

FY 2025-26

ENGINEER'S REPORT

Cosumnes Community Services District

Fallbrook/Park Lane/Britschgi Park Assessment
District

May 2025



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Introduction

Overview

The Cosumnes Community Services District (“District”) formed the Fallbrook/Park Lane/Britschgi Park Assessment District (“Assessment District”) in order to provide funding for the improvement and maintenance of parks, public landscaping and recreational facilities in the Assessment District. The new assessments also provide funding to maintain new park and recreation facilities and other public improvements for the area. The area of the Assessment District is generally located east of the railroad tracks, and includes the Fallbrook, Park Lane, and Britschgi Ranch areas, which are generally north of Porto Bella Way, south of Bond road and west of Waterman Road. The assessments for this Assessment District will be levied annually, pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the “Act”).

The park, landscaping and recreation facilities that would be maintained and improved within the Assessment District (the “Improvements”) are summarized as follows:

- Hill Park, 9380 Porta Rosa Dr
- Van Doren Park, 9100 Neponset Dr
- Landscape Corridors on Bond Rd and Waterman Rd
- Laguna Creek Trail

The District has been experiencing a revenue shortfall for maintaining and improving parks, landscaping and recreation facilities within the Assessment District that is primarily due to escalating costs and constrained revenues. For example, the District has been faced with significant increases in water costs, and higher costs for the maintenance and upkeep of its parks. Due to the increasing costs and its limited revenues, the District will be forced to make significant cuts in maintenance at existing facilities and new parks will not be developed because there will be insufficient funding to maintain them. Therefore, in the absence of a new local revenue source, the baseline level of park and recreation facilities in the Assessment District (the “Baseline Service”) would be a deteriorating level of maintenance and upkeep of the park and recreation facilities and properties listed above and the new park and recreation facilities will not be developed.

Due to this combination of flat revenues and increased costs, the District formed the Assessment District to provide revenues for park maintenance services as well as for expanding and improving park facilities. The Assessments fund the Improvements listed below that are provided throughout the Assessment District, extending above and beyond a baseline level of service and the likely elimination of services projected for future years in the Assessment District.

Assessment Process

On August 19, 2009 the Cosumnes Community Services District Board of Directors by Resolution called for an assessment ballot proceeding and public hearing on the proposed establishment of the Fallbrook/Park Lane/Britschgi Park Assessment District.

On September 1, 2009 a notice of assessment and assessment ballot was mailed to property owners with proposed assessments within the area of the Assessment District. Such notice included descriptions of the proposed assessments and the improvements and services the assessments would fund as well as an explanation of the method of voting on the assessments. Each notice also included a ballot upon which the property owner could mark his or her approval or disapproval of the proposed assessments.

After the ballots were mailed to property owners in the Assessment District, a minimum 45-day time period was provided for the return of the assessment ballots. Following this 45-day time period, a public hearing was held for the purpose of allowing public testimony regarding the assessments. The Public Hearing was held October 21, 2009. At the Public Hearing, the public had the opportunity to speak on the issue, voice any concerns or protests, and obtain further information about the assessments. After the close of the public input portion of the public hearing, the meeting was continued until October 26, 2009 to allow time for the returned ballots to be tabulated.

Tabulation of the returned ballots began after the close of the public input portion of the Public Hearing. It was determined at the October 26, 2009 Board meeting that the assessment ballots submitted in opposition to the assessments did not exceed the assessment ballots submitted in favor of the assessments (each ballot is weighted by the proportional financial obligation of the property for which the ballot is submitted).

As a result, the Board gained the authority to approve the levy of the assessments for Fiscal Year 2009-10 and future years. The Board took action, by a Resolution passed on October 26, 2009, to approve the first year levy of the assessments for Fiscal Year 2009-10. The authority granted by the ballot proceeding includes an annual adjustment in the assessment levies equal to the annual change in the Consumer Price Index for the San Francisco Bay Area.

The assessments may be continued in future years by a majority vote of the Board. This annual assessment continuation process requires the creation of a budget for the upcoming fiscal year, an updated assessment roll listing all parcels and their assessments for the upcoming fiscal year, preparation of an updated Engineer's Report, a noticed public meeting at which the Engineer's Report would be preliminarily approved, publication in a local newspaper of the Board's intent to continue the assessment, and a noticed public hearing prior to the Board's decision on continuing the assessments.

This Engineer's Report ("Report") describes the Assessment District, the Assessment District Boundaries, a description of the Improvements to be installed and maintained, and the assessments for Fiscal Year 2025-26. The assessments are based on the estimated cost to operate, maintain and service the parks, recreation areas, recreation facilities and other public lands owned by the District (the "Improvements"). The assessments are also based on the direct and special benefit to properties within the Assessment District.

If the Board approves this Engineer's Report and the assessments by resolution, a notice of public hearing must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing will be held for the purpose of allowing public testimony about the continuation of the assessments. This hearing is currently scheduled for June 18, 2025. At this hearing, the Board will consider approval of a resolution confirming the assessments for Fiscal Year 2025-26. If the assessments are so confirmed and approved, the levies will be submitted to the County Auditor/Controller in August 2025 for inclusion on the property tax roll for Fiscal Year 2025-26.

Proposition 218

This assessment was formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now codified as Articles XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including property-owner balloting, for the imposition, increase and extension of assessments, and these requirements are satisfied by the process used to establish this assessment.

Silicon Valley Taxpayers Association, Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority (“SVTA”). This ruling is the most current legal guidance clarifying the requirements of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

This Engineer’s Report has been prepared to follow the guidance provided by the SVTA decision for complying with the requirements of Article XIIIC and XIIID of the California Constitution. Specifically, as described in this Engineer’s Report the improvements to be funded are clearly defined; the benefiting property in the Assessment District enjoys close and unique proximity, access and views to the Improvements; the Improvements serve as an extension of usable land area for benefiting properties in the Assessment District and such special benefits provide a direct advantage to property in the Assessment District that is not enjoyed by the public at large or other property. There have been a number of clarifications made to the analysis, findings and supporting text in this Report to ensure that this consistency is well communicated.

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, *Dahms* became good law and binding precedent for assessments. In *Dahms* the court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010, the 4th District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside (“Beutz”) appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer’s Report is consistent with the requirements of Article XIIIC and XIIID of the California Constitution and with the SVTA decision because the Improvements to be funded are clearly defined; the Improvements are directly available to and will directly benefit property in the Assessment District; and the Improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the assessments.

This Engineer's Report is consistent with *Beutz, Dahms* and *Greater Golden Hill* because the Improvements will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the Improvements and proportional special benefit to each property.

Plans & Specifications

The Cosumnes Community Services District maintains parks, recreation areas and recreation facilities throughout the Fallbrook/Park Lane/Britschgi Park Assessment District.

The work and improvements (the "Improvements") to be undertaken with the Fallbrook/Park Lane/Britschgi Park Assessment District (the "Assessment District") and the cost thereof, including any debt service on bonds or other indebtedness issued for the work and improvements, paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the Assessment District as defined in the Method of Assessment herein. In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the "Act") the Improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, including, but not limited to, turf and play areas, playground equipment, hard court surfaces, ground cover, shrubs and trees, irrigation and sprinkler systems, landscaping, park grounds and facilities, drainage systems, lighting, fencing, entry monuments, hardcourt recreation areas, landscape corridors, trails, other recreational facilities, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, at each of the locations owned, operated or maintained by the Fallbrook/Park Lane/Britschgi Park Assessment District. Plans and specifications for these improvements have been filed with the General Manager of the District and are incorporated herein by reference.

As applied herein, "Installation" means the construction of recreational improvements, including, but not limited to, land preparation (such as grading, leveling, cutting and filling), sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, play courts, playing fields, recreational facilities and public restrooms.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the improvements, including repair, removal, or replacement of all or part of any improvement; providing for the life, growth, health and beauty of landscaping; and cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus Incidental expenses. Reference is made to the Summary of District's Improvement Plans section in the following section of this Report which specifically identifies the parks, recreation areas and other sites to be funded by the assessment proceeds and to the plans and specifications, including specific expenditure and Improvement plans by park/recreation site, which are on file with the District.

The specific permanent public facilities that would be improved and maintained within the Assessment District are listed below:

- Hill Park, 9380 Porta Rosa Dr
- Van Doren Park, 9100 Neponset Dr
- Landscape Corridors on Bond Road and Waterman Road
- Laguna Creek Trail

Fiscal Year 2025-26 Estimate of Cost and Budget

Introduction

Following are the Improvements for the Assessment District. Improvements funded by the assessments will be used to maintain and improve existing parks within the Assessment District and improve and maintain future park sites that will be developed. The formula below describes the relationship between the final level of improvements, the existing baseline level of service, and the level of improvements for the future park site to be funded by the assessments.

$$\text{Final Level of Improvements} = \text{Baseline Level of Improvements} + \text{Enhanced Level of Improvements}$$

Summary of District's Improvement Plans

Improvements will be provided on parks and recreational lands with close proximity to all parcels in the Assessment District in order to ensure that all properties in the narrowly drawn Assessment District boundaries will receive improved proximity and access to better maintained and improved parks in their area. The multi-year improvement plan includes projects that will add new park lands and recreation facilities and trails to the District's infrastructure; replace outdated playground equipment, and improve maintenance of all parks and recreation areas to help ensure the continued beauty, usability, and accessibility of the District's parks, playfields, and open space areas.

Improvement Plan Highlights

- Improved park and recreation facility maintenance
- Improved maintenance of landscaped corridors and trails
- Replace aging play structures and other facilities in older parks
- Provide funds to maintain all parks in the Assessment district

Budget for Fiscal Year 2025-26

The following Tables display the estimate of the cost of the Improvements that would be funded by the Assessment District in Fiscal Year 2025-26. Table 1 shows the budget for the entire Assessment District. The expenditures would be governed by the policies, criteria and requirements established within this Report, the Article and by the Act.

Table 1 - Estimate of Costs – Fallbrook/Park Lane/Britschgi Park Assessment District

	Total Budget
Installation, Maintenance & Servicing Costs	
Improvements	
Salaries and Wages	\$0
Services & supplies	\$2,300
Operating Transfers Out	\$194,326
Debt Service	\$5,630
Capital Impv Reserve	\$0
Totals for Installation, Maintenance and Servicing	<u><u>\$202,256</u></u>
Net Cost of Installation, Maintenance and Servicing to Assessment District	<u><u>\$202,256</u></u>
Operating Transfers In	\$0
Other Revenue	(\$17,259)
Total Park Maintenance and Recreation Improvement District Budget ³ (Net Amount to be Assessed)	<u><u>\$184,997</u></u>
Budget Allocation to Property	
Total Assessment Budget	184,997
Assessment Contribution	
Total number of benefit units	892
Assessment per Single Family Equivalent Unit	\$207.40
Total revenue from Assessments ³	\$184,997

Notes to Estimate of Cost:

- As determined in the following section, at least 30% of the cost of Improvements must be funded from sources other than the assessments to cover any general benefits from the Improvements. Therefore, out of the total cost of Improvements of \$202,256, the District must contribute at least \$60,677 from sources other than the assessments. The District has built the Van Doren Park extension at an estimated cost of \$1,350,000. The cost of this park allocated over

30 years at a 5% rate of interest equals \$87,819 per year. This amount more than covers any general benefits from the Improvements.

2. This amount is the projected ending fund balance at the end of the fiscal year. The Fund Balance shown includes operating reserves and the Capital Improvement Reserve Fund.

3. The Act requires that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Assessment district. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year. The District may also establish a reserve fund for contingencies and special projects as well as a capital improvement fund for accumulating funds for larger capital improvement projects or capital renovation needs. Any remaining balance would either be placed in the reserve fund, the capital improvement fund, or would be used to reduce future years' assessments.

Method of Assessment Apportionment

Method of Apportionment

This section of the Engineer's Report includes an explanation of the special and general benefits to be derived from the Improvements to park facilities and District maintained property throughout the Assessment District, and the methodology used to apportion the total assessment to properties within the Assessment District.

The method used for apportioning the assessment is based upon the proportional special benefits conferred to the properties over and above the general benefits conferred to real property in the Assessment District or to the public at large. Special benefit is calculated for each parcel in the Assessment District using the following process:

1. Identification of all benefit factors derived from the Improvements
2. Calculation of the proportion of these benefits that are general
3. Determination of the relative special benefit within different areas within the Assessment District
4. Determination of the relative special benefit per property type
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type, property characteristics, improvements on property and other supporting attributes

Discussion of Benefit

Assessments can only be levied based on the special benefit to property. This special benefit is received by property over and above any general benefits. Any and all general benefit must be funded from another source. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

"The determination of whether or not a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 5000)) [of the Streets and Highways Code, State of California]."

Proposition 218, as codified in Article XIIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIIIIA of the California Constitution.

The SVTA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Finally, Proposition 218 twice uses the phrase “over and above” general benefits in describing special benefit. (Art. XIIIID, sections 2(i) & 4(f).) The SVTA decision further clarifies that special benefits must provide a direct advantage to benefiting property and that proximity to a park is an example of a special benefit.

Benefit Factors

The special benefits from the Improvements are listed below:

Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements

In large part because it is cost prohibitive to provide large open land areas on property in the Assessment District, the residential, commercial and other benefiting properties in the Assessment District do not have large outdoor areas and green spaces. The parks in the Assessment District provide these larger outdoor areas that serve as an effective extension of the land area for proximate properties because the Improvements are uniquely proximate and accessible to property in close proximity to the Improvements. The Improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties with good and close proximity to the Improvements.

According to the industry-standard guidelines established by the National Park and Recreation Association (the “NPRA”), neighborhood parks in urban areas have a service area radius of generally one-half mile. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within the service radii close proximity and easy walking access to such public land areas. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within this service area clearly receive a direct advantage and special benefit from the Improvements - and this advantage is not received by other properties or the public at large.

An analysis of the service radii for the Improvements finds that all properties in the Assessment District enjoy the distinct and direct advantage of being close and proximate to park sites within the Assessment District. The benefiting properties in the Assessment District therefore uniquely and specially benefit from the Improvements.

Proximity to improved parks and recreational facilities

Only the specific properties within close proximity to the Improvements are included in the Assessment District. The Assessment District was narrowly drawn to include only the benefiting parcels. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.

In absence of the assessments, the Improvements will not be provided and the parks and recreation areas in the Assessment District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what would otherwise be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

Access to improved parks, open space and recreational areas

Since the parcels in the Assessment District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved parks, open space and recreation areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

Improved Views

The Assessment District, by maintaining the landscaping at its park, recreation and open space facilities provides improved views of the Improvements to the proximate properties within the Assessment District. Therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District.

Benefit Finding

In summary, real property located within the boundaries of the Assessment District distinctly and directly benefits from closer proximity, access and views of improved parks, and recreation facilities funded by the Assessments. The Improvements are specifically designed to serve local properties in the Assessment District, not other properties or the public at large. The public at large and other properties outside the Assessment District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Assessment District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

General versus Special Benefit

Article XIIID of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to “separate the general benefits from the special benefits conferred on a parcel.” The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

$$\text{Total Benefit} = \text{General Benefit} + \text{Special Benefit}$$

There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. The SVTA decision provides some clarification by indicating that general benefits provide “an indirect, derivative advantage” and are not necessarily proximate to the improvements.

In this Report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

The starting point for evaluating general and special benefits is the current, baseline level of service. The assessment will fund Improvements “over and above” this general, baseline level and the general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

General Benefit	=	Benefit to Real Property Outside the Assessment District	+	Benefit to Real Property Inside the Assessment District that is Indirect and Derivative	+	Benefit to the Public at Large
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Special benefit, on the other hand, is defined in the state constitution as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” The SVTA decision indicates that a special benefit is conferred to a property if it “receives a direct advantage from the improvement (e.g., proximity to a park).” In this Assessment, as noted, properties in the Assessment District have close and unique proximity, views and access to the Improvements and uniquely improved desirability from the Improvements and other properties and the public at large do not receive significant benefits because they do not have proximity, access or views of the Improvements. Therefore, the overwhelming proportion of the benefits conferred to property is special, and is only minimally received by property outside the Assessment District or the public at large.

In the 2010 Beutz case, the 4th Appellate Court rejected an assessment for parks in large part because the general benefits were not calculated and quantified. In its decision, the 4th Appellate Court suggests that the use of parks in an assessment district by people who live outside of the district likely is a general benefit. The Assessments described and justified in this Engineer’s Report include a specific calculation of general benefits, as described below, that is based in part on such use by people outside of the Improvement District. Moreover, the proportionality of the Assessments for each parcel, based in large part on proximity is established as well. Therefore, the Assessments and this Engineer’s Report are consistent with the Beutz decision.

Calculating General Benefit

In this section, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

Benefit to Property Outside the Assessment District

Properties within the Assessment District receive almost all of the special benefits from the Improvements because properties in the Assessment District enjoy unique close proximity and access to the Improvements that is not enjoyed by other properties or the public at large. However, certain properties within the proximity/access radius of the Improvements and outside of the boundaries of the Assessment District and not with a lack of proximity and access due to obstacles such as railroads or major roadways, may receive some benefit from the Improvements. Since this benefit is conferred to properties outside the Assessment District boundaries, it contributes to the overall general benefit calculation and will not be funded by the Assessments.

The properties outside the Assessment District and within the proximity radii for neighborhood parks in the Assessment District and without access obstructions such as railroads and major roadways may receive benefits from the Improvements. Since the properties outside the Assessment District but with proximity and access are not assessed for their benefits, this is a form of general benefit to the public at large and other property. A 50% reduction factor is applied to these properties because they are all geographically on only one side of the Improvements and are over twice the average distance from the Improvements compared to properties in the Assessment District. The general benefit to property outside of the Assessment District is calculated as follows with the parcel and data analysis performed by SCI Consulting Group.

Criteria:

296 parcels outside the district but within 0.5 miles of a park within the Assessment District

888 parcels in the Assessment District

50% relative benefit compared to property within the Assessment district

Calculation

General Benefit to Property Outside the Assessment District =

$$(296/(888+296))*.5 = \mathbf{12.5\%}$$

Although it can reasonably be argued that Improvements inside, but near the Assessment District boundaries are offset by similar park and recreational improvements provided outside, but near the Assessment District's boundaries, we use the more conservative approach of finding that 12.5% of the Improvements may be of general benefit to property outside the Assessment District.

Benefit to Property *Inside the District* that is *Indirect and Derivative*

The “indirect and derivative” benefit to property within the Assessment District is particularly difficult to calculate. A solid argument can be presented that all benefit within the Assessment District is special, because the Improvements are clearly “over and above” and “particular and distinct” when compared with the baseline level of service and the unique proximity, access and views of the Improvements enjoyed by benefiting properties in the Assessment District.

Nevertheless, the SVTA decision indicates there may be general benefit “conferred on real property located in the district”. A measure of the general benefits to property within the Assessment area is the percentage of land area within the Assessment District that is publicly owned and used for regional purposes such as major roads, rail lines and other regional facilities because such properties used for regional purposes could provide indirect benefits to the public at large. Approximately 1.5% of the land area in the Assessment District is used for such regional purposes, so this is a measure of the general benefits to property within the Assessment District.

Benefit To The Public At Large

The general benefit to the public at large can be estimated by the proportionate amount of time that the Assessment District’s parks and recreational facilities are used and enjoyed by individuals who are not residents, employees, customers or property owners in the Assessment District. Based on surveys and research conducted by SCI, less than 5% of the use of similar parks and recreation areas is by the public at large. When people outside the Assessment district use parks, they diminish the availability of parks for people within the Assessment district. Therefore, another 5% of general benefits are allocated for people within the Assessment district. Combining these two measures of general benefits, we find that 10% of the benefits from the Improvements are general benefits to the public at large.

Total General Benefits

Using a sum of these three measures of general benefit, we find that approximately 24% of the benefits conferred by the Improvements may be general in nature and should be funded by sources other than the assessment.

General Benefit Calculation

$$\begin{aligned}
 & 12.5\% \text{ (Outside the Assessment District)} \\
 & + 1.5\% \text{ (Inside the Assessment District – indirect} \\
 & \quad \text{and derivative)} \\
 & + 10.0\% \text{ (Public at Large)} \\
 & = 24.0\% \text{ (Total General Benefit)}
 \end{aligned}$$

Although this analysis finds that 24% of the assessment may provide general benefits, the Assessment Engineer establishes a requirement for a minimum contribution from sources other than the assessments of 30%. This additional allocation above the measure of general benefits will serve to provide additional coverage for any other general benefits.

The Assessment District's total budget for maintenance and improvement of its parks and recreational facilities is \$202,256. Of this total budget amount, the District will contribute \$87,819 from sources other than the assessments for the construction of the Van Doren Park extension. The estimated park construction cost of \$1,350,000 is allocated over a 30 year period at a rate of 5% interest, resulting in a general benefit of \$87,819 per year. This contribution by the District equates to approximately 43.4% of the total budget for maintenance and improvements and constitutes far more than the amount attributable to the general benefits from the Improvements.

Zones of Benefit

The boundaries of the Assessment District have been carefully drawn to only include the properties in Cosumnes Community Services District that are proximate to the Improvements and that would materially benefit from the Improvements. Certain other properties surrounding the District were excluded from the Improvement area because these properties are generally less proximate to the Improvements. In other words, the boundaries of the Assessment District have been narrowly drawn to include only properties that will specially benefit from the Improvements, and would receive a declining level of service if the assessments were not approved.

The SVTA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being

general benefits since they are not “particular and distinct” and are not “over and above” the benefits received by other properties “located in the district.” We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefitting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district’s property values).

In the Assessment District, the advantage that each parcel receives from the Improvements is direct, and the boundaries are narrowly drawn to include only parcels that benefit from the Assessment. Therefore, the even spread of assessment throughout the narrowly drawn district is indeed consistent with the OSA decision. The benefits from the Improvements within the Assessment District do not vary further based on proximity of the parcels to the Improvements because the increased benefits of greater proximity to the Improvements are generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that comes with increased proximity. Consequently, since all parcels in the Assessment District have good access and proximity to the Improvements and the benefits to relatively closer proximity are offset by other factors, additional proximity is not considered to be a factor in determining benefit within the Assessment District.

Method of Assessment

As previously discussed, the assessments provide comprehensive Improvements that will clearly confer special benefits to properties in the Assessment District. The allocation of special benefits to property is partially based on the type of property and the size of property. These benefits can also partially be measured by the occupants on property in the Assessment District because such parcel population density is a measure of the relative benefit a parcel receives from the Improvements. It should be noted that many other types of “traditional” assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed. Therefore, the apportionment of benefit is reasonably based on the type of parcel, the size of parcels and the population density of parcels.

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a single family home on one parcel. In this case, the "benchmark" property is the single family detached dwelling which is one Single Family Equivalent or one SFE.

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, an assessment only for all residential improved property was considered but was determined to be inappropriate because commercial, industrial and other properties also receive direct benefits from the Improvements.

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that would benefit from proximity and improved access to well maintained and improved parks and recreational facilities. So the potential population of employees or residents is a measure of the special benefits received by the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

Finally, the special benefits to be derived from the assessments are conferred on property and are not based on a specific property owner's use of the improvements, or a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who value the special benefits described above and use and enjoy the Assessment District's park and recreational facilities. In other words, the benefits derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is one indicator of the relative level of benefit received by a property.

In conclusion, the Assessment Engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, the relative size of the property, its relative population and usage potential and its proximity to parks and recreational facilities. This method is further described below.

Residential Properties

Certain residential properties in the Assessment District that contain a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses and town homes are included in this category of single family residential property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. The population density factors for the Fallbrook/Park Lane/Britschgi Park Assessment District, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain property type in the area of the Assessment District from the 2000 Census and dividing it by the total number of such households, finds that approximately 3.24 persons occupy each single family residence, whereas an average of 2.48 persons occupy each multi-family residence. Using the ratio of one SFE for each single-family residence, which equates to one SFE for every 3.24 persons, 0.29 SFE would equate to one multi-family unit or 0.29 SFE for every 2.48 residents. Likewise, each condominium unit receives 0.56 SFE, each Duplex, Triplex, Fourplex receives 0.39 and each mobile home receives 0.18 SFE.

Table 2 – Residential Density and Assessment Factors

Source: 2000 Census, City of Elk Grove	<i>Total</i>	<i>Occupied</i>	<i>Persons per Household</i>	<i>Pop. Density Equivalent</i>	<i>SqFt Factor</i>	<i>SFE Factor</i>
	<i>Population</i>	<i>Households</i>	<i>Household</i>			
Single Family Residential	67,969	20,948	3.24	1.00	1.00	1.00
Condominium	2,533	793	3.19	0.98	0.57	0.56
Duplex, Triplex, Fourplex	1,031	418	2.47	0.76	0.51	0.39
Multi-Family Residential (5+ Units)	1,391	560	2.48	0.77	0.38	0.29
Mobile Home on Separate Lot	743	398	1.87	0.58	0.32	0.18

The single family equivalency factor of 0.29 per dwelling unit for multifamily residential properties applies to such properties with 20 or fewer units. Properties in excess of 20 units typically offer on-site recreational amenities and other facilities that tend to offset some of the benefits provided by the improvements. Therefore the benefit for properties in excess of 20 units is determined to be 0.29 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

Commercial/Industrial Properties

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single family residential property and the average commercial/industrial property. The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously can be measured by the average number of people who work at commercial/industrial properties.

In order to determine employee density factors, the findings from the San Diego Association of Governments Traffic Generators Study (the “SANDAG Study”) are used because these findings were approved by the State Legislature as being a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24.

In comparison, the average number of people residing in a single family home in the area is 3.24. Since the average lot size for a single family home in the Park District is approximately 0.30 acres, the average number of residents per acre of residential property is 10.80.

The employee density per acre is generally 2 times the population density of single family residential property per acre (24 employees per acre / 10.80 residents per acre). Therefore, the average employee density can be used as the basis for allocating benefit to commercial or industrial property since a commercial/industrial property with 2 employees receives generally similar special benefit to a residential property with 1 resident. This factor of equivalence of benefit between 1 resident to 2 employees is the basis for allocating commercial/industrial benefit. Table 3 below shows the average employees per acre of land area or portion thereof for commercial and industrial properties and lists the relative SFE factors per quarter acre for properties in each land use category.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per fifth acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres.

Institutional properties that are used for residential, commercial or industrial purposes are also assessed at the appropriate residential, commercial or industrial rate.

Table 3 - Commercial/Industrial Density and Assessment Factors

<i>Type of Commercial/Industrial Land Use</i>	<i>Average Employees Per Acre</i> ¹	<i>SFE Units per Fraction Acre</i> ²	<i>SFE Units per Acre After 5</i>
Commercial	24	0.500	0.500
Office	68	1.420	1.420
Shopping Center	24	0.500	0.500
Industrial	24	0.500	0.500
Self Storage or Parking Lot	1	0.021	

1. Source: San Diego Association of Governments Traffic Generators Study.

2. The SFE factors for commercial and industrial parcels are applied by the fifth acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

Vacant Properties

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of improvements on the property. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the Fiscal Year 2008-09 assessed valuation data from the County of Sacramento, found that 30% of the assessed value of improved properties is classified as the land value. It is reasonable to assume, therefore, that approximately 30% of the benefits are related to the underlying land and 70% are related to the improvements and the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.30 per parcel.

Other Properties

Article XIID stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.

All properties that are specially benefited are assessed. Other publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property.

Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the improvements and are assessed an SFE benefit factor of 0.

Annual Cost Indexing

It should also be noted that, if the assessments are approved, the maximum assessment rate within the Assessment District may increase in future years by an amount equal to the annual change in the San Francisco Bay Area Consumer Price Index.

Appeals of Assessments Levied to Property

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment may file a written appeal with the Cosumnes Community Services District Engineer or his or her designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the District Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the District Engineer or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the Assessment Roll. If any such changes are approved after the Assessment Roll has been filed with the County for collection, the District Engineer or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District Engineer or his or her designee shall be referred to the Board of Directors of the Cosumnes Community Services District, and the decision of the Board shall be final.

Assessment

WHEREAS, this Engineer's Report (the "Report") has been prepared pursuant to the provisions of the Landscaping and Lighting Act of 1972 (the "Act") and Article XIID of the California Constitution; and

WHEREAS, the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Improvements upon all assessable parcels within the Assessment District;

Now, THEREFORE, the undersigned, by virtue of the power vested in me under the Act, Article XIID of the California Constitution and the order of the Board of the Cosumnes Community Services District, hereby make the following assessment to cover the portion of the estimated cost of the Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

As required by the Act, an Assessment Diagram showing the exterior boundaries of the Assessment District is hereto attached and incorporated herein by reference. The distinctive number of each parcel or lot of land in the Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion the net amount of the cost and expenses of the Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within the Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Improvements, and more particularly set forth in the Estimate of Cost and Method of Assessment in the Report.

The assessment is subject to an annual adjustment tied to the amount equal to the annual change in the San Francisco Bay Area Consumer Price Index.

The assessment is made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from the Improvements.

The change in the CPI from February 2024 to February 2025 was 2.689%. Therefore, the maximum authorized assessment rate for Fiscal Year 2025-26 is increased by 2.689% which equates to \$207.40 per single family equivalent benefit unit. The estimate of cost and budget in this Engineer's Report proposes assessments for Fiscal Year 2025-26 at the rate of \$207.40, which is equal to the maximum authorized assessment rate.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Sacramento for the Fiscal Year 2025-26. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the Fiscal Year 2025-26 for each parcel or lot of land within the Assessment District.

Dated: April 24, 2025

Engineer of Work



By _____

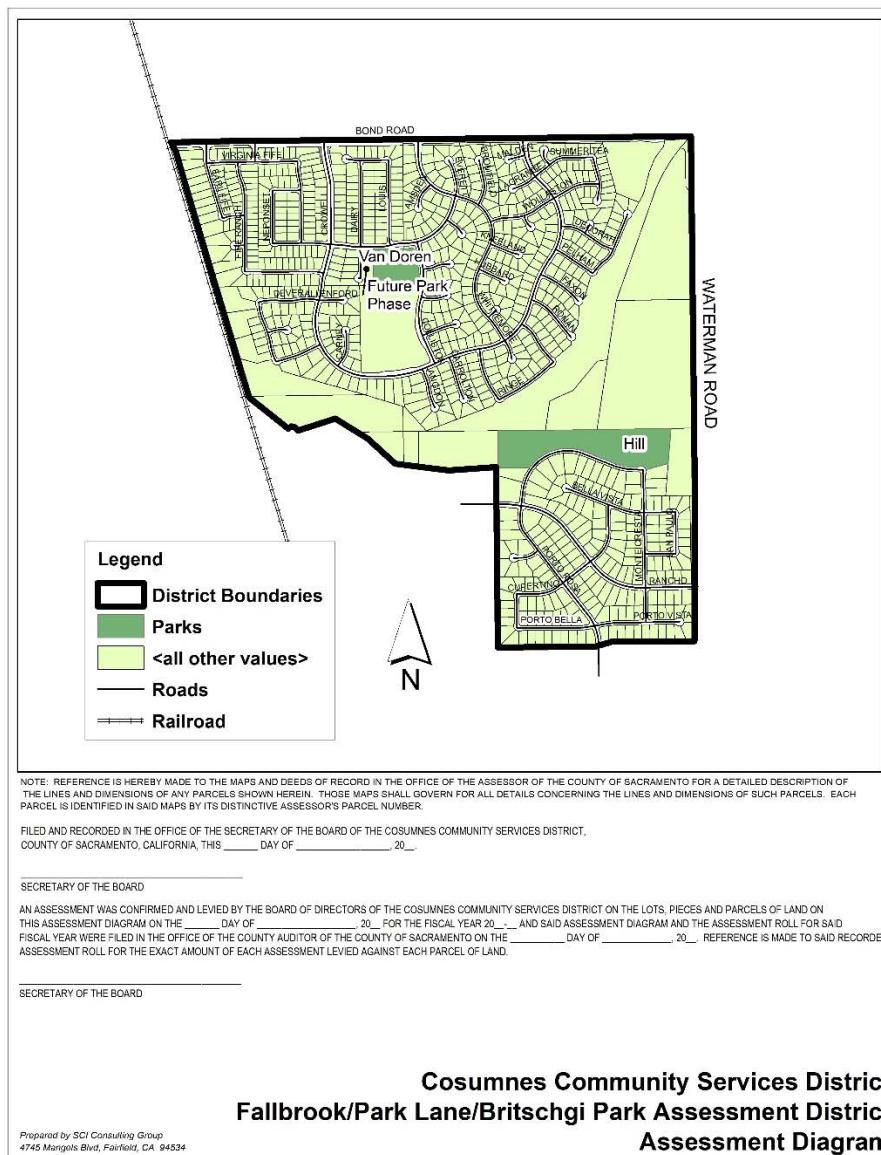
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Assessment Diagram

The Assessment District includes all properties within the boundaries of Fallbrook/Park Lane/Britschgi Park Assessment District. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Sacramento, for Fiscal Year 2025-26, and are incorporated herein by reference, and made a part of this Diagram and this Report.



Assessment Roll for Fiscal Year 2025-26

An Assessment Roll (a listing of all parcels assessed within the Assessment District and the amount of the assessment) will be filed with the Secretary of the Board and is, by reference, made part of this Report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this Report. These records shall govern for all details concerning the description of the lots or parcels.