904.75 | Commercial |
| 101 | 1471930300 | ROUGH SURF INC | 6033 | \$1,508.25 | Commercial |

| MAP KEY | APN | OWNER NAME | PARCEL SIZE | ASSESSMENT | PARCEL TYPE |
|---------|------------|---|-------------|-------------|-------------|
| 102 | 1471930400 | ZNORSKI VICTORIA FAMILY 2009 TRUST 01-26-09 | 4730 | \$1,182.50 | Commercial |
| 103 | 1471930500 | H B P PROPERTIES LLC | 7224 | \$1,806.00 | Commercial |
| 104 | 1471930600 | HUCKABAY EVAN M | 2524 | \$631.00 | Commercial |
| 105 | 1471930700 | 1216 AVENIDA CHELSEA L L C | 10725 | \$2,681.25 | Commercial |
| 106 | 1471930800 | BENJAMIN MARK | 6090 | \$1,522.50 | Commercial |
| 107 | 1471930900 | BENJAMIN MARK | 2192 | \$548.00 | Commercial |
| 108 | 1471931000 | BENJAMIN MARK | 7198 | \$1,799.50 | Commercial |
| 109 | 1471940100 | EFTEKHARI FAMILY TRUST 11-02-02 | 4276 | \$1,069.00 | Commercial |
| 110 | 1471940200 | BANCHE NICHOLAS C TR&BANCHE JEAN A TR | 1425 | \$356.25 | Commercial |
| 111 | 1471940400 | GODDARD BRIAN FAMILY TRUST 07-16-97 | 2701 | \$675.25 | Commercial |
| 112 | 1471940500 | SMITH RANDY&HOPE FAMILY TRUST 07-11-97 | 7353 | \$1,838.25 | Commercial |
| 113 | 1471941500 | BANK OF AMERICA NATIONAL TRUST&SAVINGS ASSN | 51292 | \$12,823.00 | Commercial |
| 120 | 1472611300 | OCEANSIDE BEACH RESORT OWNER, LLC | 60054 | \$15,013.50 | Commercial |
| 121 | 1472632400 | CITY OF OCEANSIDE | 54795 | \$10,274.06 | Public |
| 122 | 1472711400 | OCEAN PLACE RETAIL VII LLC | 118298 | \$29,574.50 | Commercial |
| 123a | 1472711501 | HARNEY INVESTMENTS GROUP L L C | 1496 | \$374.00 | Commercial |
| 123b | 1472711502 | HARNEY INVESTMENTS GROUP L L C | 4146 | \$1,036.50 | Commercial |
| 123c | 1472711503 | LEGACY INITIATIVE LLC | 977 | \$244.25 | Commercial |
| 123d | 1472711504 | VAUGHN LORENIA L | 1022 | \$255.50 | Commercial |
| 123e | 1472711505 | TAMULINAS WALTER G&JEANNE A | 960 | \$240.00 | Commercial |
| 123f | 1472711506 | 301 MISSION PROPERTY L L C | 1075 | \$268.75 | Commercial |
| 123g | 1472711507 | 301 MISSION PROPERTY L L C | 692 | \$173.00 | Commercial |
| 123h | 1472711508 | 201 OCEANSIDE TERRACES L L C | 1637 | \$409.25 | Commercial |
| 123i | 1472711509 | IEC PROPERTIES OCEANSIDE L L C | 1389 | \$347.25 | Commercial |
| 123j | 1472711510 | R&R OCEANSIDE PROPERTIES L L C | 1728 | \$432.00 | Commercial |
| 123k | 1472711511 | R&R OCEANSIDE PROPERTIES L L C | 1169 | \$292.25 | Commercial |
| 123l | 1472711512 | PALMER RODAK PROPERTIES L L C | 975 | \$243.75 | Commercial |
| 123m | 1472711513 | PALMER RODAK PROPERTIES L L C | 952 | \$238.00 | Commercial |
| 123n | 1472711514 | M D & S MISSION DEFENSE AND SECURITY INC | 1423 | \$355.75 | Commercial |
| 123o | 1472711515 | RONATEC C2C INC | 784 | \$196.00 | Commercial |
| 123p | 1472711516 | O T H Q L L C | 1955 | \$488.75 | Commercial |
| 123q | 1472711517 | P R SAN DIEGO PROPERTIES L L C | 1361 | \$340.25 | Commercial |
| 123r | 1472711518 | COMPESTATE LLC | 1639 | \$409.75 | Commercial |
| 123s | 1472711519 | COMPESTATE LLC | 1746 | \$436.50 | Commercial |

| MAP KEY | APN | OWNER NAME | PARCEL SIZE | ASSESSMENT | PARCEL TYPE |
|---------|------------|---|-------------|------------|-------------|
| 123t | 1472711520 | R&R OCEANSIDE PROPERTIES L L C | 499 | \$124.75 | Commercial |
| 123u | 1472711521 | MOZES GEORGE&MIRIAM TRUST | 1737 | \$217.13 | Condo |
| 123v | 1472711522 | SIPES LUCY A LIVING TRUST 12-05-17 | 1978 | \$247.25 | Condo |
| 123w | 1472711523 | RUGG FAMILY TRUST 11-03-10 | 2010 | \$251.25 | Condo |
| 123x | 1472711524 | PAPPAS FAMILY TRUST 12-11-92 | 2000 | \$250.00 | Condo |
| 123y | 1472711525 | PINCUS JOSEPH D&KAREN M | 1909 | \$238.63 | Condo |
| 123z | 1472711526 | DUNN KATHLEEN L REVOCABLE LIVING TRUST 03-23-92 | 2013 | \$251.63 | Condo |
| 123aa | 1472711527 | BACHMEIER LIVING TRUST 11-18-14 | 1936 | \$242.00 | Condo |
| 123bb | 1472711528 | SMOLEN FAMILY TRUST 09-26-00 | 1765 | \$220.63 | Condo |
| 123cc | 1472711529 | WHITMAN LIVING TRUST 09-19-13 | 1947 | \$243.38 | Condo |
| 123dd | 1472711530 | CARTE MARTINIQUE R SOLE&SEPARATE PROPERTY TRUST 04-26-11 | 2191 | \$273.88 | Condo |
| 123ee | 1472711531 | MONTGOMERY TIMOTHY P&TERESA K | 1737 | \$217.13 | Condo |
| 123ff | 1472711532 | CHEN KAISHENG | 1986 | \$248.25 | Condo |
| 123gg | 1472711533 | HOLMES ELIZABETH D | 2018 | \$252.25 | Condo |
| 123hh | 1472711534 | SHARMA NABIN & LOHANI-SHARMA BIDYA | 2000 | \$250.00 | Condo |
| 123ii | 1472711535 | ANDRADE STANLEY J&KAREN D | 1909 | \$238.63 | Condo |
| 123jj | 1472711536 | WEBER ELIZABETH D | 2013 | \$251.63 | Condo |
| 123kk | 1472711537 | LIMSON NICANOR&MARIA T FAMILY REVOCABLE LIVING TRUST 05-30-07 | 1936 | \$242.00 | Condo |
| 123ll | 1472711538 | IMPERIAL MICHAEL | 1765 | \$220.63 | Condo |
| 123mm | 1472711539 | AHMED JAVEED&LETICIA V REVOCABLE TRUST | 1947 | \$243.38 | Condo |
| 123nn | 1472711540 | YIDONNOY MANUEL A&SHERRILL T | 2191 | \$273.88 | Condo |
| 123oo | 1472711541 | PORTO LINDA REVOCABLE LIVING TRUST 03-01-16 | 1737 | \$217.13 | Condo |
| 123pp | 1472711542 | SNOW FAMILY TRUST 12-05-17 | 1986 | \$248.25 | Condo |
| 123qq | 1472711543 | BATALI GENE J&BRENDA B REVOCABLE LIVING TRUST 08-28-00 | 2010 | \$251.25 | Condo |
| 123rr | 1472711544 | CLUER WALTER S SR&TERESA E REVOCABLE TRUST 06-14-10 | 2000 | \$250.00 | Condo |
| 123ss | 1472711545 | DUNCAN JOHN M | 1909 | \$238.63 | Condo |
| 123tt | 1472711546 | WILGUS JEFFREY K&IRINA V | 2013 | \$251.63 | Condo |
| 123uu | 1472711547 | STEINHOLT FAMILY 2010 TRUST 03-25-10 | 1936 | \$242.00 | Condo |
| 123vv | 1472711548 | GOLE MARK FAMILY TRUST | 1765 | \$220.63 | Condo |
| 123ww | 1472711549 | KESHAVAN FAMILY TRUST 01-30-98 | 1947 | \$243.38 | Condo |

| MAP KEY | APN | OWNER NAME | PARCEL SIZE | ASSESSMENT | PARCEL TYPE |
|---------|------------|--|-------------|------------|-------------|
| 123xx | 1472711550 | PACHECO FAMILY TRUST 04-09-08 | 2191 | \$273.88 | Condo |
| 123yy | 1472711551 | STRUVE RALPH A&AMY C | 1737 | \$217.13 | Condo |
| 123zz | 1472711552 | DEREK PAUL M&NOELLE M | 2191 | \$273.88 | Condo |
| 123aaa | 1472711553 | RUGG NOVEMBER 3 2010 FAMILY TRUST 11-03-10 | 1976 | \$247.00 | Condo |
| 123bbb | 1472711554 | ZHANG CHUNSHU | 1825 | \$228.13 | Condo |
| 123ccc | 1472711555 | SCHMIDTMAN SCOTT L&CAROLYN M | 1849 | \$231.13 | Condo |
| 123ddd | 1472711556 | VISCO FRANK A&SHARON S | 2471 | \$308.88 | Condo |
| 123eee | 1472711557 | DAVIS R & A REVOCABLE TRUST 01-20-05 | 2467 | \$308.38 | Condo |
| 123fff | 1472711558 | WIRIN WILLIAM B&MARY L | 2563 | \$320.38 | Condo |
| 145 | 1472810100 | HATTER FAMILY TRUST 12-04-86 | 4498 | \$1,124.50 | Commercial |
| 146 | 1472810300 | HOANG PHONG&NGUYEN NHUNG | 3723 | \$930.75 | Commercial |
| 147 | 1472810400 | LISIECKI L L C | 3682 | \$920.50 | Commercial |
| 148 | 1472810500 | KATCHMAR JOHN M TRUST 04-04-97 | 3090 | \$772.50 | Commercial |
| 149 | 1472810600 | 605 MISSION LLC | 7344 | \$1,836.00 | Commercial |
| 150 | 1472811000 | SCHWARZ CATHERINE M TRUST 06-02-15 | 15587 | \$1,948.38 | Religious |
| 151 | 1472811100 | CITY OF OCEANSIDE | 12518 | \$2,347.13 | Public |
| 152 | 1472811200 | ABRAMSON JEFF&LINDA | 2366 | \$591.50 | Commercial |
| 153 | 1472811300 | CHEADLE GEORGE D TR | 7540 | \$1,885.00 | Commercial |
| 157 | 1472840100 | LEE HEUNG KEY&CHONG IN | 6523 | \$1,630.75 | Commercial |
| 158 | 1472840200 | BARNETT LYNDA L TRUST | 3892 | \$973.00 | Commercial |
| 159 | 1472840400 | BARNETT LYNDA L TRUST | 1442 | \$360.50 | Commercial |
| 160a | 1472840501 | KEELEY RICHARD&LISA H | 1112 | \$139.00 | Condo |
| 160b | 1472840502 | AMIDI OCEAN LOFTS L L C | 805 | \$100.63 | Condo |
| 160c | 1472840503 | DANIEL FAMILY 1981 TRUST 06-03-81 | 823 | \$102.88 | Condo |
| 160d | 1472840504 | AMIDI OCEAN LOFTS L L C | 774 | \$96.75 | Condo |
| 160e | 1472840505 | DAWKINS REVOCABLE LIVING TRUST 09-27-05 | 758 | \$94.75 | Condo |
| 160f | 1472840506 | AMIDI OCEAN LOFTS L L C | 771 | \$96.38 | Condo |
| 160g | 1472840507 | AMIDI OCEAN LOFTS L L C | 753 | \$94.13 | Condo |
| 160h | 1472840508 | WILKINS DONNA M | 1036 | \$129.50 | Condo |
| 160i | 1472840509 | AMIDI OCEAN LOFTS L L C | 979 | \$122.38 | Condo |
| 160j | 1472840510 | AMIDI OCEAN LOFTS L L C | 901 | \$112.63 | Condo |
| 160k | 1472840511 | AMIDI OCEAN LOFTS L L C | 852 | \$106.50 | Condo |
| 160l | 1472840512 | AMIDI OCEAN LOFTS L L C | 1197 | \$149.63 | Condo |
| 160m | 1472840513 | AMIDI OCEAN LOFTS L L C | 1069 | \$133.63 | Condo |

| MAP KEY | APN | OWNER NAME | PARCEL SIZE | ASSESSMENT | PARCEL TYPE |
|--------------|------------|--|------------------|---------------------|-------------|
| 160n | 1472840514 | AMIDI OCEAN LOFTS L L C | 806 | \$100.75 | Condo |
| 160o | 1472840515 | AMIDI OCEAN LOFTS L L C | 815 | \$101.88 | Condo |
| 160p | 1472840516 | DAWKINS REVOCABLE LIVING TRUST 09-27-05 | 794 | \$99.25 | Condo |
| 160q | 1472840517 | AMIDI OCEAN LOFTS L L C | 1080 | \$135.00 | Condo |
| 160r | 1472840518 | HAFNER KEVIN&MARGRET | 790 | \$98.75 | Condo |
| 160s | 1472840519 | AMIDI OCEAN LOFTS L L C | 841 | \$105.13 | Condo |
| 160t | 1472840520 | AMIDI OCEAN LOFTS L L C | 1135 | \$141.88 | Condo |
| 160u | 1472840521 | AMIDI OCEAN LOFTS L L C | 1441 | \$180.13 | Condo |
| 160v | 1472840522 | AMIDI OCEAN LOFTS L L C | 1057 | \$132.13 | Condo |
| 160w | 1472840523 | AMIDI OCEAN LOFTS L L C | 1083 | \$135.38 | Condo |
| 160x | 1472840524 | AMIDI OCEAN LOFTS L L C | 1000 | \$125.00 | Condo |
| 160y | 1472840525 | AMIDI OCEAN LOFTS L L C | 1365 | \$170.63 | Condo |
| 160z | 1472840526 | AMIDI OCEAN LOFTS L L C | 1171 | \$146.38 | Condo |
| 160aa | 1472840527 | AMIDI OCEAN LOFTS L L C | 1161 | \$145.13 | Condo |
| 160bb | 1472840528 | PARSONS STEVEN&BRIGID FAMILY TRUST 09-16-14 | 2031 | \$253.88 | Condo |
| 160cc | 1472840529 | AMIDI OCEAN LOFTS L L C | 2290 | \$286.25 | Condo |
| 160dd | 1472840530 | AMIDI OCEAN LOFTS L L C | 2009 | \$251.13 | Condo |
| 160ee | 1472840531 | AMIDI OCEAN LOFTS L L C | 2137 | \$267.13 | Condo |
| 160ff | 1472840532 | AMIDI OCEAN LOFTS L L C | 2205 | \$275.63 | Condo |
| 160gg | 1472840533 | AMIDI OCEAN LOFTS L L C | 234 | \$58.50 | Commercial |
| 160hh | 1472840534 | AMIDI OCEAN LOFTS L L C | 238 | \$59.50 | Commercial |
| 160ii | 1472840535 | AMIDI OCEAN LOFTS L L C | 278 | \$69.50 | Commercial |
| 161 | 1472840600 | H & H OCEANSIDE LLC | 10069 | \$2,517.25 | Commercial |
| 162 | 1472840700 | ABDELMUTI DEVELOPMENT LLC | 9891 | \$2,472.75 | Commercial |
| 163 | 1472841000 | 511 MISSION AVENUE LLC | 4786 | \$1,196.50 | Commercial |
| 164 | 1472841100 | OCEANSIDE ODD FELLOWS HALLS ASSOCIATION | 4793 | \$1,198.25 | Commercial |
| 165 | 1472841200 | ABDELMUTI DEVELOPMENT LLC | 5096 | \$1,274.00 | Commercial |
| 169 | 1473700100 | G F P OCEANSIDE BLOCK 21 L L C | 44336 | \$11,084.00 | Commercial |
| 170 | 1473700300 | G F P OCEANSIDE BLOCK 18 LLC | 49332 | \$12,333.00 | Commercial |
| 171 | 1473700500 | G F P OCEANSIDE BLOCK 19 LLC | 51086 | \$12,771.50 | Commercial |
| 172 | 1473700700 | CITYMARK OCEANSIDE L L C | 90232 | \$22,558.00 | Commercial |
| 173 | 1473700800 | CITY OF OCEANSIDE | 11455 | \$0.00 | Road |
| Total | 192 | | 1,704,534 | \$370,757.06 | |

APPENDIX 4 – TOTAL ESTIMATED MAXIMUM COST OF IMPROVEMENTS, MAINTENANCE, AND ACTIVITIES

The estimated maximum cost of the line items below was developed based on the estimated costs of providing services in the proposed DTOPBID. The costs below are estimated, the actual line item costs will fluctuate. The table below shows expenditures from assessment and non-assessed funds. Assessment funds are governed by Section V. There is not limit on reallocation of non-assessment funds by the Association. The total maximum budget may exceed the maximum listed in this table if parcel ownership changes results in parcels being assessed at a higher rate due to a higher estimated benefit.

| Year | Maintenance | Safety | Economic Development / Capital Improvements | Administration & Advocacy | Contingency / Reserve | Total |
|--------------|---------------------|---------------------|---|---------------------------|-----------------------|-----------------------|
| 2020 | \$160,828.43 | \$129,447.28 | \$51,286.49 | \$43,186.03 | \$7,852.01 | \$392,600.24 |
| 2021 | \$165,653.28 | \$133,330.70 | \$52,825.09 | \$44,481.61 | \$8,087.56 | \$404,378.24 |
| 2022 | \$170,622.88 | \$137,330.62 | \$54,409.84 | \$45,816.06 | \$8,330.19 | \$416,509.59 |
| 2023 | \$175,741.57 | \$141,450.54 | \$56,042.13 | \$47,190.54 | \$8,580.10 | \$429,004.88 |
| 2024 | \$181,013.82 | \$145,694.05 | \$57,723.40 | \$48,606.26 | \$8,837.50 | \$441,875.03 |
| Total | \$853,859.98 | \$687,253.19 | \$272,286.95 | \$229,280.50 | \$41,687.36 | \$2,084,367.98 |

APPENDIX 5 – MAP

