

CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY

Parks and Open Space Protection and Preservation District

PRELIMINARY ENGINEER'S REPORT

May 19, 2004

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**CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY
Parks and Open Space Protection and Preservation District**

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I. INTRODUCTION

The Contra Costa County Open Space Funding Authority (the "Authority") is a joint powers authority formed between the County of Contra Costa (the "County"), and the East Bay Regional Park District (the "Park District"). After a four year public involvement process, the Authority was created to acquire, improve and maintain land in Contra Costa County for park, recreation or open space purposes.

According to the United States Census, the population in the County in 1990 was 803,732 and on July 1, 2003, the total County population is estimated to be 1,001,136, representing a 24.5% increase over this time period. Since the County is approximately 720 square miles in total area, the current population density is approximately 1,390 people per square mile.¹ The map on page 3 depicts the area served by the Authority, the general location of the County and primary access points into the County from surrounding areas.

This Preliminary Engineer's Report ("Report") was prepared to (1) establish the estimated costs of the acquisitions, improvements and maintenance services that would be funded by the proposed assessments of the Parks and Open Space Protection and Preservation District (the "Assessment District"); (2) to determine the special and general benefits derived thereby; and (3) to apportion the proposed assessments to lots and parcels within the Assessment District based on the estimated special benefit each parcel receives. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIID of the California Constitution (the "Article").

After consideration of this Report, the Governing Board of the Authority (the "Board") may, by resolution, preliminarily approve this Report, call for an assessment ballot proceeding and establish a date for a public hearing on the proposed assessments. The ballot proceeding and the potential levy of the assessments are subject to the procedures and approval process set forth in Articles XIIC and XIID of the California State Constitution and the Act.

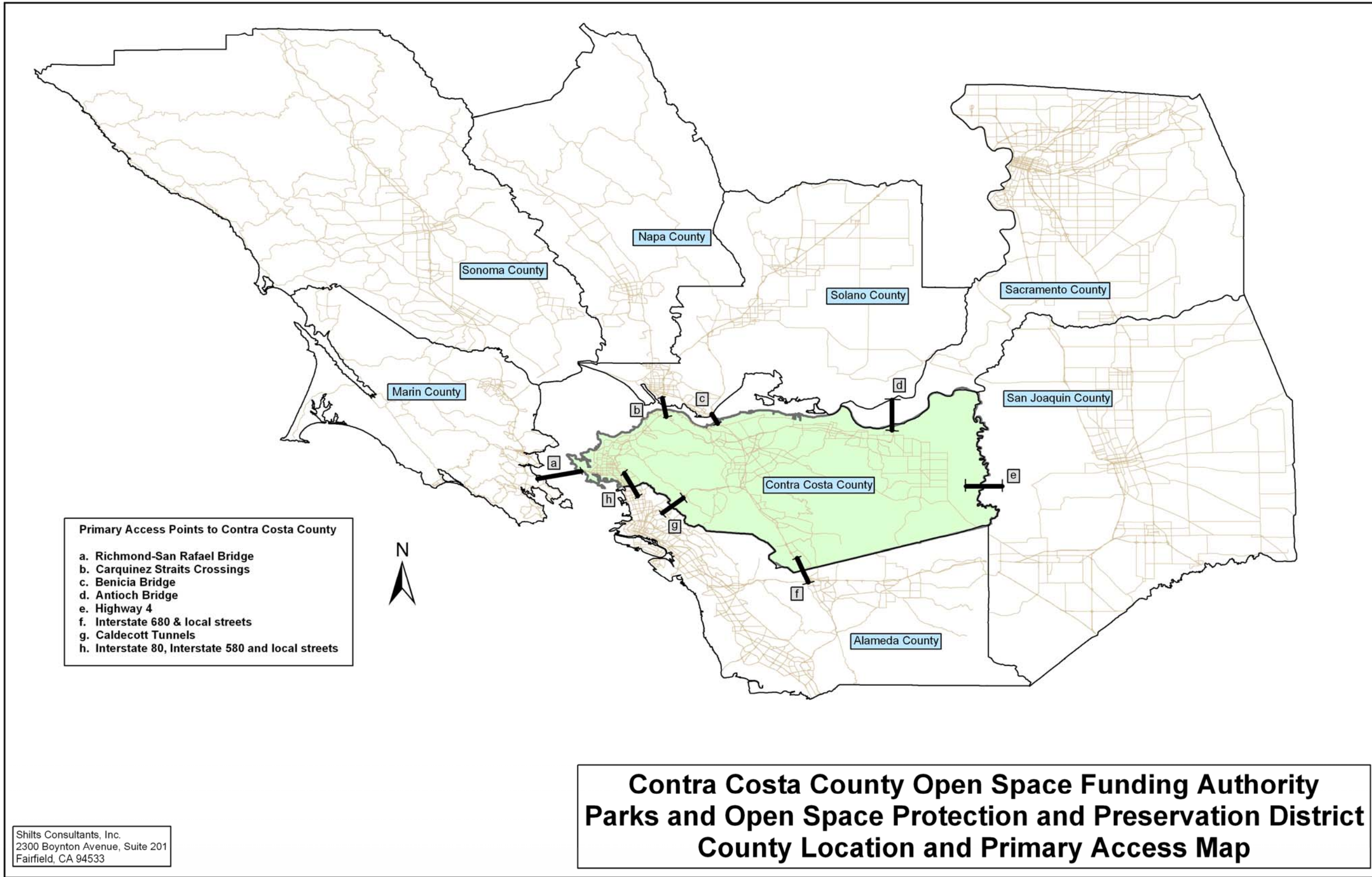
If the Board approves such resolution, a notice of assessment and assessment ballot would be mailed to property owners owning property within the jurisdictional area of the Authority. Such notice would include descriptions of the proposed assessments and the acquisitions, improvements and maintenance services the assessments would fund as well as an explanation of the method of voting on the assessments. Each notice would also include a ballot upon which the property owner could mark his or her approval or disapproval of the proposed assessments.

After the ballots are mailed to property owners, a minimum 45-day time period must be provided for the return of the assessment ballots. Following this minimum 45 day time period, a public hearing must be held for the purpose of allowing public input regarding the proposed assessments. This hearing is currently scheduled for Tuesday, July 27, 2004. At this hearing, the public would have the opportunity to speak on this issue and to present additional input to the Board. After the close of the public input portion of the public hearing, the returned ballots would be tabulated. The results of the tabulation are scheduled to be announced on August 10, 2004.

If it is determined that the assessment ballots submitted in opposition to the proposed assessments do not exceed the assessment ballots submitted in favor of the assessments

(weighted by the proportional financial obligation of the property for which ballots are submitted), the Board may take action to confirm and approve the levy of the assessments for fiscal year 2004-05. If the assessments are so confirmed and approved by the Board, the levies would be submitted to the County Auditor/Controller in August 2004 for inclusion on the property tax roll for Fiscal Year 2004-05.


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



**CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY
Parks and Open Space Protection and Preservation District**

II. CERTIFICATES

1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me.



Engineer of Work, License No. C52091

2. I, the Secretary of the Contra Costa County Open Space Funding Authority, County of Contra Costa, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on _____, 2004.

Secretary of the Board

3. I, the Secretary of the Contra Costa County Open Space Funding Authority, County of Contra Costa, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the Board on _____, 2004, by Resolution No. _____.

Secretary of the Board

4. I, the Secretary of the Contra Costa County Open Space Funding Authority, County of Contra Costa, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of Contra Costa, California, on _____, 2004.

Secretary of the Board

5. I, the County Auditor of the County of Contra Costa, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2004-05 was filed with me on _____, 2004.

County Auditor, County of Contra Costa

III. PLANS AND SPECIFICATIONS

A. Definitions and Descriptions

1. Improvements

The improvements proposed to be funded by the Assessment District (the "Improvements") provide special benefit to parcels within the Assessment District as defined in the Method of Assessment herein. Improvements are legally defined by the Act (Section 22525 of the Streets and Highways Code) and include, but are not limited to, installation of park or recreational improvements, installation of landscaping, installation of facilities appurtenant to the improvements, maintenance or servicing of improvements and acquisition of land for park, recreational or open space purposes. The Improvements are generally described to include the following:²

(a) Acquisition of real property in fee for park, recreational or open space purposes. Such real property may include, but is not limited to, open space lands, greenbelts, hillsides, viewsheds and watersheds, shorelines, riparian corridors, urban open space, parks, agricultural lands, wetlands, surplus school sites and quarries.

(b) Acquisition of interests in real property for park, recreational or open space purposes. Such interests may include, but are not limited to, easements, rights of entry, leaseholds, dedications, development rights, conservation easements and utility rights of way on real property such as that set forth in Section III.A.1.(a) of this Report.

(c) Maintenance and servicing of such real property and interests in real property acquired with funding from assessments pursuant to this Report.

(d) Acquisition, installation, maintenance or servicing of improvements or public facilities such as landscaping, recreational facilities, benches, signage, fencing, firebreaks, picnic areas, playground equipment, play courts, restrooms, trails, lighting, electrical facilities, foot bridges and land preparation such as grading, irrigation or drainage on (1) real property owned by, or encumbered by property rights held by, or maintained by, the Authority; or (2) on real property owned by, or encumbered by property rights held by, or maintained by any local agency or non-profit entity within the jurisdictional area of the Authority that participates with the Authority in any of the acquisitions, installations, maintenance and servicing described herein.

2. Maintenance

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any Improvement, including (a) repair, removal, or replacement of all or part of any Improvement; (b) providing for the life, growth, health and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; (c) the removal of trimmings, rubbish, debris, and other solid waste; and (d) the cleaning, sandblasting and painting of walls and other Improvements to remove or cover graffiti. (Sts. & Hy. Code, § 22531.)

3. Servicing

Servicing means the furnishing of (a) electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other Improvements; and (b) water for irrigation of any landscaping, the operation of any fountains, or the maintenance of any other Improvements. (Sts. & Hy. Code, § 22538.)

4. Incidental Expenses

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

B. Framework

The Contra Costa County Board of Supervisors created the Ad Hoc Committee on Open Space Funding on September of 1999 to make recommendations on whether and how to create new local funding for open space, parks, recreation, natural resource, and farmland preservation needs throughout the County. To achieve this goal, the Ad Hoc Committee convened an open committee of individuals and organizations interested in this topic to provide specific advice and input. After more than three and one-half years of meetings, this citizen committee, the Contra Costa County Advisory Committee on Open Space Funding (the "Advisory Committee"), recommended that a funding measure be placed before the property owners of the County with proceeds to be managed by the Authority.

The Advisory Committee also prepared a plan for open space preservation, the Framework for an Open Space Protection and Enhancement Funding Measure for Contra Costa County, dated May 25, 2004 (the "Framework"). The provisions and terms of the Framework guide the funding, operation, management and oversight of the Improvements. However, in the event of a conflict in terms or provisions between the Framework and this Report, this Report shall govern.

The Framework sets forth the following categories and descriptions to outline the variety of open space actions needed in the County:

Scenic Landscapes and Regional Parks—Preserve defining features of our landscape such as important ridgelines and other scenic landforms, green buffers, connections between existing parkland areas, and other unique landscape or community features;

Creeks/Watersheds—Protect & restore urban & other creeks, watersheds, wetlands, and soil, and improve water quality, safety and flood plain management;

Farmland—Maintain the County’s agricultural heritage through purchase of conservation easements, buffers, irrigation water or other protections for prime agricultural soils, rangeland, and unique agricultural features;

Historic Preservation—Preserve historic structures and cultural resources and provide educational opportunities;

Local & Municipal Parks/Recreation—Enhance and create local parks to improve quality of life in our existing communities and complement revitalization efforts; provide healthy, safe recreational alternatives for our youth;

Shorelines—Protect and restore the shorelines and marshes of the Bay and Delta, provide public access, education and recreation opportunities, and improve water quality;

Trails/Public Access Facilities—Close gaps in major Bay Area trails such as the Bay Trail and Ridge Trail, unify and connect existing regional trail systems, improve existing trails, public access and equestrian access; and

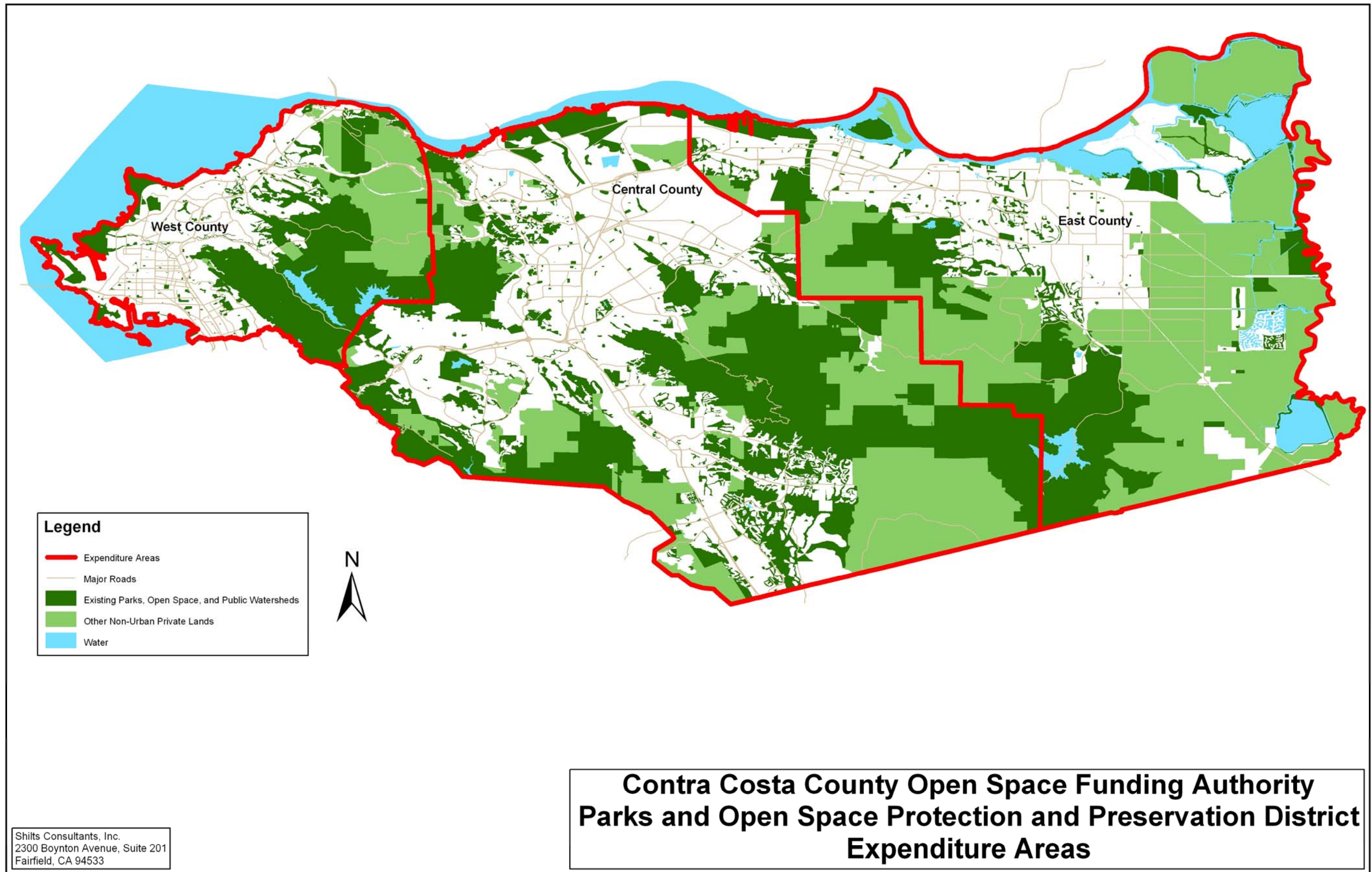
Wildlife Habitat and Corridors—Protect/enhance the habitat of unique and valuable plants and animals.³

C. Expenditure Areas

Contra Costa County encompasses unique geographic sub-areas. The western areas of the County, which include the industrial areas along the Richmond shoreline and the urbanized areas along the Interstate 80 corridor, are bordered by the San Francisco and San Pablo Bays to the west and by the Oakland Berkeley Hills and Briones Hills to the east. The central area, which includes the urbanized valley floor along the Interstate 680 corridor, is generally bordered by the Briones Hills and Las Trampas Ridge to the west and the Mount Diablo range to the east. The eastern areas, which include agriculture and urbanized areas, extend east from the Mount Diablo range to the San Joaquin River Delta.

In order to more clearly establish a basis for equal levels of special benefits to all properties of similar type, three areas (the “Expenditure Areas”) have been created within the Assessment District. A specific requirement for the Assessment District is that the net available assessment funds generated in an Expenditure Area must be used for Improvements in that Expenditure Area. The criteria for the Assessment District are further delineated in Section V.C of this Report.

These Expenditure Areas, which are depicted on Map 2 and the Parks and Open Space Protection and Preservation District Assessment Diagram in Section VII of this Report, are described as “West County,” “Central County” and “East County.”



D. Improvements

The following projects (the "Projects"), identified in the Framework, further describe and define the Improvements to be funded by the assessments. The Expenditure Area(s) for each Project are listed on the Estimate of Cost and Budget in Section IV of this Report.

1. Flagship Projects

Flagship Projects are Projects of countywide significance. Approximately 36% of the assessment funds received by the Authority will be allocated to Flagship Projects. These Flagship Projects are described as follows:

a) Mt. Diablo Park Expansions

Mt. Diablo State Park is one of California's oldest and most heavily used parks. It supports critical wildlife habitats and is home to many threatened species. A large percentage of the lands on and around the mountain is privately owned and faces development pressure. Funds from the Assessment District would be used to acquire and preserve additional lands to expand Mt. Diablo State Park and better connect it to other neighboring parks and open space areas.

b) San Francisco Bay Trail

In the 1990s, the California legislature identified the need for a trail that would ring the San Francisco Bay, and provided initial money to help begin its creation. The Assessment District would provide funds to help complete this trail in Contra Costa County, including missing links between Richmond and Crockett.

c) Richmond Shoreline

This 30-mile stretch of shoreline contains a variety of scenic and environmental resources and offers three-bridge views of the San Francisco Bay. Funds from the Assessment District would be used to preserve and restore shorelines, wetlands and historic features, and to create new trails or public access opportunities.

d) Muir Heritage Corridor

This is the area of rolling hills generally north of Briones Regional Park. This land, which is primarily used for private cattle ranching, includes watershed lands, scenic vistas and wildlife habitats. Funds from the Assessment District would be used to acquire parklands and easements to protect the scenic and ranching heritage of the area.

e) Prime Farmland/Agricultural Core

The last large farming area remaining in the County is located in the lands east of Brentwood from Knightsen to Byron. This area has rich peat soils and supports productive fruit and nut trees. Funds would be used to help preserve this prime agricultural area through acquisition of land or conservation easements.

f) North Contra Costa Wetlands and Riverfront

The San Francisco and San Pablo Bay-Delta system is considered a water way, public resource and wildlife area of statewide significance. Funds would be used to acquire and preserve shorelines and waterfront lands between Pinole and Oakley. The Assessment

District's funds would also be used to open these shoreline areas for public benefit by creating trails and other public access facilities.

g) Tassajara Valley

The Tassajara Valley lies just east of Danville, San Ramon and the Dougherty Valley. Camino Tassajara runs through the Tassajara Valley, from Blackhawk to the Alameda County line. The valley is facing development pressure, and funds from the Assessment District would be used to acquire and preserve scenic hillsides, ridgelines, ranches and other open space in this area.

h) Las Trampas Open Space Connections

Extending from the Lafayette/Walnut Creek boundary south to the Alameda County line, this prominent ridgeline parallels the west side of I-680. Funds would be used to protect and permanently preserve this unique urban wilderness area and to help protect and maintain the watershed lands and clean water sources for public drinking water reservoirs in the area through acquisition of land or easements.

i) Kirker Hills

These scenic hills frame the eastern side of Concord and Clayton and the southern edge of Bay Point and Pittsburg. Funds from the Assessment District would be used to purchase land and agricultural easements that would protect this area into the future as ranching lands and would help prevent urban sprawl and large lot development.

j) East County Foothills

This large grassland and oak savannah area extends from the southern end of Antioch and the western boundary of Brentwood south to the Byron Airport. This area is home to many endangered species. Funds would be used to preserve additional parklands in this area and to protect important wildlife corridors through acquisition of land or easements.

k) Lamorinda Greenbelt

The Lamorinda Greenbelt lies along the north side of Lafayette and Orinda and extends west and south to include the Caldecott wildlife corridor. Funds from the Assessment District would be used to protect this important wildlife corridor and to preserve other lands along the greenbelt through acquisition of land or easements.

l) Creek and Watershed Restoration

The Assessment District includes funding for restoring creeks throughout the County and for protecting lands around creeks, streams and lakes to reduce water pollution. Specific projects include the restoration of the natural character and function of creeks; transformation of creeks into community amenities and local educational opportunities through enhancement of visual character and improved public access; enhancement of water quality, including reduced pollution and sedimentation to benefit public health and struggling fish and wildlife populations; and watershed restoration, including weed management, and improved permeability to restore natural groundwater recharge and minimize flooding.

Funds for this Flagship Project would be divided equally among the following geographic areas:

1. West County watersheds from Crockett to the Alameda County line;
2. East County watersheds from Bay Point to Oakley and Brentwood;

3. North and Central County watersheds, including Alhambra Creek, Grayson Creek, Mt. Diablo Creek, and Walnut Creek from the southern boundary of the City of Walnut Creek north to the Bay;
4. South and Central County watersheds, including the Lamorinda area and the lands south of Walnut Creek to the Alameda County line;
5. Rural, less-impacted portions of each of these watersheds.

m) Trail Construction and Enhancements

The Assessment District would provide funding to acquire right-of-way and construct new trails, to enhance existing trails and to provide additional access to parks and recreation areas for disabled people. Priority would be given to projects providing sub-regional or regional connectivity, i.e., trails connecting communities, regional parks or major city parks.

2. Regional Priority Projects

Regional Priority Projects are open space, shoreline, clean water and park projects that are considered important to regional areas of the County and for which there are insufficient local resources. These projects will require matching funds of at least one-to-one. Approximately 16% of the assessment funds received by the Authority will be used for Regional Priority Projects.

(1) West Moraga/Indian Valley Open Space Acquisition

The West Moraga/Indian Valley Open Space area is generally adjacent to the San Leandro Reservoir Watershed. Funds from the Assessment District would be used to acquire land or easements to expand the publicly protected lands adjacent to the San Leandro Reservoir Watershed and provide for public parklands connectivity to Sibley Regional Park.

(2) Burton Ridge Open Space Acquisition in the Lafayette/Walnut Creek Area

Burton Ridge parallels the western boundary of Rossmoor and is the eastern backdrop for the City of Lafayette. Funds from the Assessment District would be used to acquire land or easements to protect this scenic ridgeline and augment the open space recreational opportunities in the area.

(3) El Sobrante Hills Open Space Acquisition

The El Sobrante Hills open space area generally encompasses the hillsides that surround El Sobrante Valley. Funds from the Assessment District would be used to provide seed money to acquire land or easements to protect the rugged and slide prone hillsides and contribute to completion of the Bay Area Ridge Trail.

(4) Big Break Shoreline and Delta Science Center in the Oakley area

The Big Break Shoreline and Delta Science Center is generally located in the Oakley area along the Delta. Funds from the Assessment District would be used to develop local park amenities near the Dutch Slough Restoration Project and/or fund the construction of a

major educational and scientific institution on the Delta Shoreline, the Delta Science Center.

(5) Old River Delta Shoreline Park Acquisition and Development near Discovery Bay

Funds from the Assessment District would be used to acquire and create a shoreline park in the Discovery Bay area, improving public access to the recreational resources of this part of the Delta.

(6) John Marsh Home Pioneer Park Development near Brentwood

The John Marsh Home is the oldest home in the County. Funds from the Assessment District would be used for improvements to the historic facility and to enhance the surrounding public property.

(7) El Cerrito, Kensington, and Southern Richmond: San Francisco Bay Shoreline to the Hills Urban Open Space and Creeks

The highly urbanized southwest area of the County presents a wide variety of opportunities for new parks and open space. Funds from the Assessment District would be used for projects including wetland restoration on the shoreline, creek restoration and associated pocket parks through the lowlands, and hillside protection in the hills.

(8) Walnut Creek Watershed Enhancement Project

The Walnut Creek Watershed encompasses the creek and watershed system from San Ramon and Lafayette to Suisun Bay. Funds from the Assessment District would be used to enhance this creek system. Specific projects would include implementation of the 1992 restoration plans for the Walnut Creek Channel and aesthetic improvements to the Iron Horse Trail.

(9) Concord Naval Weapons Station Habitat Restoration and Wetlands Access

Assessment District funds would support restoration of habitat and creation of public access to wetland areas in this partially-closed military facility, consistent with the interim use plan now being formulated by the Navy in conjunction with local agencies.

(10) Lindsay Wildlife Museum Offsite Rehabilitation Center

Funds from the Assessment District would be used to create a rural facility operated by the Lindsay Wildlife Museum to care for larger species of rehabilitated wildlife and prepare them for re-introduction to the wild.

(11) Byron Airport/Habitat Corridor

The Byron Airport/Habitat Corridor generally encompasses lands between the Byron Airport and the Los Vaqueros Reservoir. Funds from the Assessment District would be used to acquire lands between the Byron Airport and the Los Vaqueros Reservoir to help create and preserve a wildlife corridor by connecting fragmented habitat lands.

(12) Bishop Ranch/Big Canyon Park Expansion in the San Ramon area

The Bishop Ranch Park and Big Canyon are generally located south and west of San Ramon. Assessment District funds would be used to acquire land and easements that will help combine parkland in southwest San Ramon into a cohesive unit.

(13) Blackhawk/Danville Greenbelt

Funds from the Assessment District would be used to acquire parklands or conservation easements east of new housing projects approved along Camino Tassajara and north of the rural Tassajara Valley Flagship Project area.

(14) Northwest Communities Open Space Connection

The northwest communities include Hercules, Rodeo and Crockett. Assessment District funds would be used to acquire land or easements to tie together open space and parklands between Hercules, Rodeo and Crockett.

(15) Pittsburg/Antioch Hillside

Funds from the Assessment District would be used to purchase parklands or conservation easements between existing park and dedicated open space lands to help combine these areas into a cohesive open space system along the southern perimeters of Pittsburg and Antioch.

(16) Wildcat Creek Trail Extension in the North Richmond and San Pablo areas

Funds from the Assessment District would be used toward completion of the Wildcat Creek Trail from the Bay Trail in North Richmond through San Pablo to Alvarado Park at the foot of the hills.

3. Community Priority Projects

Community Priority Projects are new and improved neighborhood parks, recreation areas and children's playgrounds in urban areas. Approximately 16% of the assessment funds received by the Authority will be provided for Community Priority Projects in every city and community on a per-capita basis:

- Acquisition and creation of new neighborhood parks and restoration and renovation of existing neighborhood parks
- Restoration of urban creeks and natural resources in cities
- Enhancement of children's playgrounds

- Recreational facility improvements

Five percent of the funds allocated for Community Priorities Projects will be reserved for projects that are jointly sponsored by two or more public agencies so long as the lead agency and land manager is a city, the County, or a park district.

4. Maintenance/Restoration Projects

Funds from the assessment District would also be used to restore, improve and maintain existing, regional-scale parks, open space areas, shorelines, and watershed lands throughout Contra Costa County and the lands that are acquired with Assessment District funds.

a) Existing Park/Open Space Maintenance Projects

Approximately 12% of the assessment funds received by the Authority will be used to maintain, improve and restore existing State and regional parks, open space areas and shorelines throughout Contra Costa County, including park rangers to operate, maintain and preserve the Improvements. Such maintenance, improvement, and restoration projects (“Existing Park/Open Space Maintenance Projects”) shall be provided for existing East Bay Regional Park District and California Department of Parks and Recreation lands and facilities, including:

- Antioch/Oakley Regional Shoreline
- Bishop Ranch Open Space Regional Preserve
- Black Diamond Mines Regional Preserve
- Briones Regional Park
- Briones to Mt. Diablo Regional Trail
- Browns Island Regional Preserve
- California Riding and Hiking Trail
- Carquinez Strait Regional Shoreline
- Castle Rock Regional Recreation Area
- Contra Costa Canal Regional Trail
- Contra Loma Regional Park
- Delta de Anza Regional Trail
- Diablo Foothills Regional Park
- Huckleberry Botanic Regional Preserve
- Iron Horse Regional Trail (north)
- Kennedy Grove Regional Recreation Area
- Lafayette-Moraga Regional Trail
- Las Trampas Wilderness Regional Preserve
- Little Hills Ranch Picnic Park
- Marsh Creek Trail, Oakley
- Martinez Regional Shoreline
- Miller/Knox Regional Shoreline
- Morgan Territory Regional Preserve
- Mount Diablo State Park
- Point Isabel Regional Shoreline
- Point Pinole Regional Shoreline
- Redwood Regional Park

- Round Valley Regional Preserve
- Sobrante Ridge Botanic Regional Preserve
- Tilden Regional Park
- Waterbird Regional Preserve
- Wildcat Canyon Regional Park

b) New Park/Open Space Maintenance Projects

To maximize public benefits, lands and facilities that are acquired and preserved by the Assessment District will need to be maintained, restored or improved. Such maintenance, improvements, and restoration projects (“New Park/Open Space Maintenance Projects”) may include, for example, the restoration of wildlife or natural habitats, enhancement and maintenance of public access and improvement of recreational facilities. In addition, the Assessment District will fund park rangers to operate, maintain and preserve the Improvements. Approximately 8% of the assessment funds received by the Authority will be used for such New Park/Open Space Maintenance Projects.

c) Competitive Park/Open Space Maintenance Projects

Approximately 5% of the funds assessment funds received by the Authority will be awarded on a competitive basis to fund maintenance, restoration, and improvements of regional-scale parks, watershed lands, trails and open space areas in Contra Costa County by the entities responsible for operating these facilities. Maintenance/improvement projects that are capital in nature, such as the restoration or improvement of trails or public access facilities would have priority in project selection. Matching funds from other sources will be required for those projects (“Competitive Park/Open Space Maintenance Projects”).

5. Opportunity Reserve Fund

Approximately 5% of the assessment funds received by the Authority will be placed in an Opportunity Reserve Fund and held for capital Projects of flagship or regional priority level that aren't presently identified herein or are subsequently determined to be under-funded. Not less than 24% of these funds shall be reserved for flagship level Projects.

E. Incidental and Administration Costs

No more than 3% of the funds from the Assessment District, disbursed to the Authority after charges for collection shall be used for costs related to the administration of the assessments and the Improvements. Any other incidental costs related to the formation of the Assessment District, assessment engineering, legal proceedings or the issuance of bonds or other financing costs for the Assessment District shall not be included this restriction on administrative costs.

IV. ESTIMATE OF COSTS AND BUDGET

A. Estimate of Costs

The following is an estimate of the cost of the Improvements that would be funded by the Assessment District in Fiscal Year 2004-05, if the proposed assessments are approved by property owners in a ballot proceeding. The expenditures would be governed by the policies and criteria established within this Report, additional policies and criteria in the Framework and any additional policies established by the Board.

Table 1 - Estimate of Costs

**CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY
Parks and Open Space Preservation and Protection District
Estimate of Cost
Fiscal Year 2004-05**

		Assessment District	Contribution¹	Total Budget
Beginning Fund Balance, July 04				
\$0				
Expenditure Area				
Acquisition, Installation, Maintenance & Servicing Costs				
Flagship Projects				
C/E	Mt. Diablo Park Expansions	\$215,500	\$86,200	\$301,700
W	San Francisco Bay Trail Completion	\$215,500	\$86,200	\$301,700
W	Richmond Shoreline	\$215,500	\$86,200	\$301,700
W/C	Muir Heritage Corridor	\$215,500	\$86,200	\$301,700
E	Prime Farmland/Agricultural Core	\$215,500	\$86,200	\$301,700
C/E	North Contra Costa Wetlands and Shorelines	\$215,500	\$86,200	\$301,700
C	Tassajara Valley	\$215,500	\$86,200	\$301,700
C	Las Trampas Open Space Connections	\$215,500	\$86,200	\$301,700
C/E	Kirker Hills	\$215,500	\$86,200	\$301,700
E	East County Foothills	\$215,500	\$86,200	\$301,700
C	Lamorinda Greenbelt	\$129,300	\$51,720	\$181,020
All	Creek and Watershed Restoration	\$215,500	\$86,200	\$301,700
All	Trail Construction and Enhancements	\$215,500	\$86,200	\$301,700
Regional Priority Projects				
C	West Moraga/Indian Valley Open Space Acquisition	\$86,200	\$86,200	\$172,400
C	Burton Ridge Open Space Acquisition in the Lafayette/Walnut Creek Area	\$86,200	\$86,200	\$172,400
W	El Sobrante Hills Open Space Acquisition	\$86,200	\$86,200	\$172,400
E	Big Break Shoreline and Delta Science Center	\$86,200	\$86,200	\$172,400
E	Old River Delta Shoreline Park & Discovery Bay	\$86,200	\$86,200	\$172,400
E	John Marsh Home Pioneer Park	\$86,200	\$86,200	\$172,400
W	San Francisco Bay Shoreline, Hills, Urban Open Space, and Creeks	\$86,200	\$86,200	\$172,400
C	Walnut Creek Watershed Enhancement Project	\$86,200	\$86,200	\$172,400
C	Habitat Restoration/Wetland Access, Concord Naval Weapons Station	\$86,200	\$86,200	\$172,400
C	Lindsay Wildlife Museum Offsite Rehabilitation Center	\$51,700	\$51,700	\$103,400
E	Byron Airport/Habitat Corridor	\$86,200	\$86,200	\$172,400
C	Bishop Ranch/Big Canyon Park Expansion	\$43,100	\$43,100	\$86,200
C	Blackhawk/Danville Greenbelt	\$43,100	\$43,100	\$86,200
W	Northwest Communities Open Space Connection	\$43,100	\$43,100	\$86,200
E	Pittsburg/Antioch Hillsides	\$43,100	\$43,100	\$86,200
W	Wildcat Creek Trail Extension	\$86,200	\$86,200	\$172,400
All	Community Priority Projects	\$1,194,800	\$477,920	\$1,672,720
Maintenance/Restoration Projects				
All	Existing Park/Open Space Maintenance Projects	\$905,100	\$362,040	\$1,267,140
All	New Park/Open Space Maintenance Projects	\$603,400	\$241,360	\$844,760
All	Competitive Park/Open Space Maintenance Projects	\$377,100	\$377,100	\$754,200
Opportunity Reserve Fund				
Administration Costs				
		\$357,700	\$143,080	\$500,780
		\$226,342	\$90,537	\$316,878
Totals for Acquisition, Installation, Maintenance and Servicing		\$7,552,042	\$3,950,457	\$11,502,498
Less: Contribution from Other Sources (for General and Special Benefits) ¹				-\$3,950,457
Net Cost of Acquisition, Installation, Maintenance and Servicing				\$7,552,042
Incidental Costs ⁴				
Ballot Proceeding and Formation Costs				\$450,000
County Collection Charges				\$264,000
Subtotals - Incidentals				\$714,000
Less:				
Contribution to/(from) Reserve Fund/Improvement Fund/Contingency				\$100,000
Total Amount to Assessment ^{5,6,7,8}				\$8,366,042
(Net Amount to be Assessed)				\$8,366,042

Budget Allocation to Property

	Total Assessment	Total SFE³ Units	Assessment per SFE⁴
Zone of Benefit A	\$8,201,941	328,077.63	\$25.00
Zone of Benefit B	\$164,101	3,282.02	\$50.00
	\$8,366,042	331,359.65	

Notes to Estimate of Costs:

1. Contribution from other sources to cover the costs of any general benefits and special benefits not funded by the assessments. A minimum of 30% contribution from other sources is budgeted for most Projects; however, Regional Priority Projects and Competitive Park/Open Space Maintenance Projects require a minimum 100% contribution from other sources. Based on the experience of the East Bay Regional Park District with their Measure AA funds, a 40% contribution from other sources is expected for all projects that do not require a minimum 100% matching contribution. Therefore, the budget cost estimates for contributions from other sources are conservative estimates.
2. Incidental cost includes county collection charges, one-time assessment formation and ballot proceeding costs and other assessment engineering costs.
3. "SFE" means single family equivalent benefit unit.
4. The assessment rate per SFE is the total amount to assessment per single family equivalent benefit unit.
5. The Act stipulates that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Assessment District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year. A separate account will be maintained for each Project area as defined in this Report.
6. In order to provide flexibility to acquire and/or preserve larger properties, the Authority may borrow funds from certain Project areas to fund projects in other Project areas. A full accounting of any such borrowing will be maintained and such borrowed funds shall be repaid with future year assessment proceeds.
7. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to assessment.
8. Reference is hereby made to the Framework for additional provisions for the expenditure of Assessment District proceeds and oversight of the Assessment District.

V. METHOD OF ASSESSMENT APPORTIONMENT

A. Method of Apportionment

This section includes an explanation of the special benefits to be derived from the Improvements, the criteria for the expenditure of assessment funds to ensure equal levels of benefit for properties of similar type and the methodology used to apportion the total assessments to properties within the Assessment District.

The method used for apportioning the assessments is based upon the proportional special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a three-step process. The first step is to identify the types of special benefits arising from the Improvements to be funded by the assessment funds. The second step is to establish the criteria that shall ensure that properties within the Assessment District of similar use type and features receive generally equal levels of special benefits from the assessment funds. The third step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

B. Discussion of Benefit

Assessments can only be levied based on the special benefit conferred on the property to be assessed (otherwise described as "specific benefit"). This special benefit is received by property over and above any general benefits. Proposition 218 (Article XIII D of the California Constitution), has confirmed that assessments must be based on the special benefit to property:

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

In addition, the California State Legislature has found that parks and open space confer the following types of special benefits to property:

- *Enhanced recreational opportunities and expanded access to recreational facilities.*
- *Improved quality of life for all communities by protecting, restoring, and improving irreplaceable park, wildlife, open-space, and beach lands.*
- *Preservation of canyons, foothills, and mountains and development of public access to these lands.*
- *Protection of diverse historical, cultural, and archaeological values.*
- *Increased economic activity and expanded employment opportunities.*
- *Increased property values.*

- *Positive impacts on air and water quality, capacity of roads, transportation and other public infrastructure systems, schools, and public utilities.*
- *Enhanced quality of life*
- *Improved health and well-being of all residents⁴*

The following benefit categories are the types of special benefits to residential, commercial, industrial, institutional and other properties from the preservation and improvement of open space lands to be provided with the assessment proceeds.

1. Protection of views, scenery and other resources values and environmental benefits enjoyed by residents, employees, customers and visitors and the improvement of public assets maintained by the Authority.

The proposed Assessment District will provide funding to acquire and preserve existing and new parks, open space areas, watersheds, greenways and nature lands located throughout the Assessment District. In absence of the Assessment District, these parks and open space areas could be developed for residential or commercial use, which would result in a reduction in public resource values and diminished environmental benefits.

Parks and open space areas provide other special benefits to property such as landscape buffers, protection of scenic views and protection of wildlife and vegetation habitats as well as historic and cultural sites. Left undeveloped, they allow natural functions such as flood control, purification of air and water, decomposition and recycling of wastes, and generation and renewal of fertile soils. Parks and open space also encompass lands that link existing resource areas and lands that serve as buffers between urban areas or between an urban area and resource land. These are special benefits to property within the Assessment District.

With regard to the environmental benefits of public parks and the vegetation they support, Lawrence Livermore Laboratory found that:

On a clear summer afternoon, the air temperature in a typical city is about 2.5°C (5°F) hotter than the surrounding rural area... [P]eak urban electric demand rises by 2-4% for each 1°C rise in daily maximum temperature above a threshold of 15- 20°C. Thus, the additional air-conditioning use caused by this urban air temperature increase is responsible for 5-10% of urban peak electric demand.⁵

Further, the American Forestry Association found that:

The average economic contribution of a single tree is \$73 in energy conservation, \$75 for erosion control, \$75 for wildlife shelter, and \$50 for air pollution benefits. Over its lifetime, an average tree provides more than \$57,000 in environmental and economic benefits.⁶

Other studies show the cooling and temperature moderating benefits of trees and vegetation:

Without the cooling and moderating effect of trees and green-spaces in our urban environments, urban areas grow hotter and dryer - a heat island effect. Approximately 5 to 10 percent of the current electric demand in cities is spent to cool buildings just to compensate for the heat island effect. In Los Angeles this translates to \$150,000 per hour and in Washington, DC, close to \$40,000 per hour during peak times. Nationally the hourly cost may be as high as \$1 million.⁷

These special benefits ultimately accrue to properties within the Assessment District because properties are more desirable in areas that offer enhanced environmental benefits and public resources.

2. Improved and protected water quality, air quality, enhancement of water resources and reduction of pollution and water runoff.

By funding the acquisition, protection, restoration and maintenance of parks, open space and natural lands, the assessments will help protect water resources, reduce runoff, reduce pollution and provide other local environmental special benefits for properties within Assessment District boundaries:

The following citations support the water quality, pollution control and runoff mitigation benefits from wildlife in parks, open spaces and other natural lands

Establishment of a greenway along a river or stream helps maintain water quality because riparian vegetation helps filter out pollutants. Riparian vegetation serves as an effective buffer between a stream and adjacent agricultural area. The retention capabilities of this vegetation prevents many agricultural chemicals from polluting the stream.⁸

Natural open spaces also protect water resources and enhance water supplies:

When land is covered by pavement, buildings, and other impervious surfaces, rain water runs off in sheets to the nearest storm sewer or other water course. Natural areas enable the aquifer to recharge by allowing rain water to percolate to underlying geologic deposits which may be tapped by wells as a potable water source.

In a similar manner, natural areas protect water quality. Rain that rapidly runs off impervious surfaces to rivers and streams carries with it pollutants such as chemicals from car exhaust and lawn treatments. This is known as 'non-point source pollution' and is the leading cause of water pollution today.

Studies of water quality have shown that non-point source pollution can be greatly reduced by the buffering of streams and rivers by forests and wetlands. When heavily vegetated areas surround surface water bodies, many pollutants are trapped and filtered from the rain water before it reaches the water bodies.

Thus, allowing natural areas to recharge aquifers and cleanse storm water potentially saves municipalities millions of dollars in water supply and treatment costs.⁹

A study in Boulder Creek, Colorado found that:

The cleansing and buffer properties of vegetated areas help control water, air, and noise pollution, which may decrease pollution control costs borne by public agencies. In Boulder, Colorado, for example, the city avoided a major outlay for constructing a wastewater treatment facility by restoring Boulder Creek through revegetation, terracing, and construction of aeration structures.¹⁰

A study for the U.S. Forest Service found that trees can reduce runoff in urban areas by up to 17%:

Trees decrease the amount of water that runs off a site by breaking the impact of the rain and slowing the flow, allowing time for water to infiltrate the soil. Trees can reduce runoff in urban areas up to 17 percent according to a study by the U.S. Forest Service (Ebenreck, 1988). This reduction has implications in the infrastructure costs of storm sewer capacity of sewage treatment plants, flooding of rivers and streams and the loading of sediment and pollutants into rivers and streams.¹¹

A study on the air quality and economic benefits of trees conducted in the City of Modesto found that:

Modesto's municipal trees provide substantial air quality benefits. Annual air pollutant uptake is 143 metric tons (3.5 lb./tree) with an implied value of \$1.4 million (\$16/tree). The City's trees are providing important health benefits to residents. As trees grow they increase the value of nearby properties, enhance scenic beauty, and produce other benefits with an estimated value of \$1.5 million (\$16/tree). Building shade and cooler summertime temperatures attributed to street and park trees save 127,000 MBtu, valued at \$1.0 million (1.39 MBtu/tree, \$11/tree). Smaller benefits result from reductions in stormwater runoff (292,000 m³ or 845 gal/tree, \$616,000 or \$7/tree) and atmospheric carbon dioxide (13,600 metric tons or 329 lb./tree, \$450,000 or \$5/tree).¹²

The special benefit to property in the Assessment District from the acquisition, restoration and preservation of parks, open space properties and watershed lands is thus derived from the protection of air and water quality and prevention of an increase in pollution and runoff that would be created if such properties were otherwise developed or not improved.

3. Reduction of additional traffic congestion and other negative impacts caused by urban sprawl and growth.

Additional development and the congestion it causes reduces the desirability of property within the Assessment District. The Assessment District will help to prevent additional urban sprawl and large-lot development outside the urban limit lines. Such urban sprawl creates additional congestion, pollution and degrades the natural resources in the Assessment District. The prevention of urban sprawl and large-lot development is a special benefit to property in the Assessment District.

The economic benefits from reduced sprawl development were noted in a report by the New Jersey Office of State Planning:

By avoiding unplanned sprawl development, communities in New Jersey could save an estimated \$1.3 billion in infrastructure and additional transportation costs over 20 years.¹³

An acquisition analysis conducted by the Assessment Engineer projects that the assessment funds could acquire or otherwise preserve over 500 acres per year. If this amount of land were otherwise developed with an average of one home per five acres of land area, these lands would have the potential for 100 large lot homes. Using a conservative estimate of an average of 10 vehicle trips per day per household, if 100 additional homes were constructed on the parcels that would otherwise be acquired and preserved, 1,000 additional vehicle trips would be generated daily in the Assessment District. Over 30 years, this equates to 30,000 additional trips per day. Such additional trips would create additional traffic congestion and create other negative impacts to property. Therefore, this Assessment District specially benefits property by limiting future levels of urban sprawl and large lot development in the Assessment District and, as a

result, limiting future levels of traffic congestion and other negative impacts that result from such urban sprawl development.

4. Enhanced recreational opportunities and expanded access to recreational areas for all property owners, residents, employees and customers throughout the Assessment District.

Residential properties specially benefit from the enhanced recreational opportunities provided by the Improvements that would be made throughout the Assessment District. These include, among others, new parks and open spaces, areas for recreational activities, and higher levels of maintenance of existing parks, open space, shorelines, trails, nature lands and wildlife habitats than would be provided in absence of the assessment.

Non-residential properties also will specially benefit from the improved parks, recreation facilities and open space area. Employees will have additional wildlife and recreation areas to utilize for exercise, recreational activities, picnics, company gatherings or other uses. These Improvements, therefore, enhance an employer's ability to attract and keep quality employees. The benefits to employers ultimately flow to the property because better employees improve the business prospects for companies and enhanced economic conditions specially benefit the property by making it more valuable.

In "Trends: Parks, Practice and Program" by Love, L. and Crompton, J. (1993) the authors found that:

The provision of parks and recreation services play an influential role in a community's economic development efforts. When companies choose to set up business or relocate, the availability of recreation, parks and open space is high on the priority list for site selection. Recreation and parks have a significant influence on people's preferred living locations.¹⁴

The "Outdoor Recreation Coalition of America's 1993 State of the Industry Report" found that:

From rock climbing to biking to backpacking, the outdoor recreation industry -- worth at least \$132 billion annually to the U.S. economy-- is growing by leaps and bounds. The biggest and most noticeable effect has been on public lands: Visits to parks and other spaces increased by well over 100 million in the last decade just as funding dwindled.¹⁵

All properties will specially benefit from the assessments that will be used to expand, protect and maintain public recreational lands, open space areas, trails and other public resources.

5. Increased economic activity.

The Assessment District will create expanded and improved parks and open space areas that are also better maintained. Such Improvements will increase the desirability of the area and enhance recreational and wildlife education opportunities, which, in turn, leads to expanded use. Expanded use and activities facilitated by new and existing parks and open space areas brings greater numbers of visitors to parks and open space into the area who can utilize the services of businesses within the Assessment District. The visitors to the Authority's parks and open space will be more likely to shop and eat locally. Increased use leads to increased economic activity in the area, which is a special benefit ultimately to residential, commercial, industrial and institutional property.

Studies of the economic benefits from parks and recreation areas have found the following:

California's public parks generate more than \$35 million annually from businesses for local events. Visitors to public parks and outdoor recreation areas support approximately 235,000 jobs in California's economy.¹⁶

Numerous studies demonstrate that linear parks can increase property values, which can in turn increase local tax revenues. Spending by residents on greenway-related activities helps support recreation-oriented businesses and employment, as well as other businesses that are patronized by greenway users. Greenways often provide new business opportunities and locations for commercial activities like bed and breakfast establishments, and bike and canoe rental shops. Greenways are often major tourist attractions which generate expenditures on lodging, food, and recreation-oriented services. Finally, greenways can reduce public expenditures by lowering the costs associated with flooding and other natural hazards.¹⁷

Although the chief reason for providing outdoor recreation is the broad social and individual benefits it produces, it also brings about desirable economic effects. Its provision enhances community values by creating a better place to live and increasing land values. In some underdeveloped areas, it can be a mainstay of the local economy. And it is a basis for big business as the millions and millions of people seeking the outdoors generate an estimated \$20 billion a year market for goods and services.¹⁸

People are spending increasing amounts of money on recreation. In California people spent an average of 12 percent of their total personal consumption on recreation and leisure, which was the third largest industry in the state. Also, many recreational activities that can be pursued in locally protected areas (such as biking, hiking, bird-watching, cross country skiing, and canoeing) entail equipment costs that support local businesses, providing new jobs and tax revenue.¹⁹

6. Expanded employment opportunity.

Improved recreational areas and public resources foster business growth, which in turn creates additional employment opportunities for Assessment District residents. In addition, the assessments expand local employment opportunities by funding new projects that may create the need for additional construction or maintenance jobs.

Improved and well-maintained parks, open space and recreational areas also provide business properties with an opportunity to attract and keep employees due to the benefits provided by these areas.

The California Park and Recreation Society found that:

Recreation and park amenities are central components in establishing the quality of life in a community, [business'] main resource is their employees for whom quality of life is an important issue. The availability and attractiveness of local parks and programs influences some companies relocation decisions and the presence of a park encourages real estate development around it.²⁰

This is a special benefit to property, because property in areas with a stronger job opportunities and more attractive business amenities are more desirable and valuable.

7. Enhanced protection of property through reduction of the risk of fire and reduced cost of local government in law enforcement, public health care and natural disaster response.

This assessment also benefits properties in the Assessment District by funding maintenance services that preserve the level of special benefits from parks, recreation areas and open space in the Assessment District and protect the public's parks, recreation and open space resources by reducing the risk of damage or harm and maintaining public access to parks, recreation areas and open space resources.

Improved and well-maintained parks, recreational areas and open space lands can also serve to improve public safety and reduce the cost to local government by providing a healthy alternative for youth and adult activities.

Studies have shown that adequate park and recreation areas and recreation programs help to reduce crime and vandalism:

Natural parks and open space require few public services - no roads, no schools, no sewage, no solid waste disposal, no water, and minimal fire and police protection.²¹

Exercise derived from recreational activities lessens health related problems and subsequent health care costs. Every year, premature deaths cost American companies an estimated 132 million lost work days at a price tag of \$25 billion. Finding and training replacements costs industry more than \$700 million each year. In addition, American businesses lose an estimated \$3 billion every year because of employee health problems.²²

High quality recreational and wildlife areas allow residents and employees in the Assessment District to enjoy activities close to home, thereby not spending time driving to other areas. Moreover, open space and trails in these lands promote healthy activities that help to reduce the cost of health care. Such cost reduction frees public funds for other services that benefit properties.

All of these factors ultimately specially benefit property within the Assessment District by reducing the risk of damage to property, and making the community more usable and desirable and property, in turn, more valuable.

8. Enhanced quality of life and desirability of the area.

The assessments will provide funding to acquire and preserve open space areas that otherwise may not be preserved for the public benefit. The assessments will provide funding to reduce urban sprawl development and the congestion it causes. Reduced urban sprawl also enhances the desirability of property within the Assessment District. Improved parks, recreation areas, open space and public wildlife areas enhance the overall quality of life and desirability of properties within the Assessment District. This is a special benefit to residential, commercial, industrial and other properties.

The following citations provide supporting evidence on the quality of life benefits conferred by the Improvements:

The President's Commission on Americans' Outdoors (1987) found natural beauty was the single most important factor in deciding tourist destination.²³

The importance of quality-of-life in business location decisions has been repeatedly verified in the literature. (Boyle, 1988; Bramlage, 1988, Carn & Rabianski, 1991; Conway, 1985; Epping, 1986; Sarvis, 1989; Tosh, et.al., 1988)²⁴

Home buyers over age 55 considering a move were surveyed about the amenities that 'Would seriously influence them in selecting a new community.' The following results were found:²⁵

<u>Amenity</u>	<u>Group</u>	<u>% seeking amenity</u>	<u>Rank on List</u>
<u>Walking and jogging trails</u>	<u>55+</u>	<u>52</u>	<u>1</u>
<u>Walking and jogging trails</u>	<u>55+ >\$75k per year</u>	<u>65</u>	
<u>Outdoor spaces</u>	<u>55+</u>	<u>51</u>	<u>2</u>
<u>Outdoor spaces (park)</u>	<u>55+, moving to suburbs</u>	<u>55</u>	
<u>Open Spaces</u>	<u>55+</u>	<u>46</u>	<u>4</u>

A scientific survey of residents in Alameda and Contra Costa County found that 85% agreed with the following statement: "The regional park system, consisting of recreational parks, picnic areas, wilderness areas and trails, is a valuable public resource and service that improves the quality of life for the residents of the East Bay area"²⁶

Extensive parks, recreation areas, open space, nature lands and wildlife areas are among the most important public resources and features for property owners in the Assessment District. Therefore, the extensive series of public parks and open space areas that will be maintained and preserved by the Assessment District is a very important feature for property owners in the Assessment District that enhances the quality of life and desirability of property in the Assessment District.

9. Specific enhancement of property values.

The assessments will provide funding to significantly expand, improve and maintain the public parks, open space lands, recreational areas, wildlife and nature habitats, wildlife corridors and other valuable public resources. The Improvements funded by the assessments will also specially benefit properties by (1) protecting resource values; (2) reducing pollution and runoff; (3) limiting urban sprawl and large lot development; (4) enhancing recreational opportunities; (5) increasing economic activity; (6) expanding employment opportunity; (7) protecting property and public health; and (8) enhancing the quality of life and desirability of the area. In turn, property values are specifically enhanced by the expression of these special benefits from the Improvements on property in the Assessment District.

In other words, this Assessment District will acquire and preserve a significant and well-disbursed set of important properties and public resources throughout the County. These Improvements confer many distinct and special benefits to properties in the Assessment District as described previously. These special benefits ultimately flow to property by specifically or specially enhancing property values.

The correlation between enhanced property values and expanded and well-maintained open space areas and recreational areas has been documented. The United States Department of the Interior, National Park Service determined that:

An investment in parks and recreation helps reduce pollution and noise, makes communities more livable, and increases property value. Parks and recreation stimulate business and generate tax revenues. Parks and recreation help conserve land, energy and resources. Public recreation benefits all employers by providing continuing opportunities to

maintain a level of fitness throughout one's working life, and through helping individuals cope with the stress of a fast-paced and demanding life.²⁷

Additionally, the National Recreation and Park Association, in June 1985, stated:

The recreation value is realized as a rise in the value of land and other property in or near the recreation area, and is of both private interest to the landowner and others, holding an economic stake in the area, and of public interest to the taxpayers, who have a stake in a maximum of total assessed values.²⁸

Moreover, the Supreme Court of California and the United States Supreme Court have found that improved and well-maintained park facilities confer special benefits to property by enhancing property values. In Knox v. City of Orland (1993) 4 Cal.4th 132, 143 the Supreme Court of California held that:

Plaintiff's basic argument that a special assessment is never appropriate to fund park improvements is unconvincing. Significantly, plaintiff's attempt to differentiate between street lights, sewers, sidewalks and flood control as constituting proper subjects for special assessment, and public parks as matters of such a general nature as to not justify a special assessment, is virtually identical to an argument rejected nearly a century ago by the United States Supreme Court in *Wilson v. Lambert*.

In Wilson v. Lambert (1898) 168 U.S. 611, 616, the United States Supreme Court stated:

The residents and property holders in the District of Columbia must be regarded as coming within the class of beneficiaries; and, so far from being injured by the declaration that the park shall also have national character, it is apparent that thereby the welfare of the inhabitants of the Assessment District will be promoted. Whatever tends to increase the attractiveness of the City of Washington, as a place of permanent or temporary residence, will operate to enhance the value of private property situated therein or adjacent thereto.

In addition, professional property appraisers and instructional books on the subject find that well-maintained public recreational grounds and areas enhance property values in a community.²⁹ Enhancement value is the tendency of parks and open space to enhance the property value of adjacent properties. It is also explicitly recognized by federal income tax law:

U.S. Treasury regulation Sec. 14(h)(3)(i) requires that the valuation of a conservation easement take into account (i.e., be offset by) any resulting increase in the value of other property owned by the donor of the easement or a related person. Section 14(h)(4) sites as an example a landowner who owns 10 one-acre lots and donates an easement over eight of them: 'By perpetually restricting development on this portion of the land, (the landowner) has ensured that the two remaining acres will always be bordered by parkland, thereby increasing their fair market value...'³⁰

C. Criteria and Policies

This sub-section describes the criteria that shall govern the expenditure of assessment funds and ensure equal levels of benefit for properties of similar type. The criteria established in this Report, as finally confirmed, cannot be substantially modified; however, the Board may adopt additional criteria to further clarify certain criteria or policies established in this Report or establish additional criteria or policies that do not conflict with this Report. The Framework contains additional criteria and funding principals that shall further guide the selection of projects to be funded and the expenditure of assessment funds.

1. Assessment Funds Must Be Expended Within the Assessment District

The net available assessment funds, after incidental, administrative, financing and other costs, shall be expended exclusively for Improvements within the boundaries of the Assessment District.

2. Assessment Funds from Each Expenditure Area Must Be Expended Within the Same Expenditure Area

The Assessment District is structured so that the net available assessment funds generated in each Expenditure Area must be expended on Improvements within the same Expenditure Area. Each parcel in the Assessment District has been categorized into the one of the three Expenditure Areas. The Assessment Roll provides this information for each parcel.

3. Citizen's Oversight Committee

A Citizens' Oversight Committee (the "Citizens' Oversight Committee") will be established for the Assessment District. The Citizens' Oversight Committee shall review potential projects that may be funded by the assessments and shall make recommendations on the expenditure of assessment funds. Members of the Citizen's Oversight Committee, who will be nominated by various organizations, will represent specific interests and constituencies related to open space protection. The Framework contains more specific criteria, policies and responsibilities for the Citizens' Oversight Committee.

4. Separate Accounts by Project Area

The net proceeds available for Improvements generated by assessments within each Project Area shall be deposited into a separate account. Expenditures from each Project area account, exclusive of administration costs and other costs related to Improvements, such as appraisals and title fees, shall be used within the same Project Area for the purposes stated in this Report. However, in order to provide flexibility to acquire and/or preserve larger properties, the Authority may borrow funds from certain Project areas to fund projects in other Project areas. A full accounting of any such borrowing will be maintained and such borrowed funds shall be repaid with future year assessment proceeds.

5. Annual Independent Audits

The Citizens' Oversight Committee shall appoint an independent auditor. The independent auditor shall annually audit the expenditures and revenues and shall provide an audit report to the Citizens' Oversight Committee and the Authority.

6. Administrative Costs

As noted in Section III.E., more than 3% of the funds from the Assessment District, disbursed to the Authority after charges for collection shall be used for costs related to the administration of the assessments and the Improvements.

7. Maintenance of Effort

Agencies that receive assessment funds will be required to maintain their existing levels of service and effort in the project areas and agree that assessment funds will be used to augment, and not supplant, such efforts.

8. Geographic Distribution of Properties

Properties acquired, improved or maintained by the Assessment District must be geographically dispersed within each Project Area, to the extent possible. After the first properties are acquired or improved within a Project Area, the Authority shall give priority to properties that would enhance the geographic distribution of Improvements.

9. Matching Funds

Matching funds and contributions from other sources are required, thereby maximizing the special benefits from the Assessment District.

10. Purchase Price Cannot Exceed Independent Appraisal

An appraisal of fair market value will be prepared by at least one independent appraiser prior to the acquisition of properties with funds from the Assessment District. No property will be acquired at a price in excess of an independent appraisal of fair market value.

11. Willing Seller

Properties shall only be acquired through purchase or donation from willing sellers (or donors). Condemnation will not be used to acquire properties.

12. Permanent Preservation

Properties acquired by the Authority or other agencies with funds from the Assessment District shall remain as public resources.

D. General versus Special Benefit

As noted previously, the assessment funds will be used to acquire, maintain, restore, improve and permanently preserve a widely distributed set of important and valuable parks, open space, natural lands, wildlife areas, watershed areas, shorelines, recreational areas and other public resource lands for use and enjoyment by property owners, residents, employees, and customers in the jurisdictional area of the Authority. This is a special benefit to property in the Authority because the acquisition and preservation of such parks, open space and recreation facilities confers the special benefit factors described above and these benefits ultimately flow to property.

Moreover, in absence of the proposed assessments, the annual revenue from this assessment would not be available to acquire, restore, preserve and protect important natural lands and public resource values in Contra Costa County. Therefore, in absence of the assessment, important riparian corridors and watershed lands would not be protected from development that could negatively impact water quality and public resources in the area. In absence of the assessment, open space lands, parklands and recreational areas would not become public resources or be permanently preserved for current and future generations. As noted, these public resources are an important component of the area's quality of life and public resource values, which is a special benefit to property. Therefore, the assessments provide special benefits to the community by supporting a higher level of open space, public resource, acquisition, maintenance and improvement than would otherwise be provided.

The Improvements also provide a degree of general benefits. A measure of this general benefit is the proportionate amount of time that the open space and wildlife areas funded by the Assessment District are used and enjoyed by individuals who are not residents, employees, customers or property owners in the Assessment District.³¹

A total of 563 users of parks, open space areas or recreation facilities were surveyed by Shilts Consultants, Inc. on different days and times and at different regional parks, regional open space areas and regional shorelines in Contra Costa County during the months of March and April 2004. Fifty-one respondents (9.1%) indicated that they did not reside or work within area to be encompassed by the Assessment District, or would not be shopping at businesses within the Assessment District area during their visit to the park, open space or recreational facility. Therefore, this survey measured a 9% level of general benefits from the proposed Assessment District.

Many of the open space properties that would be acquired by the Assessment District are not conducive to active recreational use because the property supports important or sensitive wildlife habitat or watersheds or are of topography that does not readily support public use. As a result, many of the special benefit factors construed by the Improvements are "passive" special benefits that are not related to active use of the properties. The special benefits that are passive in nature provide high levels of special benefits to property in the Assessment District because the protection of views, protection of watersheds, reduction in pollution and reduced traffic congestion, for example, are distinct special benefits that are almost exclusively conferred on properties within the Assessment District, and are only minimally enjoyed by properties outside of the Assessment District. Therefore, the measure of general benefits found in the survey can be considered to be a conservative measure.

However, in order to establish an even more conservative allocation to cover general benefits, the Assessment Engineer has more than doubled the general benefit measure and has established a minimum 20% requirement of funds and contributions from other sources to fund any general benefits from the Assessment District.

The proposed Assessment District's total budget for acquisition, installation, maintenance and servicing of the Improvements is \$11,502,498. Of this total budget amount, the Contra Costa County Open Space Funding Authority and the partner agencies who receive project funding will contribute \$3,950,457 from sources other than the assessments. This contribution equates to approximately 34% of the total budget for acquisition, installation, maintenance and servicing and constitutes significantly more than the measure of 9% general benefits from the Improvements.

E. Benefit Finding and Zones of Benefit

1. Benefit Finding

The assessment funds will be used to acquire, improve, maintain and preserve a well distributed set of important public resource lands throughout Contra Costa County. For example, the assessments will fund:

- (1) The acquisition, restoration and permanent preservation of important open space and wildlife areas throughout the County;
- (2) The maintenance, restoration and preservation of existing regional parks, open space, trails and shorelines throughout the County;
- (3) The improvement and restoration of neighborhood parks and recreation facilities in each city and urban area in the County;
- (4) The restoration and protection of creeks, streams and watershed areas in rural and urban areas throughout the County;
- (5) The improvement and maintenance of a well distributed mix of projects encompassing scenic landscapes and regional parks, creeks and watersheds, farmland, historic preservation features, local and municipal parks/recreation, shorelines, trails and public access facilities and wildlife habitat and corridors throughout the County; and
- (6) Many other important public resources and recreational facilities located throughout the County.

The criteria established in this Report, and further supported by the Framework, will ensure that the assessments will be used to acquire, improve, preserve and protect a well dispersed set of important open space, wildlife and recreational lands – for the permanent special benefit to properties in the County.

As noted, the assessments should allow the Authority to conservatively acquire or preserve more than 500 acres of additional lands per year. In addition, the assessments provide funding to improve, maintain and preserve, for the special benefit of properties in the Assessment District, thousands of acres of existing parks, open spaces and shoreline areas. Therefore, this Engineer's Report finds that the Improvements are a significant, tangible benefit that should reasonably and rationally confer more special benefit to properties in the Authority than the proposed assessment rate of \$25 per benefit unit.

2. Zones of Benefit

As described in this Report, the assessments will fund the maintenance and improvement of an extensive and well distributed set of existing parks, open space, recreation areas and other public resource lands located throughout the County. These Improvements will specially benefit properties throughout the Assessment District. However, the Assessment District also will fund the acquisition of additional undeveloped lands exclusively in specifically defined project areas in the County. The properties in the project areas in which assessment funds will be primarily used for acquisition of these additional lands have been included in specific areas defined as Zone of Benefit B ("Zone B"). Zone B includes the parcels within the acquisition-

focused project areas and any improved parcels that border undeveloped lands in these project areas. The bordering improved properties are included in Zone B because they would receive additional benefits from the potential acquisition and permanent preservation of the adjoining undeveloped lands to a greater extent than other properties that do not border such undeveloped lands. All other properties are included within Zone of Benefit A ("Zone A"). These Zones are depicted in the Assessment Diagram included with this Report.³²

The acquisition of additional undeveloped lands will confer a relatively higher degree of special benefit to parcels in Zone B relative to parcels in Zone A because 1) while the assessment funds will be used to maintain, restore and improve lands throughout the Assessment District and all properties will have good proximity to these improvements, additional undeveloped lands will primarily be acquired and preserved within Zone B and not within Zone A; 2) the parcels in Zone B may be adjacent to or very near the undeveloped lands that are acquired and preserved; 3) in comparison, properties in Zone A will be somewhat less proximate to these lands; 4) some of the special benefit factors such as protection of views, protection the negative impacts of urban sprawl and congestion and property values are influenced by closely proximate acquisitions of undeveloped land; and 5) the undeveloped lands that are acquired and preserved otherwise may be developed or improved in a manner that would create negative impacts such as increased traffic or diminished views that would more adversely impact parcels in Zone B.

In order to estimate the level of special benefit to properties in Zone B the assessment engineer conducted a relative benefit analysis. Properties in Zone B were evaluated to estimate their special benefit from the acquisitions to be funded in Zone B, relative to properties in Zone A. For six of the benefit factors, namely protection of resource values, reduction of pollution and runoff, enhanced recreational opportunities, increased economic activity, expanded employment opportunity, protection of property and public health and enhanced quality of life we find that the benefits are generally equivalent for all parcels in the Assessment District. This finding is based on: 1) the assessments will fund the acquisition, maintenance and improvement of an extensive and well distributed set of parks, open space, recreation areas and other public resource lands located throughout the County; 2) these benefit factors are considered to be generally equivalent over a benefit area of 2 miles in urban areas and 4 miles in rural areas (See Section V.E.3 below for further explanation of the benefit areas); and 3) all urban parcels in the Assessment District will be less than 2 miles from the Improvements and all rural parcels will be less than 4 miles from the Improvements.

For three benefit factors, protection of views and resource values, reduced urban sprawl and congestion and specific enhancement of property values we find that the benefits will be reasonably higher for parcels in Zone B. The parcels in Zone B already receive viewshed, property value and lack of congestion benefits from close proximity to the undeveloped lands in Zone B. Therefore, the additional special benefit to these properties from the Assessment District, relative to Zone A, primarily results from the land acquisitions and preservation funded by the assessments that will prevent some of the undeveloped land in Zone B from ever being developed or improved in a manner that would negatively impact the views and other special benefits that properties in Zone B currently enjoy from the undeveloped land in this Zone. In other words, the benefit from the assessments enjoyed by parcels in Zone B that is not enjoyed to the same extent by parcels in Zone A is the permanent preservation of undeveloped lands in Zone B. If undeveloped parcels in Zone B were likely to be developed, the additional benefits

from their acquisition and preservation could be several multiples of the benefits to Zone A. However, most of the undeveloped lands in Zone B are outside of the County's urban limit line and have limited potential for future development. Therefore, the additional benefits to parcels in Zone B (from the prevention of development) are significantly less than the inherent value of their current viewshed, property value and lack of congestion features because the potential for development and loss of views and other benefits is relatively low. A reasonable conclusion is that properties in Zone B will receive twice the relative Zone A benefit. Therefore, the proposed assessments for properties in Zone B will be twice that of similar properties in Zone A.

3. Benefit Analysis

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), community parks in urban areas have a service area radius of up to two or three miles. This radius is determined, in part, by the NPRA's determination of a reasonably short travel time and access to parks and recreation facilities by users in the service area. The service area in rural communities is larger due to in part to the increased speeds at which property owners, employees, customers and guests can travel to reach parks, open space and other recreational facilities. The roadways in the more rural areas in Contra Costa County allow for higher speeds than in urbanized areas for which the NPRA park standards are designed. Therefore, in rural communities, a correction factor of 2 can be applied based upon the assumption of average speeds of 15 mph in urban areas versus 30 mph in more rural areas. Accordingly, the equivalent benefit area radius for parks, open space and recreation facilities in non-urbanized areas of the Assessment District is estimated to be four to six miles.

The special benefit factors described in this Report are not materially different for similar urban area properties within two to three miles or less of a park, open space area, recreation facility or other public resource lands or for similar rural area properties within four to six miles or less of a park, open space area, recreation facility or other public resource lands because all such properties are reasonably proximate to these public resource lands and all have good proximity and access to these lands. Moreover, any benefits from increased proximity within the service area are reasonably offset by other negative factors such as increased traffic and loss of privacy from the public use of parks, open space, recreation facilities or other public resource lands.

As described in this Report, the assessments will fund the maintenance and improvement of an extensive and well distributed set of parks, open space, recreation areas and other public resource lands located throughout the County and the acquisition, maintenance and improvement of additional lands throughout the County. These extensive and well distributed lands will be less than two miles from all properties in urban areas and less than four miles from all properties in rural areas. Therefore properties of similar type within each Zone of Benefit will receive generally equivalent levels of special benefits and no further Zones of Benefit are justified.

F. Assessment Apportionment

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

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger commercial properties and residential properties with multiple dwelling units receive a higher degree of benefit than other similarly used properties that are significantly smaller. For two properties used for commercial purposes, there clearly is a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that would benefit from preserved open space and recreational facilities. This benefit ultimately flows to the property. Larger parcels, therefore, receive an increased benefit from the assessments.

As stated previously, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner's use of the parks, open space, recreation facilities to be acquired, maintained or otherwise improved, or a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who value the special benefits described above, and who use and enjoy the parks, open space and recreational lands that will be acquired, improved, preserved and protected. Further, it is ultimately people who control property values by placing a value on the special benefits to be provided by these public resources. In other words, the benefits derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is an indicator of the relative level of special benefit received by a property.³³

The Engineer determined that the appropriate method of assessment should be based on the type of property, the relative size of the property and the potential use of property by residents and employees. This method is further described below.

G. Method of Assessment

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

1. Residential Properties

All improved residential properties with a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Detached or attached houses, zero-lot line houses and town homes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. The population density factors (the "Population Factor") for the Assessment District, as depicted below, provide the basis for determining the SFE factors for residential properties. Using the total population in a certain property type in the area of the Assessment District from the 2000 Census and dividing it by the total number of such households, finds that approximately 2.99 persons occupy each single family residence, whereas an average of 2.16 persons occupy each multi-family residence. Using the ratio of one Population Factor for each single-family residence equates to one Population Factor for every 2.99 persons. Using this factor, each multi-family unit receives a 0.72 Population Factor, each condominium unit receives a 0.80 Population Factor and each mobile home receives a 0.67 Population Factor. Table 2 presents this data.

Table 2 – Residential Population Factors

	<i>Total Population</i>	<i>Occupied Households</i>	<i>Persons per Household</i>	<i>Population Factor</i>
Single Family Residential	680,276	227,318	2.99	1.00
Condominium	69,064	29,013	2.38	0.80
Multi-Family Residential	174,213	80,824	2.16	0.72
Mobile Home on Separate Lot	13,328	6,634	2.01	0.67

Source: 2000 Census, Contra Costa County

Once established, Population Factors are adjusted to reflect the average structure size of different residential properties. This adjustment is needed because the special benefits are deemed to be relative to the potential population density and average building area per dwelling unit. Based on County data, the average multi-family residence is 57% of the size of a single family residence. Likewise, the average condominium unit is 86% of the size of a single family residence and the average mobile home is 50% of the size of a single family residence. These relationships to a single family residence are "Square Footage Factors." These Square Footage Factors are applied to the Population Factors to determine the SFE benefit factors for residential properties. Accordingly, multi-family properties with a 0.72 Population Factor and a 57% Square Footage Factor will receive a 0.41 SFE. Likewise, condominium units receive a 0.69 SFE and mobile homes on separate parcels receive a 0.43 SFE. See Table below.

Table 3 - Residential SFE Assessment Factors

	<i>Average Square Feet</i>	<i>% of SFR</i>	<i>Population Factor</i>	<i>SFE Factor</i>
Single Family Residential	1,400	100%	1.00	1.00
Condominium	1,200	86%	0.80	0.69
Multi-Family Residential*	800	57%	0.72	0.41
Mobile Home on Separate Lot	900	64%	0.67	0.43

Source: Contra Costa County Assessor Data and 2000 Census

* The SFE factor of 0.41 per dwelling unit for multifamily residential properties applies to such properties with 20 or fewer units. Properties in excess of 20 units typically offer on-site recreational amenities and other facilities that tend to offset some of the benefits provided by the improvements. Therefore the benefit for properties in excess of 20 units is determined to be 0.41 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

2. Commercial/Industrial Properties

Pursuant to the previous description of the special benefit factors from the Improvements, such special benefits are conferred to commercial properties in similar manner and degree as residential properties. However, commercial and industrial properties are generally occupied for one-half the amount of time as a residential property. Since, as noted in the Discussion of Benefit and Assessment Apportionment Sections, the benefits to property are measured by the people who either reside at or work at properties in the Assessment District and commercial properties are typically occupied and used for one-half the time as residential properties, it is reasonable to conclude that on a land-area basis, the benchmark commercial property is deemed to receive similar levels of benefit as a single family home; however the benefits are further adjusted to reflect the relative “usage” factor of both types of property.

On a land-area basis, the average size of a single family residential parcel in the Assessment District is approximately one-quarter acre. These single family residential properties are assigned the benchmark 1 SFE benefit unit per parcel. Therefore, the benchmark commercial/industrial property is a commercial property on one-quarter acre and such property is assigned one-half the benefit of a single family home, or 0.5 SFE.

To determine the relative benefits for various types of commercial and industrial properties, employee densities are utilized, similar to the way resident densities are used to measure the relative levels of special benefit for residential properties. Since the special benefits to commercial and industrial properties are measured by employee densities and such densities generally increase in proportion to the size of a commercial/industrial property, the special benefit factors for commercial/industrial properties also take into account parcel size and the average number of people who work at commercial/industrial properties.

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

per acre for commercial and industrial property is 24. Table 4 presents the SFE benefit factors by commercial and industrial property type using employee density averages from the SANDAG study. The SFE benefit factors are calculated for each commercial/industrial property in the Assessment District based on the acreage used for commercial/industrial purposes and the SFE benefit factors from this Table.

It should also be noted that commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial, office, shopping center and industrial property land area in excess of 5 acres is determined to be the SFE rate per quarter acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres.³⁴

Table 4 - Commercial/Industrial Density and Assessment Factors

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

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

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

3. Vacant/Undeveloped Properties

The benefits to be received from the Improvements by vacant, undeveloped properties are passive benefits, which are generally not related to active use of the property. The benefit to undeveloped properties is determined to be proportional to the corresponding benefits for similar type developed properties, but at a lower rate due to the lack of active benefits conferred to undeveloped properties. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the assessed valuation data from the County of Contra Costa found that approximately 40% of the assessed value of improved properties is classified as the land value. It is reasonable to assume, therefore, that approximately 40% of the benefits are related to the underlying land and 60% are related to the day-to-day use of the property. Using this ratio, the SFE factor for vacant/undeveloped parcels is 0.40 per parcel.

4. Other Properties

Article XIID, Section 4 of the California Constitution states that publicly owned properties shall not be exempt from assessment unless there is clear and convincing evidence that those properties receive no special benefit.

All public properties that are specially benefited are assessed. Public right-of-way parcels, well, reservoir or other water rights parcels that cannot be developed into other improved uses offer similar open space benefits and/or typically do not generate employees, residents, customers or guests. Moreover, many of these parcels have limited economic value and, therefore, do not benefit from specific enhancement of property value. Such parcels are, therefore, not specially benefited and are not assessed.

Agricultural property without residential dwelling units, open space parcels, watershed parcels, parks, properties used for educational purposes, greenbelt lands without improvements and common areas typically offer open space and recreational areas on the property that serve to offset the benefits from the Assessment District. Therefore, these parcels receive minimal benefit and are assessed an SFE factor of 0. If such parcels are converted to residential or commercial use they shall be classified to such new use category and shall be assessed as previously described in this Report.

Other publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property. Any agricultural properties with homes or residential dwelling units would be assessed at the residential SFE benefit unit rates described previously.

5. Appeals of Assessments Levied to Property

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

6. Assessment Summary by Property Type

The following table provides a summary of the proposed benefit units by property type.

Table 5 – Summary of Assessments and SFE Benefit Units by Property Type

<i>Property Type</i>	<i>Parcels</i>	<i>Units</i>	<i>SFE Rate</i>	<i>Assessment Rate per Parcel</i>			<i>Preliminary SFE Units</i>
				<i>Zn A</i>	<i>Zn B</i>		
Single Family Residential Dwelling	246,997	246,997	1.000	\$ 25.00	\$ 50.00	per Parcel	246,997
MFR 2-4 Units	8,005	20,304	0.410	\$ 10.25	\$ 20.50	per dwelling unit	8,320
Condominium	43,961	43,961	0.690	\$ 17.25	\$ 34.50	per Parcel	30,333
Mobile home on Separate Parcel	23	23	0.430	\$ 10.75	\$ 21.50	per Parcel	10
Commercial/Industrial	6,281		0.500	\$ 12.50	\$ 25.00	per 0.25 Acre, 1st 5 acres, .5/acre add. Acreage	16,826
Office	1,801		1.420	\$ 35.50	\$ 71.00	per 0.25 Acre, 1st 5 acres, 1.42/acre add. Acreage	9,582
Refinery	101		0.021	\$ 0.53	\$ 1.05	per 0.25 Acre	420
Vacant	14,479		0.400	\$ 10.00	\$ 20.00	per Parcel	5,792
Other	1,240		1.000	\$ 25.00	\$ 50.00	per Parcel	1,240
Parking Lot / Self Storage	664		0.021	\$ 0.53	\$ 1.05	per 0.25 Acre	115
5 or More Multifamily Units	1,801	51,469	0.410	\$ 10.25	\$ 20.50	per unit up to 20 units/ 0.10 per each add. unit	11,725
Agricultural	1,355		0.000	\$ -	\$ -	per Parcel	-
Miscellaneous/Unassessable	16,062		0.000	\$ -	\$ -	per Parcel	-
Totals	342,770						331,360

VI. ASSESSMENT

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

WHEREAS, the undersigned Engineer of Work has prepared and filed a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under the Act, Article XIID of the California Constitution and the order of the Board of the Authority, hereby make the following assessment to cover the portion of the estimated cost of said Improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said Improvements and the expenses incidental thereto, to be paid by the Assessment District for the fiscal year 2004-05 is generally as follows:

SUMMARY COST ESTIMATE

	<i>F. Y. 2004-05 Budget</i>
Acquisition, Installation, Maintenance and Servicing	\$11,502,498
Less:	
Contributions from Other Sources	(\$3,950,457)
Subtotal	\$7,552,042
Incidental Expenses and Reserve	\$814,000
NET AMOUNT TO ASSESSMENTS	\$8,366,042

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

I do hereby assess and apportion said net amount of the cost and expenses of said Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be

received by each parcel or lot, from the Improvements, and more particularly set forth in the Estimate of Cost and Method of Assessment in the Report.

The assessment described in the Estimate of Cost is for fiscal year 2004-05. The assessment ballot proceeding will seek property owner approval for the levy of the proposed fiscal year 2004-05 assessments and the continuation of the assessments in future years. If the assessment is approved by a weighted majority of ballots in the ballot proceeding and is subsequently confirmed and levied by the Board, the annual assessment can be continued for a maximum of 30 years.

The assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the San Francisco Bay Area as of January of each succeeding year ("CPI"), with the maximum annual adjustment not to exceed 3%. In the event that the annual change in the CPI exceeds 3%, any percentage change in excess of 3% can be cumulatively reserved and can be added to the annual change in the CPI for years in which the CPI change is less than 3%.

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

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Contra Costa for the fiscal year 2004-05. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2004-05 for each parcel or lot of land within the said Assessment District.

Dated: May 19, 2004

Engineer of Work



By John W. Bliss
John W. Bliss, License No. C52091

VII. Assessment Diagram

The Assessment District includes all properties within the boundaries of Contra Costa County. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Contra Costa, for fiscal year 2004-05, and are incorporated herein by reference, and made a part of this Diagram and this Report.

FILED IN THE OFFICE OF THE SECRETARY, CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY, CALIFORNIA, THIS 18th DAY OF MAY, 2004.

SECRETARY

RECORDED IN THE OFFICE OF THE SECRETARY, CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY, CALIFORNIA, THIS 18th DAY OF MAY, 2004.

SECRETARY

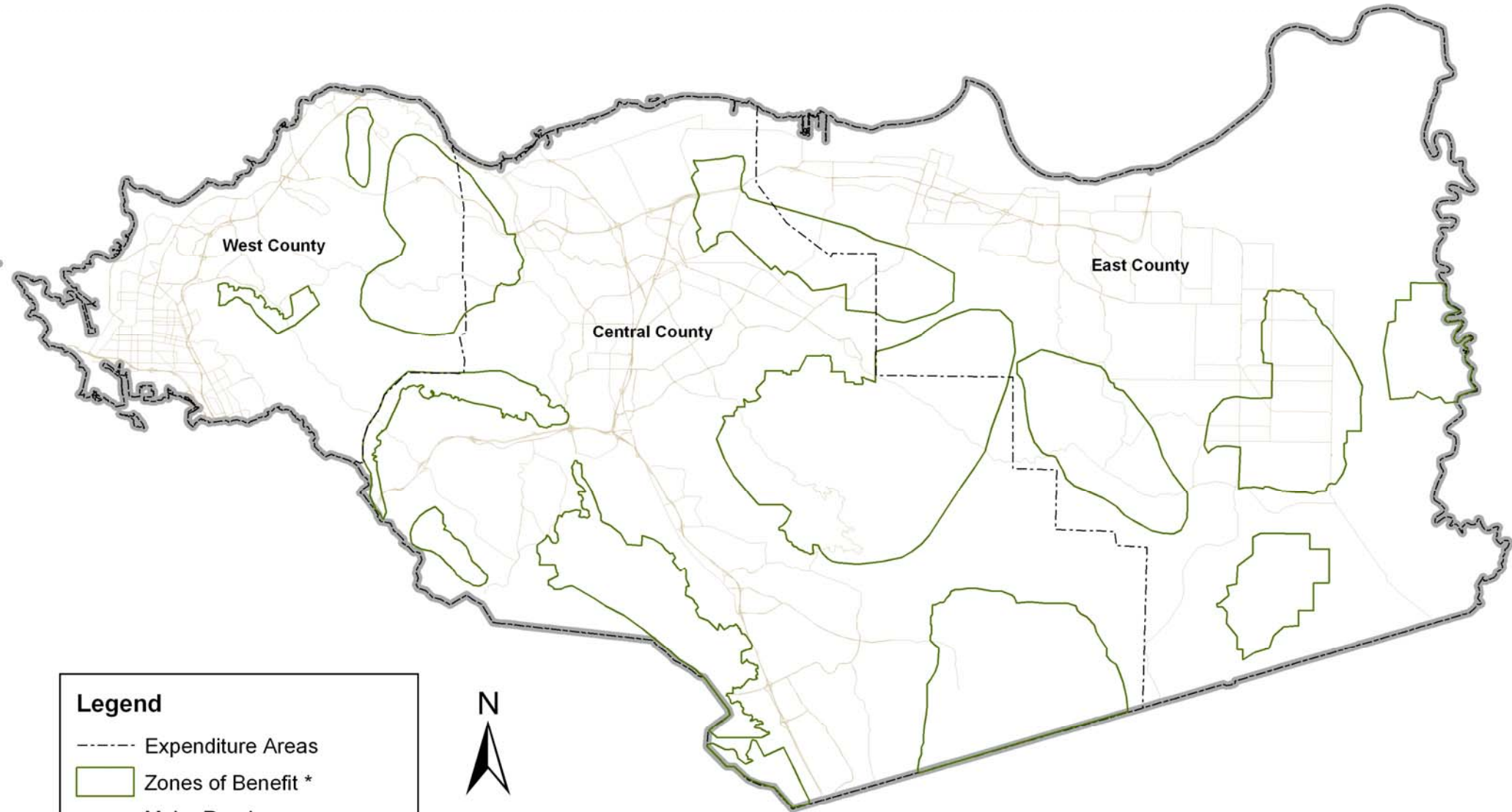
AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF DIRECTORS OF THE CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE ____ DAY OF AUGUST, 2004 FOR THE FISCAL YEAR 2004-05 AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF CONTRA COSTA ON THE ____ DAY OF _____, 2004. REFERENCE IS HEREBY MADE TO SAID ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

SECRETARY

FILED THIS ____ DAY OF _____, 2004 AT THE HOUR OF ____ O'CLOCK ____ M. IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AT THE REQUEST OF THE BOARD OF DIRECTORS OF THE CONTRA COSTA COUNTY OPEN SPACE FUNDING AUTHORITY.

COUNTY AUDITOR, COUNTY OF CONTRA COSTA

Note: REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF CONTRA COSTA FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER



Legend

- Expenditure Areas
- █ Zones of Benefit *
- Major Roads
- ▭ Assessment Boundary Line



* All properties within the interior of these boundaries are in Zone of Benefit B, all other properties in the Assessment Boundary are in Zone A

Contra Costa County Open Space Funding Authority Parks and Open Space Protection and Preservation District Assessment Diagram

Shilts Consultants, Inc.
2300 Boynton Avenue, Suite 201
Fairfield, CA 94533

VIII. ASSESSMENT ROLL (SPREAD OF COSTS)

An Assessment Roll, which is a listing of all parcels within the Assessment District and the amount of the proposed assessments, is filed with the Secretary of the Board and is, by reference, made part of this Report.

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

End Notes

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- ¹ . United States Census. www.census.gov
 - ² . Any Plans and specifications for the Improvements will be filed with the Authority and are incorporated herein by reference.
 - ³ . Framework, pp. 3-4
 - ⁴ . Public Resources Code Sections 5539.3, 5539.8, 5539.9 and 5539.10
 - ⁵ . Cooling Our Communities: An Overview of Heat Island Project Activities, H. Akbari, Energy Analysis Program, Energy & Environment Division, Lawrence Laboratory, UC, 1996
 - ⁶ . American Forestry Association. The American Forestry Association, pub. Washington D.C. (<http://www.americanforests.org>.)
 - ⁷ . Rodbell, Phillip, Greg McPherson and Jim Geiger. "Planting the Urban Desert." *In Urban Forests* 11(3):8-10, July 1991.
 - ⁸ . National Park Service, *Economic Impacts of Protecting Rivers, Trails, and Greenway Corridors*, 4th ed, rev. 1995
 - ⁹ . Ulrich, Dana. "Put a Value on Open Space." Recorder Publishing Company newspapers. Bernardsville, NJ. April 25, 1996. From Thibideau, F.R, and Ostro, B.D. "An Economic Analysis of Wetland Protection". *Journal of Environmental Management* 12:19-30. Academic Press. San Diego, CA.1981
 - ¹⁰ . Smith, Van. "Protecting Rivers, Trails, and Greenways Reap Economic Returns." *Exchange*. Summer 1991. Reprinted in *Economic Benefits of Land Protection*. Infante, R. ed. The Land Trust Alliance, Washington, D.C. 1994
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 - ¹² Greg McPherson, et al, Benefit-Cost Analysis of Modesto's Municipal Forest, *Western Arborist*, 1999 Volume 25 Number 2&3
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- ³¹ . When Assessment District Improvements are used by individuals who do not live, work or shop within the Assessment District, the Improvements are not providing benefit to property within the Assessment District. Such use under these circumstances is a measure of general benefit. For example, a non-resident who is drawn to utilize the Assessment District facilities and shops at local businesses while in the area would provide special benefit to business properties as a result of his or her use of the Improvements. Conversely, someone who uses Assessment District facilities but does not reside, work, shop or own property within the Assessment District boundaries does not provide special benefits to any property and is considered to be a measure of the general benefits.
- ³² . Zone B includes those areas defined for Flagship Projects and Regional Priority Projects for which most of the assessment funds will be used for the acquisition of new lands. These project areas are depicted on the Assessment Diagram in this Report.
- ³³ . In essence, when property owners are deciding how to cast their ballot for a proposed assessment, each property owner must weigh the perceived value of the improvements and services proposed to them and their property with the proposed cost of the assessment to their property. If property owners of a certain type of property are either opposed or in support of the assessment in much greater percentages than owners of other property types, this is an indication that, as a group, these property owners perceive that the proposed assessment has relatively higher or lower "utility" or value to their property relative to owners of other property types. One can also infer from these hypothetical ballot results, that the apportionment of benefit (and assessments) was too high or too low for that property type. In other words, property owners, by their balloting, ultimately indicate if they perceive the special benefits to their property to exceed the cost of the assessment, and, as a group, whether the determined level of benefit and proposed assessment (the benefit apportionment made by the Assessment Engineer) is consistent with owners of other types of property.
- ³⁴ . Benefits to commercial and industrial properties are deemed to be related to the area of parcels that are used for such purposes. In the event that a business/industrial parcel includes undeveloped land area that is clearly not related to the business/industrial use of the parcel, such unused land area shall not be included in the SFE benefit unit calculation.