



MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

MEASURE B MAINTENANCE ASSESSMENT DISTRICT RENEWAL Establishment of Increased Assessment

2024/2025 ENGINEER'S REPORT

Intent Meeting: September 6, 2023

Public Hearing: November 1, 2023

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McKinleyville Community Services District Measure B Maintenance Assessment District Renewal

Fiscal Year 2024/2025

County of Humboldt, State of California

This Report and the enclosed descriptions, budgets, and diagram outline the new / increased assessments associated with the McKinleyville Community Services District Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities for Fiscal Year 2024/2025. Said District includes each lot, parcel, and subdivision of land within the boundaries of the McKinleyville Community Services District, as they existed at the time this Report was prepared and the passage of the Resolution of Intention. Reference is hereby made to the Humboldt County Assessor’s maps for a detailed description of the lines and dimensions of parcels within the McKinleyville Community Services District Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities. The undersigned respectfully submits the enclosed Report as directed by the McKinleyville Community Services District Board of Directors.

Dated this _____ day of _____, 2023.

Willdan Financial Services

Assessment Engineer

On Behalf of the McKinleyville Community Services District

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Introduction

The McKinleyville Community Services District (the “CSD”), in the County of Humboldt (the “County”), was established on April 14, 1970, pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) to provide water and sewer services. The services of the CSD were expanded in 1972 to include street lighting, again in 1985 to include parks and recreation, and then in 1995 to include the construction of the McKinleyville Library. The boundaries of the CSD include approximately 12,140 acres from the Mad River in the South to Patrick Creek in the North, from the Pacific Ocean to the West to Lindsey Creek on the East.

In 1991, Measure B was passed by voters, authorizing the CSD to collect annual assessments in order to construct a new community center, to purchase land for sports fields and to provide for the maintenance and operation of park and recreational facilities. The 1991 Measure B Assessment District was formed to levy and collect annual assessments on the County tax rolls pursuant to the Landscape and Lighting Act of 1972 (California Streets and Highways Code §22500 et seq.) (hereafter referred to as “1972 Act”) for a period of twenty (20) years. With the original Measure B Assessment District and assessments set to expire (sunset) in 2012 (the end of Fiscal Year 2011/2012), the continued operation and maintenance of the park and recreational improvements and facilities provided to the community by the CSD – including the McKinleyville Activity Center, Hiller Sports Complex and Azalea Hall – would have been jeopardized.

Therefore, in 2010, the McKinleyville CSD Board of Directors (“Board” or “Board of Directors”) initiated proceedings to reestablish a special benefit assessment district within the CSD designated as the **McKinleyville Community Services District Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities** (the “District”) for the purpose of providing and continuing a stable revenue source, coupled with available grants and donations from other sources, to fund the ongoing operation, maintenance, expansion, enhancement, construction, renovation and rehabilitation of the CSD parks and recreational improvements including parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities, including incidental expenses and debt services for any bond(s), loans or other repayment plans incurred to finance capital improvements (collectively referred to as “Improvements”) that provide special benefits to properties within the CSD. The Board of Directors proposed to form (reestablish) the Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities for another twenty (20) year period, and to levy and collect annual assessments on the County tax rolls to fund in whole or in part the improvements including related debt service on bonds that may be issued or loan agreements to finance the authorized improvements.

For the past several years, District revenue collections have been insufficient to cover the operational and maintenance costs for the improvements, such that the District is carrying a negative fund balance. Therefore, the CSD has proposed an increased assessment, and the addition of an annual inflationary adjustment to the maximum rate for **The McKinleyville Community Services District Measure B Maintenance Assessment District Renewal**. The proposed renewal is to be established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”), and the 1972 Act.

The proposed District renewal and increased assessment will fund:

- Maintenance of the facility housing the Humboldt County Sheriff's Office in McKinleyville
- Park restrooms maintenance
- Senior Center maintenance
- Maintenance of playfields and playgrounds in all parks
- Maintenance of the McKinleyville branch on the Humboldt County Library, Azalea Hall, the Teen and Community Center, and Activity Center
- Other community services

This Engineer's Report ("Report") describes the District and identifies the improvements including any proposed changes to such improvements to be provided, the estimated expenditures, and the resulting special benefit assessments to be levied and collected on the County tax rolls for Fiscal Year 2024/2025. The total annual assessments (increased assessments) presented herein are based on an estimated budget (estimated expenses) and the assessment revenues required to fund in whole or in part the park and recreational improvements, facilities and related activities deemed to be of special benefit to properties in the District and which property owners and residents of the CSD have supported.

Revenues generated by the annual assessments are currently being used to fund the annual operation and maintenance of the existing park and recreational, facilities and other improvements within the CSD, a majority of the annual assessments (both now and in the future) is being utilized and pledged to pay debt service and related costs associated with the issuance of bonds or other loans to finance capital improvement projects for the upgrade or renovation of existing improvements and facilities, or the acquisition and/or construction of new park and recreational improvements or facilities for the special benefit of properties within the District. The allocation of assessment revenue funds amongst the various improvements, services and activities to be provided will be prioritized by the McKinleyville CSD staff based on available assessment revenues generated by the District, the total funding needed for each authorized improvement and projects, the impact each improvement will have on the overall park and recreational system that benefit properties in the District, and the timing of any outside revenues that may become available to offset the cost of such improvements or projects.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number ("APN") by the Humboldt County Assessor's Office. The Humboldt County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the District assessments.

If any section, subsection, sentence, clause, phrase, portion, zone, or subzone of this Engineer's Report is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Engineer's Report and each section, subsection, subdivision, sentence, clause, phrase, portion, zone, or subzone thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, portions, Zone, or Subzone might subsequently be declared invalid or unconstitutional.

Ballot Proceedings

Pursuant to the provisions of Article XIID, Section 4 of the California Constitution, the CSD shall conduct a property owner protest ballot proceeding (referred to as “Ballot Proceeding”) for the proposed levy of new or increased assessments as described in this Report. In conjunction with this Ballot Proceeding, the Board of Directors will conduct a noticed public hearing to consider public testimonies, comments, and written protests regarding the levy of the proposed increased assessments. Upon conclusion of the public hearing, property owner protest ballots received will be opened and tabulated to determine whether majority protest exists:

“A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.”

After completion of the ballot tabulation, the Board of Directors will confirm the results of the balloting. If majority protest exists for the proposed increased assessment, further proceedings to implement the proposed increased assessment shall be abandoned at this time. However, the Board of Directors may continue to levy and collect annual assessments for the improvements provided in the CSD at an assessment rate less than or equal to the previously approved maximum assessment rate adopted by the Board of Directors. If tabulation of the ballots indicate that majority protest does not exist for the proposed increased assessments and the assessment range formula presented and described herein, the Board of Directors may adopt this Report (as submitted or amended), approve the assessment diagram, and confirm the increased assessments as presented herein. The increased assessments described shall be submitted to the Humboldt County Auditor/Controller for inclusion on the Fiscal Year 2024/2025 property tax roll for each affected parcel.

This Report consists of five (5) parts:

Part I

Plans and Specifications: This section provides an overall description of the Balloted District and the improvements for which parcels are assessed. The proposed increased assessments as outlined in this Report are based on the improvements and appurtenant facilities that provide a special benefit to the properties within the CSD and operational expenses authorized pursuant to CSD Law. Generally, the District improvements consist of each of the park and recreational improvements and facilities in McKinleyville CSD.

Part II

The Method of Apportionment: A discussion of the general and special benefits associated with the overall park and recreational improvements to be provided within the CSD (Proposition 218 Benefit Analysis). This part also includes a discussion of the proportional costs of the special benefits upon which the assessments are determined and separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property’s proportional special benefit and annual assessment utilizing a weighted benefit comparison and proportionality among the different property types within the District.

Part III

Estimate of Improvement Costs: An estimate of the annual cost to fund the improvements for Fiscal Year 2024/2025. The District assessments will fund only a portion of the costs needed to provide the various improvements and are not intended to fully fund any specific improvement. This estimate of the improvement costs (budget) includes an estimate of the total annual maintenance and operation costs for the existing park and recreational improvements within the CSD; an estimate of annual funding collected for planned capital improvement expenditures to fund expansion, enhancement, renovation or rehabilitation of the parks, trails and related recreational facilities within the CSD (including acquisitions and new construction); and authorized incidental expenses including, but not limited to County fees, professional services related to administration of the District and/or bonds. The estimated expenditures and assessment rate identified in this Report budget and the resulting parcel assessments in the District for Fiscal Year 2024/2025 are based on the estimated net annual cost to fund the improvements and activities for the year (Balance to be Levied), and the method of apportionment established for the District.

Part IV

District Diagram: A Diagram showing the exterior boundaries of the District is provided in this Report and includes all parcels that will receive special benefits from the improvements. These boundaries are coterminous with the boundaries of the McKinleyville CSD. Parcel identification, the lines and dimensions of each lot, parcel, and subdivision of land within the District, are inclusive of all parcels within the CSD as shown on the Humboldt County Assessor's Parcel Maps as they existed at the time this Report was presented to the Board of Directors for the adoption of the Resolution of Intention, and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Humboldt County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: The Assessment Roll contains a listing of all Assessor Parcel Numbers of the properties within the Balloted Zone and each parcel's corresponding "Balloted Maximum Assessment" and "Proposed Assessment FY 2024/2025". The proposed assessment amounts balloted and to be levied and collected for fiscal year 2024/2025 for each parcel is based on the parcel's calculated proportional special benefit as outlined in the Method of Apportionment and the annual assessment rate established by the estimated Budget.

Part I – Plans and Specifications

The boundaries of the District are coterminous with the McKinleyville CSD boundaries. The purpose of this District is to provide a stable revenue source, coupled with available grants and donations from other sources, to fund the ongoing operation, maintenance, expansion, enhancement, construction, renovation and rehabilitation of the McKinleyville CSD park and recreational improvements including parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities (collectively referred to as “Improvements”) that provide special benefits to properties within the CSD, including incidental expenses and debt services for any bond(s), loans or other repayment plans incurred to finance capital improvements.

Applicable Legislation

On November 5, 1996, California voters approved Proposition 218. This Constitutional amendment was the latest in a series of initiatives reducing the revenue-raising discretion of California local governments. The provisions of the Proposition, now California Constitutional Articles XIIC and XIID, can be summarized in four general areas:

- Strengthens the general and special tax provisions of Proposition 13 and Proposition 62.
- Extends the initiative process to all local taxes, assessments, fees, and charges.
- Adds substantive and procedural requirements to assessments.
- Adds substantive and procedural requirements to property-related fees and charges.

Proposition 218 requires that beginning July 1, 1997, all new and existing assessments (with some exceptions) conform to new substantive and procedural requirements. The special benefit assessment was confirmed in 2011 following the required procedures in compliance with the California Constitution as noted in the Overview. The proposed increased assessment, to be authorized under CSD Law, requires compliance with the substantive and procedural provisions of the California Constitution, including:

1. The CSD must mail notices regarding assessments to all property owners. Each notice must contain an assessment ballot for the property owner to indicate approval or disapproval of the assessment.
2. After mailing the notices, the CSD must hold a public hearing. At the conclusion of the public hearing, the CSD must tabulate all ballots received, counting each ballot in proportion to the total amount of the assessment. The assessment may be imposed only if 50% or more of the weighted ballots returned support the assessment. (Prior to Proposition 218, an assessment could be imposed if less than a majority of all landowners protested the imposition.)

Benefiting Properties within the District

The boundaries of the District are coterminous with the McKinleyville CSD boundaries and currently include over 6,300 assessor’s parcels identified by the County Assessor’s Office, and which consists of both developed and undeveloped parcels.

Funding Authorized by CSD Law

As generally defined by the CSD Law and Proposition 218, the CSD may impose a benefit assessment to finance public services. Authorized services include, but are not limited to:

- Community Parks and Recreation Services
- Law Enforcement
- Landscape Maintenance
- Street Lighting
- Street Sweeping
- Trash Control (Refuse Collection/Recycling)
- Traffic Signals
- Flood/Drainage Control

Improvements Authorized by the 1972 Act

The 1972 Act permits assessments proceeds to be spent on the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of land for park, recreational, or open-space purposes.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.
- The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.
- Incidental expenses associated with the improvements including, but not limited to:
 - The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;

- The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - Compensation payable to the County for collection of assessments;
 - Compensation of any engineer or attorney employed to render services;
 - Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5; and
 - Costs associated with any elections held for the approval of a new or increased assessment.
- Where the cost of improvements (other than maintenance and operations) is greater than can be conveniently raised from a single annual assessment, the 1972 Act permits an assessment to be levied and collected in annual installments. In that event, the governing body may choose to do any of the following:
- Provide for the accumulation of the moneys in an improvement fund until there are sufficient moneys to pay all or part of the cost of the improvements;
 - Provide for a temporary advance to the improvement fund from any available and unencumbered funds of the local agency to pay all or part of the cost of the improvements and collect those advanced moneys from the annual installments collected through the assessments; and/or
 - Borrow an amount necessary to finance the estimated cost of the proposed improvements. The amount borrowed, including amounts for bonds issued to finance the estimated cost of the proposed improvements.

District Improvements

The District assessments will fully or partially fund various improvements and activities that specially benefit properties within the District. It is the goal and intent for this District to provide a stable revenue source that will allow the McKinleyville CSD to partially fund the on-going maintenance of the various park and recreational facilities for the community and endeavors to improve the overall park and recreational system that directly affect the properties and quality of life for residents, tenants, employees and owners of properties within the CSD. To the full extent permitted by CSD Law, the improvements, projects, and expenditures to be funded by the proposed assessments may include:

- **Operation and Maintenance:** operation and maintenance of park and recreational improvements throughout the District.
- **Acquisitions:** The acquisition of land or facilities for park or recreational purposes.
- **Resource Development:** The construction, installation and/or expansion of various park sites, trails, open spaces, halls/activity centers (“community centers”) and related recreational facilities within the District.
- **Facility Enhancements/Rehabilitation:** Periodic repairs and renovations of recreational sites and facilities (parks, trails, community centers) including but not limited to signage, playground, and tot-lot equipment; sports field fencing; portable soccer goals; ball fields; tennis courts; basketball courts; sports facility lighting; parking facilities; restrooms, kitchens

and related equipment and amenities such electrical, irrigation and drainage systems, tables benches, etc.

- **Capital Improvements:** Major repairs of recreational buildings and facilities that may include repair or replacement roofs, interior building repairs, replacement of permanent fixtures, structural repairs, internal building remodels, as well as the construction and installation of new facilities.

A summary of the improvements that have been identified by the CSD as planned park and recreational maintenance and/or enhancements that will be funded in whole or in part through the District assessments is provided below, as well as in Appendix A. Specific details regarding these improvements and projects are on file in the Office of the McKinleyville CSD and by reference these documents are made part of this Report.

Improvements to be maintained in whole or in part by the proposed new District assessments for Fiscal Year 2024/2025 may include, but are not limited to:

- Maintenance, servicing and operation of existing parks and park facilities, including:
 - Landscape Maintenance of approximately 91,571 square feet of irrigated turf in Pierson Park, 75,000 square feet within Hiller Park West, and 498,112 square feet within the Hiller Sports Complex.
 - Landscape Maintenance of approximately thirty-five (35) acres of non-irrigated/natural vegetation within Hiller Park West.
 - Maintenance of eight (8) sports fields within the Hiller Sports Complex.
 - Maintenance of approximately 17,157 square feet of parking lot area within Pierson Park, 9,770 square feet within Hiller Park West, and 35,000 square feet within the Hiller Sports Complex.
 - Maintenance and operation of approximately 2 restroom facilities each, within Pierson Park, Hiller Park West, and the Hiller Sports Complex.
 - Maintenance of 5 playground structures within Pierson Park, and 3 playground structures within Hiller Park West.
- Operation, servicing, and maintenance of existing facilities, halls/activity centers including:
 - Azalea Hall: including maintenance of approximately 200 square feet of landscaping area; 13,800 square feet of parking lot area maintenance; and operation and maintenance of an approximately 9,500 square foot hall, including men and women restroom facilities, commercial sized-kitchen, 3,000 square foot hall available as reception area, stage, storage for social events. Azalea Hall is located along Pickett Road, within Pierson Park.
 - McKinleyville Activity Center (“MAC”): including maintenance of approximately 19,174 square feet of landscaping and parking lot areas; operation and maintenance of an approximately 7,000 square foot gymnasium, operation, and maintenance of a 3,000-square foot lobby area, including men and women restrooms and storage facilities. MAC is located along Gwin Road within Pierson Park.
 - McKinleyville Teen Center: an approximate 6,600 square foot addition to an existing community center. The 6,600 square-foot center is used for teen and community activities that include a quiet study room, covered outdoor performance area and a community

commercial kitchen where cooking classes are held. The center is designed so that up to seven distinct and separate activities can take place at the same time without overlap.

- Law Enforcement Facility: A 3,038 square foot building that houses the McKinleyville Branch of the Humboldt County Sheriff. This includes the maintenance of an approximate 20-feet by 8-feet Reception and Lobby area with secure access, maintenance of a 32-feet by 16-feet Office, Kitchen and bathroom area, as well as a 24-feet by 31-feet Conference Room and Interview Rooms. The Law Enforcement Facility is along Pickett Road within Pierson Park.
 - Library: An approximately 2,700 square foot building that houses the McKinleyville Branch of the Humboldt County Library. This includes the maintenance of an approximate 40-feet by 20-feet Library Stacks and Reading Room and Children's Story Area, maintenance of an approximate 18-feet by 20-feet Office and Storage Area, as well as an approximate 24-feet by 30-feet Computer Lab, and two restrooms. The Library is along Pickett Road within Pierson Park.
- Maintenance of existing trails:
- Landscaping and trail maintenance of approximately 7,000 feet of trails, including maintenance/repairs to trails, benches, and asphalt.
- Maintenance of Community Forest:
- Consisting of approximately 550 acres of land along the eastern edge of the CSD, offering recreational spaces and trails for biking, hiking and equestrian riders.
- Maintenance of existing open space, including:
- Hewitt Ranch – Landscaping and maintenance of open space area.
 - School Road – Landscaping and maintenance of open space area.
 - North Bank Road – River Front, Landscaping, and open space area.
- Capital expenditures for new improvements, and replacement and rehabilitation of existing improvements, and equipment for Fiscal Year 2024/2025 are outlined in the CSD's Capital Improvement Plan and briefly summarized below.
- Construction of the BMX Track and Park project.
 - Community Forest Project

Part II – METHOD OF APPORTIONMENT

CSD Code permits the establishment of rates and charges for the purpose of providing certain public improvements and services authorized for the agency. The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of park and recreational facilities. Both CSD Code and the 1972 Act require that the cost of improvements be levied according to benefit rather than assessed value. The cost to provide services within the District is fairly distributed among each eligible parcel based on the services and improvements provided to that parcel. The formula used to determine rates and charges is based on the land use, size, development limitations, and development status of each parcel as compared to other parcels that benefit from a specific improvement or service.

Section 4 of the Constitution requires that a parcel's charge may not exceed the reasonable cost of the proportional special benefit conferred on that parcel and further requires that the District must separate the general benefits from the special benefits, only levying charges for special benefits.

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

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and is the same method of apportionment utilized and established when the District was formed. The formulas used for calculating assessments reflect the composition of parcels within the District and the improvements and activities to be provided and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Article XIII D of the California Constitution.

Proposition 218 Benefit Analysis

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as essential recreational objectives for the CSD, for which the property owners and residents have expressed a high level of support.

The District was formed to provide an overall park and recreational enhancement program that affects and will directly benefit all parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used for the annual maintenance, as well as expansion and enhancement of the CSD's park and recreation system, and the revenues generated over the duration of the District will be used for park and recreational facilities throughout the District.

In conjunction with the provisions of CSD Law, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2(d) defines district as follows:

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

Article XIID Section 2(i) defines special benefit as follows:

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

Article XIID Section 4(a) defines proportional special benefit assessments as follows:

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

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from local park and recreational improvements that are funded by the assessments, and the assessment obligation for each parcel reflects that parcel’s proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either “general benefit” (not assessed) or “special benefit.”

General Benefits

Assessments are established on the basis of calculated proportional special benefit to properties within a district. Because general benefits are not assessable, the general benefit costs are excluded from the assessment calculation. With respect to this District, although the various McKinleyville CSD park and recreational improvements including designated parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities that will be maintained, expanded and/or enhanced through the District’s assessment revenues are located throughout the CSD and clearly provide a special benefit to properties within the District, it is also recognized that these are public facilities that will occasionally be utilized by the general public and may even be in proximity to some properties outside the District boundaries that are not assessed. The fact that these improvements and facilities are available to the general public would suggest that at least a portion of the cost to provide the improvements is of general benefit.

When the District was formed in Fiscal Year 2011/2012 a detailed review and analysis of the improvements and surrounding properties revealed that all properties within the District boundaries were located within two and a half miles (2½ miles) of an existing park, wilderness parkland, open space, trail, sports facility, recreation and activity center and other facilities provided by the CSD, which is well within the broader 3-4 mile sphere of influence commonly associated with such improvements. This analysis revealed that properties within the broader 3 to 4-mile area, but outside the 2½ mile service area associated with District parcels was predominately undeveloped land consisting of agricultural, timber, mining, and open space properties. So, based on this information, it was reasonable to conclude that the improvements and facilities serve primarily the 2½ mile service area.

Within the 2½ mile service area, there were approximately 6,715 parcels of which, 5,638 parcels or eighty-four percent (84%) were identified in Fiscal Year 2011/2012 as being within the boundaries of the District, comprising roughly 12,140 acres of land. The remaining parcels (those parcels outside the District) represented approximately forty-two percent (42%) of the total acreage within the identified 2½ mile service area (approximately 8,800 acres of land). However, this area outside the District boundaries, but within the 2½ mile service area, is largely comprised of agricultural, timber production and gravel mining properties (approximately 6,835 acres or 78% of that total area), and these properties clearly have very limited direct utilization or need for the District improvements. In addition, approximately 575 acres, (6.5% of the total acreage outside the District, but within the 2½ mile service area), is identified as open space/public areas which offer similar recreational opportunities to the properties outside the District. The remaining developed properties (residential and non-residential) located outside of the District boundaries (approximately 1,390 acres) represent the equivalent of approximately six percent (6%) of the total developed residential and non-residential properties within the overall 2½ mile service area. While many of these parcels are likely served more directly by park and recreational facilities outside of the CSD, these properties have proximity to the improvements associated with the District and it can be assumed that the owners, residents and employees of these parcels may occasionally utilize or reasonably have access to the improvements within the CSD. These overall statistics have not changed significantly since Fiscal Year 2011/2012 and therefore, it was and still is, reasonable to assume that six percent (6%) of the total cost to provide the improvements is non-assessable and of general benefit.

In quantifying other general benefit considerations, it is more difficult to quantify benefits to people living and working outside of the 2½ mile service area (benefits to the general public). While the parks, trails and open space areas, and, to a lesser extent the community centers, are certainly available and may be utilized by the general public, the overall McKinleyville CSD area is clearly considered a rural area and not typically a destination point for tourism and travel. This observation is supported by the limited amount of non-residential development (commercial enterprises) in the area, comprising less than three percent (3%) of the parcels within the District and represents less than 4% of the acreage, of which less than 10% have been identified as travel related business (i.e. hotels, motels and service stations). As such, it is reasonable to conclude that the District improvements provide very limited general benefit to the public at large, statistically, less than 0.4% of the total acreage (10% of the 4%) and less than 0.3% of the total parcels (10% of the 3%). Based on this analysis, conservatively, the general benefit to the public at large is certainly no greater than four percent (4%) of the cost to provide the improvements. Therefore, based on the preceding analysis, collectively, the benefit to properties outside the District and to the public at large represents no more than ten percent (10%) of the total cost to provide the improvements.

As noted above, the District improvements clearly provide some measure of general benefit to properties outside the District and to the public at large, but it is also recognized that park and recreational improvements inherently provide general benefit to properties and people within the District. While much of the benefits to people are more directly tied to Recreational Programs (which are not part of the funding provided by the District or contemplated by this Report), the park and recreational facilities themselves provide general benefits to properties and people within the District such as:

- ❖ Health, social and self-improvement benefits derived from utilizing the facilities;
- ❖ Increased social opportunities and active involvement for children, teens, and senior citizens;
- ❖ Group participation, character building, mentoring, and coaching for the youth in the community, that provides a positive atmosphere and reduces idle time that might otherwise result in criminal activities;
- ❖ Family and group activities that help to strengthen family values and reduce ethnic and social tensions.

These indirect benefits may be considered more general than special but are difficult to measure quantitatively. The need for, and the utility of, park and recreational improvements is created by the development of residential and non-residential land uses. The facilities extend the utility of concentrated land development; such as occurs in the McKinleyville CSD (which is an island of developed land uses largely surrounded by large areas of undeveloped land). Benefits to people are largely secondary benefits created by the primary benefits of increased recreational access of more concentrated developments and conservatively, it is estimated that no more than one-third (33%) of the cost to provide and maintain such improvements is attributable or considered a general benefit to properties and people within the District.

Based on the preceding discussion, collectively, it has been determined that approximately forty-three percent (43%) of the costs to provide the District improvements is attributable to general benefit, but for purposes of establishing proportional special benefit costs, it was established at the time of the District formation in Fiscal Year 2011/2012 and this Report assumes a more conservative approximation of general benefit to be fifty percent (50%) or half of the total annual cost to provide the improvements.

Special Benefit

McKinleyville CSD's recreational system (parks, wilderness parkland, trails, community centers, and recreational facilities and equipment) provide properties within the District the special benefit of nearby access to recreational facilities and spaces which are too specialized and/or large to be maintained within the individual properties and would be cost prohibitive to include within individual property development, including:

- ❖ Exercise facilities/space such as sports complexes, parkland areas and trails not typically found on individual parcels.

- ❖ Substantial outdoor areas increase the available recreational space and outdoor facilities, (picnic areas, playground equipment, open turf areas, sports fields, and full-size courts, etc.), that are typically limited on individual parcels.
- ❖ Facilities (activity centers and parks) available for large gatherings, meetings and community events that could otherwise not be accommodated by the individual properties.

These facilities expand the use of each property within the CSD by providing these properties with access to desirable recreational facilities beyond those that can conveniently be included on a home or businesses lot. The common-use development of these facilities by the CSD, frees property-owners from the burden of having to provide extensive privately-owned recreation facilities or having a property that lacks access to such facilities. The availability and proximity of the facilities is a distinct special benefit to the assessed parcels because the assessed parcels, unlike most parcels outside the District are within the immediate service area of the facilities and can easily use the facilities as a substitute for (and enhancement of) recreational facilities that would otherwise need to be provided on the parcel (or simply foregone). Because each assessed parcel is within the service area of the improvements and facilities offered by the McKinleyville CSD, these park and recreation improvements are like an extension of the front and back lawns of the parcels. They are not remote, but available for frequent and everyday use with minimal travel. We estimate this special benefit to represent at least half (1/2) of the total benefits created by the facilities.

Assessment Methodology

The method of apportionment (method of assessment) developed for this District is based on the premise that each of the property to be assessed receives a direct and special benefit from the improvements and recreational facilities to be financed by the District assessments.

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded service. The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of parcels within the District based on the parcel's actual land use or proposed development. All costs associated with the improvements are distributed among the parcels based upon a calculation of the proportional special benefit received by each parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the use and relative characteristics of each property as compared to other parcels that benefit from those specific improvements.

The Equivalent Benefit Unit (EBU) method of assessment apportionment establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of the basic unit.

For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the funded programs and facilities by a single-family residential parcel or unit. Thus, the "benchmark" property (the single-family residential parcel/unit) derives one (1.0) EBU of benefit. All other land uses are proportionately weighted (assigned an EBU) based on an assessment formula that equates the property's specific development to that of the benchmark property (single-family residential parcel/unit). This proportional weighting may be based on several factors that may include but are not limited to: the type and status of development (land use), size of the property,

development plans or restrictions, typical development densities, population densities or other property related factors. Generally, for most districts the calculation of each parcel's proportional special benefit can be reasonably determined by applying one or more of these factors.

Based on an overall evaluation of the properties within the District and the proposed annual cost of providing the improvements, it has been determined that several key property related factors should be considered in the determination of the proportional special benefit of each parcel. These factors include the various land uses within the District and the relative size (units or acreage) of each parcel. The following discussion provides a summary of these factors and basis upon which each property's proportional special benefit and EBU has been determined.

Residential Property (Developed) – This land use is defined as fully developed residential property which includes single-family residential properties, mobile/manufactured residential properties, apartments, duplexes, and triplexes or other multi-family residential developments. For purposes of establishing equivalent benefit units for all other land uses in this District, the residential land use is designated as the basic unit of assessment and is assigned a land use benefit of 1.0 EBU per residential unit, including ADUs. Convalescent and long term-care facilities (of which there is currently one in the District), will be classified as residential land use, however, this unique residential property will be assigned 0.5 EBU per bed to reflect the quasi-residential nature/use of the property and the fact that a bed represents a smaller increment of measure (both in size and population) than a residential unit.

Non-Residential/Commercial Property (Developed) – This land use is defined as a developed property with structures that are used or may be used for non-residential purposes, whether those structures are occupied or not. This land use does not include parcels for which the primary use of the property is considered residential. This land use classification includes all types of non-residential uses and commercial enterprises including but not limited to, commercial retail; food services; shopping centers; office buildings, and professional buildings, churches, as well as industrial properties including warehousing and manufacturing. This land use classification also includes any parcel that may incorporate a single residential unit but is also used in whole or in part for commercial purposes.

Based on the average development densities for residential properties in the District, (the average single-family residential property being approximately 1.06 units per Acre), it is reasonable to assume that non-residential properties if developed as residential, would have resulted in approximately 1.00 benefit unit per Acre. Therefore, it has been determined that assigning this land use classification 1.0 EBU per gross acre provides a proportional representation of benefit for this land use type with some limitations:

Because each non-residential parcel typically represents a separate and independent commercial enterprise or business, parcels less than one acre shall be assigned 1.0 EBU (minimum EBU).

It is also recognized that larger non-residential properties typically have portions of the property that have less intense use/development (such as parking areas, private landscaped areas, outdoor storage, areas with development restrictions etc.) and it is reasonable to assume that the benefit derived from the Improvements does not necessarily increase by the same proportion as the size of property.

As such, parcels identified as Non-Residential Property shall be assigned 1.00 EBU for the first two (2) acres with a minimum of 1.00 EBU assignment; 0.5 EBU per Acre for the next two (2) acres (acreage between 2 and 4 Acres); 0.25 EBU per Acre for the following two (2) acres (acreage between 4 and 6 acres), 0.125 EBU per Acre for the next two (2) acres (acreage between 6 and 8 acres), and 0.00 EBU per Acre for acreage above eight (8) acres. Further, for commercial properties providing private recreation, such as golf properties, the acreage of outdoor recreation space (such as the golf course itself) will be excluded from the calculation of assessable acreage.

Vacant Property – This land use is defined as undeveloped property. Such parcels benefit from the existence of the funded facilities because park and recreational improvements improve the potential development of such parcels. Recognizing this benefit to property, but also its immediate need for such improvements, each Vacant Property is assigned 1/3 of an EBU per parcel.

Exempt Property – This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);

Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide similar or other public services or benefits to private properties within the District; and

Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use.

Because these properties either provide a public service that is comparable to public recreation or are dependent on another property or development, these types of parcels have no direct need for public recreational facilities and are considered to receive little or no special benefit from the improvements. Therefore, these properties are exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status.

Government owned properties, quasi-government entity owned properties, or public properties (collectively referred to as “Public Property”) are not necessarily exempt properties and will be allocated special benefit unless the parcel otherwise qualifies for exempt status. The proportional special benefit and resulting assessment obligation for such parcels will be calculated as if the parcel were not Public Property. However, because Public Property often is identified by the County as non-taxable (tax bills are not generated on the regular tax rolls), the McKinleyville CSD will provide a contribution from other available revenue sources to pay those assessments.

The following table provides a summary of each land use described above and related EBU’s. The determination of each parcel’s land use and property characteristics shall be based on the data available from the most recent Humboldt County Assessor’s Secured Roll, or as identified by the McKinleyville CSD, if the information is different than that provided by the Humboldt County Assessor’s Office.

Land Use Description	Assessment Formula	No. of Parcels	EBU Units
Residential	1.000 EBU per Unit	5,258	7,106.00
	0.500 EBU per Bed ⁽¹⁾	1	36.00
	Residential Total	5,259	7,142.00
Non-Residential/Commercial	1.000 EBU per Acre for first 2 Acres (minimum 1 EBU per parcel); 0.500 EBU per Acre for next 2 acres (between 2 and 4 acres); 0.250 EBU per Acre for next 2 acres (acreage between 4 and 6 Acres); 0.125 EBU per Acre for next 2 acres (acreage between 6 and 8 Acres); 0.000 EBU per Acre for Remaining Acres (acreage exceeding 8 acres)	154	215.04
Vacant	(1/3) EBU per Parcel (0.33 EBU)	325	107.25
Publicly Owned Parcels	0.000 EBU per Parcel	106	154.09
Totals ⁽²⁾		5,844	7,618.38

(1) For Fiscal Year 2024/2025 there is one parcel in the District identified as a Convalescent/long term-care facility, and this residential property although classified as a Residential Property, is assigned 0.5 EBU per bed for a total of 36.00 EBU (refer to method of apportionment).

(2) Of the total 5,844 benefiting parcels in the District representing a total of 7,618.38 EBUs, 106 parcels identified above as exempt, representing 154.09 EBUs are non-taxable parcels, generally owned by government agencies. Therefore, there are currently a total of 5,705 parcels representing 7,464.29 EBUs that are proposed to be applied to the tax rolls for Fiscal Year 2024/2025.

The total assessment amount for each parcel in the District will be collected on the County tax rolls pursuant to CSD Law and the 1972 Act. The amount that may be collected annually cannot exceed the amount that may be levied at the proposed Maximum Assessment Rate, which is presented in this Report, and to the property owners of record in a balloting process.

Part III – ESTIMATE OF IMPROVEMENT COSTS

Description of Budget Items

The following provides a brief description of the line items on the District Budget that follows.

Expenditures:

Operation and Maintenance: The estimated annual costs associated with the operation and maintenance of the improvements, including, maintenance wages and supplies.

Capital Improvements: An estimate of funds required annually for costs associated with the design and construction of new improvements, as well as costs of major rehabilitation projects of existing facilities. These funds may be used for debt service or to build a reserve for projects to occur over the life of the assessment.

Incidental Expenses: The estimated annual costs related to administration of the assessment, such as contracting with professionals to provide legal, or engineering services for preparation of the annual report and resolutions; conducting noticing or balloting; creation and submission of the annual levy; County Fees for the collection of assessments; and similar administrative costs.

Revenues:

General Benefit Funding: These are funds to be contributed by the McKinleyville CSD for the portion of the District Budget determined to be General Benefit. These funds are from revenue sources available to the CSD other than the Measure B Maintenance Assessment District assessments.

Non-Taxable Property Adjustment: Funds to be contributed by the McKinleyville CSD from other revenue sources to pay the calculated assessment obligation for benefiting non-taxable parcels. As noted previously, 106 parcels representing 154.09 EBU are currently identified as non-taxable parcels and the assessments for these parcels cannot be collected on the tax rolls. Therefore, in addition to other contributions, the CSD will annually pay the assessment obligation for the identified non-taxable parcels that receive special benefits.

Measure B Special Benefit Assessments: The proportional special benefit obligation and proposed annual assessment revenue calculated for the Measure B Maintenance Assessment District. This amount divided by the Total Equivalent Benefit Units calculated for all benefiting parcels establishes the proposed maximum annual assessment rate (“Assessment Rate per EBU”).

Measure B Fund Balance (Capital/Rehabilitation Improvements):

Provides a summary of District funds being collected and/or spent for capital improvement projects, major rehabilitation projects or to build a reserve for such projects over the life of the assessments. The fund balance incorporates and includes the amount of any surplus or deficit in the improvement fund to be carried over from a previous fiscal year. The amount collected for capital improvements, and the amount spent will not match, since funds collected for Capital Improvement projects are generally spread over many years, depending on the life of the improvement.

District Budget

The following Budget shows the full estimated annual cost of the improvements and facilities for Fiscal Year 2024/2025 that will be partially funded with the proposed assessment. The total special benefit assessment amount to be collected for the improvements is based on the following budget information.

McKinleyville CSD Fiscal Year 2024/2025 Proposed Measure B District Budget			
	Total	General Benefit (50% of O&M)	Special Benefit (50% of O&M)
Expenses:			
Operation and Maintenance (O&M):			
Park Enhancements	\$202,500	\$101,250	\$101,250
Indoor Facilities	131,700	65,850	65,850
Trails	13,700	6,850	6,850
Undeveloped Property	3,000	1,500	1,500
Future Parks & Facilities (BMX Track & Park / Community Forest)	150,000	75,000	75,000
O&M Sub-total:	\$500,900	\$250,450	\$250,450
Capital Improvements / Future Rehabilitation Projects ⁽¹⁾	\$458,500	\$0	\$458,500
Total Program Budget	\$959,400	\$250,450	\$708,950
Other Expenses			
Measure B Incidental Expenses	\$14,350	\$7,175	\$7,175
Other Expenses (Sub-total)	\$14,350	\$7,175	\$7,175
Total Annual Expenses	\$973,750	\$257,625	\$716,125
Revenue:			
General Benefit Funding	\$257,625	\$257,625	\$0
Non-Taxable Parcel Special Benefit Coverage (from CSD) ⁽²⁾	14,466	0	14,466
Measure B Special Benefit Assessment	701,659	0	701,659
	\$973,750	\$257,625	\$716,125
Measure B Special Benefit Assessment			
Assessable Parcels			5,844
Equivalent Benefit Units			7,618.38
Applied Rate per EBU (Special Benefit Total / EBUs)			\$94.00
Balloted Maximum Rate per EBU ⁽³⁾			\$94.00
Measure B Fund Balance			
Estimated Beginning Balance as of July 1, 2024 ⁽⁴⁾	(\$700,000)		
Estimated Fund Collection ⁽⁵⁾	0		
Estimated Ending Fund Balance as of June 30, 2025	(\$700,000)		

⁽¹⁾ The amount budgeted for Capital Improvements is collected for future Improvement / Rehabilitation Projects as well as funding for the design, acquisition, construction of future facilities, including, but not limited to the repayment of any future debt service issued and/or loan(s); and includes projects dependent on grant funding, which may not be awarded or received as planned.

⁽²⁾ Contribution from the CSD general fund to cover the amount that would otherwise be assessed against non-taxable parcels.

⁽³⁾ The Maximum Assessment Rate established in this budget of \$94 per EBU is subject to an annual inflationary adjustment.

⁽⁴⁾ The Estimated Beginning Fund Balance as of July 1, 2024 is (\$700,000). In prior years the District has been supported by General Benefit Fund contributions. The Balloted Increase in rates is being initiated to address the annual shortfalls.

⁽⁵⁾ At the proposed rate of \$94 per EBU, the CSD will fund current year capital improvements and in future years collect operational and rehabilitation reserves to bring the fund balance positive.

Annual Inflationary Adjustment

It is recognized that the cost of providing for the improvements described in Plans and Specifications of this Report will inevitably increase over time as a result of inflation and that any “new or increased assessments” require certain noticing and balloting requirements pursuant to Article XIII D of the California Constitution (Proposition 218). However, Government Code Section 54954.6(a) provides that a “new or increased assessment” does not include “an assessment which does not exceed an assessment formula or range of assessments...previously adopted by the agency or approved by the voters in the area where the assessment is imposed.” This definition of a new or increased assessment is reaffirmed in the Proposition 218 Omnibus Implementation Act, Government Code Section 53753.5.

In order to assure that the improvement funding is sufficient in the future to address the ongoing maintenance and replacement cost increases that naturally occur over time due to inflation, the special benefit assessments being presented to the property owners in the ballot proceeding conducted in connection with this Report includes an annual inflationary adjustment (assessment range formula). This inflationary adjustment formula provides for the Fiscal Year 2024/2025 maximum assessments (initial maximum assessment rate) established herein for the Balloted District to increase by an amount equal to difference between the Local Consumer Price Index (CPI) for “All Urban Consumers” for San Francisco-Oakland-Hayward Area index for December to December (Annually).

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

The Assessment Range Formula shall be applied to the maximum assessment rate established in the Report beginning in Fiscal Year 2025/2026 and shall be applied in each subsequent fiscal year unless the CSD Board formally suspends its application.

Assessment Calculations

Applying the method of apportionment outlined in Part II of this Report and the budget estimates for Fiscal Year 2024/2025 results in the following calculation of assessments:

$$\mathbf{\$716,125 \div 7,618.38 \text{ EBUs} = \$94.00 \text{ per EBU}}$$

Therefore, a single benefit unit or the Annual Assessment Rate for Fiscal Year 2024/2025 (Applicable to a typical Residential Dwelling Unit) will be \$94.00.

Assessment Summary

Total Measure B Special Benefit Assessments		\$ 716,125.00
Total Equivalent Benefit Units	÷	7,618.38
Assessment Rate per EBU		\$ 94.00

Assessment Breakdown of Non-Taxable Properties

EBU of Non-Taxable Properties		154.09
Assessment Rate per EBU	x \$	94.00
Non-Taxable Property Adjustment ⁽¹⁾		\$ 14,484.40

Assessment Breakdown of Taxable Properties

Total Equivalent Benefit Units		7,618.38
EBU of Non-Taxable Properties ⁽¹⁾	-	154.09
Equivalent Benefit Units Levied on Tax Rolls		7,464.29
Balance to be collected on Tax Rolls		\$ 701,659.03
Equivalent Benefit Units Levied on Tax Rolls	÷	7,464.29
Assessment Rate per EBU		\$ 94.00

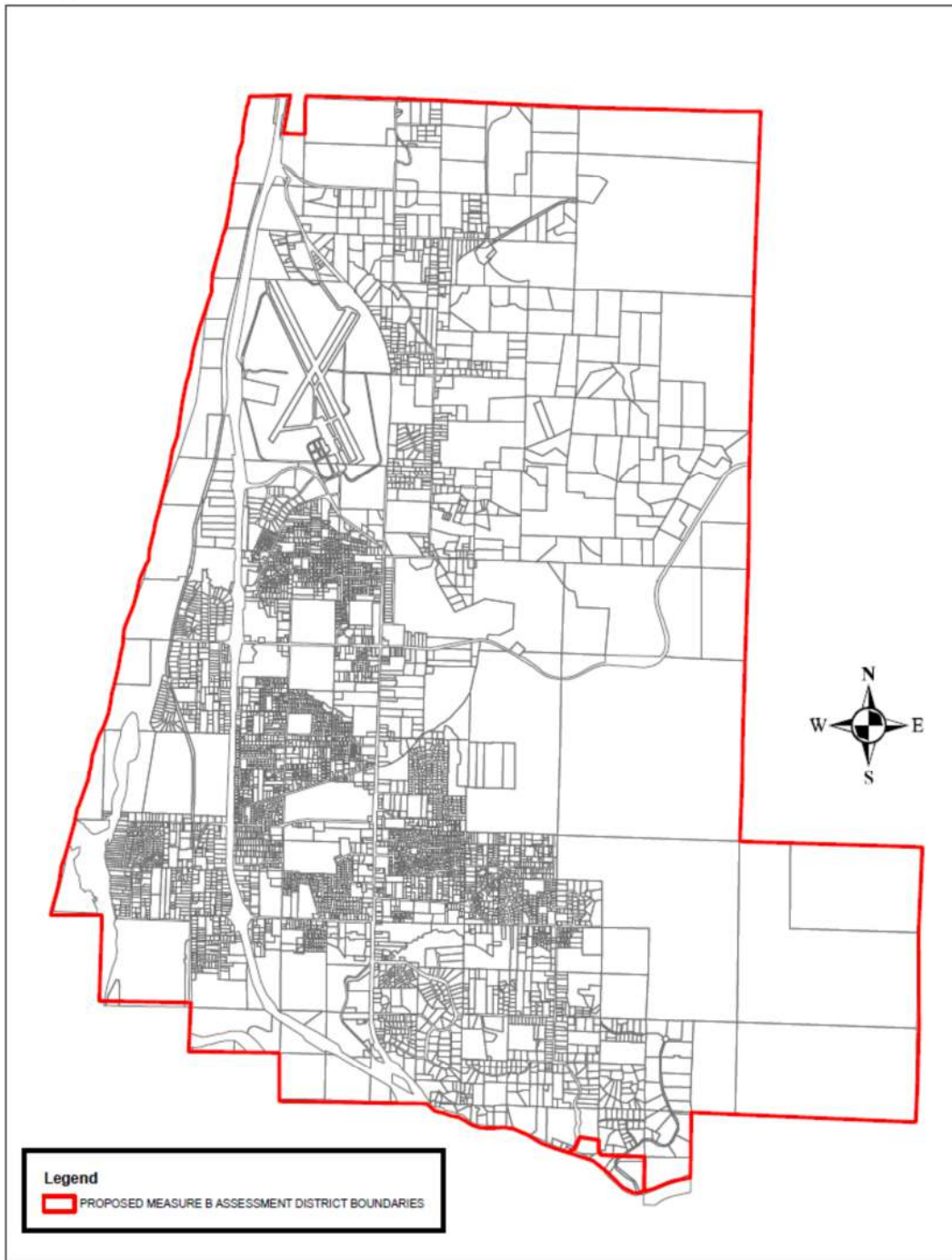
⁽¹⁾ This number represents the combined assessment amount and EBUs that will not be assessed on the County tax rolls. These parcels (which are non-taxable parcels generally owned by government agencies) are currently identified as properties that will not be assessed on the County tax rolls. Because the proportional special benefit obligation for these parcels will not be collected on the tax rolls, the CSD will annually pay from its general fund an amount equal to the assessment obligation that would otherwise accrue to these parcels.

Part IV – DISTRICT DIAGRAM

The following is a Diagram showing the boundaries of the McKinleyville Community Services District Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities, which is coterminous with the McKinleyville CSD boundaries. The dimensions of all lots, parcels and subdivisions of land within the District are the same as the lines and dimensions of the parcels shown on the Humboldt County Assessor’s Parcel Maps (APN Maps) and by reference these Maps are made part of this Report and Assessment Diagram as they existed at the time of the passage of the Resolution of Intention. Each of the subdivisions of land, parcels, or lots on the Assessment Diagram subject to the annual assessment are identified by an Assessor’s parcel Number (APN) by the Humboldt County Assessor’s and these APNs corresponds with the assessment number shown on the Assessment Roll (Part V of this Report).

The Boundary Map and Assessment Diagram in a reduced-scale format follows.

McKinleyville CSD Proposed Boundaries of Measure B Assessment District



Part V – ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District, shall be the parcel as shown on the Humboldt County Secured Roll for the year in which the Report is prepared and reflective of the Assessor's Parcel Maps. A complete listing of the parcels within this District, along with each parcel's assessment amount to be levied for Fiscal Year 2023/2024 is provided under Appendix D ("Proposed Annual Assessments").

These assessments will be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2024/2025. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be recalculated based on the method of apportionment and assessment rates as approved herein by the McKinleyville CSD Board of Directors.

APPENDIX A: TOTAL PROGRAM BUDGET DETAIL

Below is the Total Program Budget, a portion of which will be funded by the Measure B Assessment District assessments, with the remainder being funded by other revenue sources.

	Maintenance Wages	Maintenance Supplies	Planned Capital Improvement Funding	Totals
PARK ENHANCEMENTS				
Pierson Park	\$ 30,000	\$ 21,000	\$ -	\$ 51,000
Hiller Park West	51,000	5,500	-	56,500
Hiller Sports Complex	70,000	25,000	-	95,000
<i>subtotal:</i>	\$ 151,000	\$ 51,500	\$ -	\$ 202,500
INDOOR FACILITIES				
Azalea Hall	\$ 25,000	\$ 30,000	\$ 181,000	\$ 236,000
McKinleyville Activity Center	12,000	14,500	-	26,500
Teen/Community Center (2)	10,000	20,000	127,500	157,500
Library	6,500	3,000	-	9,500
Law Enforcement Facility	6,700	4,000	-	10,700
<i>subtotal:</i>	\$ 60,200	\$ 71,500	\$ 308,500	\$ 440,200
TRAILS				
School Road Trail	\$ 5,000	\$ -	\$ -	\$ 5,000
Hiller Loop Trail	6,500	1,000	-	7,500
Other Trails	1,200	-	-	1,200
<i>subtotal:</i>	\$ 12,700	\$ 1,000	\$ -	\$ 13,700
UNDEVELOPED PROPERTY				
River Property	\$ 1,200	\$ -	\$ -	\$ 1,200
Hewitt Ranch	1,800	-	-	1,800
<i>subtotal:</i>	\$ 3,000	\$ -	\$ -	\$ 3,000
FUTURE PARKS & FACILITIES ⁽¹⁾				
BMX Track & Park	\$ 21,000	\$ 9,000		\$ 30,000
Community Forest	100,000	20,000	150,000	270,000
<i>subtotal:</i>	\$ 121,000	\$ 29,000	\$ 150,000	\$ 300,000
Grand Totals:	\$ 347,900	\$ 153,000	\$ 458,500	\$ 959,400

⁽¹⁾ Future Parks & Facilities includes funds being collected for future Renovations/Rehabilitation Projects as well as funding for the design, acquisition, construction, operation and maintenance (wages and/or supplies) of future District facilities. These expenses may include repayment of any future debt service issued and/or loan(s) utilized to finance such improvements.

APPENDIX B: Teen Center Lease Financing

Bond Debt Service
McKinleyville Community Services District
2014 Lease Financing

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
5/1/2015	36,228	3.550%	29,549.96	65,777.96	
11/1/2015	36,229	3.550%	25,430.44	61,659.44	127,437.40
5/1/2016	39,279	3.550%	24,787.38	64,066.38	
11/1/2016	39,281	3.550%	24,090.18	63,371.18	127,437.56
5/1/2017	40,687	3.550%	23,392.94	64,079.94	
11/1/2017	40,687	3.550%	22,670.74	63,357.74	127,437.68
5/1/2018	42,144	3.550%	21,948.55	64,092.55	
11/1/2018	42,144	3.550%	21,200.49	63,344.49	127,437.04
5/1/2019	43,654	3.550%	20,452.44	64,106.44	
11/1/2019	43,654	3.550%	19,677.58	63,331.58	127,438.02
5/1/2020	45,218	3.550%	18,902.72	64,120.72	
11/1/2020	45,217	3.550%	18,100.10	63,317.10	127,437.82
5/1/2021	46,837	3.550%	17,297.50	64,134.50	
11/1/2021	46,837	3.550%	16,466.14	63,303.14	127,437.64
5/1/2022	48,514	3.550%	15,634.79	64,148.79	
11/1/2022	48,515	3.550%	14,773.66	63,288.66	127,437.45
5/1/2023	50,252	3.550%	13,912.52	64,164.52	
11/1/2023	50,252	3.550%	13,020.55	63,272.55	127,437.07
5/1/2024	52,052	3.550%	12,128.58	64,180.58	
11/1/2024	52,052	3.550%	11,204.65	63,256.65	127,437.23
5/1/2025	53,916	3.550%	10,280.73	64,196.73	
11/1/2025	53,917	3.550%	9,323.72	63,240.72	127,437.45
5/1/2026	55,847	3.550%	8,366.69	64,213.69	
11/1/2026	55,848	3.550%	7,375.41	63,223.41	127,437.10
5/1/2027	57,848	3.550%	6,384.11	64,232.11	
11/1/2027	57,848	3.550%	5,357.31	63,205.31	127,437.42
5/1/2028	59,920	3.550%	4,330.50	64,250.50	
11/1/2028	59,920	3.550%	3,266.92	63,186.92	127,437.42
5/1/2029	62,066	3.550%	2,203.34	64,269.34	
11/1/2029	62,066	3.550%	1,101.67	63,167.67	127,437.01
	1,468,929		442,632.31	1,911,561.31	1,911,561.31

APPENDIX C: Non-Taxable Special Benefit Assessments

The following proposed non-taxable assessments will not be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2024/2025. These amounts will be covered by a General Fund contribution from the CSD.

Assessor's Parcel Number	EBU	Land Use	Special Benefit Assessment ⁽¹⁾	Applied Charge
507-061-007-000	0.33	8000	\$31.02	\$0.00
507-141-001-000	0.33	8000	31.02	0.00
507-141-033-000	0.33	8000	31.02	0.00
507-141-034-000	0.33	8000	31.02	0.00
508-021-006-000	0.33	8000	31.02	0.00
508-021-007-000	0.33	8000	31.02	0.00
508-031-001-000	0.33	8000	31.02	0.00
508-041-006-000	0.33	8000	31.02	0.00
508-051-010-000	0.33	8000	31.02	0.00
508-081-034-000	0.33	8000	31.02	0.00
508-091-038-000	0.33	8000	31.02	0.00
508-211-051-000	0.33	8000	31.02	0.00
508-211-055-000	0.33	8000	31.02	0.00
508-211-057-000	0.33	8000	31.02	0.00
508-224-036-000	0.33	8000	31.02	0.00
508-224-038-000	0.33	8000	31.02	0.00
508-224-039-000	0.33	8000	31.02	0.00
508-224-048-000	0.33	8000	31.02	0.00
508-242-043-000	0.33	8000	31.02	0.00
508-371-027-000	0.33	8000	31.02	0.00
509-021-046-000	0.33	8000	31.02	0.00
509-021-047-000	0.33	8000	31.02	0.00
509-021-054-000	0.33	8000	31.02	0.00
509-171-061-000	0.33	8000	31.02	0.00
509-191-031-000	2.31	8000	217.14	0.00
509-191-047-000	0.33	8000	31.02	0.00
510-091-030-000	50.00	2515	4,699.98	0.00
510-091-048-000	0.33	8000	31.02	0.00
510-101-079-000	0.33	8000	31.02	0.00
510-101-080-000	0.33	8000	31.02	0.00
510-151-023-000	24.00	6001	2,255.99	0.00
510-161-002-000	3.75	8000	352.50	0.00
510-161-003-000	3.75	8000	352.50	0.00
510-211-079-000	0.33	8000	31.02	0.00
510-211-081-000	0.33	8000	31.02	0.00
510-221-002-000	0.33	8000	31.02	0.00
510-271-015-000	0.33	8000	31.02	0.00
510-271-077-000	0.33	8000	31.02	0.00
510-271-079-000	0.33	8000	31.02	0.00
510-281-023-000	0.33	8000	31.02	0.00
510-341-031-000	0.33	8000	31.02	0.00
510-341-032-000	3.75	8000	352.50	0.00

510-341-034-000	0.33	8000	31.02	0.00
510-372-005-000	0.33	8000	31.02	0.00
510-451-043-000	0.33	8000	31.02	0.00
510-461-052-000	0.33	8000	31.02	0.00
510-461-053-000	0.33	8000	31.02	0.00
510-461-054-000	0.33	8000	31.02	0.00
511-011-001-000	0.33	8000	31.02	0.00
511-011-003-000	0.33	8000	31.02	0.00
511-011-005-000	0.33	8000	31.02	0.00
511-011-008-000	0.33	8000	31.02	0.00
511-011-015-000	0.33	8000	31.02	0.00
511-011-016-000	0.33	8000	31.02	0.00
511-061-001-000	0.33	8000	31.02	0.00
511-061-005-000	0.33	8000	31.02	0.00
511-071-005-000	3.75	8000	352.50	0.00
511-082-003-000	0.33	8000	31.02	0.00
511-082-004-000	1.00	8000	94.00	0.00
511-082-007-000	0.33	8000	31.02	0.00
511-082-008-000	0.33	8000	31.02	0.00
511-082-009-000	0.33	8000	31.02	0.00
511-082-010-000	0.33	8000	31.02	0.00
511-084-002-000	0.33	8000	31.02	0.00
511-084-003-000	0.33	8000	31.02	0.00
511-111-023-000	0.33	8000	31.02	0.00
511-111-025-000	0.33	8000	31.02	0.00
511-111-060-000	0.33	8000	31.02	0.00
511-121-001-000	0.33	8000	31.02	0.00
511-121-002-000	3.75	8000	352.50	0.00
511-202-001-000	3.75	8000	352.50	0.00
511-241-008-000	7.00	8000	658.00	0.00
511-241-022-000	6.00	8000	564.00	0.00
511-261-003-000	0.33	8000	31.02	0.00
511-291-015-000	0.33	8000	31.02	0.00
511-291-016-000	0.33	8000	31.02	0.00
511-291-017-000	0.33	8000	31.02	0.00
511-291-024-000	0.33	8000	31.02	0.00
511-291-025-000	0.33	8000	31.02	0.00
511-291-026-000	0.33	8000	31.02	0.00
511-291-036-000	0.33	8000	31.02	0.00
511-291-038-000	3.75	8000	352.50	0.00
511-301-001-000	0.33	8000	31.02	0.00
511-301-018-000	0.33	8000	31.02	0.00
511-301-019-000	0.33	8000	31.02	0.00
511-301-020-000	0.33	8000	31.02	0.00
511-331-001-000	0.33	8000	31.02	0.00
511-331-002-000	0.33	8000	31.02	0.00
511-331-004-000	0.33	8000	31.02	0.00
511-331-005-000	0.33	8000	31.02	0.00
511-341-001-000	0.33	8000	31.02	0.00
511-341-002-000	0.33	8000	31.02	0.00
511-341-004-000	0.33	8000	31.02	0.00

511-341-007-000	0.33	8000	31.02	0.00
511-341-040-000	0.33	8000	31.02	0.00
511-341-041-000	0.33	8000	31.02	0.00
511-351-001-000	0.33	8000	31.02	0.00
511-351-002-000	0.33	8000	31.02	0.00
511-351-005-000	0.33	8000	31.02	0.00
511-351-007-000	0.33	8000	31.02	0.00
511-351-009-000	3.75	8000	352.50	0.00
511-351-010-000	3.75	8000	352.50	0.00
511-381-025-000	0.33	8000	31.02	0.00
511-441-041-000	0.33	8000	31.02	0.00
511-443-008-000	0.33	8000	31.02	0.00
511-450-030-000	0.33	8000	31.02	0.00
Total	154.09		\$14,484.40	\$0.00
Parcel Count				106

⁽¹⁾ These assessment amounts represent the calculated special benefit assessment for the parcels identified as non-taxable or otherwise not assessed. These assessment amounts shall be paid by a contribution from McKinleyville CSD general fund.

APPENDIX D: Proposed Annual Assessments

The following proposed assessments for each parcel within the District will be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2024/2025. If any parcel listed herein for collection is identified by the County Auditor/Controller to be an invalid parcel number for the Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be recalculated based on the method of apportionment and assessment rates as approved herein by the McKinleyville CSD Board of Directors.

The Preliminary Assessment Roll has been provided under separate cover.