CITY OF MANHATTAN BEACH

ENGINEER'S REPORT
LANDSCAPING AND STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT
FISCAL YEAR 2022-2023
LOS ANGELES COUNTY, CALIFORNIA

May 17, 2022

PREPARED BY

Harris & Associates

22 Executive Park, Suite 200
Irvine, CA 92614
www.weareharris.com

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ENGINEER'S CERTIFICATION

AGENCY: **THE CITY OF MANHATTAN BEACH**

PROJECT: **LANDSCAPING AND STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT**

TO: **THE CITY COUNCIL OF THE**
CITY OF MANHATTAN BEACH
STATE OF CALIFORNIA

ENGINEER'S REPORT FOR FISCAL YEAR 2022-23

The preparation of this Annual Engineer's Report ("Report") is in conformance with the obligation of the City Council for the annual levy of assessment within the Landscaping and Street Lighting Maintenance District of the City of Manhattan Beach to provide lighting and landscaping services upon each lot or parcel of land in the district in proportion to the estimated benefit to be received by each such lot or parcel of land for Fiscal Year 2022-23. Services will be provided through June 30, 2023.

Pursuant to the Landscaping and Lighting Act of 1972 (Part 2 Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500) ("1972 Act"), and in accordance with the City of Manhattan Beach's Resolution being adopted by the City Council for:

LANDSCAPING AND STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(Hereinafter referred to as the "District"),

I, Alison Bouley, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following four (4) parts and Appendices:

PART I

Overview: Provides the background and reason for the District.

PART II

Plans and Specifications: Plans and specifications for the existing and ultimate improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and are incorporated herein by reference.

PART III

Cost Estimate: An estimate of the costs of the maintenance and/or servicing of the existing and ultimate improvements for Fiscal Year 2022-23, including incidental costs and expenses in connection therewith.

PART IV

Method of Apportionment of the Assessments: The method of apportionment of assessments, indicating the proposed assessment of the total amount of the costs and expenses of the improvements upon the several lots and parcels of land within the District, in proportion to the estimated benefits to be received by such lots and parcels. The Assessment Roll is filed in the office of the City Clerk of the City of Manhattan Beach and by reference is made a part hereof.

Appendices

Appendix A – Assessment Diagram of the Landscaping and Street Lighting Maintenance Assessment District
Appendix B – Assessment Roll

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided.

DATED May 17, 2022

Harris & Associates

Alison Bouley, P.E., Assessment Engineer
R.C.E. No. C61383
Engineer of Work
State of California

REGISTERED PROFESSIONAL ENGINEER
ALISON M. BOULEY
NO. C61383
CIVIL
STATE OF CALIFORNIA

PART I – OVERVIEW

The City of Manhattan Beach formed the Landscaping and Street Lighting Assessment District in the early 1970s pursuant to the requirements of the Landscaping and Lighting Act of 1972, Part 2, Division 15, Sections 22500 through 22679, of the Streets and Highways Code of the State of California. The District is being renewed annually. This report, as signed and presented to the Council for approval, has been prepared according to the methodology and rates approved by the City Council when the district was formed in the 1970s. Article XIIID of the California Constitution (Proposition 218) which was approved by the voters in 1996 exempted certain assessments which were in existence prior to the passage of Proposition 218. The City has determined that all of the improvements and the annual assessments for the District are for the maintenance and operation of lighting and landscaping within the public street rights-of-way. As such, the current assessment is exempt from the procedures and approval process set forth in Article XIIID Section 4 of the California State Constitution.

As required by the Landscaping and Lighting Act of 1972, this Engineer's Report describes the improvements to be constructed, operated, maintained and serviced by the District for Fiscal Year (FY) 2022-23, provides an estimated budget for the District, and lists the proposed assessments to be levied upon each assessable lot or parcel within the District. Following the approval of the report, either as submitted or as modified, the City Council will hold a Public Hearing to provide an opportunity for any interested person to be heard. All property owners must be noticed in accordance with Section 22626 of the Streets and Highways Code prior to the Public Hearing. At the conclusion of the Public Hearing, the City Council may adopt a resolution confirming the levy of assessments as originally proposed or as modified.

Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the County Tax Collector's office to be included on the FY 2022-23 tax roll.

This year's report includes projected costs, and is submitted for City Council's determination of the assessment for FY 2022-23. No increase in the assessment rate is proposed for FY 2022-23.

This Report is being prepared to authorize the existing district's levy of assessments for FY 2022-23.

Payment for the assessment for each parcel will be made in the same manner and at the same time as payments are made for property taxes for each Property.

This report contains the necessary data required to conduct the proceedings and is submitted to the Clerk of the City for filing.

PART II – PLANS AND SPECIFICATIONS

The installation of planting, landscaping, irrigation systems, lighting and the construction of appurtenant facilities to be operated, serviced and maintained, is more specifically described herein whereas, the landscaping and lighting facilities have been and/or will be provided by developers as a condition of subdivision of land, and in commercial areas, are part of the Conditional Use review and approval process.

The proposed improvements for FY 2022-23 may be generally described as the continued operation, servicing and maintenance of landscaping, lighting and appurtenant facilities that are located in and along such streets and sidewalks within the District, including but not limited to, personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these services described as follows:

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the landscaping, public lighting facilities, and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping, public lighting facilities, or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of water for the irrigation of the landscaping and the maintenance of any of the public lighting facilities, or appurtenant facilities and the furnishing of electric current or energy, gas or other illuminating agent for the public lighting facilities, or for the lighting or operation of the landscaping, or appurtenant facilities.

The facilities to be maintained and serviced are more generally described as follows:

Landscaping

Landscaping includes: plantings, shrubbery, trees, turf, irrigation systems, entry monuments, hardscapes, walls, fencing, drainage detention facilities, drainage structures, including percolation wells and appurtenant facilities within public street and sidewalk rights-of-way and easements, including parkways and medians, within the proposed boundary of said District.

Lighting

Lighting includes: Poles, fixtures, bulbs, conduits, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public streets and sidewalk rights-of-way and easements, including parkways and medians, within the proposed boundaries of said District, both gas and electric.

The plans and specifications for the improvements, showing the general nature, location, and the extent of the improvements, are on file in the office of the City Clerk and are incorporated herein by reference.

PART III – COST ESTIMATE

The estimated cost for the operation, servicing and maintenance of landscaping and lighting improvements within the District for FY 2022-23, as described in Part II, are summarized herein and described in the table on the following page. All costs include administration and utilities where applicable.

The 1972 Act requires that a special fund be set up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A cash flow reserve is provided to ensure funding of the operation and maintenance activities prior to the City receiving the assessment funds through the property tax collection process. Section 22569(a) of the Streets and Highways Code specifically permits the inclusion of a reserve for this purpose equal to roughly half of the annual operation and maintenance costs. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.

The 1972 Act also has provisions for establishing a separate reserve to fund capital improvements as part of the assessment. However, any increase in the current assessment will require compliance with the provisions of Proposition 218 which would require that a property owner ballot be mailed to each property owner. The assessment could only be increased if a majority of property owners who returned their ballots approved the increase in the assessment (weighted by assessment amount). Until that approval is gained the rates remain fixed, and any capital improvements or operating shortfall is covered through the General Fund transfer.

Cost Estimate Table

	Standard Lighting Zone 1	Gas Light Area Zone 5	The Strand Zone 6	Walkway Streets Zone 7	Arbolado Tract Zone 9	Total Zones 1-9	Business Area Zone 10	Grand Total Zones 1-10
Operation and Maintenance	$ 310,715	$ 127,704	$ 19,424	$ 17,632	$ 5,204	**$ 480,679**	$ 131,343	**$ 612,022**
General Fund Transfer	$ (85,778)	$ (94,021)	$ (15,382)	$ (13,616)	$ (2,298)	**$ (211,096)**	$ (10,704)	**$ (221,799)**
City Contribution (10%)	$ -	$ -	$ -	$ -	$ -	**$ -**	$ (13,134)	**$ (13,134)**
Cashflow Reserves (projected as of 30-Jun) pursuant to Streets & Highways Code Section 22569(a)	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Interest	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Surplus Carryover from FY 2020-21 (projected as of 1-Jul-21)	$ -	$ -	$ -	$ -	$ -	**$ -**	$ -	**$ -**
Total to Assessment	$ 224,937	$ 33,683	$ 4,042	$ 4,016	$ 2,906	**$ 269,583**	$ 107,505	**$ 377,088**

(Amounts may be off slightly for rounding)

PART IV - METHOD OF APPORTIONMENT

General

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include operation, maintenance and servicing of street lights, traffic signals, parks and landscaping.

The 1972 Act requires that maintenance assessments be levied according to benefit rather than according to assessed value. Section 22573 provides that:

> 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 Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvement" (Sec. 22574). Thus, the 1972 Act requires the levy of a true "benefit assessment" rather than a "special tax."

Excepted from the assessment would be the areas of all publicly owned property in use in the performance of a public function.

Benefit Determination

Landscaping - Trees, landscaping and parks, if well maintained, provided beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property desirability.

The landscaping maintenance provided by the District is deemed to benefit business properties on Manhattan Beach Boulevard, Highland Avenue and Manhattan Avenue, which are designated as Zone 10.

Lighting - Street lighting is for the benefit of all parcels within the District as all property in the City derives benefit from the convenience, safety and protection of people and property they provide.

Methodology

Zones of Benefit

The District previously consisted of 10 zones of benefit; however, Zones 2, 3, 4 and 8 have been combined with and into Zone 1, as these parcels receive similar types of street lighting levels and service. Therefore, the District currently consists of six (6) zones of benefit, as described as follows:

ZONE 1 - Includes the majority of parcels within the City which have standard levels and types of street lighting.

ZONE 5 - Properties adjacent to street lights utilizing natural gas lighting.

ZONE 6 - Properties adjacent to the Strand.

ZONE 7 - Properties adjacent to walkway streets in the area bounded by 15th Street on the south, 21st Street on the north, Ocean Drive on the west and Live Oak Park on the east.

ZONE 9 - Properties within Tract No. 44884, Arbolado Tract.

ZONE 10 - Business properties adjacent to Manhattan Beach Boulevard from the Strand to Valley Drive, Highland Avenue from 11th Street to 15th Street and Manhattan Avenue from 8th Street to 13th Street.

ZONES 1-9

Equivalent Dwelling Units

The Equivalent Dwelling Unit method was adopted at the time the district was formed and uses the single family home as the basic unit of assessment. A single family home equals one Equivalent Dwelling Unit (EDU). Every other land-use is converted to EDU's based on an assessment formula appropriate for the City. Multi-family and condominium parcels are converted to EDU's based on the number of dwelling units on each parcel of land; Commercial and Industrial parcels are converted to EDU's based on the lot size of each parcel of land.

Single Family Residential - The single family parcel has been selected as the basic unit for calculation of the benefit assessments. This basic unit shall be called an Equivalent Dwelling Unit (EDU). Parcels designated as single family residential per the Los Angeles County land-use code are assessed 1 EDU.

Multiple Residential - Multiple family uses, as well as condominiums, are given a factor of .80 EDU per dwelling unit. Based on data from representative cities in Southern California, the multiple residential factor of 80 percent is determined by the statistical proportion of relative trip generation from various types of residential uses, in combination with population density per unit.

Commercial/Industrial - Commercial/Industrial properties are designated as commercial, industrial, recreational, institutional or miscellaneous uses per the Los Angeles County land-use codes. In converting improved Commercial/Industrial properties to EDUs, the factor used is the City of Manhattan Beach's highest requirement for a single family residential lot, which is 1 dwelling unit per 7,500 sq. ft., or 5.808 dwelling units per acre. The Commercial/Industrial parcels will be assessed 5.808 EDU for the first acre or any portion thereof, and then 25% of 5.808 EDUs (1.4520) for every additional acre or portion thereof, as the utilization of that portion of non-residential property greater than one acre is reduced and will be treated as vacant land. The minimum number of EDUs per parcel will be 1 EDU.

Vacant Property

Vacant property is described as parcels with no improved structures. Because property values in a community are increased when public infrastructure are in place, improved, operable, safe, clean and maintained, all properties, including vacant parcels, receive benefits based on their land, as this is the basis of their value. Based upon the opinions of professional appraisers, appraising current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in Manhattan Beach, we find that the average is about 50 percent. Additionally, the utilization of vacant property is significantly less than improved property and vacant property has a traffic generation rate of 0. Therefore, vacant property is assessed at the rate of 25 percent of improved property.

Vacant Residential - Parcels defined as single family residential parcels which do not have structures on the parcels are assessed 25% of a single family dwelling. The parcels will be assessed 0.25 EDU per parcel.

Vacant Non-Residential - Parcels defined as parcels which are not single family residential and which do not have structures on the parcel are assessed based upon the acreage of the parcel. The parcels will be assessed at the rate of 25% of the developed non-residential properties, or 1.4520 EDU per acre or any portion thereof, with a minimum of 0.25 EDU per parcel.

Exempt - All publicly owned property and utility rights-of-way are exempt from assessment. Also excepted from assessment is the Manhattan Village residential area bounded by Village Drive, Marine Avenue, Redondo Avenue, and Park View Avenue, which has all private streets.

The land-use classification for each parcel will be based on the 2022-23 Los Angeles County Assessor's Roll.

ZONE 10

The Zone 10 improvements maintained and operated by the District consist of a higher level of landscaping and lighting facilities than are found in other parts of the City and the City agreed to contribute 10% of the cost to maintain the improvements. These facilities increase the aesthetic appeal

of the area and promote business in the downtown area. Street Front footage (or "Frontage") is the best approach for this type of improvement, as each parcel's benefit is proportional to its frontage along the improved street. Therefore, assessments for Zone 10 are on an Adjusted Front Footage (AFF) basis.

Inventory of Parcels

The following information was obtained from the Los Angeles County Assessor's Roll, Assessor's Parcel Maps, and the City of Manhattan Beach's Community Development Department.

Land-Use	Parcels	Dwelling Units	Acres
0. Exempt *	718	- - -	- - -
1. Single Family Residential (SFR) Parcels	9,383	9,383	- - -
2. Multi-Family Residential Parcels	2,497	4,996	- - -
3. Commercial/Industrial	464	- - -	281.890
4. Vacant Residential Parcels	36	- - -	- - -
5. Vacant Commercial/Industrial Parcels	10	- - -	1.590
Totals:	**13,108**	**14,379**	**283.480**

* Exempt parcels include the Manhattan Village and all Public Property

Assessments

ZONES 1-9

The distribution of EDUs per Zone is as follows:

Zone	1	5	6	7	9
EDUs	13,208.28	386.80	384.20	371.85	18.40

Since the assessment rates cannot be increased without conducting a Proposition 218 mailed property owner ballot proceeding, the assessment rates are limited to the rates in effect at the time Proposition 218 was approved.

The following is the budget apportionment for Zones 1-9.

ZONE	FY 22-23 Levy	Parcels	EDUs	FY 22-23 Asmt Rate $/EDU	FY 21-22 Asmt Rate $/EDU
1 Std Lighting	$224,937	11,292	13,208.28	**$17.03 / EDU**	$17.03 / EDU
5 Gas Light Area	$33,683	388	386.80	**$87.08 / EDU**	$87.08 / EDU
6 The Strand	$4,042	281	384.20	**$10.52 / EDU**	$10.52 / EDU
7 Walkway Streets	$4,016	298	371.85	**$10.80 / EDU**	$10.80 / EDU
9 Arbolado Tract	$2,906	23	18.40	**$157.93 / EDU**	$157.93 / EDU
Total	$269,583	12,282	14,369.53		

ZONE 10

The following is the budget apportionment for Zone 10.

ZONE	FY 22-23 Levy	Parcels	AFF	FY 22-23 Asmt Rate $/AFF	FY 21-22 Asmt Rate $/AFF
10 Business Area	$107,505	108	4,822.8	**$22.291 / AFF**	**22.291 / AFF**

Note: Assessment Rates on for all zones are in effect as of July 1, 1997.

Sample calculations for zones 1 through 9 and various land-use types are provided on the following page. Zone 10 assessments are unique to each property for their AFF. The roll is on file in the office of the City Clerk for specific parcel detail.

SAMPLE CALCULATIONS

ZONE 1 - Standard Lighting ($17.03/EDU)		EDU	FY 22-23 Asmt
Single Family Residential		1.0	$17.03
Condominium		0.8	$13.62
Vacant Residential		0.25	$4.26
Multi-Family Residential	Duplex	1.6	$27.25
	Triplex	2.4	$40.87
Commercial/Industrial	1/4 acre	1.425	$24.27
	1/2 acre	2.904	$49.46
	1 acre	5.808	$98.91
Vacant Commercial/Industrial	1/4 acre	0.363	$6.18
	1/2 acre	0.726	$12.36
ZONE 5 - Gas Light Area ($87.08/EDU)			
Single Family Residential		1.0	$87.08
Condominium		0.8	$69.66
Vacant Residential		0.25	$21.77
Multi-Family Residential	Duplex	1.6	$139.33
	Triplex	2.4	$208.99
ZONE 6 - The Strand ($10.52/EDU)			
Single Family Residential		1.0	$10.52
Condominium		0.8	$8.42
Vacant Residential		0.25	$2.63
Multi-Family Residential	Duplex	1.6	$16.83
	Triplex	2.4	$25.25
	4-plex	3.2	$33.66
	10-unit Apt	8.0	$84.16
ZONE 7 - Walkway Streets ($10.80/EDU)			
Single Family Residential		1.0	$10.80
Condominium		0.8	$8.64
Vacant Residential		0.25	$2.70
Multi-Family Residential	Duplex	1.6	$17.28
	Triplex	2.4	$25.92
ZONE 9 - Arbolado Tract ($157.93/EDU)			
Condominium		0.8	$126.34

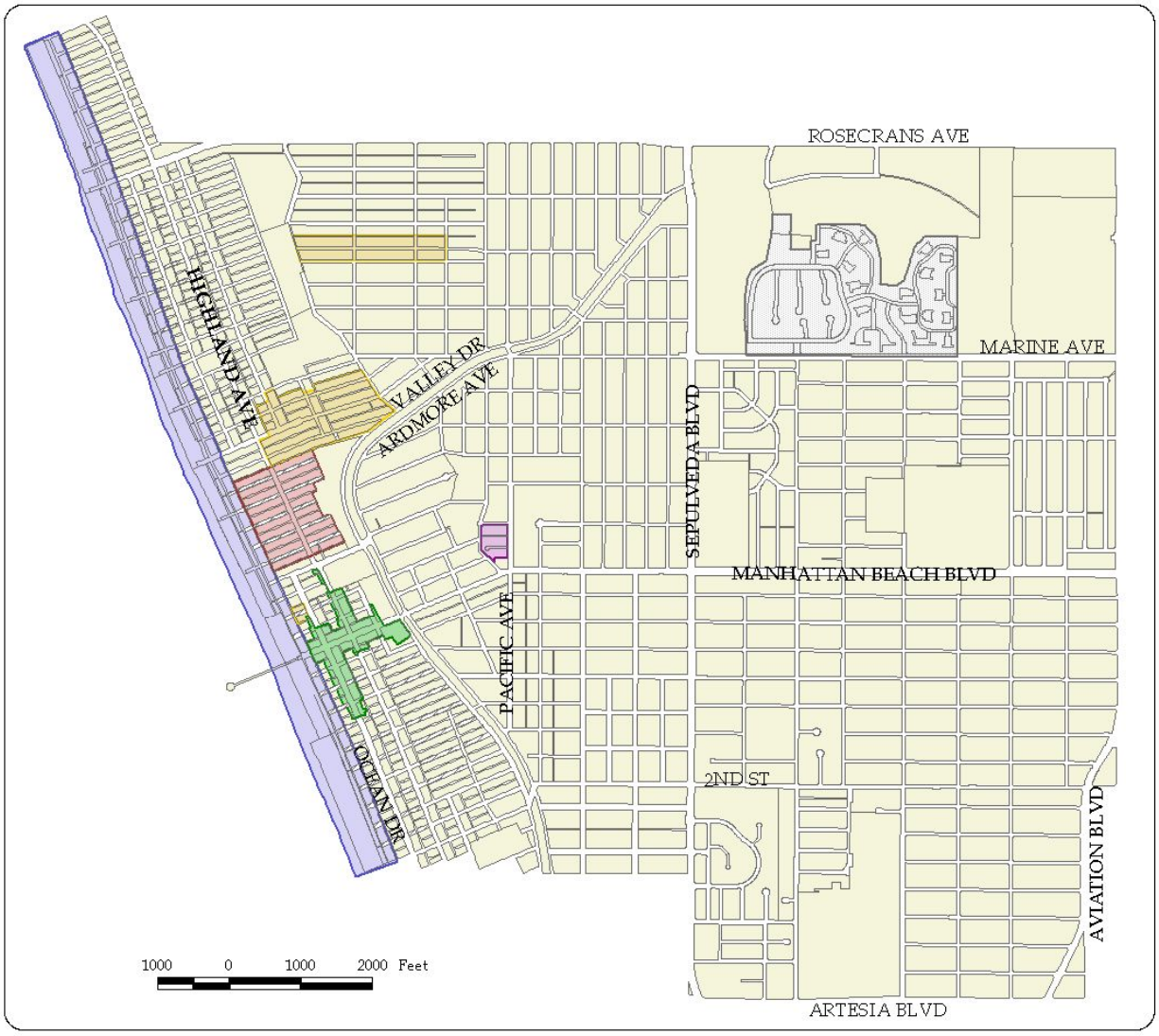
APPENDIX A – ASSESSMENT DIAGRAM

An Assessment Diagram for the District has been submitted to the Clerk of the City. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles, for the year when the report was prepared, and are incorporated by reference herein and made part of this Report.

A reduced copy of the Assessment Diagram, showing the various Zones of Benefit, is included on the following page.

City of Manhattan Beach

Lighting and Landscape Assessment Districts



		Total Area (Acres)
Zone 1	General	2231.7
Zone 5	Gas Lights	39.0
Zone 6	The Strand	127.5
Zone 7	Walkway Streets	25.7
Zone 9	Arbolado Tract	2.9
Zone 10	Downtown Streetscape	15.4
	Excepted	82.5

N W E S

August 2001

Geographic Information System
CITY OF MANHATTAN BEACH

APPENDIX B – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, for the City of Manhattan Beach, Landscaping and Street Lighting Maintenance Assessment District, Fiscal Year 2022-23, which is incorporated by reference herein and is on file in the office of the City Clerk.

The Assessment Roll lists all parcels within the boundaries of the District as shown on the Assessment Diagram, and on the last equalized roll of the Assessor of the County of Los Angeles, which is by reference made part of this report.

Assessments are not levied within the area upon public streets and other public properties, utility easements, rights-of-way, public schools, public parks, and common areas.