



Harris & AssociatesSM

SHAPING THE FUTURE ONE PROJECT AT A TIMESM

Preliminary Analysis

FOR

LANDSCAPING AND STREET LIGHTING
MAINTENANCE ASSESSMENT DISTRICT

For the

CITY OF MANHATTAN BEACH
LOS ANGELES COUNTY, CALIFORNIA

May 28, 2014

INTRODUCTION

The City of Manhattan Beach formed the Landscaping and Street Lighting Assessment District in the early 1970's pursuant to 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. City Council reviews the proposed costs and reserves for the ensuing fiscal year and considers accumulated fund balances from the current year in the setting of the annual assessment. The method of assessment has been approved at the time of formation of the District. This year's report includes projected costs and fund balances, and is submitted for City Council's determination of the assessment for Fiscal Year 2014-15. No increase in the assessment rate is proposed for Fiscal Year 2014-15.

The maintenance and operation of the facilities within the District is consistent with the Landscaping and Lighting Act of 1972 and is administered pursuant to Manhattan Beach ordinances and regulations.

The City Council of the City of Manhattan Beach adopted its General Plan with various elements to provide guidelines for orderly development within the community. The City Council further adopted ordinances and regulations governing the development of land providing for the installation and construction of certain landscaping, lighting and appurtenant facilities to enhance the quality of life and to benefit the value of property.

The requirement for the construction and installation of landscaping, lighting and appurtenant facilities is a condition of development provided for in the City's Subdivision Ordinance and is a requirement of issuance of a permit for construction of any commercial, industrial, and planned unit development.

Landscaping and appurtenant facilities generally include trees, shrubs, plants, turf, irrigation systems, and necessary appurtenances including curbs, hardscape, monumentation, fencing, drainage detention facilities, drainage structures (including percolation wells) located in public rights-of-way, medians, parkways, and/or easements adjacent to public rights-of-way, in and along major thoroughfares and certain designated primary and secondary arterials as defined in the General Plan's Infrastructure Element.

Lighting and appurtenant facilities include poles, lighting fixtures, conduits and the necessary equipment to maintain, operate and replace a lighting system at designated intersections, in medians, parkways and adjacent to certain public facilities in and along certain streets, rights-of-way and designated lots.

The installation of landscaping and lighting systems and the construction of the necessary appurtenant facilities is the responsibility of the property owner/applicant, triggered by the approval of a development application.

The City may cause the installation by property owners directly, or accept financial arrangements for installation of these facilities as provided for by the City's ordinances and regulations. When on any given street of the approved system, a majority of the required facilities have been provided, but gaps exist, and it has been determined that these facilities in front of, or adjacent to certain already developed properties, are required to bridge missing gaps, and/or where the future development or redevelopment of existing property is not likely to occur in a foreseeable future, the City Council may deem it appropriate to retrofit such missing gaps pursuant to the provisions of the Landscaping and Lighting Act of 1972.

The servicing, operation, maintenance, repairs and replacement of the landscaping, lighting and appurtenant facilities in turn becomes the responsibility of the benefiting properties.

The City is presently administering one Landscaping Zone within the District.

The City of Manhattan Beach also administers a lighting system for the benefit of all parcels of land within the City. The lighting benefit is directly related to public safety and property protection. These benefits have been studied widely, locally, regionally and nationally.

ESTIMATE OF COST

The estimated cost of the operation, servicing and maintenance of the street and sidewalk improvements for fiscal year 2014-15, are summarized herein and described below. All costs include administration and utilities where applicable.

	<u>Zone A - F</u>	<u>Zone G</u>
Operation and Maintenance	\$483,737.09	\$ 217,161
Cashflow Reserves (projected as of 30-Jun-15) pursuant to Streets & Highways Code Section 22569(a)	\$ 241,869	\$ 108,581
Total	\$ 725,606	\$ 325,742
General Fund Transfer for General Benefit	\$ (68,279)	\$ -
Total to Assessment	\$ 657,326	\$ 325,742
Benefit Units	16,945	4,823
Assessment per Benefit Unit	\$ 38.79	\$ 67.54

METHOD OF APPORTIONMENT OF ASSESSMENT

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 different 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 value.

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 Assessment District previously consisted of 7 zones of benefit, 6 lighting benefit zones and 1 benefit landscaping zone, as described as follows:

LIGHTING BENEFIT ZONES

ZONE A (1) - Includes the majority of parcels within the City which have standard levels and types of street lighting. Assigned a benefit factor of 1.0 for basic lighting.

ZONE B (5) - Properties utilizing natural gas lighting. Assigned a lighting benefit factor of 4.0 as follows: 1 for basic lighting, 1 for decorative lighting, and 2 for 2 times the illumination.

ZONE C (6) - Properties on the Strand. Assigned a lighting benefit factor of 3 as follows: 1 for basic lighting and 2 for 2 times the illumination.

ZONE D (7) - Properties on 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. Assigned a lighting benefit factor of 1.0 for basic lighting.

ZONE E (9) - Tract No. 44884, Arbolado Tract. Assigned a lighting benefit factor of 5.0 as follows: 1 for basic lighting, 1 for decorative lighting, and 3 for 3 times the illumination.

ZONE F (10) - Business properties on 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. Assigned a lighting benefit factor of 4.0 as follows: 1 for basic lighting, and 3 for 3 times the illumination.

LANDSCAPING BENEFIT ZONES

ZONE G (10) Business properties on 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. Assigned a landscaping benefit factor of 1.0 for benefit from adjacent landscaping.

ZONES A-F

Equivalent Dwelling Units

The Equivalent Dwelling Unit method 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, we recommend that vacant property be 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 .25 EDU per parcel.

Exempt. All publicly owned property and utility rights-of-way are exempt from assessment. Also excepted from assessment is the 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 has been based on the 2014-15 Los Angeles County Assessor's Roll.

ZONE G

The Zone 10 improvements maintained and operated by the District consist of a higher level of landscaping than are found in other parts of the City. These facilities increase the aesthetic appeal of the area and promote business in the downtown area. Front footage is the best approach for this type of improvement, as each parcel's benefit is proportional to its frontage along the improved street. Therefore, it is recommended that the assessments for Zone 10 be on an Adjusted Front Footage (AFF) basis.

ASSESSMENTS

ZONES A-F

Benefit Units (BUs) are calculated as follows:

$$\text{EDUs} \times \text{Benefit Factor} = \text{Benefit Units (BUs)}$$

The distribution of BUs per Zone is as follows:

LIGHTING BENEFIT ZONES							
New Zone	A	B	C	D	E	F	Totals
Old Zone	1	5	6	7	9	10	
EDUs	13,274.26	386.60	395.00	388.25	18.40	114.79	14,577.30
Benefit Factor	1	4	3	1	5	4	
Benefit Units	13,274.26	1,546.40	1,185.00	388.25	92.00	459.15	16,945.07

Zone G

Benefit Units (BUs) are calculated as follows:

$$\text{AFF} \times \text{Benefit Factor} = \text{Benefit Units (BUs)}$$

The distribution of BUs per Zone is as follows:

LANDSCAPING BENEFIT ZONES	
New Zone	G
Old Zone	10
EDUs	4,823.00
Benefit Factor	1
Benefit Units	4,823.00

Sample calculations for various zones and land-use types are provided on the following page.

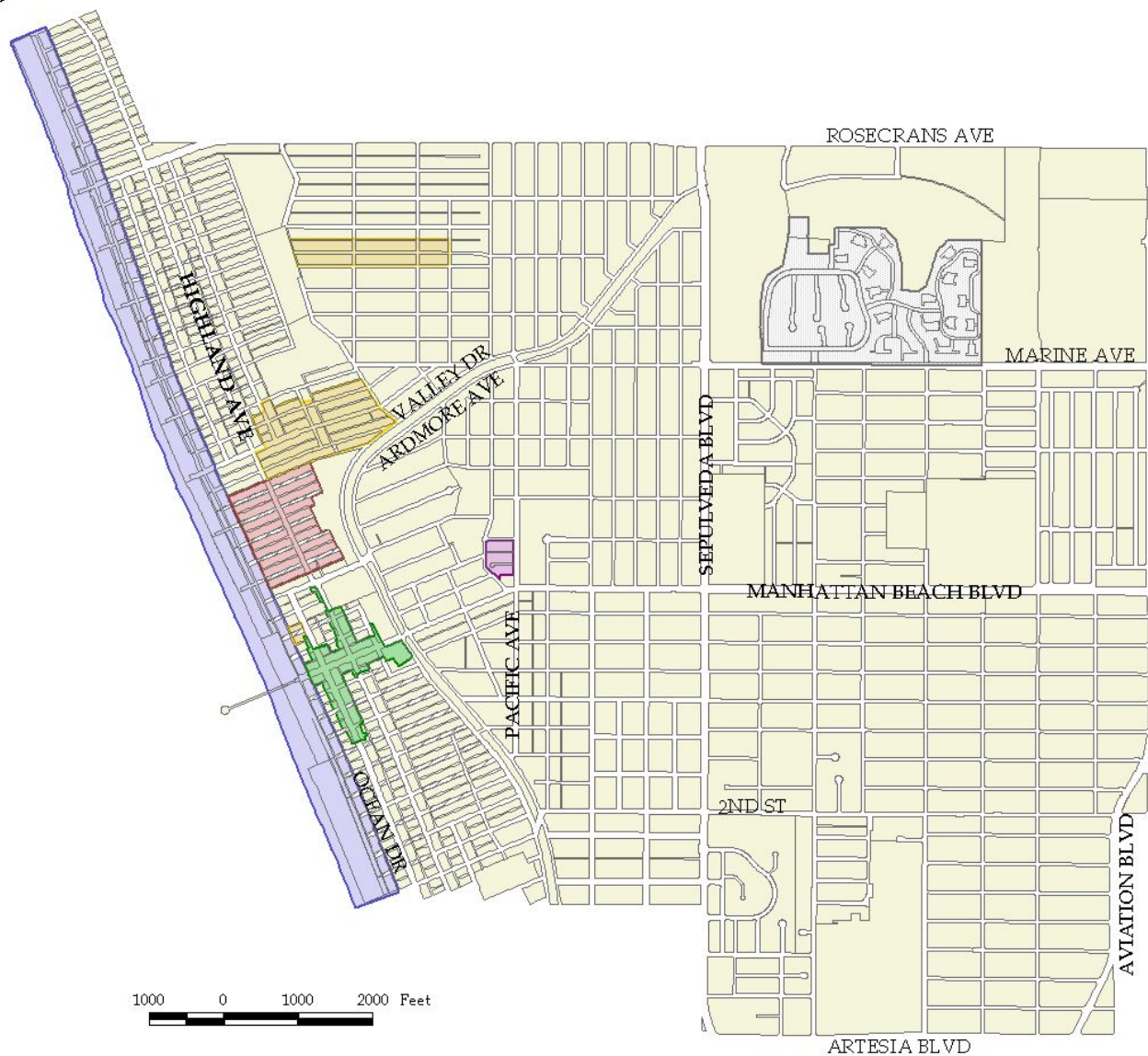
SAMPLE CALCULATIONS – LIGHTING ZONES

ZONE A - Standard Lighting		EDU	BU	FY 14-15 Asmt	Current Rates
Single Family Residential		1.0	1.0	\$38.79	\$17.03
Condominium		0.8	0.8	\$31.03	\$13.62
Vacant Residential		0.25	0.25	\$9.70	\$4.26
Multi-Family Residential	Duplex	1.6	1.6	\$62.07	\$27.25
	Triplex	2.4	2.4	\$93.10	\$40.87
Commercial/Industrial	1/4 acre	1.425	1.425	\$55.28	\$24.27
	1/2 acre	2.904	2.904	\$112.65	\$49.46
	1 acre	5.8	5.8	\$225.30	\$98.91
Vacant Commercial/Industrial	1/4 acre	0.363	0.363	\$14.08	\$6.18
	1/2 acre	0.726	0.726	\$28.16	\$12.36
ZONE B - Gas Light Area					
Single Family Residential		1.0	4.0	\$155.17	\$87.08
Condominium		0.8	3.2	\$124.13	\$69.66
Vacant Residential		0.25	1.00	\$38.79	\$21.77
Multi-Family Residential	Duplex	1.6	6.4	\$248.27	\$139.33
	Triplex	2.4	9.6	\$372.40	\$208.99
ZONE C - The Strand					
Single Family Residential		1.0	3.0	\$116.37	\$10.52
Condominium		0.8	2.4	\$93.10	\$8.42
Vacant Residential		0.25	0.75	\$29.09	\$2.63
Multi-Family Residential	Duplex	1.6	4.8	\$186.20	\$16.83
	Triplex	2.4	7.2	\$279.30	\$25.25
	4-plex	3.2	9.6	\$372.40	\$33.66
	10-unit Apt	8.0	24.0	\$931.00	\$84.16
ZONE D - Walkway Streets					
Single Family Residential		1.0	1.0	\$38.79	\$10.80
Condominium		0.8	0.8	\$31.03	\$8.64
Vacant Residential		0.25	0.25	\$9.70	\$2.70
Multi-Family Residential	Duplex	1.6	1.6	\$62.07	\$17.28
	Triplex	2.4	2.4	\$93.10	\$25.92
ZONE E - Arbolado Tract					
Condominium		0.8	4.0	\$155.17	\$126.34
ZONE F - Formerly Zone 10					
Commercial	0.16 acre	1.000	4.000	\$155.17	
	1/4 acre	1.452	5.808	\$225.30	
	0.33 acre	1.917	7.667	\$297.40	

SAMPLE CALCULATIONS – LANDSCAPING ZONES

ZONE G - Formerly Zone 10		FY 14-15	
	AFF	BU	Asmt
Commercial	30.00	30.00	\$2,026.18
	60.00	60.00	\$4,052.35
	90.00	90.00	\$6,078.53

City of Manhattan Beach Lighting and Landscape Assessment Districts



August 2001

Total Area (Acres)

Zone 1	A	General	2231.7
Zone 5	B	Gas Lights	39.0
Zone 6	C	The Strand	127.5
Zone 7	D	Walkway Streets	25.7
Zone 9	E	Arbolado Tract	2.9
Zone 10	F/G	Downtown Streetscape	15.4
		Excepted	82.5

