



**City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority**

AGENDA

Wednesday

Regular

**Closed Session 5:30 p.m.
Regular Session 6:00 p.m.**

April 18, 2012

**City Hall
100 West California Avenue
Ridgecrest CA 93555**

(760) 499-5000

**Ronald H. Carter, Mayor
Marshall G. Holloway, Mayor Pro Tempore
Jerry D. Taylor, Vice Mayor
Steven P. Morgan, Council Member
Jason Patin, Council Member**

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**LAST ORDINANCE NO. 12-xx
LAST RESOLUTION CITY COUNCIL NO. 12-22
LAST RESOLUTION FINANCING AUTHORITY NO. 12-xx**

CITY OF RIDGECREST

**CITY COUNCIL
SUCCESSOR REDEVELOPMENT AGENCY
HOUSING AUTHORITY
FINANCING AUTHORITY**

AGENDA

Regular Council
Wednesday April 18, 2012

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

**Closed Session – 5:30 p.m.
Regular Session – 6:00 p.m.**

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

AGENDA - CITY COUNCIL - REGULAR

April 18, 2012

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CLOSED SESSION – 5:30 p.m.

GC54956.9(A) Conference With Legal Counsel, Existing Litigation. County Of Kern v. City Of Ridgecrest

GC54957.6 Labor Negotiations – United Food and Commercial Workers Golden State 8 (UFCW); Police Employee Association of Ridgecrest (PEAR); Management; Mid-Management; Confidential; Part-Time Employees. Agency Negotiator City Manager Kurt Wilson

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORTS

- Closed Session
- Other

PUBLIC COMMENT

CONSENT CALENDAR

1. Adopt Resolution Approving The Annual Report On Development Impact Fee Revenues And Expenditures, And Making Findings As To Unexpended Funds Staheli
2. Proclamations For The Month Of April Ford
3. Approve Draft Minutes Of The Regular City Council Meeting Of March 21, 2012 Ford

DISCUSSION AND OTHER ACTION ITEMS

4. Grant Progress Update from California Consulting Juan Garza
5. Adoption Of Resolutions (1) Declaring The City's Intention To Form Landscaping And Lighting District No. 2012-1 Which Calls For The Preparation And Filing Of The Engineer's Report Regarding The Formation Of The District And The Levy Of Assessments; And (2) Accepts And Approves The Engineer's Report; And (3) Initiating Proceedings To Form Landscaping And Lighting District No. 2012-1, To Levy Assessments Commencing In Fiscal Year 2012/2013, To Conduct A Property Owner Protest Ballot Proceeding For The Assessments, And Sets The Time And Place For The Public Hearing Speer

AGENDA - CITY COUNCIL - REGULAR

April 18, 2012

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6. **Approve A Resolution Of The Ridgecrest City Council for the Real Property Sale Option of a 12 acre + portion of APN 343-014-007, 411 N. San Bernardino Blvd, SunMark Energy, LLC** **McRea**

DEPARTMENT AND COMMITTEE REPORTS

Infrastructure Committee

Members: Steve Morgan, Jerry Taylor, Craig Porter, James Sanders
Meeting: 2nd Wednesday Of The Month At 5:00 P.M., Council Conference Room
Next Meeting: May 9, 2012

Quality Of Life

Members: Chip Holloway, Jason Patin, Craig Porter, Carter Pope
Meeting: 1st Thursday Of Every Even Month At 12:00 P.M.; Kerr-McGee Center
Next Meeting: June 7, 2012

City Organization

Members: Ron Carter, Jerry Taylor, Lois Beres, Christopher LeCornu
Meeting: 1st Tuesday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: May 1, 2012

Community Development Committee

Members: Steve Morgan, Jason Patin, Christopher LeCornu, James Sanders
Meetings: 1st Thursday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: May 3, 2012

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Ron Carter, Chip Holloway, Ron Strand
Meetings: 2nd Monday Of Odd Numbered Months At 4:00 P.M., Kerr-McGee Center
Next Meeting: May 14, 2012

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway, Jason Patin
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: May 2, 2012 at Location to Be Announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

AGENDA - CITY COUNCIL - REGULAR

April 18, 2012

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CITY MANAGER REPORTS

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA ITEM

SUBJECT:
ADOPT RESOLUTION APPROVING THE ANNUAL REPORT ON DEVELOPMENT IMPACT FEE REVENUES AND EXPENDITURES, AND MAKING FINDINGS AS TO UNEXPENDED FUNDS

PRESENTED BY:

Tyrell Staheli, Finance Director/City Treasurer

SUMMARY:

California Government Code sections 66000-66006 impose requirements for the collection and expenditure of development impact fees. The City has five different development impact fee funds, with combined collected revenues of over \$241,137 in fiscal year 2010-2011. Compared that revenue from the prior fiscal year collection of \$451,808, the decrease in revenue collection is equivalent to 47% which is an indication that the city's construction and development is still slowing down. Total revenue for the last five fiscal years for all types of impact fees collected is \$2.25 million. The total revenue collected since its inception and implementation is \$2.26 million.

Under Government Code section 66006(b), the City must issue a yearly report relating to the development impact fees it imposes. In addition, pursuant to Government Code section 66001(d), the City must at least every five years make certain findings with respect to that portion of each development fee account remaining unexpended.

This report and the information attached to the proposed resolution satisfy those statutory requirements for accounting for development impact fees.

FISCAL IMPACT:

None

ACTION REQUESTED:

Adopt The Attached Resolution Approving The Annual Report On Development Impact Fee Revenues And Expenditures, And Making Findings As To Unexpended Funds.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Adopt A Resolution Approving The Annual Report On Development Impact Fee Revenues And Expenditures And Making Findins As To Unexpended Funds.

Submitted By: Tyrell Staheli

Action Date: April 18, 2012

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RESOLUTION NO. 12-

A RESOLUTION OF THE CITY OF RIDGECREST APPROVING THE ANNUAL REPORT ON DEVELOPMENT IMPACT FEE REVENUES AND EXPENDITURES, AND MAKING FINDINGS AS TO UNEXPENDED FUNDS

WHEREAS, California Government Code sections 66000-66006 impose requirements for the collection and expenditure of development impact fees; and

WHEREAS, pursuant to Government Code section 66006(b), the City must issue a yearly report relating to the development impact fees it imposes; and

WHEREAS, pursuant to Government Code section 66001(d), the City must at least every five years make certain findings with respect to that portion of each development fee account remaining unexpended; and

WHEREAS, pursuant to Government Code section 66006(b)(2), notice of the City Council meeting at which this report was considered was mailed at least 15 days before the meeting to interested parties who requested notice.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIDGECREST THAT:

1. The City Council approves the attached Development Impact Fee Annual Report for the fiscal year ending June 30, 2011.
2. The City Council here adopts the findings contained in the attached report.

APPROVED AND ADOPTED this 18th of April 2012 by the following vote

AYES:
NOES:
ABSTAIN:
ABSENT:

Ronald Carter, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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CITY OF RIDGECREST
CALIFORNIA

DEVELOPMENT IMPACT FEE
ANNUAL REPORT

FISCAL YEAR 2010-2011

**CITY OF RIDGECREST
DEVELOPMENT IMPACT FEE ANNUAL REPORT
FISCAL YEAR 2010-2011**

Background

This report contains information on the City of Ridgecrest's development impact fees for Fiscal Year 2010-2011. This information is presented to comply with the annual reporting requirements contained in Government Code section 66000 et seq., also known as AB1600. Please note that this annual report is not a budget document, but rather is compiled to meet reporting requirements. It is not intended to represent a full picture of currently planned projects as it only reports revenues and expenditures for Fiscal Year 2010-2011. Government Code Section 66006 requires local agencies to submit annual and five-year reports detailing the status of development impact fees. The annual report must be made available to the public within 180 days after the last day of the fiscal year, and must be presented to the public agency's governing body at least 15 days after it is made available to the public.

This report summarizes the following information for each of the development fee programs:

1. A brief description of the fee program.
2. Schedule of fees.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. Disbursement information (including interfund transfers/loans) and percentage of the project funded by fees.
6. A description of each interfund loan along with the date the loan will be repaid and the rate of interest.
7. The estimated date when projects will begin if sufficient revenues are available to construct the project.
8. Findings for each fee program.

The City does not earmark development impact fees for any specific project as the fees are collected, but rather the fees are applied toward a series of capital improvement projects, such as a future police building, community center, and other capital facilities.

This report is organized as follows.

The Development Impact Fee Program section will provide a brief description of the purpose of each development impact fee; the beginning balance, annual fee revenue collected and interest earned; any interfund transfers or loans received; any disbursements made for the fiscal year; and the ending balance of each fund as of June 30, 2011.

Exhibit A is the summary of development impact fees received and interest earned by fiscal year in the last five fiscal years.

Exhibit B is the list of development projects by impact fee program as listed on the Development Cost and Fee Study.

Exhibit C is the Fee Schedule for Fiscal Year 2011.

Development Impact Fee Programs

Fire Facilities Improvement Impact Fee Fund (Fund 261) – this fund will provide funding for the construction and improvement of the fire protection facilities within the City, including any required acquisition of land to serve the needs of new development.

See Exhibit C for the fee schedule.

Fund 261 - Fire Facilities Improvement Impact Fees	
Beginning Balance, July 1, 2010	\$ 126,886
Additions:	
Fees Collected	16,541
Interest Earned	507
Interfund Transfers/Loans	-
Total	17,048
Deductions:	
Disbursements	-
Interfund Transfers/Loans	-
Refunds	-
Total	-
Ending Balance, June 30, 2011	\$ 143,934

REQUIRED FINDINGS:

1. The reasonable relationship between the fire facilities improvement impact fee and the purpose for which it is charged is demonstrated in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
2. The sources and amounts of funding anticipated to complete the fire facilities improvement are set forth in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
3. There have not been enough fees collected in the last six years to fund the projects listed on the study, therefore there have been no expenditures made.

Traffic Impact Fee Fund (Fund 262) – this will fund provide funding for the construction and implementation of improvements to key elements of the citywide transportation system sufficient to accommodate future traffic demand generated by new development.

See Exhibit C for the fee schedule.

Fund 262 - Traffic Impact Fees	
Beginning Balance, July 1, 2010	\$ 673,185
Additions:	
Fees Collected	69,277
Interest Earned	2,612
Interfund Transfers/Loans	-
Total	71,889
Deductions:	
Disbursements	-
Interfund Transfers/Loans	46,757
Refunds	-
Total	46,757
Ending Balance, June 30, 2011	\$ 698,317

REQUIRED FINDINGS:

1. The reasonable relationship between the traffic impact fee and the purpose for which it is charged is demonstrated in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
2. The sources and amounts of funding anticipated to complete the traffic facilities improvement are set forth in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
3. There have not been enough fees collected in the last six years to fund the projects listed on the study; however, an interfund transfer of \$46,757 was made to Capital Projects Fund (Fund 18) to cover the cost of the construction engineering for the construction of the Norma Street between Upjohn and Church (ST0905)

Park & Recreation Development Impact Fee Fund (Fund 263) – this fund will provide funding for construction and improvement of the parks and recreation facilities within the City, including any required acquisition of land to meet the demands generated by the new development.

See Exhibit C for the fee schedule.

Fund 263 - Park Development Impact Fees	
Beginning Balance, July 1, 2010	\$ 185,642
Additions:	
Fees Collected	30,180
Interest Earned	758
Interfund Transfers/Loans	-
Total	30,938
Deductions:	
Disbursements	-
Interfund Transfers/Loans	38,945
Refunds	-
Total	38,945
Ending Balance, June 30, 2011	<u>\$ 177,635</u>

REQUIRED FINDINGS:

1. The reasonable relationship between the park development impact fee and the purpose for which it is charged is demonstrated in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
2. The sources and amounts of funding anticipated to complete the park facilities improvement are set forth in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
3. There have not been enough fees collected in the last six years to fund the projects listed on the study. However, an interfund transfer was made this year in the amount of \$38,945 to General Fund to cover the purchase of 2011 Ford F-150 pickup truck and a 2010 Kubota Tractor/Loader, both for use by the Parks & Recreation department.

Law Enforcement Impact Fee Fund (Fund 264) - this fund will provide funding for construction and improvement of the City's law enforcement facilities, including a new police sub-station, a new comprehensive radio system and acquisition of additional new police vehicles and equipments in order to meet the needs of new development

See Exhibit C for the fee schedule.

Fund 264 - Law Enforcement Impact Fees	
Beginning Balance, July 1, 2010	\$ 205,012
Additions:	
Fees Collected	27,574
Interest Earned	821
Interfund Transfers/Loans	-
Total	28,394
Deductions:	
Disbursements	-
Interfund Transfers/Loans	-
Refunds	-
Total	-
Ending Balance, June 30, 2011	<u>\$ 233,406</u>

REQUIRED FINDINGS:

1. The reasonable relationship between the law enforcement impact fee and the purpose for which it is charged is demonstrated in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
2. The sources and amounts of funding anticipated to complete the law enforcement facilities improvement are set forth in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
3. There have not been enough fees collected in the last six years to fund the projects listed on the study, therefore there have been no expenditures made.

Storm Drainage Facilities Fees (Fund 265) – this fund will provide funding for the construction and improvement of the storm drain facilities within the City, including any required acquisition of land.

See Exhibit C for the fee schedule.

Fund 265 - Storm Drainage Facilities Impact Fees	
Beginning Balance, July 1, 2010	\$ 832,045
Additions:	
Fees Collected	89,631
Interest Earned	3,237
Interfund Transfers/Loans	-
Total	92,868
Deductions:	
Disbursements	61,337
Interfund Transfers/Loans	-
Refunds	-
Total	61,337
Ending Balance, June 30, 2011	\$ 863,576

REQUIRED FINDINGS:

1. The reasonable relationship between the storm drainage facilities impact fee and the purpose for which it is charged is demonstrated in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
2. The sources and amounts of funding anticipated to complete the storm drainage facilities improvement are set forth in the Development Cost and Fee Study done by WZI, Inc. on February 1, 2006.
3. There have not been enough fees collected in the last six years to fund the projects listed on the study. However, a disbursement of \$61,337 was made for the acquisition of a 2011 Case Backhoe for use by the Street Department to clean up storm drainage systems.

Questions regarding the data in this report should be directed to the City's Finance Department at 100 West California Avenue, Ridgecrest, California 93555, phone number (760) 499-5020 or email Tyrell Staheli at tstaheli@ci.ridgecrest.ca.us or Tess Sloan at tsloan@ci.ridgecrest.ca.us.

EXHIBIT B
CITY OF RIDGECREST
FACILITIES AND IMPROVEMENT NEEDS LIST THROUGH 2025

	SIZE/UNIT	Project Cost	% OF COST ALLOCATED TO NEW DEVELOPMENT	COST ALLOCATED TO NEW DEVELOPMENT
Fund 261 - Fire Facilities Improvement Impact Fees				
Fire Station including land, building and equipments	1 station	3,000,000	100%	3,000,000
			TOTAL	\$ 3,000,000
Fund 262 - Traffic Impact Fees				
Construction of street including two lanes of pavement and base; right of way; removal of obstructions and miscellaneous	26 miles	65,000,000	100%	65,000,000
Installation of new traffic signals	15 signals	2,400,000	100%	2,400,000
Signalized intersection upgrades	12 upgrades	960,000	100%	960,000
			TOTAL	\$ 68,360,000
Fund 263 - Park Development Impact Fees				
Basketball courts	3 facilities	144,000	100%	144,000
Tennis Courts	6 courts	240,000	100%	240,000
Soccer Field	1.5 fields	90,000	100%	90,000
Swimming Pool	1 pool	800,000	100%	800,000
Baseball Field	1 field	150,000	100%	150,000
Community Center	1 building	3,500,000	100%	3,500,000
			TOTAL	\$ 4,924,000
Fund 264 - Law Enforcement Impact Fees				
New police vehicles	11	385,000	100%	385,000
New Police sub-station	10,000 sq. ft.	2,500,000	100%	2,500,000
New comprehensive Radio System	1	1,620,000	100%	1,620,000
			TOTAL	\$ 4,505,000
Fund 265 - Storm Drainage Facilities Impact Fees				
Cost to implement Master Drainage Plan allocated to New Development		78,234,000	36%	28,164,240
			TOTAL	\$ 28,164,240

Source: Development Cost & Fee Study prepared by WZI, Inc on February 1, 2006

Exhibit "C"
City of Ridgecrest
Impact Fees

TABLE 1 - FIRE IMPACT FEES					
Category	Acres	Units/Acre	2009 FEE	Unit of Measure	NEW FEE - 2010/2011
Estate & Rural Residential	818	2.5	\$643	per dwelling unit	\$634
Low Density Residential	527	4	\$402	per dwelling unit	\$396
Medium Density Residential	226	12	\$134	per dwelling unit	\$132
Commercial	275	0	\$1,608	per acre	\$1,585
Civic	10	0	\$1,608	per acre	\$1,585
Industrial	166	0	\$1,608	per acre	\$1,585

TABLE 2 - TRAFFIC IMPACT FEES				
Category	UNITS	TRIP ENDS	2009 FEE	NEW FEE - 2010/2011
RESIDENTIAL				
Single Family	Dwelling Units	9.6	\$1905/DU	\$1,878
Multi Family	Dwelling Units	6.7	\$1330/DU	\$1,311
COMMERCIAL				
Retail Commercial	1000 SF/building	46.6 (reduce to 23.3)	\$4623/1000 SF	\$4,557
Service Stations	Fueling Position	166 (reduce to 16.6)	\$2957/Fuel Pos	\$2,915
Movie Theater	1000 SF/building	27.8 (reduce to 13.9)	\$2759/1000 SF	\$2,720
Automobile Sales	1000 SF/lot area	1.2	\$238/1000 SF lot	\$235
Hotels/Motels	Room	0.7	\$139/Room	\$137
RESTAURANTS				
Restaurants	1000 SF/building	36.6 (reduce to 18.3)	\$3631/1000 SF	\$3,579
OFFICE BUILDINGS				
Medical-Dental	1000 SF/building	18(reduce to 9)	\$1786/1000 SF	\$1,760
General Office	1000 SF/building	6.1	\$1218/1000 SF	\$1,201
INDUSTRIAL				
Manufacturing	1000 SF/building	3.8(reduce to 1.9)	\$377/1000 SF	\$372
Mini Warehousing	1000 SF/building	2.4(reduce to 1.2)	\$238/1000 SF	\$235
Warehousing	1000 SF/building	2.2(reduce to 1.1)	\$218/1000 SF	\$215
INSTITUTIONAL				
Schools/Churches	-	-	-	-
Nursing Homes	Bed	0.2	\$40/Bed	\$39

Notes:

Rates - \$198 per trip end (new rate for 2010/2011 is \$196)

Trip end rates for other than those listed above shall be determined using trip generation statistics in the Institute Transportation Engineers Trip Generation Manual, latest edition.

Trip ends for Commercial, Office, Restaurants, Theaters and Industrial shall be reduced by 50%

Trip ends for Gas Stations shall be reduced by 90% to reflect by-pass and captured trips

Exhibit "C"
City of Ridgecrest
Impact Fees

TABLE 3 - PARK IMPACT FEES			
Category	UNITS	2009 FEE	NEW FEE - 2010/2011
RESIDENTIAL			
Single Family	Each Dwelling Unit	\$823/DU	\$811
Multi Family	Each Dwelling Unit	\$823/DU	\$811

TABLE 4 - LAW ENFORCEMENT IMPACT FEES					
Category	Acres	Units/Acre	2009 FEE	Unit of Measure	NEW FEE - 2010/2011
Estate & Rural Residential	818	2.5	\$1,072	per dwelling unit	\$1,057
Low Density Residential	527	4	\$670	per dwelling unit	\$660
Medium Density Residential	226	12	\$223	per dwelling unit	\$220
Commercial	275	0	\$2,681	per acre	\$2,643
Civic	10	0	\$2,681	per acre	\$2,643
Industrial	166	0	\$2,681	per acre	\$2,643

TABLE 5 - DRAINAGE IMPACT FEES					
Category	Acres	% Impervious	Fair Share Cost	2009 FEE	NEW FEE - 2010/2011
Per Acre					
Estate & Rural Residential	818	10%	\$3,699,673	\$4,495	\$4,431
Low Density Residential	527	23%	\$5,482,119	\$10,338	\$10,190
Medium Density Residential	226	40%	\$4,088,636	\$17,979	\$17,722
Commercial	275	85%	\$2,878,054	\$10,401	\$10,252
Civic	10	75%	\$92,339	\$9,177	\$9,046
Industrial	166	85%	\$1,737,279	\$10,401	\$10,252
Per Dwelling Unit					
Estate & Rural Residential	818	10%	\$3,699,673	\$1,809	\$1,783
Low Density Residential	527	23%	\$5,482,119	\$2,600	\$2,563
Medium Density Residential	226	40%	\$4,088,636	\$1,507	\$1,485

CPI Index for June 2008-June 2009 is -1.43%

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

A Resolution Of The Ridgecrest City Council Announcing Proclamations Prepared For The Month Of April And Schedule Date Of Presentation

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

The Ridgecrest City Council receives requests for presentation of ceremonial proclamations for various events and observations. The resolution lists proclamations that have been processed and will be presented on the date and time shown.

1. Public Education Month – Grand Masonic Lodge
2. 50th Anniversary of Altrusa
3. National Week of the Young Child – April 22-28, 2012

To Be Presented At City Hall On Thursday, April 19, 2012 At 12:00pm Noon

FISCAL IMPACT: None

None

Reviewed by Finance Director

ACTION REQUESTED:

Approve a resolution authorizing the presentation of proclamations and scheduling the time and date for presentation.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Approve a resolution authorizing the presentation of proclamations and scheduling the time and date for presentation.

Submitted by:
(Rev.6/12/09)

Rachel J. Ford

Action Date: April 18, 2012

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RESOLUTION NO. 12-xx

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL
ANNOUNCING PROCLAMATIONS PREPARED FOR THE
MONTH OF APRIL 2012 AND SCHEDULED DATE OF
PRESENTATION**

The Ridgecrest City Council receives requests for presentation of ceremonial proclamations for various event and observations. The following proclamations have been processed and will be presented at location, date and time shown below:

Proclamation Titles

1. *Public Education Month – April 2012*
2. *50th Anniversary of Altrusa*
3. *National Week of the Young Child – April 22-28, 2012*

These Proclamations will be presented on Thursday, April 19, 2012 at Noon in City Hall

APPROVED AND ADOPTED THIS 21st day of March 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ronald H. Carter, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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A Proclamation of The City Of Ridgecrest, California

PUBLIC EDUCATION MONTH

WHEREAS, Public Education is an essential part of the infrastructure of the Indian Wells Valley and the key to our future successes in building and sustaining a better city for every citizen; and

WHEREAS, Freemasons in California have been dedicated to supporting public schools for more than 160 years, including the creation of the first Public Schools Week in 1920. The Masonic fraternity is built upon the same tenets of truth and equality that are the basis of free public education; and

WHEREAS, Freemasons regard an educated citizenry as the first necessity of a progressive state and that our nation's democratic ideals are advanced by our system of public education; and

WHEREAS, The Indian Wells Valley Masonic Lodge, as the local representative of the Grand Masonic Lodge of the State of California, publicly pledges its unqualified support of all Public Schools, teachers, staff and programs within the State of California and in the Indian Wells Valley.

Now, therefore, be it proclaimed:

The City Council of the City of Ridgecrest does hereby proclaim the month of April 2012 as "PUBLIC SCHOOLS MONTH" and asks all citizens of Ridgecrest to join with the Indian Wells Valley Masonic Lodge in renewing their commitment to Public Schools, Students, Teachers and Administrators, and work together to make a profound difference for public education.

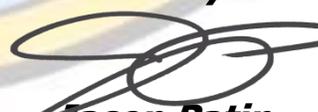
Proclaimed April 18, 2012


Ronald H. Carter, Mayor


**Marshall "Chip" Holloway
Mayor Pro Tem**


**Jerry D. Taylor
Vice Mayor**


**Steven P. Morgan
Council Member**


**Jason Patin
Council Member**

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*A Proclamation of
The City Of Ridgecrest, California*

Celebrating the 50th Anniversary of Altrusa

WHEREAS, The charter for Altrusa International, Inc. of Indian Wells Valley was established in 1962 and has been celebrated annually in April; and

WHEREAS, Altrusa has been in the forefront of contributing to the Ridgecrest community in many ways including refurbishing the Adult Day Care Center, supplying books for parents of newborns at Ridgecrest Regional Hospital, providing reading materials at the DaVita Center, spearheading local book drives and collection points around the City, and organizing and participating in KidSpree each fall; and

WHEREAS, additional contributions of cash have been donated to the Women's Center – High Desert; Senior Center of the Indian Wells Valley; Literacy Council of the Indian Wells Valley, Habitat for Humanity; Ridgecrest Salvation Army; Pierce Elementary School; Expanding Your Horizons; Safe Graduation Program; Ridgecrest Regional Hospital Foundation Golf Tournament; Boys and Girls Club; Leapin' Lizards Day Care; and Scholarships to graduating seniors and/or continuing college students; and

WHEREAS, the Club has won numerous Altrusa District Awards including the Mamie L Bass Award four times; two time winner of the Letha H. Brown Literacy Award, and three time recipient of the Marilyn Atwood Award; and

Now, therefore, be it proclaimed:

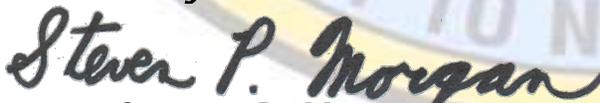
The City Council of the City of Ridgecrest does hereby recognize and celebrate the 50th anniversary of Altrusa and supports the efforts of the local Indian Wells Valley Altrusa International Organization

Proclaimed April 17, 2012


Ronald H. Carter, Mayor


*Marshall "Chip" Holloway
Mayor Pro Tem*


*Jerry D. Taylor
Vice Mayor*


*Steven P. Morgan
Council Member*


*Jason Patin
Council Member*

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*A Proclamation of
The City Of Ridgecrest, California*

National Week Of The Young Child

Whereas, the Eastern Sierra Association for the Education of Children and other local organizations, in conjunction with the National Association for the Education of Young Children, are celebrating the Week of the Young Child, April 22-28, 2012; and

Whereas, these organizations are working to improve early learning opportunities, which are crucial to the growth and development of young children, and to building better futures for everyone in The City of Ridgecrest; and

Whereas, all young children and their families across the country and in the City of Ridgecrest deserve access to high-quality early education and care; and

Whereas, in recognizing and supporting the people, programs and policies that are committed to high-quality early childhood education as the right choice for kids;

Now, therefore, be it proclaimed:

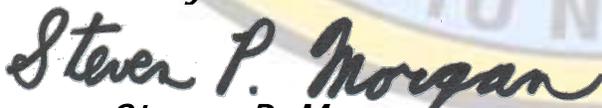
The City Council of the City of Ridgecrest, do hereby proclaim April 22-28, 2012 as The Week of the Young Child in City of Ridgecrest and encourage all citizens to work to make a good investment in early childhood in Ridgecrest

Proclaimed April 17, 2012


Ronald H. Carter, Mayor


*Marshall "Chip" Holloway
Mayor Pro Tem*


*Jerry D. Taylor
Vice Mayor*


*Steven P. Morgan
Council Member*


*Jason Patin
Council Member*

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of March 21, 2012

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of March 21, 2012

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel J. Ford
(Rev. 6-12-09)

Action Date: April 18, 2012

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**MINUTES OF THE REGULAR MEETING OF THE
RIDGECREST CITY COUNCIL
RIDGECREST HOUSING AUTHORITY
RIDGECREST FINANCE AUTHORITY**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**March 21, 2012
6:30 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER – 4:00 p.m.

CALL TO ORDER

ROLL CALL

Council Present: Mayor Ronald H. Carter; Mayor Pro Tem Marshall 'Chip' Holloway; Vice Mayor Jerry D. Taylor; Council Member Steven P. Morgan; and Council Member Jason Patin

Staff Present: City Manager Kurt O. Wilson; City Clerk Rachel J. Ford; City Attorney Keith Lemieux (via teleconference); and other staff

- ❖ *Council Member Morgan arrived during Closed Session*
- ❖ *Mayor Carter fell ill and left the meeting at 6:15pm.*
- ❖ *Mayor Pro Tem Holloway presided over the meeting*

APPROVAL OF AGENDA

ITEMS ADDED TO AGENDA:

GC54957.6 Labor Negotiations – United Food and Commercial Workers Golden State 8 (UFCW); Police Employee Association of Ridgecrest (PEAR); Management; Mid-Management; Confidential; Part-Time Employees. Agency Negotiator City Manager Kurt Wilson

Motion To Approve Agenda (As Amended) Made By Council Member Patin ; Second By Council Member Holloway. Motion Carried By Voice Vote Of 4 Ayes; 0 Nays; 0 Abstain; 1 Absent (Council Member Morgan)

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PUBLIC COMMENT – CLOSED SESSION

- None Presented by Public

CLOSED SESSION – 4:00 p.m.

- | | |
|--------------|--|
| GC54956.8 | Real Property Negotiations: APN 343-014-07, A 12 Acre Portion, With Sunmark. City Negotiators Kurt Wilson And James McRea |
| GC54956.9(A) | Conference With Legal Counsel, Existing Litigation. City Of Ridgecrest V. Benz Sanitation Inc. |
| GC54956.9(A) | Conference With Legal Counsel, Existing Litigation. County Of Kern V. City Of Ridgecrest |
| GC54956.9(B) | Conference With Legal Counsel, Potential Litigation. Public Disclosure Of Litigant Would Prejudice The City Of Ridgecrest. |
| GC54957 | Personnel Matters – Public Employee Performance Evaluation – City Manager |

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORTS

- Closed Session – no reportable action was taken on the following items.
 - Sunmark real property negotiations
 - City of Ridgecrest v. Benz Sanitation, Inc.
 - County of Kern v. City of Ridgecrest
 - Undisclosed potential litigation
 - City manager evaluation
 - Labor negotiations for all represented and unrepresented employee groups.
- Other - none

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PUBLIC COMMENT

Imogene Snyder

- Proposed City saving money by adopting a policy as outlined by the speaker.

Tom Wiknich

- Requested agenda item of formal presentation of parks projects and Tax Allocation Bond funds.

PRESENTATIONS

1. Comprehensive Annual Financial Report Presentation

Staheli

Ken Pun of Caporicci and Larson presented the Annual Comprehensive Annual Financial Report to Council. *(A Copy of Power Point Presentation Available In The City Clerk's Office)*

Jerry Taylor

- Current revenue was funds from redevelopment agency have been included in these totals so the total deficit is approximately \$2.9 million.

CONSENT CALENDAR

2. Approve A Resolution Requesting Authorization To Enter Into Program Supplement Agreement With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And To Authorize The City Manager To Sign Said Agreement(s) For The Road Reconstruction And Rehabilitation Project On Downs Street From Drummond Avenue To Ward Avenue Speer

3. Approve A Resolution Requesting Authorization To Enter Into Program Supplement Agreement With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And To Authorize The City Manager To Sign Said Agreement(s) For The Road Reconstruction And Rehabilitation Project On College Heights Boulevard Between Jarvis Avenue And Franklin Avenue Speer

4. Approve A Resolution To Request A Change To The Functional Classification On South Sunland Street From Upjohn Avenue To Bowman Road (1/2 Mile) From No Classification To "Major Collector" Speer

5. Adoption Of The Amended Draft Recognized Obligations Payment Schedule Pursuant To ABX1 26 Staheli

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6. Approve A Resolution Amending Employer Paid Member Contributions To CalPERS For Unrepresented Employee Groups Staheli
7. Approve A Resolution Announcing Proclamations For The Annual Junior And Senior Bluejacket Award And Scheduling Date Of Presentation Ford
8. Approve A Resolution Announcing Proclamations Honoring Eagle Scout Recipients And Scheduling Date Of Presentation Ford
9. Approve A Resolution Announcing A Proclamation Celebrating The 100th Anniversary Of The Girl Scouts Of America And Scheduling Date Of Presentation Ford
10. Approve Draft Minutes Of The Regular City Council Meeting Of March 7, 2012 Ford

Items Removed from Consent Calendar:

- Item 5

Motion To Approve Consent Calendar (As Amended) Made By Council Member Taylor, Second By Council Member Morgan. Motion Carried By Voice Vote Of 4 Ayes; 0 Nays; 0 Abstain; And 1 Absent (Mayor Carter)

Item 5 discussion

Mike Neel

- 3 items on page 2 of schedule, line item 1, 2, & 17. Expenditures for parks and sports complex and Council have not approved these expenditures. Also an aquatics project that was approved. City is lying to public because Council never approved these items. Will be attending board meetings. This has been brought to attention previously and will be raised at other board meetings.

Chip Holloway

- Restricted by original TAB allocation and until it is rejected must put onto the list

Mike Neel

- This was not approved by Council

Steve Morgan

- It will be up to the oversight committee to review the original list we had at the time and let us know what can be done.

Mike Neel

- Will be asking the board to retrieve the documents

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Jerry Taylor

- This list is not giving authorization to proceed, only putting forth the plan to the oversight committee. Is not authorizing staff to execute any of the projects.

Chip Holloway

- We sold bonds for these projects.

Mike Neel

- Questioned why there are past expenditures on this list

Tyrell Staheli

- Those were anticipated expenditures and are not firm.

Mike Neel

- Seems strange that these were slipped in.

Motion To Approve Item 5 Was Made By Council Member Taylor, Second By Council Member Morgan, Motion Passed By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, And 1 Absent (Mayor Carter).

DISCUSSION AND OTHER ACTION ITEMS

11. Measure L Citizens' Oversight Committee Appointment Process Wilson

Kurt Wilson presented staff report to Council outlining 3 options to Council for establishing a process to seat the Citizens Oversight Committee for Measure 'L'.

Steve Morgan

- No preference, either of the three. The fact that we have an oversight board is what is critical and do not have an issue with appointed or applications. Can still go back to the groups and see if they can put forth candidates.

Jason Patin

- Feels option 1 is pointless, doesn't make sense to have 5 Council appointees. Option 3 makes the most sense but feels it should not be put into specific boxes but who the community feels would do the best job.

Jerry Taylor

- Willing to delegate the selection of the panel to persons in the audience who are engaged regularly. One comment is a concern about Heritage being selected as a planned development with private streets, more inclined to more at-large applicants. Would rather get a lot of applicants and delegate to someone else to do the selection. Similar to the panel selected to review the trash proposals. Hope people like that apply.

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Jason Patin

- People who fall outside these boxes specified should have the opportunity to apply.

Jerry Taylor

- Would like to see a financial person such as banker on the committee to give that perspective.

Chip Holloway

- Is this assumed to be a 5 year appointment.

Kurt Wilson

- Assuming would be appointed same as other Council committees.

Chip Holloway

- Agree with option 3.

PUBLIC COMMENT

Tom Wiknich

- Agree with comments on the third option, agree with heritage being less desirable as they are a private organization. Open application would be find and encourage other such as veterans organization.

Mike Neel

- Addressing theory of committee, search citizens who live in areas with bad streets. Was asked to consider the committee and would accept if 3 conditions met. Won't be on the committee. Asked what power the committee would have and the response was none. Committee has no power so don't know what they will actually accomplish.

Kurt Wilson

- Committee would serve a political function. Can exert political pressure on the elected body to not do anything other than what is expected

Keith Lemieux

- Committee is not an elected body and cannot determine how funds are to be spent. The purpose is to issue reports to public and keep public informed of what is going on.

Direction to staff: option 3 with modifications.

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Kurt Wilson

- Staff can initiate the application process

Steve Morgan

- Suggested changing the heritage suggestion to something broader such as banking or financial.

Jerry Taylor

- Agree with a business leader.
- Secondly, want someone with good financial background.
- Thirdly, want someone who is impacted such as a retiree.
- Finally, 2 at-large applicants

Jason Patin

- Anyone who wants to serve should have the opportunity.

Chip Holloway

- Want at least 3 technical areas and then 2 positions for members who bring value but may not fit into that particular category.

Jason Patin

- Get it but don't agree with putting it into a box. To say we want an oversight committee but want to control where they come from is a mute point.

Jerry Taylor

- All want a broad representation, so in terms of the announcements we are looking for people with these backgrounds or categories then use that information in the selection process.

Jerry Taylor

- We want these to be selections at large but are looking for disciplines such as banking, business, financial, or retirees.

Kurt Wilson

- Will begin the application process.

Jerry Taylor

- Strongly believe this should not be limited to persons living within the City because it affects people in the entire valley.

Chip Holloway

- Another layer to narrow the list before Council participates?

Jason Patin

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- No problem with that

Jerry Taylor

- Need to see the responses first. If there is an overwhelming response then yes.

Direction to staff given to proceed with application process as stated.

PUBLIC COMMENT

Dave Matthews

- Was questioning action taken at last Council meeting. In discussing with a member of the audience I realized had not read the resolution as passed. May want to talk with attorney and come back with questions.

Howard Auld

- Noted when the audit report was done there was no handout for public. Of interest is information on federal grant money. We've been trying to get federal funding. Also sounds like there will be another shortfall, is that cumulative? Each year increases. What is happening with that debt and should we let the City know what the situation is and try to get folks to join us in contributing to help resolve the situation. Been working with congressional representative McCarthy and if could get real leadership could go to him with requests for funding.

Kurt Wilson

- Two federal grants are ARRA and wastewater, transit

Steve Morgan

- Interested in a report from finance.

Mike Neel

- Significant past discussion of moving public comment to end of meeting. Encourage Council to take action to move public comment to the beginning of the meeting.

Renee Westalusk

- Wondered if there will be other cuts or other ways to save money brought forward at future meetings.

Kurt Wilson

- That is a continuing discussion.

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DEPARTMENT AND COMMITTEE REPORTS

Infrastructure Committee

Members: Steve Morgan, Jerry Taylor, Craig Porter, James Sanders
Meeting: 2nd Wednesday Of The Month At 5:00 P.M., Council Conference Room
Next Meeting: April 11, 2012

Jerry Taylor

- Special meeting date reviewed and worked with staff for a developer a workshop. Addressed handicap sign issue. Building inspector discussion is continuing. Projects such as safe routes to schools, street lane striping, and street lights.

Quality Of Life

Members: Chip Holloway, Jason Patin, Craig Porter, Carter Pope
Meeting: 1st Thursday Of Every Even Month At 12:00 P.M.; Kerr-McGee Center
Next Meeting: April 5, 2012

Chip Holloway

- Announced next meeting date and will have discussion of the TAB projects for parks.

City Organization

Members: Ron Carter, Jerry Taylor, Lois Beres, Christopher LeCornu
Meeting: 1st Tuesday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: April 17, 2012

- no meeting

Community Development Committee

Members: Steve Morgan, Jason Patin, Christopher Lecornu, James Sanders
Meetings: 1st Thursday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: April 5, 2012

- Jason Patin – announced schedule

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Ron Carter, Chip Holloway, Ron Strand
Meetings: 2nd Monday Of Odd Numbered Months At 4:00 P.M., Kerr-McGee Center
Next Meeting: May 14, 2012

- Chip Holloway announced schedule

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Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway, Jason Patin

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: April 4, 2012 At Springhill Suites in the China Lake Room

- Chip Holloway announced schedule

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- None

CITY MANAGER REPORTS

Kurt Wilson

- Independence Day is a Council meeting night.
 - Council agreed to cancel.
- April 4 Dennis Speer will be covering for Kurt

MAYOR AND COUNCIL COMMENTS

Jerry Taylor

- City continues to go through considerable financial issues, operating in a deficit, additional cuts need to occur somewhere. Staff is going to bring back budget recommendations for next year. One strategy that works for me is we need to cut 15-20% of budget so departments come in with 25% recommendations, which allows Council to set priorities. Wants options. Bluejacket awards this Saturday and will be attending.

Steve Morgan

- It is disheartening to me to hear certain comments when we refer to our budgets. Over the last few years, the Council has been spending down the reserve to maintain as many services as possible in the hope the state's budget would turn around and we could rebuild the reserve. We got hit with RDA which puts us in a worse positions. Council is working on the issues and need to be more forthcoming with numbers. When we talk about what we need to do, we need to have numbers available for the public. Going to try harder to do this. Comments we haven't been vigilant is not true. Have been trying to maintain as many services as possible without making cuts and now that time is over. We will deal with it and will need public's help. Disappointed with Mr. Neel because I want him on the committee, however he put 3 conditions forward therefore putting conditions on the committee before it even got started which is what the Council is accused of all the time. Asked Mr. Neel to be on the committee and cautioned him if not to badmouth it if he doesn't want to be part of the solution. Not proper to use the pulpit. Asked Mr. Neel to reconsider being on the committee. To members of the public as we go through the budget, wants public to be involved and give suggestions. No one will be happy but will get through it.

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Jason Patin

- Application process discussed earlier, application does not have conditions for serving. If you want to serve the please come forward, but don't try to put conditions on the committee. As for the budget process, was stubborn in my views and as we go through the process need to get to where we have to be right now and get it over with. Employees are on pins and needles not knowing if they will have a job in a couple of months. Don't know yet, but let's get on with it. Cant rebuild until we get to the base. Want to see furloughs and cuts go away and think we can get there if dedicated and get to the position to rebuild again.

Chip Holloway

- Agree with Mr. Morgan, Mr. Neel needs to be on that committee. Has spent a great deal of time understanding the issues. If you have the courage. Don't disagree with anything said on the budget process. We have gone through the most devastating months since being on the Council but the public has not been directly affected. When the trash issue directly affected the public this place was packed. We have made sure the public has not been affected and have shielded them, convinced now that we cannot afford the level of services this community has come to expect. During last big budget cycle we were going thru BRAC. Recently thought would face another BRAC. Information now receiving may not be a BRAC until 2015 so this time will have to make some very difficult choices. Level of services has to be cut and pain shared across the workforce of the City. have to make difficult choices. Have taken a lot of criticism in past for balanced budgets that maintained services and saved positions, can only imagine the criticism will receive with this budget. Pain is coming and is sad and not fair. This problem caught up with us in 2012 but convinced that other cities in this county have more funds than we do such as Delano. Services are no sustainable unless we create new revenue streams. Don't complain when the level of services are not there anymore.

ADJOURNMENT at 7:35pm

Rachel J. Ford, CMC
City Clerk

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CALIFORNIA CONSULTING HAS SECURED OVER \$1 BILLION FOR CLIENTS!



CITY OF RIDGECREST
Grants In Progress
April 2012

1. EECBG Bid Package
Proceeding
2. FEMA Fire Protection & Safety
Due: 4/27/12
3. USDA Rural Community Development Initiative
Due: 5/9/12
4. Bureau of Justice Assistance Justice Assistance Grant ("JAG")
Due: 5/14/12
5. Dept. of Health & Human Services – Assets for Independence
Due: 5/25/12
6. Hearst Foundation
Due: rolling
7. U.S. Tennis Association
Due: rolling
8. Disaster Recovery Initiative
Due: Submit Within a Few Weeks

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CITY COUNCIL AGENDA ITEM

SUBJECT:

Adoption of Resolutions (1) declaring the City's intention to form Landscaping and Lighting District No. 2012-1 which calls for the preparation and filing of the Engineer's Report regarding the formation of the District and the levy of assessments; and (2) accepts and approves the Engineer's Report; and (3) initiating proceedings to form Landscaping and Lighting District No. 2012-1, to levy assessments commencing in Fiscal Year 2012/2013, to conduct a property owner protest ballot proceeding for the assessments, and sets the time and place for the public hearing.

PRESENTED BY:

Dennis Speer, Public Work Director

SUMMARY:

The City of Ridgecrest is proposing the formation of Landscaping and Lighting District No. 2012-1 ("District") to pay for the ongoing maintenance, operation and servicing of the local streetscape landscaping and street lighting improvements established in connection with development of the properties within the residential subdivision known as DR Horton Tract No. 6740, which is generally located on the west side of College Heights Boulevard, just north of Kendall Avenue.

The landowner, D.R. Horton, pursuant to its development agreement is required to provide a mechanism to fund the ongoing maintenance and operation of these public improvements and has therefore requested the formation of this District pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 109 of the California Streets and Highway Code to address this requirement. The District will include sixty-seven (67) single-family residential properties, associated public right-of-ways and easements as identified on the approved tract maps for Tract No. 6740.

The formation of the District will allow for the levy and collection of annual assessments for fiscal year 2012/2013 on the County tax rolls. The annual assessments will provide funding for the costs and expenses required to service and maintain the landscaping and lighting improvements associated with and resulting from the development of properties within the District. However, to levy such assessments, the City must conduct a property owner protest ballot proceeding under the provisions of the California Constitution, Article XIII D (Proposition 218) which requires mailed notices and ballots to the property owners of record at least 45-days prior to the public hearing. At the conclusion of the public hearing, returned ballots will be opened and tabulated to determine if majority protest exists. If majority protest exists, proceedings to form the District will be abandoned. If majority protest does not exist, the City Council may form the District and authorize the levy of assessments.

Staff recommends that the City adopt Resolutions 1) initiating proceedings to form Landscaping and Lighting District No. 2012-1; and the resolution of Intention.

FISCAL IMPACT:

Formation Costs are being paid for by the developer D.R. Horton.

ACTION REQUESTED:

- 1.) Adopt the resolution of Intention
- 2.) Adopts the resolution of the Engineers Report
- 3.) Adopt the resolution that Initiates Formation Proceedings

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Adopt the three resolutions presented

Submitted by: Dennis Speer

Action Date: April 18, 2012

RESOLUTION NO. 12 -

A RESOLUTION INITIATING PROCEEDINGS FOR THE FORMATION OF LANDSCAPING AND LIGHTING DISTRICT NO. 2012-1, AND DIRECTING THE PREPARATION AND FILING OF AN ENGINEER'S REPORT

WHEREAS, the City Council of the City of Ridgecrest ("City"), pursuant to the provisions of the Landscaping and Lighting Act of 1972, Division 15, Part 2 of the California Streets and Highways Code ("Act"), desires to initiate proceedings for the formation of an assessment district to be known and designated as City of Ridgecrest, Landscaping and Lighting District No. 2012-1 ("District"), and to levy and collect annual assessments for the District commencing in fiscal year 2012/2013 to pay for the operation, maintenance, and servicing of landscaping and lighting improvements, and appurtenant facilities related thereto; and

WHEREAS, pursuant to Chapter 2, Article 1 Section 22585 of the Act, proceedings for the formation of an assessment district shall be initiated by resolution and that resolution shall generally describe the proposed improvements, describe the proposed assessment district and specify a distinctive designation for the district and order the engineer to prepare and file a report in accordance with Article 4 (commencing with Section 22565) of Chapter 1 of the Act; and

WHEREAS, the City has retained Willdan Financial Services ("Willdan") for the purpose of assisting with the formation of the District, the establishment of annual assessments, and to prepare and file a report with the City Clerk concerning the formation of Landscaping and Lighting District No. 2012-1 and the proposed annual levy of assessments in accordance with the Act and the provisions of the California Constitution Article XIII D (the "Constitution"); and

WHEREAS, the residents of LMAD No. 1 and LMAD No. 2 have been informed and will have the opportunity to vote on the proposed new annual assessments for the proposed District; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Ridgecrest, as follows:

SECTION 1. That the foregoing recitals are true and correct.

SECTION 2. That the City proposes to form Landscaping and Lighting District No. 2012-1, and to levy and collect annual assessments for the District commencing in fiscal year 2012/2013 to pay for the operation, maintenance, and servicing of local landscaping and lighting improvements, and appurtenant facilities related thereto; and

SECTION 3. That the District as described in the Report consists of the lots and parcels of land that will receive special benefits from the improvements and services to be provided and are within the residential subdivisions known as DR Horton Tract No. 6740 which is generally located on the west side of College Heights Boulevard, just north of Kendall Avenue and will eventually include all or a portion of the residential streets designated as Del Rosa Drive, Rain Shadow Court, Salt River Drive, Majestic Sky Court and Wild Thorne Drive. The parcels within the proposed District are currently identified on the Kern County Assessor's Parcel Maps as Book 510; Page 010, Parcel 12 (22.70

acres), and incorporates sixty-seven (67) planned single-family residential home sites, associated public right-of-ways and easements as identified on the approved tract maps for Tract No. 6740, and by reference these maps and documents are made part of this resolution; and

SECTION 4. That the improvements for which the District is formed generally include, but are not limited to, the maintenance, operation and servicing of the local streetscape landscaping and street lighting improvements established in connection with development of the properties within the District, and which shall be maintained for the special benefit of those properties. The maintenance and servicing of the improvements generally include, but are not limited to, the materials, equipment, utilities, labor, and incidental expenses, including administrative expenses, required for annual operation, as well as the performance of periodic repairs and replacement activities as needed to provide for the growth, health, and beauty of trees, landscaping and the proper operation and functioning of related hardscapes, street lights and street lighting system, irrigation systems and drainage systems within the public right-of-ways and/or dedicated easements; and

SECTION 5. That Willdan is designated by this Council as the Engineer of Work for the formation of Landscaping and Lighting District No. 2012-1, and is hereby directed to prepare and file with the City an Engineer's Report concerning the formation of the District and the annual levy of assessments in accordance with the requirements of Chapter 1, Article 4 of the Act.

APPROVED AND ADOPTED this 18th day of April 2012 by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

Ronald Carter, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

RESOLUTION NO. 12 - [REDACTED]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST, PRELIMINARILY APPROVING THE ENGINEER'S REPORT REGARDING THE FORMATION OF LANDSCAPING AND LIGHTING DISTRICT NO. 2012-1; AND THE LEVY AND COLLECTION OF ASSESSMENTS RELATED THERETO COMMENCING WITH FISCAL YEAR 2012/2013

WHEREAS, the City Council has, by previous Resolution, ordered the preparation of an Engineer's Report ("Report") regarding the formation of an assessment district to be designated as the "City of Ridgecrest, Landscaping and Lighting District No. 2012-1" ("District") and the proposed levy and collection of annual assessments commencing in fiscal year 2012/2013 to pay for the operation, maintenance, and servicing of local landscaping and lighting improvements, and appurtenant facilities related thereto, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 ("Act"); and

WHEREAS, a Report has been prepared and filed with the City Clerk of the City of Ridgecrest in accordance with Article 4 of Chapter 1 (Sections 22565 through 22574) of the Act, said Report being entitled "Engineer's Report, City of Ridgecrest, Formation of Landscaping and Lighting District No. 2012-1, Fiscal Year 2012/2013"; and

WHEREAS, the City Clerk has presented to the City Council said Report as prescribed by Chapter 2, Article 1, Section 22586 of said 1972 Act; and

WHEREAS, the City Council has examined and reviewed the Report as presented and is preliminarily satisfied with the District and the improvements to be provided, the Assessment Diagram defining the boundaries of the District, each of the budget items and resulting assessments describe therein, and that the proposed assessments have been spread in accordance with the special benefits received from the proposed improvements as set forth in said Report; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Ridgecrest, as follows:

SECTION 1. That the foregoing recitals are true and correct; and

SECTION 2. That the Report prepared by Willdan, attached hereto and incorporated as part of this Resolution, consists of the following:

- (a) A Description of the Improvements (Plans and Specifications), and
- (b) The Method of Apportionment that details the method of calculating the proportional special benefits and the annual assessment obligation for each affected parcel including a description of an "Assessment Range Formula" applicable to subsequent assessments, and

- (c) The estimated annual cost and expenses to provide the improvements (Budget) that establishes the proposed "Maximum Assessment Rate" and first year's assessments, and
- (d) An Assessment Diagram (Boundary Map), and
- (e) An Assessment Roll containing the assessment to be levied for each Assessor Parcel Number within the District, commencing in fiscal year 2012/2013 based on the assessment rate and method of apportionment described therein; and

SECTION 3. The Report is hereby adopted on a preliminary basis (as submitted or amended), and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection; and

SECTION 4. The proposed Assessment Rate, Assessment Range Formula and method of apportionment described in the Report are hereby approved on a preliminary basis, and the resulting calculated Assessments shall be submitted to the property owners of record within the proposed District for approval pursuant to the provisions of the California Constitution Article XIID and applicable provisions California State law; and

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 18th day of April 2012 by the following vote.

AYES:
NOES:
ABSENT:
ABSTAIN:

Ronald Carter, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

RESOLUTION NO. 12 - [REDACTED]

A RESOLUTION DECLARING THE CITY COUNCIL'S INTENTION TO FORM LANDSCAPING AND LIGHTING DISTRICT NO. 2012-1 AND TO LEVY ANNUAL ASSESSMENTS COMMENCING WITH FISCAL YEAR 2012/2013; ACCEPTING AND APPROVING THE ENGINEER'S REPORT; TO CONDUCT A PROPERTY OWNER PROTEST BALLOT PROCEEDING ON THE MATTER OF THE NEW ASSESSMENTS; AND SETTING A TIME AND PLACE FOR THE PUBLIC HEARING ON THESE MATTERS.

WHEREAS, the City Council of the City of Ridgecrest ("City"), pursuant to the provisions of the Landscaping and Lighting Act of 1972, Division 15, Part 2 of the California Streets and Highways Code ("Act") did by previous resolution, initiated proceedings for the formation of an assessment district to be known and designated as City of Ridgecrest, Landscaping and Lighting District No. 2012-1 ("District"), and to levy and collect annual assessments for the District commencing on fiscal year 2012/2013 to pay for the operation, maintenance, and servicing of local landscaping and lighting improvements, and appurtenant facilities related thereto; and

WHEREAS, the City has retained Willdan Financial Services ("Willdan") as the Engineer of Work for the purpose of preparing and filing an Engineer's Report ("Report") with the City Clerk concerning the formation of Landscaping and Lighting District No. 2012-1 and the proposed annual levy of assessments in accordance with the provisions of Chapter 1, Article 4 of the Act and the provisions of the California Constitution Article XIII D (the "Constitution"); and

WHEREAS, the City Council has received Willdan's Report and has examined and reviewed the Report as presented, and is satisfied that the Report sufficiently describes the boundaries of the proposed District, the improvements to be provided, and is satisfied that the assessments have been spread in accordance with the benefits received from the improvements and maintenance to be performed; and

WHEREAS, the City desires and intends to form the District, to levy and collect annual assessments for the District commencing in fiscal year 2012/2013 to pay for the operation, maintenance, and servicing of the local landscaping and lighting improvements, and appurtenant facilities related thereto; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Ridgecrest, as follows:

SECTION 1. That the foregoing recitals are true and correct.

SECTION 2. That the Report prepared by Willdan, attached hereto and incorporated as part of this Resolution, consists of the following:

- (a) A Description of the Improvements (Plans and Specifications), and

- (b) The Method of Apportionment that details the method of calculating the proportional special benefits and the annual assessment obligation for each affected parcel including a description of an "Assessment Range Formula" applicable to subsequent assessments, and
- (c) The estimated annual cost and expenses to provide the improvements (Budget) that establishes the proposed "Maximum Assessment Rate" and first year's assessments, and
- (d) An Assessment Diagram (Boundary Map), and
- (e) An Assessment Roll containing the assessment to be levied for each Assessor Parcel Number within the District, commencing in fiscal year 2012/2013 based on the assessment rate and method of apportionment described therein; and

SECTION 3. That the improvements for which the District is formed generally include, but are not limited to, the maintenance, operation and servicing of the local streetscape landscaping and street lighting improvements established in connection with development of the properties within the District, and which shall be maintained for the special benefit of those properties. The maintenance and servicing of the improvements generally include, but are not limited to, the materials, equipment, utilities, labor, and incidental expenses, including administrative expenses, required for annual operation, as well as the performance of periodic repairs and replacement activities as needed to provide for the growth, health, and beauty of trees, landscaping and the proper operation and functioning of related hardscapes, street lights and street lighting system, irrigation systems and drainage systems within the public right-of-ways and/or dedicated easements; and

SECTION 4. That the District as described in the Report consists of the lots and parcels of land that will receive special benefits from the improvements and services to be provided and are within the residential subdivisions known as DR Horton Tract No. 6740 which is generally located on the west side of College Heights Boulevard, just north of Kendall Avenue and will eventually include all or a portion of the residential streets designated as Del Rosa Drive, Rain Shadow Court, Salt River Drive, Majestic Sky Court and Wild Thorne Drive. The parcels within the proposed District are currently identified on the Kern County Assessor's Parcel Maps as Book 510; Page 010, Parcel 12 (22.70 acres), and incorporates sixty-seven (67) planned single-family residential home sites, associated public right-of-ways and easements as identified on the approved tract maps for Tract No. 6740, and by reference these maps and documents are made part of this resolution; and

SECTION 5. That Notice is hereby given that a public hearing on these matters will be held by the City Council on Wednesday, June 6, 2012, at 6:00 P.M., or as soon thereafter as feasible, in the City Council Chambers, located at 100 W. California Avenue, Ridgecrest, CA 93555. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard; and

SECTION 6. That City Clerk or their designee is hereby authorized and directed to prepare and mail notice of the Public Hearing and property owner protest ballots to the

subject property owners regarding the proposed levy of the assessments and the assessment range formula outlined in the Engineer's Report, pursuant to Article XIID of the California Constitution and Government Code section 53753; and

SECTION 7. That the property owner protest ballot proceeding conducted for the District assessments shall constitute the property owner's approval or rejection of the proposed levy of assessments, assessment range formula and formation of the District. Each landowner may return the ballot by mail or in person to the City Clerk not later than the conclusion of the Public Hearing on Wednesday June 6, 2012. After the close of the Public Hearing, the City shall tabulate the ballots returned to determine if majority protest exists. The ballots shall be weighted according to the proportional financial obligation of each affected property. Majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment; and

SECTION 8. That any interested person may file a written protest with the City Clerk prior to the conclusion of the hearing, or having previously filed protest, may file a written withdrawal of that protest. A written protest shall state all grounds of objection and protest by a property owner shall contain a description sufficient to identify the property owned by such property owner. At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard.

APPROVED AND ADOPTED this 18th day of April 2012 by the following vote.

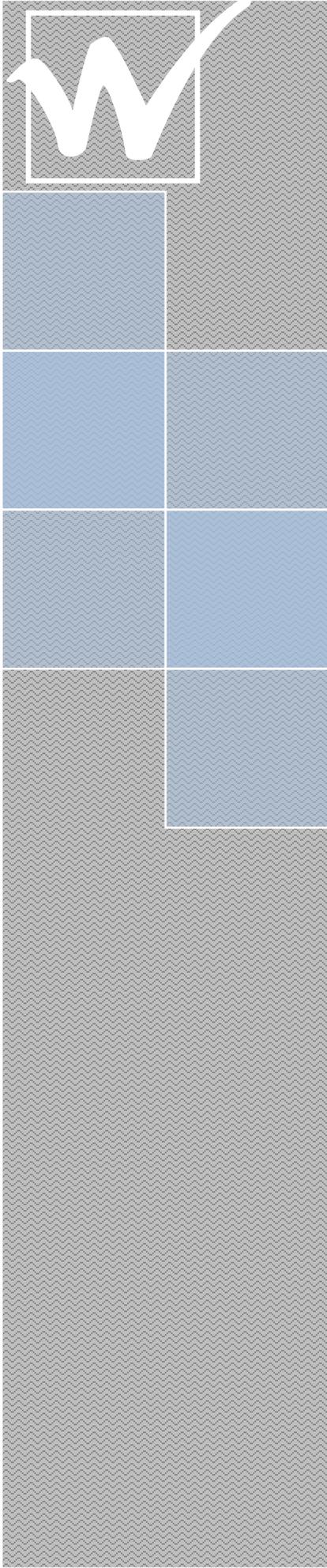
AYES:
NOES:
ABSENT:
ABSTAIN:

Ronald Carter, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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ENGINEER'S REPORT

CITY OF RIDGECREST

FORMATION OF

LANDSCAPING AND LIGHTING DISTRICT
NO. 2012-1

FISCAL YEAR 2012/2013

Submitted this 2nd Day of April, 2012

CITY OF RIDGECREST
100 W CALIFORNIA AVE
RIDGECREST, CA 93555

PREPARED BY
WILLDAN FINANCIAL SERVICES



WILLDAN
Financial Services

*extending
your
reach*



ENGINEER'S REPORT AFFIDAVIT

City of Ridgecrest

Landscaping and Lighting District No. 2012-1,

(DR Horton Tract No. 6740)

**District Formation and
Annual Levy of Assessments for
Fiscal Year 2012/2013**

**City of Ridgecrest
Kern County
State of California**

This Report and the enclosed budget, assessments, descriptions and diagrams outline the proposed formation of the City of Ridgecrest's Landscaping and Lighting District No. 2012-1 (DR Horton Tract No. 6740) and includes each lot, parcel, and subdivision of land within said District, as the same existed at the time this Report was prepared. Reference is hereby made to the Kern County Assessor's parcel maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2012.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Rancho Cordova

By: _____

Jim McGuire
Senior Project Manager

By: _____

Richard Kopecky
R. C. E. # 16742

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Introduction

Pursuant to the provisions of the *Landscape and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500* (hereafter referred to as the “1972 Act”), and in compliance with the substantive and procedural requirements of *Article XIII D of the California State Constitution* (hereafter referred to as the “California Constitution”), the City Council of the City of Ridgecrest, County of Kern, State of California (hereafter referred to as “City”), propose to form a special benefit assessment district designated as:

Landscaping and Lighting District No. 2012-1

(hereafter referred to as the “District”), which includes all lots and parcels of land within the planned residential development known as DR Horton (Tract No. 6740). This Engineer’s Report (hereafter referred to as “Report”) has been prepared in connection with the formation of said District and the levy and collection of annual assessments related thereto as required pursuant to *Chapter 1, Article 4* of the 1972 Act.

The City Council proposes to form the District, and levy and collect annual assessments on the County tax rolls commencing in fiscal year 2012/2013, to provide funding for the ongoing costs and expenses required to service and maintain the street lighting and landscape improvements associated with and resulting from the development of the residential properties identified as Tract No. 6740 and known as the DR Horton development located on the west side of College Heights Boulevard, just north of Kendall Avenue. The improvements to be provided by the District and the assessments described herein are made pursuant to the 1972 Act and the provisions of the California Constitution.

This Report describes the District, the improvements, and the proposed assessments to be imposed upon properties in connection with the special benefits the properties will receive from the maintenance and servicing of the District improvements. The assessments outlined in this Report represent an estimate of the annual direct expenditures, incidental expenses, and fund balances that will be necessary to maintain and service the improvements to be provided by the District and are based on current development plans and specifications for Tract No. 6740. The current development plans and specifications for Tract No. 6740 and the associated improvements are on file in the Office of Public Works of the City of Ridgecrest and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessment Number (Assessor’s Parcel Number—“APN”) by the Kern County Assessor’s Office. The County Auditor/Controller uses Assessment Numbers and specific District Fund Numbers, to identify on the tax roll, properties assessed for special district assessments. Each parcel within the District shall be assessed proportionately for only those improvements for which the parcel receives special benefit.

As part of this District formation, the City Council shall conduct a Property Owner Protest Ballot proceeding for the proposed levy of new assessments pursuant to the provisions of the California Constitution, Article XIII D Section 4. In conjunction with this ballot

proceeding, the City Council will conduct a public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists (ballots shall be weighted based on assessment amounts), and by resolution the City Council will confirm the results of the ballot tabulation.

If there is majority protest of the proposed assessments, the proceedings for the formation of the District and the levy of assessments shall be abandoned. If majority protest does not exist, the City Council may direct any necessary modifications to the Report, approve the Report (as submitted or amended); order the formation of the District; direct the improvements to be made; and approve the levy and collection of assessments. The assessment rates and method of apportionment described in this Report, as approved or modified by the City Council, define the initial maximum assessment to be applied to the parcels within the District as of fiscal year 2012/2013. The assessments so authorized, including the assessment range formula described herein may be submitted to the Kern County Auditor/Controller for inclusion on the property tax roll for each affected parcel commencing in fiscal year 2012/2013.

Commencing in fiscal year 2013/2014 and each subsequent fiscal year, an annual engineer's report for the District shall be prepared and presented to the City Council to address any proposed changes to the District including any proposed annexations, changes to the improvements, budgets and assessments for that fiscal year. The City Council shall annually hold a noticed public hearing regarding these matters prior to approving and ordering the levy of assessments for the upcoming fiscal year.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A general description of the properties and developments within the boundaries of the District and the proposed improvements associated with the District is provided in this section of the Report. The District is being established with a single zone of benefit encompassing each of the residential properties within Tract No. 6740.

Part II

Method of Apportionment: A discussion of benefits the improvements and services provide to properties within the District and the method of calculating each property's proportional special benefit and annual assessment. This section also identifies and outlines an assessment range formula that provides for an annual adjustment to the maximum assessment rate that establishes limits on future assessments, but also provides for reasonable cost adjustments due to inflation without the added expense of additional Ballot Proceedings.

Part III

District Budget: An estimate of the annual costs to operate, maintain, and service the landscaping, lighting, and appurtenant facilities installed and constructed in connection with the development of properties within the DR Horton development (Tract No. 6740). This budget includes an estimate of anticipated direct maintenance costs and incidental expenses including, but not limited to, administration expenses and collection of appropriate fund balances to establish an initial maximum assessment to be approved by the property owners of record. The maximum assessment amount to be balloted for each parcel represents that parcel's proportional special benefit of the net annual costs to provide the improvements and excludes any costs that are considered general benefit or are funded by other sources. The proposed assessments for the first fiscal year (2012/2013), and each subsequent year shall be based on the estimated net annual cost of operating, maintaining, and servicing the improvements for that fiscal year as well as funds to be collected for authorized reserves or installments for long term maintenance activities that cannot be reasonably collected in a single fiscal year's assessments. The proposed maximum assessment (also referred to as the "Rate per Equivalent Benefit Unit") identified in the budget of this Report establishes the initial maximum assessment for fiscal year 2012/2013 and shall be adjusted annually by the Assessment Range Formula described in Part II of this Report.

Part IV

District Diagram: A Diagram showing the exterior boundaries of the District that encompasses each parcel determined to receive special benefits from the improvements. Parcel identification, and the lines and dimensions of each lot and parcel of land within the District, is inclusive of all lots and parcels of land within Tract No. 6740.

Part V

Assessment Roll: A listing of the proposed assessment amount (initial maximum assessment amount) to be presented to the property owners of record in the Ballot Proceedings required pursuant to the provisions of the *California Constitution*. The proposed maximum assessment amount for each parcel is based on the parcel's proportional special benefit as outlined in the method of apportionment and the proposed initial maximum assessment rate. Each parcel's balloted assessment amount also represents each parcel's proposed assessment for the first fiscal year (Amount proposed to be levied on the County Tax Rolls for fiscal year 2012/2013).

Part I — Plans and Specifications

Description of the District

The territory within this District consists of the lots and parcels of land within Tract No. 6740 within the City of Ridgecrest and referred to as the DR Horton development. This residential subdivision consists of sixty-seven (67) planned single-family residential home sites, associated public right-of-ways and easements as identified on the approved tract maps for Tract No. 6740, and by reference these maps and documents are made part of this Report. This District and the territory therein is currently identified on the Kern County Assessor's Parcel Maps as Book 510; Page 010, Parcel 12 (22.70 acres) and is generally located on the west side of College Heights Boulevard, just north of Kendall Avenue and will eventually include the residential streets designated as Del Rosa Drive, Rain Shadow Court, Salt River Drive, Majestic Sky Court and Wild Thorne Drive.

Improvements and Services

Improvements and Services Authorized by the 1972 Act

As generally defined by the 1972 Act and may be applicable to this District, the improvements and associated assessments may include one or more of the following:

- ◆ The installation or planting of landscaping;
- ◆ The installation or construction of statuary, fountains, and other ornamental structures and facilities;
- ◆ The installation or construction of public lighting facilities including, but not limited to street lights and traffic signals;
- ◆ The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- ◆ The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
- ◆ The acquisition of land for park, recreational, or open-space purposes or any existing improvement otherwise authorized pursuant to this section.

- ◆ The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - Repair, removal, or replacement of all or any part of any improvements;
 - Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury;
 - The removal of trimmings, rubbish, debris, and other solid waste;
 - The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti;
 - Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
 - Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

- ◆ Incidental expenses associated with the improvements including, but not limited to:
 - The costs of the report preparation, including plans, specifications, estimates, diagram, and assessment;
 - The costs of printing and advertising, and publishing, posting and mailing of notices;
 - Compensation payable to the County for collection of assessments;
 - Compensation of any engineer or attorney employed to render services;
 - Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - Costs associated with any elections held for the approval of a new or increased assessment.

District Improvements

The purpose of this District is to ensure the ongoing maintenance, operation and servicing of local landscaping and lighting improvements and amenities established or installed in connection with development of the properties within the DR Horton residential subdivision (Tract No. 6740). The specific improvements to be maintained are identified in various plans and documents associated with Tract No. 6740, which are on file with the City and by reference these plans and documents are made part of this Report. These improvements generally include street lighting within and adjacent to the tract and the various landscaped areas on the perimeter of this development including the public parkways and easements on the west side of College Heights Boulevard and the north side of Kendall Avenue.

Landscape Improvements

The landscape improvements for the District may include, but are not limited to turf, ground cover, shrubs and plants, natural vegetation, trees, irrigation and drainage systems, masonry walls or other fencing, hardscapes, monuments, and associated appurtenant facilities located in the public right-of-ways or landscape easements on the perimeter of Tract No. 6740 that have been dedicated to the City for maintenance. These landscape areas may include, but are not limited to the parkway and entryway areas located on the west side of College Heights Boulevard between Kendall Avenue and the northern boundary of Tract 6740 and the north side of Kendall Avenue between College Heights Boulevard to Del Rosa Drive. The maintenance and servicing of the improvements generally include, but are not limited to all materials, equipment, utilities, labor and incidental expenses including administrative expenses required for the annual operation of the District as well as the performance of periodic repairs, replacement and expanded maintenance activities as needed to provide for the growth, health, and beauty of landscaping and/or the proper operation and functioning of the irrigation and drainage systems as well as the related hardscape amenities including fencing and sidewalks within the public-right-of-ways. The following is a general description of the landscape improvements planned for this District and for which properties may be assessed:

College Heights Boulevard:

- ◆ Approximately 5,450 square feet of landscaped area located on the west side of College Heights Boulevard from the northern boundary of Tract 6740 (Northeast Corner of Lot 1) south to Salt River Drive including the entryway landscaping at the corner of Salt River Drive, which is adjacent to Lot 33. Including, but not limited to approximately:
 - 1,485 square feet of landscaped area in the street right-of-way;
 - 1,826 square feet of landscaped easement associated with Lot 1;
 - 613 square feet of landscaped easement associated with Lot 2;
 - 1,526 square feet of landscaped easement associated with Lot 33;
 - 15 Trees;
 - 207 Shrubs;
 - 25 vines attached to the masonry wall;
 - 313 linear feet of masonry wall;
 - 2,058 square feet of sidewalk area; and
 - The drip irrigation system for these landscaped areas.
- ◆ Approximately 3,982 square feet of landscaped area located on the west side of College Heights Boulevard from Salt River Drive south to Kendall Avenue including the entryway landscaping at the corners of Salt River Drive (adjacent to Lot 34) and Kendall Avenue (adjacent to Lot 61). Including, but not limited to approximately:
 - 2,850 square feet of landscaped area in the street right-of-way;
 - 76 square feet of landscaped easement associated with Lot 34;

- 38 square feet of landscaped easement associated with Lot 59;
- 1,018 square feet of landscaped easement associated with Lot 60;
- 15 Trees;
- 128 Shrubs;
- 34 vines attached to the masonry wall;
- 449 linear feet of masonry wall;
- 1 metal gate;
- 2,916 square feet of sidewalk area; and
- The drip irrigation system for these landscaped areas.

Kendall Avenue:

- ◆ Approximately 1,480 square feet of landscaped area located on the north side of Kendall Avenue between College Heights Boulevard (adjacent to Lot 62) to Wild Thorne Drive including the entryway landscaping at the corner of Wild Thorne Drive (adjacent to Lot 67). Including, but not limited to approximately:
 - 1,310 square feet of landscaped area in the street right-of-way;
 - 170 square feet of landscaped easement associated with Lot 67 at the corner of Wild Thorne Drive;
 - 2 Trees;
 - 122 Shrubs;
 - 47 vines attached to the masonry wall;
 - 561 linear feet of masonry wall;
 - 3,486 square feet of sidewalk area; and
 - The drip irrigation system for these landscaped areas.
- ◆ Approximately 1,243 square feet of landscaped area located on the north side of Kendall Avenue between Wild Thorne Drive and Del Rosa Street including the entryway landscaping and easements at the corners of Wild Thorne Drive (adjacent to Lot 50) and Del Rosa Street (adjacent to Lot 49). Including, but not limited to approximately:
 - 1,243 square feet of landscaped area in the street right-of-way;
 - 5 Trees;
 - 69 Shrubs;
 - 15 vines attached to the masonry wall;
 - 186 linear feet of masonry wall;
 - 1,530 square feet of sidewalk area; and
 - The drip irrigation system for these landscaped areas.

Public Street Lighting Improvements

Public street lighting improvements to be funded by the District assessments may include, but are not limited to, electrical energy, lighting fixtures, poles, meters, conduits, electrical cable and associated appurtenant facilities including, but not limited to:

- ◆ Sixteen (16) street lights located within Tract No. 6740 including:
 - 4 lights on the south side of Rainshadow Court
 - 3 lights on the north side of Salt River Drive
 - 2 lights on either side of Wild Thorne Drive
 - 3 lights on either side of Majestic Sky Court
 - 4 lights on the east side of Del Rosa Street
- ◆ Ten (10) street lights on the perimeter of Tract No. 6740 including:
 - 4 lights on the north side Kendall Street
 - 6 lights on the west side of College Heights Boulevard
- ◆ Any other public lighting facilities on the streets surrounding or adjacent to Tract No. 6740 including future traffic signals that may be deemed necessary or desired for the safe ingress or egress to the properties within the District.

Excluded Improvements

Not included as District improvements are improvements located on private property other than the areas designated above as easements. Such improvements and facilities including street trees shall be provided and maintained by the individual property owners.

Part II — Method of Apportionment

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarizes an analysis of the benefits associated with the improvements and services to be provided by the District (both general and special); the resulting District structure (zones of benefit); the formulas used to calculate each parcel's proportional special benefit and assessment obligation based on the entirety of the cost to provide the improvements (method of assessment); and the establishment of an inflationary formula for such assessments to address anticipated cost increases due to inflation (assessment range formula).

Benefit Analysis

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include but are not limited to the construction, maintenance, operation, and servicing of landscape improvements, public street lighting and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

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

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIII D addresses several key criteria for the levy of assessments, notably:

Article XIII D Section 2d defines District as:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIII D Section 2i defines Special Benefit as:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIII D Section 4a defines proportional special benefit assessments as:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Each of the proposed District improvements and the associated costs to maintain and service those improvements have been reviewed, identified and allocated to properties within the District based on special benefit pursuant to the provisions of the California Constitution and 1972 Act. The local improvements provided by this District and for which properties will be assessed have been identified as necessary, desired and required for the orderly development of the properties within District (Tract No. 6740) to their full potential, consistent with the development plans and applicable portions of the City's General Plan. As such, these particular improvements are clearly the direct result of developing each of the individual lots and parcels within the District and although the improvements are within the public right-of-ways or dedicated easements, the financial obligation to support and maintain such improvements would be necessary and required of the individual property owners either directly or through an association if this District was not established. Clearly these local improvements and the long term maintenance and servicing of those improvements directly affect each property and provide shared special benefits including, but not limited to:

- ◆ enhanced property safety (protection and access) from local street lights within and adjacent to the development;
- ◆ enhanced property and neighborhood appearance (esthetics) resulting from well maintained landscaped areas, graffiti and debris control on the perimeter and entryways to the development; and,
- ◆ the long term economic and environmental advantages to properties including the enhanced presentation and marketability of properties that have such improvements, expanded green space and trees which reduce traffic noise and dust, and the long-term cost-efficiency of services being provided by the City (economy of scale) as well as the regulatory restrictions on future cost increases.

Based on the parameters of special benefit as outlined by the Constitution, general benefit may be described as an overall and similar benefit to the public in general resulting from the improvements, activity or service to be provided for which an assessment is levied. Although the District improvements are located on public streets that are visible to the general public, it is clear that the ongoing maintenance of these improvements are only necessary for the appearance, safety and advantage of the properties within the District and are not required nor necessarily desired by any properties outside the District boundary. Inasmuch as the improvements and the services to be provided are specific to the development and properties within the District boundaries and these improvements and services do not extend beyond the District boundaries (The District encompasses all properties receiving special benefits), any access or proximity to these improvements by other nearby properties or developments would be considered incidental and the potential general benefits to the public at large are considered intangible. Therefore it has been determined that these District improvements provide no measurable or quantifiable general benefit to properties outside the District or to the public at large.

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from the improvements,

services and activities to be funded by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits as outlined in the preceding definitions established in the California Constitution. The proposed assessment revenues to be collected for the District provide a means by which property owners can collectively and effectively fund the cost of shared local improvements that directly impact their property. The District assessments will support the operation and maintenance of the District improvements and shall be used for only that purpose, consistent with the intent of the Act and the Constitution.

Assessment Methodology

By forming this District, the City proposes to annually levy and collect special benefit assessments in order to maintain and service the improvements associated with Tract No. 6740. The estimated annual cost to maintain the improvements are identified in the budget section of this Report, including all estimated annual expenditures; funding for long term repair, replacement and rehabilitation costs; incidental expenses necessary to operate and support the district including administration and authorized reserve; and any revenues from other sources or previous deficit funding that would adjust the amount to be assessed.

In order to calculate and identify the proportional special benefit received by each parcel and ultimately each parcel's proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District

Article XIID Section 4a reads in part:

"...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The benefit formula used to determine the assessment obligation should therefore be based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements. To identify and determine the special benefit to be received by each parcel and its proportional share of the improvement costs it is necessary to consider both the planned improvements and the properties that benefit from those improvements.

Landscaping and lighting improvements like most public improvements, provide varying degrees of benefit (whether they be general or special) based largely on the extent of such improvements, the location of the improvements in relationship to properties, the different types of properties associated with the improvements and the reason or need for such improvements as it relates to individual properties. To establish the proportional special benefit of each parcel, these factors need to be addressed and formulated in the method of apportionment by the use of benefit zones that reflect the extent and location of the

improvements in relationship to the properties, as well as the specific use and size of each property which reflects each parcel's need for such improvements and its reasonable cost of the proportional special benefit as compared to other properties that benefit from those same improvements.

Zones of Benefit

In an effort to ensure an appropriate allocation of the estimated annual cost to provide various improvements based on proportional special benefits, Districts often times include benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

While the California Constitution requires that "The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement..."; it is reasonable to conclude that certain landscaping and lighting improvements may benefit most if not all properties within a district while other improvements may only provide special benefits to specific parcels, developments or portions of the district (particularly in larger districts), while still other improvements may be identified and proportionately allocated as both special benefits and a general benefit.

Based on a review of the location and extent of the improvements for this District and the direct proximity and relationship to the properties therein, it has been determined that each parcel within Tract 6740 will receive proportionally similar special benefits from the local street lighting and landscape improvements located on the perimeter of the development and the establishment of benefit zones is not really necessary. However, because this is the City's first development being established with a 1972 Act district and it is likely that future developments in the City may facilitate a similar need, Tract 6740 will be established and referred to as Zone 01 for this District. While this Zone designation has no direct bearing on the calculation of proportional special benefit at this time, it does establish an initial zone structure and naming convention that may be utilized for future developments or properties that may be annexed to this District under the provisions of the 1972 Act.

Details regarding the location and extent of the improvements within the District and the Zones therein are on file in the office of the Public Works Department and by reference these documents are made part of this Report. A diagram showing the exterior boundaries of the District is attached and incorporated herein under Part IV (District Diagram) of this Report.

Equivalent Benefit Units

In addition to the use of Zones, the method of apportionment established for this District to reflect the proportional special benefit of each parcel utilizes a weighted methodology of

apportionment commonly referred to as an Equivalent Benefit Unit (EBU) methodology. This method of apportionment establishes the single-family home site as the basic unit of assessment. A single-family residential unit or lot is assigned one (1.0) Equivalent Benefit Unit (EBU) and other property types (land uses) are proportionately weighted (weighted EBU) based on a benefit formula that equates each property's specific characteristics and special benefits to that of the single-family residential unit. This proportional weighting may be based on several considerations that may include, but are not limited to: the type of development (land use), development-status (developed versus undeveloped), size of the property (acreage or units), vehicular trip generation, street frontage, densities or other property related factors including any development restrictions or limitations; as well as the property's location and proximity to the improvements (which would be addressed by its Zone designation).

For most local landscaping and lighting improvements and assessments, the most appropriate proportional special benefit calculation for each parcel is reasonably determined by three basic property characteristics:

- ◆ Proximity — As previously noted, each parcel in the District shall be identified and grouped into Zones based on each parcel's proximity and relationship to the District improvements;
- ◆ Land use — Commercial/Industrial Use; Residential Use, Institutional Use, Vacant Land (Undeveloped Property), Public Property etc.; and,
- ◆ Property Size — Acreage for non-residential properties (both developed and undeveloped); Units for residential properties. Property size (acreage or units) provides a definable and comparative representation of each parcel's proportional special benefit not only to similar types of properties but to other properties as well.

Although this Report addresses the formation of a landscaping and lighting district that is comprised entirely of one planned single-family residential development in which each single-family residential lot has proportionally similar and equal special benefits from the proposed improvements, the following provides a more comprehensive method of apportionment (proportional benefit calculation) that incorporates other commonly classified land uses for comparison purposes and to establish an initial method of apportionment that may reasonably be applied to properties that could be annexed to this District in the future.

Note: The method of calculating the proportional (weighted) special benefit for the various land use types outlined in the following may be modified as needed to accurately reflect each parcel's proportional special benefits compared to other property types, if and when such land uses are annexed and incorporated into the District.

Single-Family Residential Property — is defined as a fully subdivided residential home site with or without a structure. For purposes of establishing the proportional special benefits and equivalent benefit units for other land uses in this District, the single-family

residential land use is designated as the basic unit of assessment and shall be assigned 1.000 EBU per parcel.

Multi-Family Residential & Mixed Use Property — is defined as a fully subdivided residential parcel that has more than one residential unit developed on the parcel. (This land use includes apartments, duplexes, triplexes, etc., but does not include condominiums, town-homes). This land use designation may also include properties identified by the County Assessor's Office as mixed use property for which there is more than one residential unit (known number of residential units) associated with the property and for which the parcel's primary use is residential, but may also include some commercial component or unit associated with that property.

Although multi-family residential properties receive similar special benefits to that of single-family residential property and an appropriate and comparative calculation of proportional special benefits is reasonably reflected by the parcel's total number of residential units, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that multi-family units impact public infrastructure at reduced levels compared to a single-family residence, which is reflective of their reduced structure size, vehicular trip generation and need for various public improvements. Furthermore, as the density (number of units per parcel) increase, the average distance from the improvements tend to increase and the number of vehicular trips generated tend to decline because the population density per unit tend to decrease (largely because of reduced unit sizes). Based on these considerations, it is reasonable to conclude that the proportional special benefits per unit is less than that of a single-family residential property and appropriate weighting of the proportional special benefit per unit for multi-family residential properties as compared to a single-family residential is best represented by the following sliding scale: 0.625 EBU per unit for the first 5 units; plus 0.5.00 EBU per unit for units 6 through 25; plus 0.3.75 EBU per unit for units 26 through 50; plus 0.250 EBU per unit for units 51 through 100; plus 0.125 EBU per unit for units 101 or above.

Condominium/Town-home Property — is defined as a fully subdivided residential condominium or town-home parcel that typically has one residential unit associated with each Assessor's Parcel Number, but is part of a multi-unit development for which each condominium or town-home parcel shares or has common interest (common area) with the other residential parcels in that development.

The development attributes of condominiums and town-homes tend to be a blend of the single-family residential and multi-family residential properties. Like multi-family residential properties, individual units within such developments usually do not have actual street frontage (where the local improvements are located, particularly as it relates to street lights). However, because condominium and town-home properties represent individual residential units that are usually privately owned, like single-family residential properties these properties tend to be owner occupied with relatively fewer vacancies per unit than multi-family residential properties, which in turn represents greater average vehicular trip generation per unit than multi-family residential properties. However, because this property type usually has a much higher development density (greater number of units per acre) than single-family residential properties the actual number of street lights per unit is clearly less

than that of a single-family residential property and the average distance from the improvements tend to increase.

In consideration of the typical development characteristics discussed above, it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.750 EBU per unit. (Because these parcels typically represent a single residential unit or small group of units that are each privately owned, no adjustment for multiple units is applied to this land use as it is for multi-family residential properties).

Developed Commercial/Industrial Property — is defined as a developed property with structures (buildings) that is used or may be used for commercial purposes, whether the structures are occupied or not. This land use does not include parcels for which the primary use of the property is considered residential or Hotels and Motels (transient residential). This land use classification includes most types of commercial enterprises including but not limited to commercial retail; food services; banks; shopping centers; recreational facilities; office buildings and professional buildings, as well as industrial properties including service centers; warehousing and manufacturing. This land use classification also includes any parcel that may incorporate a single residential unit, but is also used in whole or in part for commercial purposes.

Clearly, the presence of local landscaping and/or street lighting improvements (or the lack thereof) has a direct and distinct impact on commercial/industrial properties and the businesses associated with those properties. Utilizing vehicular trip generation data outlined by the Institute of Transportation Engineers Informational Report, Seventh Edition; commercial/industrial properties generate on average approximately four (4) times the daily vehicular trips per acre than the trips generated by a single-family residential property (9.57 trips per single-family residential unit compared to 42.32 trips per acre for commercial properties). While the actual daily trips generated by a particular commercial/industrial property may be greater or less than this average, it does provide a reasonable indicator of the proportionality of the special benefits associated with such properties. In support of this finding, an analysis of development densities throughout California indicates that on average for most cities, the combination of single-family and condominium developments yield approximately 4.06 residential units per acre.

While the preceding clearly suggests that the direct proportional special benefits to commercial/industrial properties is reasonably reflected by an apportionment of 4.000 EBU per acre, because most commercial/industrial parcels represents a separate and independent commercial enterprise or business, it has been determined that the proportional special benefit for any individual commercial or industrial parcel is at least equal to that of a single-family residential property. Therefore, a commercial/industrial parcel that is less than one-quarter of an acre in size shall be assigned 1.000 EBU (minimum EBU). Likewise, it is reasonable to conclude that there is a limit to the proportional special benefit that any single parcel receives from local landscaping and lighting improvements (maximum EBU) unless the improvements are specifically and only associated with that individual parcel. Generally, most commercial/industrial properties that are directly associated with landscaping and/or street lighting improvements tend to be less than ten acres (most significantly less), and for those greater than ten acres, a significant portion of the property is for parking or

undeveloped, and their actual frontage along the public streets where the improvements are located is usually no greater than smaller parcels. Therefore it is appropriate for commercial/industrial parcels not be assessed for any acreage greater than ten (10.00) acres, which sets the maximum EBU at 40.000 EBU for this land use classification.

Developed Hotel/Motel Property — Although Hotel/Motel Properties are certainly viewed as a commercial enterprise, and would have similar special benefits as commercial/industrial properties for landscape improvements, these properties clearly have a more significant nighttime use and traffic generation than other commercial/industrial properties that result from their transient residential activities. Clearly, the presence of local street lighting or the lack thereof can have a direct and significant impact on hotel and motel properties because of their heightened nighttime business activities. To reflect this increased proportional special benefit resulting from higher nighttime use and need for local street lighting as compared to other commercial/industrial properties, the proportional special benefits and assessments for this land use classification shall be based on 6.000 EBU per acre. As with commercial/industrial properties, minimum and maximum acreage limits shall be applied in calculating each parcel's individual assessment. These acreage limits result in a minimum Equivalent Benefit Unit of 1.500 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 60.000 EBU for parcels greater than ten acres.

Developed Institutional Property — is defined as developed private properties used for the purposes of public related services or activities, including but not limited to Colleges, Private Schools, Places of Worship, Day Care Centers, Fraternal Organizations, Hospitals, Convalescent or Retirement Homes, or other similar public service or assembly type properties.

Although properties in this land use classification are certainly considered non-residential properties, these properties certainly benefit less from local landscaping and lighting improvements than commercial/industrial properties based on several considerations: they represent businesses/operations that provide public related or community services (educational, medical care, religious etc.); they are generally non-profit organizations; and they usually have less weekly hours of operation and less vehicular trip generation than similar sized commercial/industrial properties. Based on these considerations, the Equivalent Benefit Units applied to these properties shall be based on 2.000 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.500 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 20.000 EBU for parcels greater than ten acres.

Developed Public Property — is defined as developed public or government owned property used for public related services or activities, including but not limited to city facilities including parks, community centers, fire and police stations, and city offices; county or state offices and facilities; federal, state or county court facilities; US postal service facilities; public schools; public utility facilities or offices; or other similar developed public properties.

While many of these properties have the potential to be converted or utilized as commercial or other non-residential enterprises, because their purpose and function is specifically for

public related services and activities. They generally have no or limited nighttime use, and have an average vehicular trip generation that is similar to Institutional properties. Therefore, the Equivalent Benefit Units applied to these properties shall be based on 2.000 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.500 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 20.000 EBU for parcels greater than ten acres.

It should be noted however, that the County Tax Collector's Office typically identifies these properties as "Non-Taxable" and does not generate tax bills for such properties and as a matter of practical application, the calculated special benefit and proposed assessment obligation for such properties cannot be collected through the tax roll as other District assessments. Therefore, in addition to any costs determined to be of general benefit, the City shall contribute to the District additional funding to cover the proportional assessment revenue that would otherwise be applied to these properties. Each fiscal year, the assessment engineer shall calculate the proportional special benefit and financial obligation associated with these properties and the annual budget shall reflect a City contribution in an amount to the District that is equal to or greater than that calculated obligation. (The amount of that contribution need not be identified separately, but may be included as part of the City's overall annual contribution to the District). Because no actual assessment shall be levied on parcels classified as Public Property, as part of any notice and ballot proceedings being conducted in connection with the District, the ballots for these properties shall reflect a zero (\$0.00) assessment amount.

Parking Lot/Limited Use Property — This land use classification is applied to developed privately owned properties that the City considers not to be fully developed commercial/industrial, institutional or residential properties. This land use classification is typically applied to parcels that are identified as parking lots with limited or no buildings; but may also identify parcels that have limited or restricted non-residential use where the typical commercial/industrial or institutional classification is not applicable or appropriate. The Equivalent Benefit Units applied to these properties shall be based on 1.000 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.250 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 10.000 EBU for parcels greater than ten acres.

Vacant Property — is defined as property that has been identified as undeveloped, but has reasonable development potential (Few or no development restrictions). When considering the special benefits from landscaping and lighting improvements it becomes evident that the proportional special benefits associated with vacant property is clearly less than that of developed properties. Although vacant properties certainly derive special benefits from local landscaping and lighting improvements, these special benefits are limited to the land (lot) itself. Conversely, approximately half of the direct and immediate special benefits for developed properties are related to the daily use or potential use of that property. Therefore, the Equivalent Benefit Units applied to these properties shall be based on 0.500 EBU per acre (half as much as Parking Lot/Limited Use Property) with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.125 EBU for parcels less than one-quarter

of an acre and a maximum Equivalent Benefit Unit of 5.000 EBU for parcels greater than ten acres.

Exempt Property (Parcel) — identifies parcels that for various reasons, it has been determined that the parcel does not and will not receive special benefits from the improvements. This land use classification may include but is not limited to:

- ◆ Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- ◆ Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, or other publicly-owned or utility-owned land that serves the community or general public and are not considered or classified as developed public properties;
- ◆ Parcels of land that are privately owned, but cannot be developed independently from an adjacent property or is part of a shared interest with other properties, such as common areas, sliver parcels, bifurcated lots or properties with very restrictive development potential or use.

Because these properties either provide a public service that is comparable to landscaping or street lighting improvements, or they are dependent on another property or development, these types of parcels have no direct need for such improvements and are considered to receive no special benefits. Therefore these parcel shall be exempt from assessment and are assigned 0.0000 EBU. However, these properties shall be reviewed annually by the assessment engineer to confirm the parcel's use and/or development status has not changed.

Special Case Property — In many districts where multiple land use classifications are involved, there may be one or more properties that the standard land use classifications do not accurately identify the use and special benefits received from the improvements or there may be something about that particular parcel that should be noted for review in subsequent fiscal years.

The Equivalent Benefit Units assigned to Special Case Properties will vary depending on the circumstances and reasons for treating each particular property as a Special Case. The Equivalent Benefit Unit(s) assigned to each such parcel may be based on adjusted acreage, units or a combination of those factors. The City and/or the assessment engineer tasked with the administration of the District shall annually review each parcel designated as a Special Case Property and based on that review shall make appropriate adjustments to that property's land use and Equivalent Benefit Unit assignment as warranted.

The following is a summary of property types and the Equivalent Benefit Unit assignments described in the preceding discussion of Equivalent Benefit Units.

Summary of Equivalent Benefit Unit Assignments

Land Use	Benefit Unit Calculations
Single-Family Residential Property	1.000 per unit
Multi-Family Residential & Mixed Use Property	0.625 per unit (units 1-5)
	0.500 per unit (units 6-25)
	0.375 per unit (units 26-50)
	0.250 per unit (units 51-100)
	0.125 per unit (units greater than 100)
Condominium/Town-home Property	0.750 per unit
Developed Commercial/Industrial Property	4.000 per acre (minimum 1.000 EBU; maximum 40.000 EBU)
Developed Hotel/Motel Property	6.000 per acre (minimum 1.500 EBU; maximum 60.000 EBU)
Developed Institutional Property	2.000 per acre (minimum 0.500 EBU; maximum 20.000 EBU)
Developed Public Property	2.000 per acre (minimum 0.500 EBU; maximum 20.000 EBU)
Parking Lot/Limited Use Property	1.000 per acre (minimum 0.250 EBU; maximum 10.000 EBU)
Vacant Property	0.500 per acre (minimum 0.125 EBU; maximum 5.000 EBU)
Exempt Property	0.000 per parcel
Special Case Property	varied based on circumstances associated with each parcel

Allocation of Improvement Costs

Pursuant to the provisions of the California Constitution, the proportionate special benefit derived by each parcel within the District and its corresponding assessment obligation shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement.

The benefit formula applied to parcels within this District is based on the preceding EBU discussion and table. Each parcel's EBU correlates the parcel's special benefit received as compared to the other parcels benefiting from the District improvements.

The following formula is used to calculate each parcel's proportional benefit:

$$\text{Property Type EBU} \times (\text{Acreage/Units/Parcel/Lot}) = \text{Parcel EBU}$$

An assessment amount per EBU ("Rate") for the District improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs for parcels benefiting from such improvements.

$$\text{Total Balance to Levy} / \text{Total EBUs} = \text{Levy per EBU ("Rate")}$$

This amount is then applied back to each parcel's individual EBU to determine each parcel's proportionate benefit and assessment obligation.

$$\text{Rate} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

Assessment Range Formula

Any new or increased assessment requires certain noticing and meeting requirements by law. The Brown Act defines the terms "new or increased assessment" to exclude certain conditions. These certain conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed."

Recognizing that the cost of maintaining the improvements will likely increase over time due to inflation, the assessments (initial maximum assessment rate established herein for fiscal year 2012/2013) shall include a fixed 3.5% annual inflationary adjustment (Assessment Range Formula). This 3.5% annual adjustment provides for reasonable increases and inflationary adjustment to the initial maximum assessment rate to be approved by the property owners as part of the protest ballot proceeding to be conducted in connection with the formation of this District.

The adoption of the maximum assessment rate and the Assessment Range Formula described herein does not mean that the annual assessments will necessarily increase each year nor does it absolutely restrict the assessments to the adjustment amount. Although the maximum assessment amount that may be levied shall be adjusted (inflated) by 3.5% each year, the actual amount to be assessed will be based on the District's estimated costs (budget) for that year. If the calculated assessment is less than the adjusted maximum assessment, then the calculated assessment may be approved by the City Council for collection. If the calculated assessment (based on the proposed budget) is greater than the adjusted maximum assessment for that fiscal year, then the assessment is considered an increased assessment and would require a property owner approval through a protest ballot proceeding before imposing such an increase. Otherwise, it would be necessary to reduce the budget or provide a contribution from the City to reduce the amount to be levied to an amount that can be supported by an assessment rate less than or equal to the maximum assessment rate authorized for that fiscal year.

The Assessment Range Formula (3.5% annual adjustment) shall be applied to the proposed maximum assessment rate identified in the District Budget commencing in fiscal year 2013/2014 and all subsequent fiscal years unless the City Council formally suspends its application.

Part III — District Budget

The following budget outlines the estimated costs to maintain the improvements at build-out and establishes the initial Maximum Assessment per EBU (Maximum Assessment Rate) and the proposed budget and applicable assessment rates for Fiscal Year 2012/2013.

BUDGET ITEMS	Total Budget & Assessment Rate	
	Maximum (FY 2012/2013)	Proposed First Year (FY 2012/2013)
ANNUAL LANDSCAPE MAINTENANCE (DIRECT COSTS)		
Landscape Maintenance Parkway (In ROW)	2,391	-
Landscape Maintenance Parkway (Easement)	1,426	-
Tree Maintenance	311	-
Sidewalk Maintenance	77	-
Masonry Wall Maintenance	348	-
Graffiti/Nuisance Abatement	150	-
Total Annual Maintenance	4,703	-
Landscape Water	1,607	-
Landscape Electricity	207	-
Total Annual Landscape Utilities (Water & Electricity)	1,814	-
Total Annual Lighting (Maintenance & Energy)	4,498	-
Annual Maintenance Direct Costs (Total)	\$ 11,015	\$ -
ANNUAL REHABILITATION/REPLACEMENT COLLECTION		
Parkway Rehabilitation/Replacements (In ROW)	111	111
Slope Rehabilitation/Replacements (Easement)	66	66
Tree Rehabilitation/Replacements	466	466
Sidewalk Rehabilitation/Replacements	37	37
Masonry Wall Rehabilitation/Replacements	340	340
Street Light Rehabilitation/Replacements	440	440
Annual Rehabilitation/Replacement Funding	\$ 1,460	\$ 1,460
Total Annual Maintenance Funding	\$ 12,475	\$ 1,460
INCIDENTAL & OTHER ANNUAL FUNDING EXPENSES		
Reserve Fund Collection	624	624
City Administration/Service Expenses	4,539	2,270
County Administration Fees	38	38
Miscellaneous Administration Expenses	46	-
Total Annual Incidental Funding Expenses	\$ 5,247	\$ 2,932
Total Annual Expenses	\$ 17,722	\$ 4,392
CONTRIBUTIONS/FUNDING ADJUSTMENTS		
Revenues from Other Sources	-	-
City Contribution	-	-
Total Contributions	\$ -	\$ -
Balance to Levy	\$ 17,722	\$ 4,392
DISTRICT STATISTICS		
Total Parcels	67	67
Parcels Levied	67	67
Total Benefit Units	67.0000	67.0000
Levy per EBU (Applied)	\$ 264.52	\$ 65.56
* Maximum Assessment Rate per EBU	\$ 265.00	\$ 265.00

Part IV — District Diagram

The lots and parcels of land within the District consist of the lots and parcels within and associated with the planned residential development known as DR Horton (Tract No. 6740).

As of the writing of this Report, these lots and parcels of land are inclusive of the Kern County Assessor's Parcel Maps as Book 510; Page 01, Parcel 12, and by reference this map and the lines and dimensions described therein are made part of this Report. The District Diagram (boundary map) is provided on the following page and encompasses the entire residential development identified as Tract No. 6740, the boundaries of which are conterminous with the boundaries of parcel 510-010-12, and by reference the diagrams and maps filed for Tract No. 6740 including the lines and dimensions described therein are made part of this Report. The combination of the District Diagram and the Assessment Roll contained in Part V of this Report constitutes the Assessment Diagram for this District.



Part V — Assessment Roll

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Kern County Assessor's Office. A listing of the existing parcels (APNs) to be assessed within this District, along with the corresponding EBU assignment, Maximum Assessment are provided herein. The assessment amount for each parcel represents the amount balloted, the initial maximum assessment amount and the amount proposed to be levied for the first fiscal year (fiscal year 2012/2013).

If any APN submitted for collection of the assessments is identified by the County Auditor/Controller of the County of Kern to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, Rate and Assessment Range Formula as described in this Report and approved by the City Council.

Assessor's Parcel Number	Tract	Lot	Land Use Description	EBU	Maximum Assessment FY 2012/2013	Proposed Assessment FY 2012/2013
510-010-12-00-6	6740	1	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	2	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	3	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	4	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	5	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	6	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	7	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	8	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	9	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	10	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	11	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	12	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	13	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	14	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	15	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	16	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	17	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	18	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	19	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	20	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	21	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	22	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	23	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	24	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	25	Single-Family Residential	1.00	\$265.00	\$65.56

Assessor's Parcel Number	Tract	Lot	Land Use Description	EBU	Maximum Assessment FY 2012/2013	Proposed Assessment FY 2012/2013
510-010-12-00-6	6740	26	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	27	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	28	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	29	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	30	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	31	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	32	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	33	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	34	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	35	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	36	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	37	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	38	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	39	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	40	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	41	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	42	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	43	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	44	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	45	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	46	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	47	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	48	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	49	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	50	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	51	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	52	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	53	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	54	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	55	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	56	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	57	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	58	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	59	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	60	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	61	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	62	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	63	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	64	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	65	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	66	Single-Family Residential	1.00	\$265.00	\$65.56
510-010-12-00-6	6740	67	Single-Family Residential	1.00	\$265.00	\$65.56
Totals				67.00	\$17,755.00	\$4,392.52

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**CITY COUNCIL/ REDEVELOPMENT SUCCESSOR AGENCY/ FINANCING
AUTHORITY AGENDA ITEM**

SUBJECT:

Resolution 12-Xx, A Resolution Of The Ridgecrest City Council for the Real Property Sale Option of a 12 acre \pm portion of APN 343-014-007, 411 N. San Bernardino Blvd, SunMark Energy, LLC.

PRESENTED BY:

James E. McRea

SUMMARY:

The Resolution authorizes the City Manager to execute and sign an Option sale agreement for a 12 acre \pm portion of APN 343-014-007, 411 N. San Bernardino Blvd, to SunMark Energy, LLC. The site is a 38.1 acre site within the general area of the Waste Water facilities and the Ridgecrest Animal Shelter and will be utilized to build and operate a solar field. The site will be surveyed and appropriate easements maintained during the option period. The site was briefly listed and with public notice of proposed sale and the adoption of a Resolution determining the portion offered to be surplus to the immediate needs of the City.

The property is being offered at \$120,000 and represents a fair market value based on reasonable market analysis and MLS listing.

FISCAL IMPACT:

One-Time Revenue up to \$120,000

Reviewed by Finance Director

ACTION REQUESTED:

Motion to approve Resolution 12-Xx and instruct the City Manager execute the agreement for sale option.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Review and Comment

Submitted by: James McRea

Action Date: 4-18-12

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RESOLUTION NO. 12-xx

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO SIGN OPTION AGREEMENT WITH
SUNMARK ENERGY LLC. IN RELATION TO APN 343-014-07-01-1.**

NOW THEREFORE, THE RIDGECREST CITY COUNCIL DOES HEREBY RESOLVE
as follows:

The City Manager is authorized to sign the Option Agreement with SunMark Energy LLC. in relation to the subject properties.

APPROVED AND ADOPTED this 18th day of April, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ronald H.. Carter, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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OPTION AGREEMENT

This OPTION AGREEMENT ("Agreement") made and entered into this ____ day of _____, 2012 ("Effective Date") by and between SunMark Energy, LLC whose address is 3504 Mount Vernon Way, Plano, TX 75025 (hereinafter referred to as "PURCHASER"), and The City of Ridgecrest California whose address is _____, (hereinafter referred to as "SELLER").

WITNESSETH

WHEREAS, SELLER is the fee simple owner of certain real property (the "Property") lying and situated in the County of Kern, California comprising of:

APN 343-014-07-01-1

The total parcel measures approximately 38.18 acres (gross)

411 S. San Bernardino
Ridgecrest, Kern County, California
Including any Adjudicated Water Rights

WHEREAS, PURCHASER desires to procure an option to purchase **TWELVE ACRES (12) OF THE SUBJECT PROPERTY** upon the terms and conditions as hereinafter set forth:

NOW THEREFORE for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties and for the mutual covenants contained herein, SELLER and PURCHASER hereby agree as follows:

1. OPTION PERIOD(S): PURCHASER shall pay to SELLER the sum of Ten Dollars (\$10), and PURCHASER shall have from the Effective Date of this Agreement until June 30, 2012 (the "First Option Period"). No later than 5:00 PM Pacific Time Zone on the June 30, 2012 from the Effective Date, PURCHASER shall notify SELLER of its intention to purchase the Property. If PURCHASER does not notify SELLER of its decision, then it shall be deemed that PURCHASER has no interest in the Property and this Agreement shall terminate.

If PURCHASER elects to go forward on the purchase of the Property, PURCHASER shall pay to SELLER the sum of Five Thousand Dollars (\$5,000) and PURCHASER shall have from the Effective Date of this Agreement until December 31, 2012 (the "Second Option Period"). No later than 5:00 PM Pacific Time Zone on the December 31, 2012 from the Effective Date, PURCHASER shall notify SELLER of its intention to purchase the Property. If PURCHASER does not notify SELLER of its decision, then it shall be deemed that PURCHASER has no interest in the Property and this Agreement shall terminate.

If PURCHASER elects to go forward on the purchase of the Property, PURCHASER shall pay to SELLER the sum of Five Thousand Dollars (\$5,000) and PURCHASER shall have from the

Effective Date of this Agreement until June 30, 2013 (the "Third Option Period"). No later than 5:00 PM Pacific Time Zone on the June 30, 2013 from the Effective Date, PURCHASER shall notify SELLER of its intention to purchase the Property. If PURCHASER does not notify SELLER of its decision, then it shall be deemed that PURCHASER has no interest in the Property and this Agreement shall terminate.

During each of the three option periods, PURCHASER and its agents shall have the right to enter upon the PREMISES and inspect the PREMISES.

At any time PURCHASER can advise SELLER that it desires to terminate this Agreement. If such notice is provided in the First Option Period, Second Option Period, or Third Option Period, SELLER shall retain the payment as full damages for PURCHASER not completing the purchase of the Property.

During the above time periods PURCHASER shall (i) not sell the Property to another party or (ii) provide any other party an option on the Property.

2. PURCHASE PRICE

Purchase Price	\$ 120,000.00	(\$10,000 per acre x 12 acres*)
First Option	\$ 10.00	(ending June 30, 2012)
Second Option	\$ 5,000.00	(ending December 31, 2012)
Third Option	\$ 5,000.00	(ending June 30, 2013)

Balance to be paid at closing

*acreage subject to a final survey and price shall adjust accordingly

3. **REPRESENTATIONS AND WARRANTIES:** To induce the PURCHASER to enter into this Agreement, SELLER makes the following representations, warranties, and covenants.

A. SELLER has good and marketable fee simple title to the Property, free and clear of all liens, property taxes, encumbrances, and restrictions, except for those restrictions appearing of record, taxes for the year of closing, encumbrances that will be cleared prior to closing, and encumbrances that will be cleared at the closing out of the SELLER'S proceeds from the Purchase Price.

B. There are no condemnations or similar proceedings affecting any part of the Property and no such proceeding shall be pending on the Closing Date. To the best of the SELLER'S knowledge, no such condemnations or other proceeds are threatened or planned.

C. There are no service contracts or agreements relating to the operation, maintenance, or security of the property under which the SELLER is bound and which will survive the closing.

D. SELLER is not subject to any commitment, obligation, or agreement, including but not limited to, any right of first refusal or option to purchase, granted to a third party, which would or could prevent the SELLER from completing the sale of the Property as contemplated by this Agreement.

E. SELLER has sole and exclusive possession of the Property and will be able to deliver possession of the Property free of all leases on the Closing Date.

4. CONDITIONS PRECEDENT: The obligations of the PURCHASER to close this transaction are subject to the PURCHASER having given Notice to Purchase and that all representations and warranties of the SELLER shall be true and correct as of the Closing Date as if such representations and warranties were being made on such date. In the event that any of said conditions are not fulfilled on or as of the Closing Date, and notwithstanding anything to the contrary in this Agreement, PURCHASER shall have the right to terminate this Agreement and to obtain a full refund of all deposits (if any) made to SELLER, whereupon all parties shall be relieved of any further obligations hereunder.

5. CLEAR TITLE:

A. Within fourteen (14) days of the Effective Date, SELLER shall deliver to PURCHASER any existing title insurance policies or abstracts of title for the property in that are in the SELLER'S possession or which the SELLER might obtain possession by reasonable efforts. At closing, SELLER shall pay for any update of the title information that might be necessary so as to enable PURCHASER to obtain title insurance for the Property.

B. SELLER shall convey a marketable title, subject only to liens, encumbrances, exceptions, or qualifications set forth in this Agreement and those which shall be discharged by SELLER at or before closing. Marketable title shall be determined according to applicable Title Standards adopted by authority of the California Bar and in accordance with law.

C. If the PURCHASER discovers that the title is defective, PURCHASER shall notify the SELLER in writing shall specify the defect(s). If said defect(s) render the title unmarketable or uninsurable the SELLER will have one hundred eighty days (180) from receipt of notice within which to remove said defect(s), and if SELLER is unsuccessful in removing them within said time, PURCHASER shall have the option of either accepting the title as it then is or terminating this Agreement and thereupon SELLER shall return any deposits that may have been made to the PURCHASER and both parties shall be released as to one another of all further obligations under this Agreement. The SELLER shall pay all expenses to clear title defects.

6. CLOSING:

A. This transaction shall be closed and the deed and other closing papers delivered at a time agreed to by PURCHASER and SELLER (the "Closing Date"). Closing shall be

held in the county wherein the Property is located, at the office of the attorney or other closing agent designated by the PURCHASER.

B. At closing the PURCHASER shall pay the cash portion of the purchase price by bank cashier's check or certified check either of which shall be issued by and drawn on a local institution and SELLER shall furnish the deed, an absence of lien affidavit, non-foreign status affidavit, and any corrective instruments that may be required in connection with perfecting the title. SELLER shall furnish the closing statement.

C. SELLER shall pay the following closing costs: the cost of recording any corrective instruments (if needed) and the title update charges necessary for the title insurance. PURCHASER shall pay the cost of recording the deed, state documentary stamps charges, and title insurance premiums.

7. **CONVEYANCE:** SELLER shall convey title to the Property by statutory warranty, trustee, personal representative, or guardian deed, as appropriate to the status of the SELLER, subject only to matters contained in the following and those otherwise accepted by PURCHASER.

8. **RESTRICTIONS; EASEMENTS; LIMITATIONS:** PURCHASER shall take title subject to: zoning, restrictions, prohibitions, and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record; taxes for year of closing and subsequent years; and assumed mortgages and purchase money mortgages, if any.

9. **SURVEY:** PURCHASER, at PURCHASER's expense at any time within the Option Periods may have the Property surveyed and certified by a registered California surveyor. If the survey shows any encroachment on the Property or that improvements intended to be located on the Property in fact encroach on setback lines, easements, lands of others, or violate any restrictions, Contract covenants, or applicable governmental regulations, the same shall be treated as a title defect.

10. **LIENS:** SELLER shall furnish to PURCHASER at time of closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statements, claims of lien or potential lienor known to SELLER and further attesting that there have been no improvements or repairs to the Property for ninety (90) days immediately preceding the date of closing in a form satisfactory to the PURCHASER. If the Property has been improved, or repaired within said time, SELLER shall deliver releases or waivers of mechanic's liens, executed by all general contractors, subcontractors, suppliers, and materialmen, in addition to SELLER'S lien affidavit setting forth the names of all such general contractors, subcontractors, suppliers, and materialmen and further reciting that in fact all bills for work to the Property or Personalty which could serve as a basis for a mechanic's lien or a claim for damages have been paid or will be paid at closing.

11. **SPECIAL ASSESSMENT LIENS:** Certified, confirmed, and ratified special assessment liens as of the date of closing (and not as of Effective Date) are to be paid by the

SELLER. Pending liens as of the date of closing shall be assumed by PURCHASER, provided, however, that if the improvement has been substantially completed as of Effective Date, such pending lien shall be considered as certified, confirmed, and ratified and SELLER shall, at closing, be charged an amount equal to the last estimate by the public body of assessment for the improvement.

12. PRORATIONS: Taxes and assessments (if any) shall be prorated through the day to the closing. Cash at closing shall be increased or decreased as may be required by said prorations. All prorations will be made through the day prior to occupancy if occupancy occurs before closing. Taxes shall be prorated based on the current year's tax with due allowance made for maximum allowable discount and homestead or other exemptions if allowed for said year. If closing occurs at a date when the current year's millage is not fixed, and current year's assessment is available, taxes will be prorated based upon such assessment and the prior year's millage. If the current year's assessment is not available, then taxes will be prorated on the prior year's tax; provided, however, if there are completed improvements on the Property by January 1st of the prior year, then taxes shall be prorated bases upon the prior years millage and at an equitable assessment to be agreed upon between the parties, failing which, request will be made to the County Property Appraiser for an informal assessment taking into consideration homestead exemption, if any. However, any tax prorations based on an estimate may at the request of either the PURCHASER or the SELLER be subsequently readjusted upon receipt of tax bill on condition that a statement to that effect is set forth in the closing statement.

13. AGREEMENT NOT RECORDABLE; PERSONS BOUND; NOTICE: Neither this Agreement nor any notice thereof shall be recorded in any public records. This Agreement shall bind and inure to the benefit of the parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for any party shall be as effective as if given by or to said party.

14. PROCEEDS OF SALE; CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds and evidence of title continued at PURCHASER'S expense, to show title in PURCHASER, without any encumbrances or change which would render SELLER'S title unmarketable from the date of the last evidence, and the proceeds of the sale shall be held in escrow by the SELLER'S attorney or by such other escrow agent as may be mutually agreed upon for a period of not longer than five (5) days from and after closing date. If SELLER'S title is rendered unmarketable, PURCHASER shall within said five (5) day period, notify SELLER in writing of the defect and the SELLER shall have 30 days from the date of receipt of such notification to cure said defect. In the event that SELLER fails to timely cure said defect, all monies paid hereunder shall, upon written demand therefore and within five (5) days thereafter, be returned to PURCHASER and, simultaneously with such repayment, PURCHASER shall vacate the Property and reconvey the same to the SELLER by special warranty deed and return the Personalty. In the event that the PURCHASER fails to make timely demand for a refund, PURCHASER shall take title as is, waiving all rights against the SELLER as to such intervening defect except as may be available to PURCHASER by virtue of warranties, if any, contained in the deed. In the event a portion of the purchase price is to be

derived from institutional financing or refinancing, the requirements of the lending institution as to place, time of day, and procedures for closing, and for disbursement of mortgage proceeds, shall control anything in this contract to the contrary notwithstanding. Provided, however, that the SELLER shall have the right to require from such lending institution at closing a commitment that it will not withhold disbursement of mortgage proceeds as a result of any title defect attributable to the PURCHASER-mortgagor.

15. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon PURCHASER or SELLER unless included in this Agreement. No modifications or changes in this Agreement shall be valid or binding upon the parties unless in writing and executed by the party or parties to be bound thereby.

16. FAILURE OF PERFORMANCE: If PURCHASER fails to perform this Agreement within the time specified the deposit(s) paid by the PURCHASER may be retained by or for the account of the SELLER as liquidated damages, consideration for the execution of this Agreement and in full settlement of any claims; whereupon PURCHASER and SELLER shall be relieved of all obligations under this Agreement. If, for any reason other than failure of SELLER to make SELLER'S title marketable after diligent effort, SELLER fails, neglects or refuses to perform this Agreement, PURCHASER may seek specific performance or elect to receive the return of PURCHASER'S deposit(s) without thereby waiving any action or damages resulting from SELLER'S breach.

17. REAL ESTATE COMMISSION: It is acknowledged by the Purchaser and Seller that no Real Estate Broker is involved in this transaction.

18. LAW GOVERNING: This agreement shall be governed by the laws of the State of California.

19. SPECIAL STIPULATIONS: SELLER gives PURCHASER permission to make and submit application to change or make variance to existing zoning to allow solar use on the Property.

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THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. DO NOT SIGN IF THERE ARE BLANK SPACES NOT FILLED IN. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.

SELLER: THE CITY OF RIDGECREST CALIFORNIA

By: _____ Date: _____

PURCHASER: SunMark Energy, LLC

By: _____ Date: _____
Mark Engeberg
Its: President & Managing Member



SUBJECT PROPERTY IS TWELVE (12) ACRES SUBJECT TO A MUTUALLY AGREEABLE SURVEY.



- 1) **Target specific properties and lock down using an Option Contract (purchase or lease)**
 - a. Option Periods (all monies are applied toward the purchase price or lease)
 - i. free - 2 months
 - ii. \$5,000 - 6 months
 - iii. \$5,000 - 6 months

- 2) **Submit Interconnection Application under CPUC Rule 21**
 - a. \$800 per Interconnection Application - 30 days for preliminary
 - b. \$600 Supplemental Review – 45 days for Scoping Meeting
 - c. Scoping Meeting – SCE project managers and engineers' state: a) whether the project passes as a "Fast Track" project or not; b) what objections they may have; c) and whether the project requires further study (System Impact Study; and then may further require a Facilities Study)
 - d. \$10,000 System Impact Study (may not be required if "Fast Track") - 4 to 6 months depending on when it is submitted (this cost is attributed to the hourly expense of SCE engineering and is credited /repaid upon facility COD)
 - e. \$15,000 Facility Study (may not be required if "Fast Track") – 60 days (Expense is same as above) this will detail (materials, labor, plans, and scheduling) of what is to be built in order to accommodate the CREST facility.



Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Site Control								
	Interconnection Application							
					PPA Agreement			
			Permitting					

Estimated time
 Contingent time

- Note:
- 1) Site Control is not necessary to apply for CREST Interconnection
 - 2) PPA can only be applied for after Interconnection Facilities Agreement is executed.
 - 3) Start of Permitting would be based on Scoping Meeting and probability of completing Interconnection.

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