



**The Downtown San Leandro
Community Benefit District
2013
Management District Plan**

Final Plan – April 2nd, 2013

*Formed Under San Leandro Community Benefit District Ordinance,
Title 2, Chapter 2-20 of the San Leandro Municipal Code,
City of San Leandro, California*

Prepared by:
New City America, Inc.
and
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Downtown San Leandro Community Benefit District (CBD) Management District Plan

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Attachment:

A. Engineer's Report

Section 1

Management District Plan Summary

The name of this Community Benefit District is the Downtown San Leandro Community Benefit District (the “CBD”). The District is being formed pursuant of the City of San Leandro Community Benefit District Ordinance Title 2, Chapter 2-20 of the San Leandro Municipal Code as hereinafter referred to as the Ordinance.

Developed by the San Leandro Downtown Association and the CBD Steering Committee – this Management District Plan is proposed to improve and provide special benefits to individual parcels located within the boundaries of the newly proposed 2013 Downtown San Leandro Community Benefit District. The proposed CBD will provide special benefit district improvements and activities, including cleaning, security, beautification, district identity, possible transportation related activities and other special benefit programs to parcels within the boundaries of the proposed district.

The proposed Downtown San Leandro CBD serves to improve the individual parcels, attract new customers to their businesses, increase sales, increase occupancies and enhance the benefitting individual parcels within the CBD. The proposed CBD seeks to fund the special benefits that will be provided over the next fifteen years, based upon keeping the greater Downtown San Leandro area clean, safe, orderly, attractive, well marketed with special events and programs, and increase commerce within the boundaries.

Boundaries:

The boundaries shall include approximately 30 whole or partial blocks with 290 parcels. See Downtown San Leandro Proposed Special Benefit District Zones map in Section 2, pages 8 and 9. The District is generally bounded by Alvarado Street on the west, on Santa Rosa Street on the east, by the San Leandro Creek on the north and by Castro Street on the south. A large area bordered by Hays Street (east), West Estudillo (north) Carpentier Street (west) and Parrott Street (south), is excluded at this time since this six block area is comprised primarily of single family residents. If and when these homes convert to commercial or multi-residential usages, the CBD will seek to expand to include those parcels so they can contribute to and receive benefit from the CBD special benefit services.

Budget:

The total first year Downtown San Leandro CBD budget based upon assessable individual parcel owners for FY 13/14, will be \$ 384,680. Please see Section 3 for a breakdown of the categories of special benefit services and their allocation of services by Benefit Zone.

Improvements, Activities and Services of the Downtown San Leandro CBD Plan:

There are five basic categories of special benefit services that will be funded by the Downtown San Leandro CBD. All of these services will confer a special benefit to the individual parcels within the Downtown San Leandro CBD. The categories of special benefits are as follows:

1. ***Sidewalk Operations, Beautification and Order:*** This includes all sidewalk and gutter cleaning services, security, sidewalk steam cleaning services, graffiti removal, trash removal, as well as enhanced services to beautify the district based upon Benefit Zone contributions. Sidewalk operations services total \$ 234,175 or 61% of the first year annual budget of the new CBD.
2. ***District Identity:*** These services include the branding of the Downtown San Leandro area, marketing and promotions, newsletter, public relations, media relations, social media, publicity, special events, website development and maintenance, public space develop and holiday decorations. These services equal \$ 50,000 or 13% of the first year annual budget of the new district.
3. ***Enhanced Residential Improvements:*** These services include, but are not limited to: enhanced beautification in blocks with a high density of condos, public space development, implementation of pet related services and administrative costs. These services equal \$ 24,368 or 6% of the first year annual budget.
4. ***Program Management and Corporate Operations:*** These services equal \$60,750 or 16% of the first year annual budget of the new district.
5. ***Contingency/Reserve.*** This contingency anticipates a “historic” non-payment rate percentage of 2 to 4%, and any City or County collection fees. This fund equals \$15,387 or 4% of the first year annual budget of the new district.

Table 1
Downtown CBD FY 2013-14 Budget

| Program or Service | % of Budget | Estimated Cost of Benefit |
|--|--------------------|---|
| Sidewalk Operations, Beautification and Order | 61% | \$ 234,175 <i>(Benefit Zone 1 = \$ 153,666)</i> <i>(Benefit Zone 2 = \$ 80,511)</i> |
| District Identity and Streetscape Improvements | 13% | \$ 50,000 |
| Enhanced Residential Improvements | 6% | \$ 24,368 |
| Program Management, Corporate Operations | 16% | \$ 60,750 |
| Contingency | 4% | \$ 15,387 |
| Total First Year Budget | 100% | \$ 384,680 |

This plan proposes percentages for groups of services with the intent that they will provide individual parcels with an understanding of the portion of the budget allocated to fund those services, while simultaneously giving the property owners and businesses an understanding of the proportional benefit they will receive. Demands for prioritization of one special benefit need over another *within the same category* will occur year by year. Security may be a priority one year, however enhanced sidewalk sweeping and beautification may be a priority another year. Both of these services fall within the same special benefit category.

Method of Financing:

The financing of the CBD is based upon the levy of special assessments upon real property that receive special benefits from the improvements and activities. See Section 4 for assessment methodology and compliance with Proposition 218. There will be four factors used in the determination of proportional benefit to the parcels in the CBD. Those four factors are:

- Linear frontage, (broken down by Benefit Zones). Parcels will be charged different frontage rates based upon the frequency of services that the Benefit Zone frontage will receive from the Sidewalk Operations portion of the CBD budget;
- Lot size or the footprint of the parcel;
- Building square footage (excluding parking structures built within the building that predominantly serve the tenants of the building and are not open to the public); and
- Residential condos that front along the public rights of way within the District.

The following data represents the foundation of the assessments that will generate the revenue to fund the Downtown San Leandro CBD: (verified as of March 9, 2013);

Building Square Footage: 1,087,295 sq. feet

Gross Lot Size: 3,229,475 sq. feet

Gross Linear Frontage: 34,276 linear feet
(Benefit Zone 1 = 18,671 linear feet)
(Benefit Zone 2 = 15,605 linear feet)

Residential Condos: 121,844 assessable building square footage.
Currently there is only one residential condo development within the Downtown San Leandro CBD boundaries total. These and future units will be assessed at the rate of \$0.20 per square foot for their verifiable building square footage per parcel. Commercial condos will be treated as commercial buildings being assessed for their proportion of linear frontage, lot size and building square footage. For a more detailed explanation of residential assessments and services please see Section 4, pages 22 and 23.

Benefit Zones:

State law and the State constitution, Article XIID require that special assessments be levied according to the special benefit each individual parcel receives. There will be two benefit zones in the proposed Downtown San Leandro CBD, and parcels identified in the CBD map in Benefit Zone 1 will be charged a higher linear frontage rate due to the proportional benefit they will receive.

Cost:

Annual assessments are based upon an allocation of program costs by assessable linear frontage (by Benefit Zone), assessable on all sides of the parcels that receive benefit; PLUS lot or parcel square footage; PLUS assessable building square footage, and in the case of residential condos, by building square footage. The residential condo owners are assessed differently since they are, in essence, acquiring air rights with the condos and linear frontage and lot size is not relevant to their parcels. This alternate assessment methodology is created to respond to their special needs of homeowners within this growing Downtown district. All four property variables, including an individual parcel’s location within the designated areas for Benefit Zone will be used in the calculation of the annual assessment.

The FY 2013-14 year annual assessments per property variable and Benefit Zone are as follows:

| | |
|--|--|
| <i>Linear Frontage costs:</i> | Benefit Zone 1 \$4.115098 per linear foot/year Benefit Zone 2 \$2.579620 per linear foot/year |
| <i>Building Square Footage costs:</i> | \$0.045985 per square foot/year |
| <i>Lot Size costs:</i> | Benefit Zone 1 \$0.0725835 per square foot/year Benefit Zone 2 \$0.0478005 per square foot/year |
| <i>Residential Condo costs:</i> | \$0.20 per square foot of parcel unit square footage |

Assessment District Revenue Generation from each property variable:

| | |
|-------------------------------|-------------------|
| Linear Frontage (Both Zones): | \$ 117,088 |
| Building Square Footage: | \$ 50,000 |
| Lot Size: | \$ 193,224 |
| Residential Condos | <u>\$ 24,368</u> |
| Total: | \$ 384,680 |

Cap:

The CBD budget and assessments may be subject to changes in the Consumer Price Index (CPI) for the San Francisco – Oakland – San Jose Consumer Price Index for all urban consumers from February to February, with annual increases not to exceed 3% per year. Increases will be determined by the Owners’ Association/District Management Corporation and will vary between 0% and 3% annually. Changes in land use, development of empty parcels, conversion of tax exempt to profitable land uses, demolition of existing buildings, and creation of new

parcels through new building or residential condo development may alter the budget from year to year based upon the changes in the building square footage of an individual parcels. Since linear frontage and lot size normally are not altered in the redevelopment of a site, the only changes realized in the CBD will be through the building square footage. In addition, changes in the budget may occur due to the conversion of single parcels to multiple parcels due to the construction of residential or commercial condos.

Bonds:

The District will not issue any bonds related to any program.

District Formation:

The District formation and modification requires a submission of petitions from property owners representing more than 30% of the total assessments.

Once the City verifies the petitions totaling a minimum of 30% or \$115,405 in assessment contribution to the District, the City Council may adopt a Resolution of Intention to mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the mail ballots. The Downtown San Leandro CBD will be formed if the weighted majority of all returned mail ballots support the District formation and if the City Council adopts a resolution of formation to levy the assessments on the benefiting parcels. We anticipate that this process will be completed by the end of July 2013.

Duration:

The Downtown San Leandro CBD shall have a fifteen-year term which shall commence on July 1, 2013 and expire on June 30, 2028, with operations winding down by December 31, 2028.

Governance:

Pursuant to the City of San Leandro Community Benefit District Ordinance and Section 36600 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of San Leandro (City) and will oversee the day-to-day implementation of services as defined in the Management District Plan. Section 36614.5 states:

The "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."

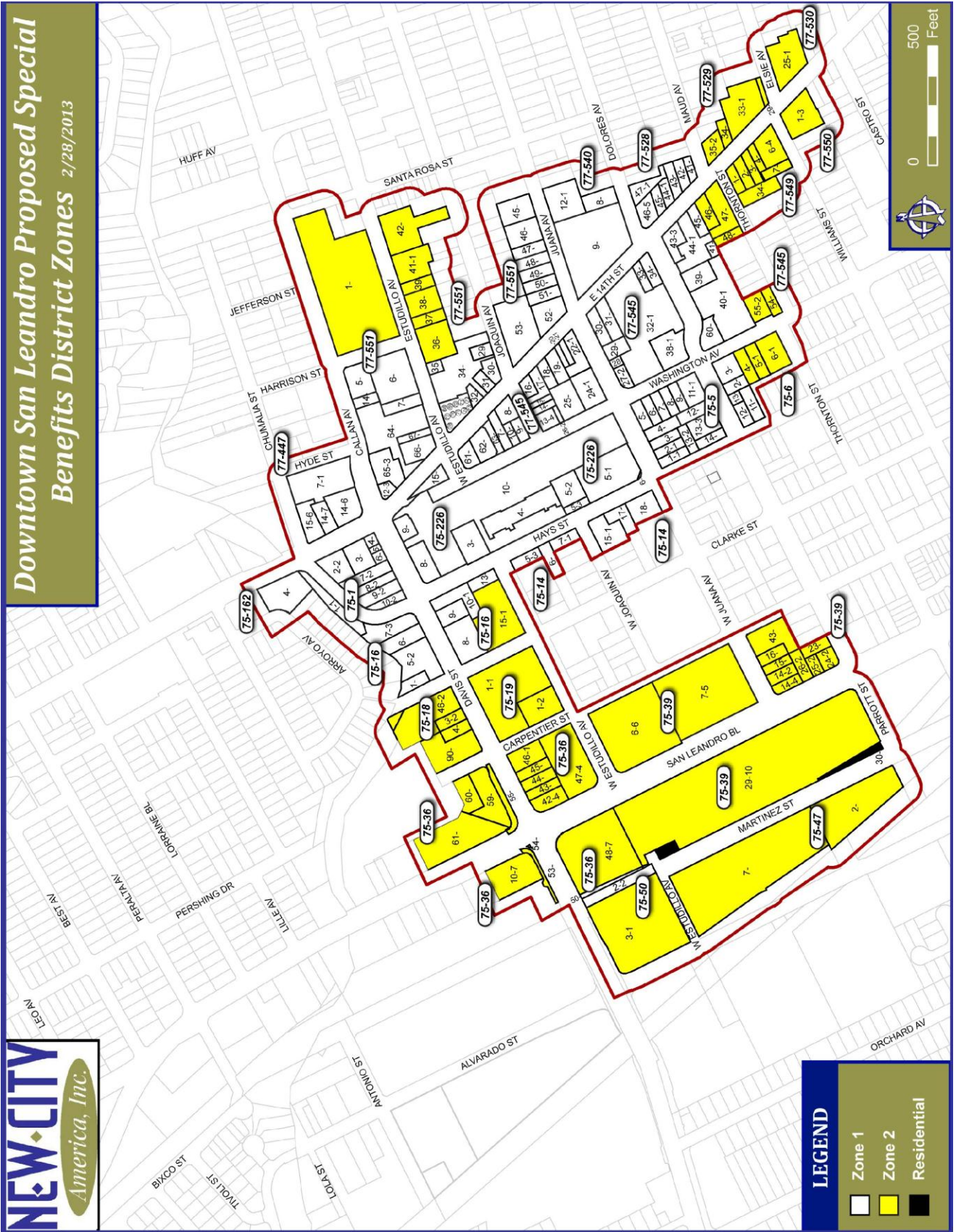
Section 2

Downtown San Leandro Community Benefit District Boundaries

Boundaries: The following text will define the boundaries of the Downtown San Leandro CBD.

General Description of the Proposed Boundaries: Parcels in the commercial corridors of the Downtown San Leandro CBD will include as follows:

- ***Northern Boundary:*** Starting at the northeast corner of the district, the northern boundary begins with parcel 77-551-001 at the intersection of Santa Rosa Street and Callahan Street and runs west to Hyde Street. At Hyde Street the boundary runs along the west side of Hyde Street to the San Leandro Creek. The boundary then runs west to include parcel 75-162-004 at Hays and E. 14th and continues westward along the Creek up to parcels 75-36-061 and parcel 75-36-10-7 on the northwest and northeast corners of the intersection of San Leandro Blvd. and Davis Street.
- ***Southern Boundary:*** Starting at the corner of Parrott and Alvarado Streets, at parcel 75-47-002 running eastward along the north side of Parrott Street to include the parcels at the southeast corner of Parrott and San Leandro Blvd. The southern boundary then continues at the northwestern corner parcel of the intersection of Thorton Street and Washington Avenue (parcel 75-60-6-1) including the parcel at the northeastern corner of the same intersection. The southern boundary then continues along the southern side of parcel 77-550-1-3 and parcel 77-530-25-1 at the southwestern and southeastern corners of the intersection of Williams Street, Elsie Avenue and E. 14th Street.
- ***Eastern Boundary:*** Starting at the parcel at the southeastern corner of Elsie and E. 14th, running north along the eastern side of the parcels in general, fronting along E. 14th Street, and excluding single family residential parcels on the east side of E. 14th Street. (please see map for exact boundaries), up to parcel 77-551-01 at the intersection of Santa Rosa and Callan Avenue.
- ***Western Boundary:*** Starting at the northeastern corner of the intersection of Parrot Street and Alvarado, parcel 75-47-002 running northward along the east side of Alvarado Street up to the parcel at the southeastern corner of Davis Street and Alvarado, parcel 75-50-3-1.



Section 3

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan/Outreach Efforts:

Since summer of 2012 business and property owners in Downtown San Leandro have met to discuss the advantages of creating this downtown special benefits district. An initial survey was sent to property owners in the proposed CBD area in August 2012 to ascertain their level of support for the establishment of this assessment district and obtain information regarding the type of enhanced services they were interested in receiving. The survey information was instrumental in determining the services to be delivered by the CBD.

Numerous public meetings have been held with the Downtown Association and newly created Downtown San Leandro CBD Steering Committee. Public meeting dates follow:

- July 27, 2012 – Downtown Association
- August 8, 2012 – Steering Committee
- September 13, 2012 – Steering Committee
- October 18, 2012 – Steering Committee
- November 19, 2013 – City Council meeting
- January 10, 2013 – Steering Committee
- January 24, 2013 – Steering Committee
- February 7, 2013 – Steering Committee
- February 28, 2013 – Steering Committee approved Management Plan

In addition to these meetings, meetings were held between Marco Li Mandri of New City America, Cynthia Battenberg, Business Development Manager of the City of San Leandro and numerous property owners explaining the purpose, services and costs of the proposed CBD.

Explanation of Special Benefit Services:

All of the improvements and activities detailed below are provided only to properties defined as being within the boundaries of the Downtown San Leandro CBD, as the improvements and activities will provide special benefit to the owners of those properties. No improvements or activities will be provided to properties outside the Downtown CBD boundaries. All benefits derived from the assessments outlined in this Management District Plan fund services directly benefiting the property owners in this special benefit district. Inasmuch as all services will be provided to the properties defined as being within the District boundaries and no services will be provided outside the District boundaries.

The City will continue to provide services from the general fund to the Downtown which will include public safety, street tree trimming, street sweeping, trash collection of public refuse containers, etc. The frequency of these general benefits may change from year to year and time to time based upon budget constraints. However, City general benefits will not be withdrawn from the Downtown CBD unless they are withdrawn by an equal amount City wide.

The CBD funded special benefits will not replace City funded general benefits, but rather will provide special benefits to parcel owners over and above the general benefits provided by the City of San Leandro.

All services funded by the assessments outlined in the Management District Plan are intended to directly benefit the property, business owners and residents within this area to support increased commerce, business attraction and retention, retained and increased commercial property rentals, enhanced safety and cleanliness in the CBD, improved district identity, and eventually specialized beautification and enhanced programs for the condo residential unit parcels within the District.

The total improvement and activity plan budget for 2013-14, which is funded entirely by property assessments within the CBD boundaries, is projected to be \$384,680. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services in similar districts throughout the State of California.

The Downtown San Leandro CBD Steering Committee has prioritized the following categories of special benefit services for the new District. The categories of special benefit services set forth the intent of the budget category, but also gives the District Management Corporation flexibility to allocate the services based upon the changing needs of the District from year-to-year within each budgeted category.

Improvements Activities and Services of the Downtown San Leandro CBD Plan:

There are five basic categories of special benefit services that will be funded within the Downtown San Leandro CBD. All of these services are designed to confer a special benefit to the individual parcels within the Downtown San Leandro CBD over and above the General Benefits already received. The categories of special benefits are as follows:

1. ***Sidewalk Operations, Beautification and Order:*** This includes all private security services, beautification programs, sidewalk and gutter cleaning services, sidewalk steam cleaning services, graffiti removal, trash removal, as well as enhanced services between the curb and property lines of both Benefit Zones in the CBD. These services equal \$234,175 or 61% of the first year annual budget of the CBD.
2. ***District Identity and Streetscape Improvements:*** These services include the branding of the Downtown San Leandro area, marketing and promotions, newsletter, public relations, media relations, social media, publicity, special events, website development and maintenance, and holiday decorations. These services equal \$50,000 or 13% of the first year annual budget of the CBD. NOTE: As new residential and commercial development occurs in the next fifteen years, this category of services may also include creation and maintenance of a CBD wide shuttle service between various Downtown locations and the San Leandro BART station. This special benefit service will be provided to the business and property owners, residents, visitors, employees and others that will benefit from this enhanced service.

3. **Enhanced Residential Improvements:** These services include, but are not limited to: enhanced beautification in blocks with high density of condos, public space development, implementation of pet related services and administrative costs. These services equal \$24,368 or 6% of the first year annual budget. The largest growth in the Downtown anticipated over the next 15 years will likely be in market rate multi-family housing, whether it be in the form of apartments or residential condominiums.
4. **Program Management and Corporate Operations.** These services equal \$60,750 or 16% of the first year annual budget of the new district and will fund the oversight of all of the special benefit programs of the CBD including all administrative and advocacy services of the District Management Corporation.
5. **Contingency/Reserve.** This fund equals \$15,387 or 4% of the first year annual budget of the new district. This contingency anticipates an “historic” non-payment rate percentage of around 2 - 4%, and any City or County collection fees.

Table 3 - A
First Year Downtown San Leandro CBD Special Benefit Service Budget

| <u>Program or Service</u> | <u>% of Budget</u> | <u>Est. Cost of Benefit</u> |
|--|--------------------|--|
| Sidewalk Operations, Beautification & Order | 61% | \$ 234,175 <i>Benefit Zone 1 = \$153,666</i> <i>Benefit Zone 2 = \$ 80,511</i> |
| District Identity & Streetscape Improvements | 13% | \$ 50,000 |
| Enhanced Residential Improvements | 6% | \$ 24,368 |
| Program Management, Corporate Operations | 16% | \$ 60,750 |
| Contingency | 4% | \$ 15,387 |
| Total First Year Budget | 100% | \$ 384,680 |

The following categories of special benefit services shall only be provided to parcels within the District.

1- Sidewalk Operations , Beautification, and Order (SOBO): \$ 234,175 61%

Examples of these special benefit services are allocated per benefit zone with Benefit Zone 1 parcels receiving a higher frequency of services relative to the Benefit Zone 2 parcels. All of these services will not replace or reduce current city services but will rather enhance services above their current general benefit level. Costs may include, but are not limited to:

- Private security services
- Regular sidewalk and gutter sweeping
- Special event management, security and clean up
- Respond to complaints of aggressive panhandling

- Timely graffiti removal, within 24 hours as necessary
- Tree and vegetation planting and maintenance
- Special events maintenance and security
- Quarterly sidewalk steam cleaning

Level of SOBO Special Service as determined by Benefit Zone:

| | <u>Maintenance</u> | <u>Security</u> | <u>Steam Cleaning</u> |
|----------------|--------------------|-----------------|-----------------------|
| Benefit Zone 1 | 7 days/week | 7 days/week | Quarterly |
| Benefit Zone 2 | 4 days/week | 5 days/week | Three times/year |

Assumptions on Level and Costs of SOBO Services Per Benefit Zone:

| | <u>Maintenance *</u> | <u>Security **</u> | <u>Steam Cleaning</u> |
|----------------|---|---|-----------------------|
| Benefit Zone 1 | \$1,400/wk; \$72,800/yr <i>70 hours/week</i> | \$875/wk; \$45,500/yr <i>35 hours/week</i> | \$20,00/yr |
| Benefit Zone 2 | \$480/wk; \$24,960/yr <i>24 hours/week</i> | \$625/wk; \$32,500/yr <i>25 hours/week</i> | \$15,000/yr |

Totals of Costs of SOBO Services Per Benefit Zone:

| | <u>Subtotal Labor Costs</u> | <u>Supplies & Materials</u> | <u>Totals</u> |
|----------------|-----------------------------|---------------------------------|-------------------------|
| Benefit Zone 1 | \$138,300 | \$15,366 | \$153,666 |
| Benefit Zone 2 | <u>\$ 72,460</u> | <u>\$ 8,051</u> | <u>\$ 80,511</u> |
| Total | \$210,760 | \$23,417 | \$234,177 |

*Assumes that each maintenance worker covers ¼ - 1 mile per day and an hourly maintenance costs of \$20.00 per hour which includes hourly rate, workers comp insurance, payroll taxes, benefits, etc.

**Assumes hourly security costs at \$25.00 per hour which includes above related costs;

Calculation of Costs for SOBO per Benefit Zone - ½ of the costs apportioned to linear frontage per zone, ½ of the costs apportioned to lot size per zone:

Benefit Zone 1:

\$76,833 divided by 18,671 linear feet = \$ 4.115098 per linear foot

\$76,833 divided by 1,567,763 lot square footage = \$ 0.049008 per lot square footage

Benefit Zone 2:

\$40,255 divided by 15,605 linear feet = \$ 2.57962 per linear foot

\$40,255 divided by 1,661,712 lot square footage = \$ 0.024225 per lot square footage

2- District Identity/Visitor Attraction: \$ 50,000 13%

Examples of these special benefit services and costs include, but are not limited to:

- *Business attraction and expansion*
- *Web site development and updating*
- *Brochures*
- *Tourist related activities*
- *Marketing*
- *Advertising*
- *Special Events*
- *Logo development*
- *Signage*
- *Public relations*
- *In the future, possible transportation/shuttle service between various stops and BART*

| | <i>Benefit Zone 1</i> | <i>Benefit Zone 2</i> |
|---------------------------------|------------------------------|------------------------------|
| Special event underwriting | Yes | Where applicable |
| Public space development | Yes | Yes |
| Website creation and management | Yes | Yes |
| Social media | Yes | Yes |
| Public and media relations | Yes | Yes |
| Business attraction | Yes | Yes |

3- Enhanced Residential Improvements: \$ 24.368 6%

Residential condos will be assessed separately due to their unique parcel status and special benefit needs in the district. Residential condos blocks will have the following special benefit services conferred on the frontage their parcels. These services include, but are not limited to:

- *Installation, stocking and upkeep of pet waste distribution stations on the frontages adjacent to the high concentrations of residential condo individually assessed parcels;*
- *Enhancement and beautification of sidewalks on the frontages adjacent to the high concentrations of residential individually assessed parcels;*
- *Installation of hanging plants, and enhanced upkeep in the sidewalks surrounding these frontages adjacent to these residential condos;*
- *Other services requested by the residents that confer special benefit to the areas directly adjacent to the parcels with high concentrations of residential condos;*
- *Proportional share of the Administrative and Contingency costs to cover the oversight of the Enhanced beautification special benefit services.*

Residential condo individually assessed parcels are assessed as a separate category. These residential condo individually assessed parcels will be assessed *for their building square footage only at the rate of \$0.20 per square foot per year, commencing the first year of the new District.*

4- Program Management And Corporate Operations: \$ 60,750 16 %

Examples of these special benefit services and costs include, but are not limited to:

- *Staff and administrative costs*
- *Directors and Officers Insurance*
- *Office related expenses*
- *Rent*
- *Financial reporting and accounting*
- *Legal work*

| | <i>Benefit Zone 1</i> | <i>Benefit Zone 2</i> |
|---------------------------------|------------------------------|------------------------------|
| Staffing | Yes | Yes |
| Office related expenses | Yes | Yes |
| General Liability and Insurance | Yes | Yes |
| Accounting | Yes | Yes |
| Legal | Yes | Yes |

5- Contingency/Reserve: \$ 15,387.00 4%

Examples of these special benefit services and costs include, but are not limited to:

- Delinquencies
- Reserves
- City and county administration costs

| | Delinquencies | County costs |
|-----------------------|---------------|--------------|
| Benefit Zone 1 | Yes | Yes |
| Benefit Zone 2 | Yes | Yes |

Fifteen-Year Operating Budget:

A projected fifteen-year operating budget for the Downtown San Leandro CBD is provided below. The projections are based upon the following assumptions:

- Assessments will be subject to changes in the Alameda County Consumer Price Index (CPI), with annual increases not to exceed 3% per year.
- Increases will be determined by the District Management Corporation and in no case shall annual increases exceed 3% per year.

The budget for specific programs may be reallocated within the categories by up to 10% of each budget category. The Management Corporation Board may alter the budget based upon service needs and such changes shall be included in the Annual report and submitted to the

Table 3 – B
Fifteen-Year Projection of Maximum Assessment for the
Downtown San Leandro CBD

| | FY 1 | FY 2 | FY 3 | FY 4 | FY 5 | FY 6 | FY 7 | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sidewalk Operations, Beautification | \$234,175.00 | \$241,200.25 | \$248,436.26 | \$255,889.35 | \$263,566.03 | \$271,473.01 | \$279,617.20 | |
| District Identity | \$50,000.00 | \$51,500.00 | \$53,045.00 | \$54,636.35 | \$56,275.44 | \$57,963.70 | \$59,702.61 | |
| Enhanced Residential Improvements | \$24,368.00 | \$25,099.04 | \$25,852.01 | \$26,627.57 | \$27,426.40 | \$28,249.19 | \$29,096.67 | |
| Program Management | \$60,750.00 | \$62,572.50 | \$64,449.68 | \$66,383.17 | \$68,374.66 | \$70,425.90 | \$72,538.68 | |
| Contingency | \$15,387.00 | \$15,848.61 | \$16,324.07 | \$16,813.79 | \$17,318.20 | \$17,837.75 | \$18,372.88 | |
| Total | \$384,680.00 | \$396,220.40 | \$408,107.01 | \$420,350.22 | \$432,960.73 | \$445,949.55 | \$459,328.04 | |
| | | | | | | | | |
| | FY 8 | FY 9 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 |
| Sidewalk Operations, Beautification | \$288,005.71 | \$296,645.88 | \$305,545.26 | \$314,711.62 | \$324,152.97 | \$333,877.56 | \$343,893.88 | \$354,210.70 |
| District Identity | \$61,493.69 | \$63,338.50 | \$65,238.66 | \$67,195.82 | \$69,211.69 | \$71,288.04 | \$73,426.69 | \$75,629.49 |
| Enhanced Residential Improvements | \$29,969.57 | \$30,868.65 | \$31,794.71 | \$32,748.55 | \$33,731.01 | \$34,742.94 | \$35,785.23 | \$36,858.79 |
| Program Management | \$74,714.84 | \$76,956.28 | \$79,264.97 | \$81,642.92 | \$84,092.21 | \$86,614.97 | \$89,213.42 | \$91,889.83 |
| Contingency | \$18,924.07 | \$19,491.79 | \$20,076.54 | \$20,678.84 | \$21,299.21 | \$21,938.18 | \$22,596.33 | \$23,274.22 |
| Total | \$473,107.88 | \$487,301.11 | \$501,920.15 | \$516,977.75 | \$532,487.09 | \$548,461.70 | \$564,915.55 | \$581,863.02 |

Notes:

- Assumes a 3% yearly increase on all budget items.
- Any accrued interest or delinquent payments will be expended in the above categories.

Section 4

Assessment Methodology

The Downtown San Leandro CBD is a property-based benefit assessment district being established pursuant to the San Leandro Community Benefit District Ordinance Title 2, Chapter 2 - 20, ("the Ordinance") adopted unanimously by the San Leandro City Council on November 19, 2012. Due to the special benefit assessment nature of assessments levied within a CBD, program costs are to be distributed amongst all identified specially benefiting properties based on the proportional amount of special program benefit each property is expected to derive from the assessments collected. The Ordinance refers to the concept of relative "benefit" received from CBD funded programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from CBD funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

The method used to determine special benefits derived by each identified property within a CBD begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Downtown San Leandro CBD, the benefit unit may be measured in terms of in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and other program costs, and benefit zones are estimated. There are two benefit zones in the proposed Downtown San Leandro CBD. Proposition 218 requires that indirect or general benefits not be incorporated into the assessment formula and levied on the District properties in property based assessment Districts; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure.

In addition, tax exempt, non-profit and other public or government owned properties are not exempt from being assessed and if special benefit is determined to be conferred upon government owned properties, then those properties must be assessed in proportion to the special benefits conferred in a manner similar to privately owned property assessments.

Based on the foregoing, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. Then the amount of assessment for each parcel can be computed by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the CBD.

The method and basis of spreading program costs varies from one CBD to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. For example, CBDs may require other benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

Here, program costs spreading variables include benefit zones, linear frontage, lot or parcel size and building square footage, and residential condo parcels.

Assessment District Revenue Generation in Fiscal Year 2013-14 from each property variable:

| | | |
|-------------------------------|-----------------|-----------|
| Linear Frontage (Both Zones): | \$117,087 | 31% |
| Building Square Footage: | \$50,000 | 13% |
| Lot Size: | \$193,225 | 50% |
| Residential Condos: | <u>\$24,368</u> | <u>6%</u> |
| Total: | \$384,680 | 100% |

Annual assessment per property variable and Benefit Zone:

| | |
|---------------------------------------|--|
| Linear frontage costs: | Benefit Zone 1 \$ 4.115098 per linear foot/year Benefit Zone 2 \$ 2.57962 per linear foot/year |
| Building Square footage costs: | \$0.045985 per square foot/year |
| Lot Size costs: | Benefit Zone 1 \$0.0725835 per square foot/year Benefit Zone 2 \$0.0478005 per square foot/year |
| Residential Condo costs: | \$0.20 per square foot of parcel unit square footage |

Table 4-A
Special Benefit Services, Funding Source, Costs and Percentage of Annual Budget

| <i>Service</i> | <i>Funded by Benefit Zone 1</i> | <i>Funded by Benefit Zone 2</i> |
|--|--|--|
| Sidewalk Operations | 50% of costs funded by all linear frontage assessments in zone | 50% of costs funded by all linear frontage assessments in zone |
| | 50% of costs funded by lot size assessments in zone | 50% of costs funded by lot size assessments in zone |
| District Identity | Funded by building square footage assessments spread throughout the district equally | Funded by building square footage assessments spread throughout the district equally |
| Enhanced Residential Improvements | Funded by building square footage of residential condos | Funded by building square footage of residential condos |
| Admin/Corp Operations | Funded by lot size assessments spread throughout the district equally | Funded by lot size assessments spread throughout the district equally |
| Contingency | Funded by lot size assessments spread throughout the district equally | Funded by lot size assessments spread throughout the district equally |

Table 4-B
Accumulated Cost Assessment for Benefit Zones 1 and 2:

| <i>Property Variable</i> | <i>Sub-category</i> | <i>Benefit Zone 1</i> | <i>Benefit Zone 2</i> |
|---|-------------------------|---------------------------|----------------------------|
| Linear Frontage | | \$ 4.1150980 | \$ 2.5796200 |
| Lot Size square footage (Accumulated costs based upon services) | Lot/Sidewalk Operations | \$ 0.0490080 | \$ 0.0242250 |
| | Lot/Admin | \$ 0.0188110 | \$ 0.0188110 |
| | Lot/Contingency | \$ 0.0047645 | \$ 0.0047645 |
| | Total Lot Costs | \$ 0.0725835 | \$ 0.0478005 |
| Bldg square footage | | \$ 0.0459850 | \$ 0.0459850 |
| Residential Condo Building square foot | | \$0.20 square foot | \$0.020 square foot |

Table 4-C
Final First Year CBD Budget – both Benefit Zones:

| <i>CBD Service</i> | <i>Budgeted Amount</i> | <i>% of Budget</i> |
|---|------------------------|--------------------|
| Sidewalk Operations | \$ 234,175.00 | 61% |
| District Identity, Streetscape Improvements | \$ 50,000.00 | 13% |
| Residential Condo Enhanced Services | \$ 24,368.00 | 6% |
| Admin Corporate operations | \$ 60,750.00 | 16% |
| Contingency | \$ 15,572.00 | 4% |
| Total First Year Budget | \$ 384,680.00 | 100% |

Linear Frontage Defined:

Individual parcels will be assessed for all sides that receive benefit from the Sidewalk Operations portion of the budget. Linear frontage is assessed differently in each Benefit Zone based upon the anticipated frequency of sidewalk operations services that will be required for each benefitting parcel. Linear frontage costs will fund half of the costs of Sidewalk Operations services in each respective Benefit Zone.

Linear front footage data was obtained from the County Assessor’s parcel maps and reviewed by staff at New City America, and finally verified by the City of San Leandro.

Building Square Footage Defined:

Building square footage is defined as gross building square footage throughout the CBD. The percentage of building square footage that is dedicated to private or internal tenant parking needs has been deducted from the gross building square footage. Only parking structures that are open to the public and charge fees to the general public on a regular basis will have their building square footage assessed as any other commercial building. Apartment buildings within the boundaries of the CBD, regardless of Benefit Zone, will be assessed as a commercial building. Building square footage data was obtained from the County Assessor’s property records and reviewed by staff at New City America.

The building square footage will fund the costs of all “District Identity and Streetscape Improvement” special benefits funded from the CBD.

Lot Square Footage Defined:

Lot square footage is defined as the total amount of area within the borders of the parcel. Lot size square footage will fund: 1) half of the Sidewalk Operation services within each Benefit Zone, based upon the gross lot size within that respective zone; 2) program and corporate operations services costs which will be equally apportioned among all of the lot size within the entire district; 3) Contingency cost which will be equally apportioned among all of the lot size

within the entire district. The lot square footage of a parcel are defined on the County Assessor's parcel maps and were confirmed by New City America staff and City of San Leandro.

Commercial Condominium Parcels Defined:

Ground floor commercial condominiums will be treated like independent "mini" commercial buildings and assessed based on their divided building area, the footprint of land they cover, and the amount of direct street frontage towards the exterior of the building. Ground floor commercial condominiums will pay 100% of the special benefits for the assessment based upon the benefit zone rates.

Residential Condo Unit Parcels Defined:

Condo Residential Unit building square footage is defined as the livable building square footage within the walls of the condo residential unit parcel. They are included in a special zone to designate their unique special benefits relative to the other commercial parcels within the Downtown San Leandro CBD. Unlike the other commercial parcels in the district, including commercially operated apartment buildings, residential condo parcels are assessed for building square footage only, and are not assessed for linear frontage and lot square footage.

Ground floor commercial condos or office condos would be assessed just as other commercial properties, based upon their location in a benefit zone.

Residential condo individually assessed parcels are assessed as a separate category. These residential condo individual parcels will be assessed *for their building square footage only at the rate of \$0.20 per square foot per year*, commencing the first year of the new District. The rationale for assessing residential condos only for the building square footage rate is provided below.

Residential condo individually assessed parcels are assessed differently than multi-unit, for-rent apartment buildings, due to the frequency of special benefit services required by each parcel as described below. The multi-unit apartment buildings are commercial properties in which the tenant and landlord have an economic relationship as opposed to residential condo buildings where individual property owners own separate air space parcels on a single lot. Residential apartment buildings can be bought or sold just as like commercial buildings whereas residential condo individual units are separately owned and must be individually bought and sold.

Distinctions between residential apartment buildings with tenants and residential condominium building with individual unit owners are as follows:

1. *The Davis Sterling Act establishes rules and regulations for residential condo owners based upon "separate interests" (i.e. ownership rights), as opposed to renters who only have a possessory interest.*
2. *Generally, residential condo unit owners demonstrate greater care for their property and concerns about quality of life issues due to their investment in real estate.*

3. *Residential owners and have the right to vote in a Proposition 218 hearing, tenants do not have that right.*
4. *Residential condo owners are required to contribute to a legally established Homeowners Associations to oversee building maintenance, tenants are no.;*

The assessment methodology has been written to confer special benefits to residential condo individual assessed parcels since residential condo owners have unique investment backed expectations about the care and maintenance of the building and its surroundings compared to the interest of residential tenants who have a possessory not an ownership interest. The residential condos' special assessment methodology ensures that a fund will be established to maintain high levels of special benefit services that apply directly and proportional to the blocks that demand virtually seven days per week, 365 days per year special benefits.

As redevelopment of various parcels occurs within the boundaries of the CBD in the next 15 years, building square footage may be removed, and then added onto that parcel through the process of redevelopment. The Management Corporation operating the CBD will ensure that the removal or addition of building square footage is reported to the city and county annually through their annual report on any changes to the assessment district. The parcel costs will be lowered, or rise accordingly, based upon the activity within that parcel – from year to year.

In future years, the assessments for the special benefits bestowed upon the included CBD parcels may change in accordance with the assessment methodology formula listed in this Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes.

Exemptions:

No benefitting parcels, regardless of taxable or tax-exempt property tax status, will be exempt from the assessments funding the special benefit services of the Downtown San Leandro CBD. Special benefit services will not be provided to any parcels outside of the boundaries of the district. Publicly owned property will be assessed the same as privately owned parcels based upon their location within Benefit Zone 1 or 2.

Calculation of Assessments:

The proportionate special benefit derived by each identified parcel shall be determined in a relationship to the entirety of the improvement or the maintenance and operation expenses of an improvement or for the cost of property service being provided. Per California Constitutional Amendment Article XIII D, Section 2(i), "Special Benefit", means a particular and distinct benefit over and above general benefits conferred on a real property located in the district or to the public at large.

No assessment will be imposed on any parcel that exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits. A general benefit is defined as

a benefit to properties in the surrounding community or a benefit to the public in general resulting from improvement, activity or service to be provided by the assessment levied. For example, CBD property owners will derive benefit from sidewalk cleaning and security services, however the general public will also benefit from the delivery of these special benefit services.

The special benefits funded by this new Downtown San Leandro CBD will be over and above existing City of San Leandro baseline service levels in the commercially zoned parcels and will serve to increase tenancies, increase commerce, increase economic viability and fund a system of cleanliness and beautification over and above current service levels.

All benefits derived from the assessment outlined in the Management District Plan fund only services directly and specifically benefiting the property owners in the CBD. These special benefits will include maintenance and security, increased commerce and all the other goals and objectives of the Downtown San Leandro CBD's purpose.

Properties are assessed as defined on the County Assessor's most current parcel maps.

The preceding methodology is applied to the database of parcels within the District. The process for compiling the property database includes the following steps:

- A report was submitted to the City Manager's office using the data obtained from the Alameda County Tax Assessors office.
- A list of properties to be included within the Downtown San Leandro CBD is provided in Section 7.

The basis of funding shall be through special benefit assessments levied on real property throughout the District. The rates of assessment vary by the proportionate amount of special benefit received by each parcel. A detailed explanation of the special benefit assessment rationale is made in the attached Engineer's Report.

The Calculation of Assessment for each parcel in the Downtown San Leandro CBD is as follows:

Parcel Assessment – Benefit Zone 1

The annual assessment method for all parcels and ground floor commercial condominiums is:

$$\begin{aligned} & \text{Total Street Frontage X } \$ 4.115098 \text{ per linear foot} \\ & \quad + \\ & \text{Total Lot Square Footage X } \$0.0725835 \text{ per square foot} \\ & \quad + \\ & \text{Total Building Square footage X } \$0.045985 \text{ per square foot} \\ & \quad = \\ & \text{TOTAL PARCEL ASSESSMENT} \end{aligned}$$

Parcel Assessment – Benefit Zone 2

The annual assessment method for all parcels and ground floor commercial condominiums is:

$$\begin{aligned} & \text{Total Street Frontage X } \$ 2.57962 \text{ per linear foot} \\ & \quad + \\ & \text{Total Lot Square Footage X } \$0.0478005 \text{ per square foot} \\ & \quad + \\ & \text{Total Building Square footage X } \$0.045985 \text{ per square foot} \\ & \quad = \\ & \text{TOTAL PARCEL ASSESSMENT} \end{aligned}$$

Residential Condo Assessment:

The annual assessment method for a residential condo, regardless of Benefit Zone is:

$$\begin{aligned} & \text{Total Residential Unit Building Square footage X } \$0.20 \text{ per Square Foot} \\ & \quad = \\ & \text{TOTAL RESIDENTIAL CONDO UNIT ASSESSMENT} \end{aligned}$$

Table 4 – D
Database for Downtown San Leandro CBD:
Assessable property variables in Benefit Zone 1

| <i>Linear Frontage Total</i> | <i>Lot Square Footage Total</i> | <i>Building Square Footage Total</i> | <i>Condo Residents Unit Parcels, Building Square Footage to be assessed</i> |
|---|--|---|--|
| 18,671 linear feet | 1,567,763 sq. ft. | 791,834 sq. ft. | 0 sq. feet |

Table 4 – E
Database for Downtown San Leandro CBD:
Assessable property variables in Benefit Zone 2

| <i>Linear Frontage Total</i> | <i>Lot Square Footage Total</i> | <i>Building Square Footage Total</i> | <i>Condo Residents Unit Parcels, Building Square Footage to be assessed</i> |
|---|--|---|--|
| 15,605 linear feet | 1,661,712 sq. ft. | 295,461 sq. ft. | 121,844 sq. ft. |

Maximum Assessment:

Assessments will be subject to changes in the San Francisco - Oakland - San Jose Consumer Price Index for all urban consumers from February to February, annual increases not to exceed 3% per year. Increases will be determined by the CBD District Management Corporation and will vary between 0% and 3% in any given year. The maximum the assessments can be increased is 3% over the previous fiscal year's base assessments. Not implementing the increase for one year does not give the District Management Corporation the authority to accumulate increases above 3% within any given fiscal year. The following projections illustrate a potential 3% annual increase.

Table 4 – F
Benefit Zone 1 and 2 Maximum Assessments by Property Variable

| Projected Assessment | FY1 | FY2 | FY3 | FY4 | FY5 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Linear Frontage Z1 | \$4.12 | \$4.24 | \$4.37 | \$4.50 | \$4.63 |
| Linear Frontage Z2 | \$ 2.57962 | \$ 2.65701 | \$ 2.73672 | \$ 2.81882 | \$ 2.90339 |
| Building Sq. Ft. Z1& 2 | \$ 0.0459850 | \$ 0.0473646 | \$ 0.0487855 | \$ 0.0502491 | \$ 0.0517565 |
| Lot Square Footage Z1 | \$ 0.0725835 | \$ 0.0747610 | \$ 0.0770038 | \$ 0.0793140 | \$ 0.0816934 |
| Lot Square Footage Z2 | \$ 0.0478005 | \$ 0.0492345 | \$ 0.0507116 | \$ 0.0522329 | \$ 0.0537999 |
| Condo Bldg SF Z1& 2 | \$ 0.2000000 | \$ 0.2060000 | \$ 0.2121800 | \$ 0.2185454 | \$ 0.2251018 |

| Projected Assessment | FY6 | FY7 | FY8 | FY9 | FY10 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Linear Frontage Z1 | \$4.86 | \$5.01 | \$5.16 | \$5.31 | \$5.47 |
| Linear Frontage Z2 | \$ 3.04855 | \$ 3.14001 | \$ 3.23421 | \$ 3.33124 | \$ 3.43117 |
| Building Sq. Ft. Z1& 2 | \$ 0.0543443 | \$ 0.0559747 | \$ 0.0576539 | \$ 0.0593835 | \$ 0.0611650 |
| Lot Square Footage Z1 | \$ 0.0857780 | \$ 0.0883514 | \$ 0.0910019 | \$ 0.0937320 | \$ 0.0965439 |
| Lot Square Footage Z2 | \$ 0.0564899 | \$ 0.0581846 | \$ 0.0599301 | \$ 0.0617280 | \$ 0.0635799 |
| Condo Bldg SF Z1& 2 | \$ 0.2363569 | \$ 0.2434476 | \$ 0.2507510 | \$ 0.2582735 | \$ 0.2660217 |

| Projected Assessment | FY11 | FY12 | FY13 | FY14 | FY15 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Linear Frontage Z1 | \$5.75 | \$5.92 | \$6.10 | \$6.28 | \$6.47 |
| Linear Frontage Z2 | \$ 3.60273 | \$ 3.71082 | \$ 3.82214 | \$ 3.93680 | \$ 4.05491 |
| Building Sq. Ft. Z1& 2 | \$ 0.0642233 | \$ 0.0661500 | \$ 0.0681345 | \$ 0.0701785 | \$ 0.0722839 |
| Lot Square Footage Z1 | \$ 0.1013711 | \$ 0.1044123 | \$ 0.1075446 | \$ 0.1107710 | \$ 0.1140941 |
| Lot Square Footage Z2 | \$ 0.0667588 | \$ 0.0687616 | \$ 0.0708245 | \$ 0.0729492 | \$ 0.0751377 |
| Condos Bldg SF Z1& 2 | \$ 0.2793228 | \$ 0.2877025 | \$ 0.2963336 | \$ 0.3052236 | \$ 0.3143803 |

Budget Adjustments:

Annual budget surpluses, if any, will be rolled into the following year’s budget. Assessments will be set annually, within the constraints of the CPI or land use changes. Revenues from the delinquent accounts may be expended in the year they are received. If the District is not renewed, any remaining funds will be returned to property owners in the proportion by what each property owner paid.

If after the initial term the District decides to renew and if there is money left over from the previous term, the balance of remaining funds will be rolled over into the renewed district. These “rolled over” funds may only be used within the boundaries of the renewed district and cannot be expended for activities, services, or improvements in an area expanded beyond the original District. However, the rolled over funds may be used to finish District Management Corporation activities in the original district.

Time and Manner for Collecting Assessments:

The Downtown San Leandro CBD assessments will appear as a separate line item on annual property tax bills prepared by the County of Alameda. The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Alameda. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

Any delinquent assessments owed for the first year will be added to the property tax roll for the following year together with any applicable interest and penalties. The “property owner” means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

Disestablishment:

California State Law, Section 36670 provides for the disestablishment of a District. Provisions for annual disestablishment of the CBD are provided for in the local CBD ordinance through Section 36600 of the California Streets and Highway Code. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to disestablish the CBD, in the same method in which they petitioned the City Council to establish the District. Section 36670 states:

“2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on

disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.”

Upon the termination of the previous District, any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660(b). Unexpended surplus funds will be returned to property owners based upon each parcels percentage contribution to the previous fiscal year’s assessments if the District is not renewed.

Government Assessments:

The Downtown San Leandro CBD Management Plan assumes that the City of San Leandro, the Successor Agency and other government entities will pay assessments for the public property within the boundaries of the District. Article XIII D, Section 4 of the California Constitution was added in November of 1996 to provide for these payments.

Parcels owned by the City of San Leandro, controlled by the Successor Agency, the State of California, the San Leandro City Unified School District, BART and the County of Alameda shall receive benefits, commensurate with the assessments paid into the Downtown San Leandro CBD. The publicly owned parcels are presumed to benefit equally to the privately owned parcels for the special benefits provided.

Future Development:

As a result of continued development, the District may experience the addition or subtraction of assessable commercial or residential building footage for parcels included and assessed within the District boundaries. The modification of parcel improvement assessed within the District may then change upwards or downwards the amount of total building square footage assessment for these parcels.

In the future years, the assessments for the special benefits bestowed upon the included CBD parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer’s Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required to approve the formula changes.

Table 4 - G
Government Owned Parcels in the Downtown San Leandro CBD

| Legal Owner | APN | Site Street Number | Site Street | Benefit Zone | Annual Assessment | Percent |
|--------------------------------|-----------------|--------------------|------------------|--------------|--------------------|---------------|
| City Of San Leandro | 075 0001 001 01 | | E 14th St | 1 | \$2,471.56 | 0.64% |
| City Of San Leandro | 075 0001 004 00 | 1199 | E 14th St | 1 | \$856.37 | 0.22% |
| City Of San Leandro | 075 0001 005 00 | 212 | Davis St | 1 | \$456.65 | 0.12% |
| City Of San Leandro | 075 0001 006 00 | 222 | Davis St | 1 | \$383.95 | 0.10% |
| City Of San Leandro | 075 0001 008 02 | 250 | Davis St | 1 | \$934.92 | 0.24% |
| City Of San Leandro | 075 0001 010 02 | 290 | Davis St | 1 | \$1,303.47 | 0.34% |
| City Of San Leandro | 075 0016 015 01 | 384 | W Estudillo Ave | 2 | \$3,520.09 | 0.92% |
| City Of San Leandro | 075 0162 004 00 | | Arroyo Ave | 1 | \$2,877.82 | 0.75% |
| City Of San Leandro | 077 0447 007 01 | | Hyde St | 1 | \$4,722.60 | 1.23% |
| City Of San Leandro | 077 0545 009 00 | | Washington Ave | 1 | \$923.31 | 0.24% |
| City Of San Leandro | 077 0545 010 00 | | Washington Ave | 1 | \$397.64 | 0.10% |
| City Of San Leandro | 077 0545 063 00 | 1350 | Washington Ave | 1 | \$672.85 | 0.17% |
| City Of San Leandro | 077 0551 001 00 | | Callan Ave | 2 | \$10,061.62 | 2.62% |
| City Of San Leandro | 077 0551 014 00 | 143 | Callan St | 1 | \$513.81 | 0.13% |
| City Of San Leandro | 077 0551 015 00 | | E 14th St. | 1 | \$1,650.54 | 0.43% |
| City Of San Leandro | 077 0551 034 00 | 1366 | E 14th St | 1 | \$3,617.54 | 0.94% |
| City Of San Leandro | 077 0551 035 00 | 179 | Estudillo Ave | 1 | \$438.02 | 0.11% |
| City Of San Leandro | 077 0551 064 00 | 120 | Estudillo Ave | 1 | \$4,948.31 | 1.29% |
| City Of San Leandro | 077 0551 067 00 | | Estudillo Ave | 1 | \$439.19 | 0.11% |
| | | | | Total | \$41,190.26 | 10.71% |
| | | | | | | |
| SF Bay Area Rapid Transit Dist | 075 0036 048 07 | | W Estudillo Ave | 2 | \$5,034.89 | 1.31% |
| SF Bay Area Rapid Transit Dist | 075 0039 007 05 | | San Leandro Blvd | 2 | \$7,269.86 | 1.89% |
| SF Bay Area Rapid Transit Dist | 075 0039 029 10 | | San Leandro Blvd | 2 | \$18,148.46 | 4.72% |
| | | | | Total | \$30,453.21 | 7.92% |
| | | | | | | |
| State Of California | 075 0036 053 00 | | Davis St | 2 | \$982.15 | 0.26% |
| State Of California | 075 0036 054 00 | | Davis St | 2 | \$82.17 | 0.02% |
| State Of California | 075 0036 055 00 | | Davis St | 2 | \$1,276.80 | 0.33% |
| | | | | Total | \$2,341.12 | 0.61% |
| | | | | | | |
| Successor Agency | 075 0005 011 01 | 1595 | Washington Ave | 1 | \$1,661.75 | 0.43% |
| Successor Agency | 075 0005 012 00 | 268 | Parrott St | 1 | \$801.54 | 0.21% |
| Successor Agency | 075 0226 006 00 | | W Juana Ave | 1 | \$212.06 | 0.06% |
| Successor Agency | 075 0226 010 00 | | Washington Ave | 1 | \$20,162.89 | 5.24% |
| Successor Agency | 077 0545 015 00 | 135 | W Joaquin Ave | 1 | \$272.89 | 0.07% |
| Successor Agency | 077 0545 018 00 | 835 | E 14th St | 1 | \$611.71 | 0.16% |
| Successor Agency | 077 0545 024 01 | 1490 | Washington Ave | 1 | \$2,147.95 | 0.56% |
| Successor Agency | 077 0545 025 00 | 1446 | Washington Ave | 1 | \$1,476.38 | 0.38% |
| Successor Agency | 077 0545 026 02 | | Washington Ave | 1 | \$193.28 | 0.05% |
| | | | | Total | \$27,540.45 | 7.16% |

Section 5

District Rules and Regulations and Governance

There are no specific rules and regulations prescribed for the proposed Downtown San Leandro Community Benefit District Management Corporation except that it will adhere to the open meeting provisions of the Ralph M. Brown Act and will seek to be as open and transparent to the CBD assesses and the public at large as is reasonably possible.

Pursuant to the City of San Leandro Community Benefit District Ordinance and Section 36600 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of San Leandro and will oversee the day-to-day implementation of services as defined in the Management District Plan. Section 36614.5 states:

"The "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."

Bonds:

The District will not issue any bonds related to any program.

Section 6 Implementation Timetable

The Downtown San Leandro CBD is expected to be established and begin assessing benefiting parcels as of July 1, 2013. Due to the timing of revenue collection and need to establish the owners' association or District Management Corporation, implementation of the Management District Plan is scheduled to occur on January 1, 2014. Consistent with the local enabling ordinance, the Downtown San Leandro CBD will have a fifteen-year term through June 30, 2028 with operations winding down by December 31, 2028.

Section 7
Assessment Roll of Properties Included

| APN | Assessment |
|-----------------|------------|
| 075 0001 001 01 | \$2,471.56 |
| 075 0001 002 02 | \$1,530.64 |
| 075 0001 003 00 | \$1,919.00 |
| 075 0001 004 00 | \$856.37 |
| 075 0001 005 00 | \$456.65 |
| 075 0001 006 00 | \$383.95 |
| 075 0001 007 02 | \$1,009.91 |
| 075 0001 008 02 | \$934.92 |
| 075 0001 009 02 | \$918.34 |
| 075 0001 010 02 | \$1,303.47 |
| 075 0005 001 01 | \$1,160.26 |
| 075 0005 002 01 | \$0.00 |
| 075 0005 003 00 | \$0.00 |
| 075 0005 004 00 | \$0.00 |
| 075 0005 005 00 | \$1,188.83 |
| 075 0005 006 00 | \$640.72 |
| 075 0005 007 00 | \$826.93 |
| 075 0005 008 00 | \$757.38 |
| 075 0005 009 00 | \$0.00 |
| 075 0005 011 01 | \$1,661.75 |
| 075 0005 012 00 | \$801.54 |
| 075 0005 013 02 | \$553.90 |
| 075 0005 013 03 | \$1,330.23 |
| 075 0005 014 00 | \$0.00 |
| 075 0006 002 00 | \$641.97 |
| 075 0006 003 00 | \$2,003.97 |
| 075 0006 004 00 | \$487.48 |
| 075 0006 005 01 | \$0.00 |
| 075 0006 006 01 | \$1,540.70 |
| 075 0006 011 00 | \$0.00 |
| 075 0006 012 00 | \$1,079.71 |
| 075 0006 013 00 | \$0.00 |
| 075 0014 005 03 | \$1,352.58 |
| 075 0014 006 00 | \$1,225.19 |
| 075 0014 007 01 | \$1,254.45 |
| 075 0014 015 01 | \$2,652.67 |
| 075 0014 017 00 | \$1,219.89 |
| 075 0014 018 00 | \$1,904.65 |
| 075 0016 001 00 | \$877.30 |
| 075 0016 005 02 | \$2,960.05 |
| 075 0016 006 00 | \$928.86 |
| 075 0016 007 03 | \$2,496.84 |
| 075 0016 008 00 | \$5,007.82 |
| 075 0016 009 00 | \$1,173.23 |
| 075 0016 010 01 | \$2,788.67 |
| 075 0016 013 00 | \$1,460.83 |
| 075 0016 015 01 | \$3,520.09 |
| 075 0018 003 02 | \$427.73 |

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| 075 0018 004 00 | \$711.00 |
| 075 0018 008 00 | \$334.40 |
| 075 0018 009 00 | \$334.20 |
| 075 0018 010 00 | \$293.60 |
| 075 0018 011 00 | \$334.80 |
| 075 0018 012 00 | \$334.20 |
| 075 0018 013 00 | \$293.60 |
| 075 0018 014 00 | \$345.60 |
| 075 0018 015 00 | \$334.20 |
| 075 0018 016 00 | \$293.60 |
| 075 0018 017 00 | \$309.40 |
| 075 0018 018 00 | \$334.20 |
| 075 0018 019 00 | \$293.60 |
| 075 0018 020 00 | \$429.00 |
| 075 0018 021 00 | \$334.20 |
| 075 0018 022 00 | \$293.60 |
| 075 0018 023 00 | \$293.60 |
| 075 0018 024 00 | \$293.60 |
| 075 0018 025 00 | \$244.80 |
| 075 0018 026 00 | \$286.20 |
| 075 0018 027 00 | \$334.20 |
| 075 0018 028 00 | \$244.80 |
| 075 0018 029 00 | \$286.20 |
| 075 0018 030 00 | \$334.20 |
| 075 0018 031 00 | \$244.80 |
| 075 0018 032 00 | \$286.20 |
| 075 0018 033 00 | \$334.20 |
| 075 0018 034 00 | \$293.60 |
| 075 0018 035 00 | \$334.20 |
| 075 0018 036 00 | \$286.20 |
| 075 0018 037 00 | \$293.60 |
| 075 0018 038 00 | \$334.20 |
| 075 0018 039 00 | \$279.60 |
| 075 0018 040 00 | \$293.60 |
| 075 0018 041 00 | \$334.20 |
| 075 0018 042 00 | \$265.20 |
| 075 0018 043 00 | \$293.60 |
| 075 0018 044 00 | \$334.20 |
| 075 0018 045 00 | \$244.80 |
| 075 0018 048 00 | \$236.40 |
| 075 0018 049 00 | \$236.40 |
| 075 0018 050 00 | \$236.40 |
| 075 0018 051 00 | \$236.40 |
| 075 0018 052 00 | \$236.00 |
| 075 0018 053 00 | \$236.00 |
| 075 0018 054 00 | \$236.00 |
| 075 0018 055 00 | \$236.00 |
| 075 0018 056 00 | \$236.00 |
| 075 0018 057 00 | \$236.00 |
| 075 0018 058 00 | \$236.00 |

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|-----------------|------------|-----------------|-------------|
| 075 0018 059 00 | \$236.00 | 075 0039 014 04 | \$721.28 |
| 075 0018 060 00 | \$247.20 | 075 0039 015 00 | \$0.00 |
| 075 0018 061 00 | \$247.20 | 075 0039 016 00 | \$530.56 |
| 075 0018 062 00 | \$247.20 | 075 0039 023 00 | \$474.04 |
| 075 0018 063 00 | \$247.20 | 075 0039 024 02 | \$735.57 |
| 075 0018 064 00 | \$236.00 | 075 0039 025 02 | \$329.74 |
| 075 0018 065 00 | \$236.00 | 075 0039 026 02 | \$587.57 |
| 075 0018 066 00 | \$236.00 | 075 0039 029 10 | \$18,148.46 |
| 075 0018 067 00 | \$236.00 | 075 0039 032 00 | \$224.60 |
| 075 0018 068 00 | \$236.40 | 075 0039 033 00 | \$224.60 |
| 075 0018 069 00 | \$236.40 | 075 0039 034 00 | \$224.60 |
| 075 0018 070 00 | \$236.40 | 075 0039 035 00 | \$224.60 |
| 075 0018 071 00 | \$236.40 | 075 0039 036 00 | \$224.60 |
| 075 0018 072 00 | \$236.40 | 075 0039 037 00 | \$224.60 |
| 075 0018 073 00 | \$236.40 | 075 0039 038 00 | \$224.60 |
| 075 0018 074 00 | \$236.40 | 075 0039 039 00 | \$224.60 |
| 075 0018 075 00 | \$236.40 | 075 0039 040 00 | \$224.60 |
| 075 0018 076 00 | \$401.00 | 075 0039 041 00 | \$224.60 |
| 075 0018 077 00 | \$236.40 | 075 0039 042 00 | \$224.60 |
| 075 0018 078 00 | \$236.40 | 075 0047 002 00 | \$3,312.30 |
| 075 0018 079 00 | \$236.40 | 075 0047 007 00 | \$9,670.87 |
| 075 0018 080 00 | \$236.00 | 075 0050 003 01 | \$10,234.87 |
| 075 0018 081 00 | \$236.00 | 075 0162 004 00 | \$2,877.82 |
| 075 0018 082 00 | \$236.00 | 075 0226 003 00 | \$2,256.52 |
| 075 0018 083 00 | \$342.00 | 075 0226 004 00 | \$3,009.07 |
| 075 0018 084 00 | \$236.40 | 075 0226 005 01 | \$6,239.19 |
| 075 0018 085 00 | \$236.40 | 075 0226 005 02 | \$1,650.78 |
| 075 0018 086 00 | \$236.40 | 075 0226 005 03 | \$718.58 |
| 075 0018 087 00 | \$236.40 | 075 0226 006 00 | \$212.06 |
| 075 0018 088 00 | \$236.40 | 075 0226 008 00 | \$2,368.28 |
| 075 0018 089 00 | \$236.40 | 075 0226 009 00 | \$1,105.20 |
| 075 0019 001 01 | \$5,772.34 | 075 0226 010 00 | \$20,162.89 |
| 075 0019 001 02 | \$1,613.06 | 077 0447 007 01 | \$4,722.60 |
| 075 0036 010 07 | \$1,638.44 | 077 0447 014 06 | \$3,416.91 |
| 075 0036 042 04 | \$1,005.06 | 077 0447 014 07 | \$1,237.30 |
| 075 0036 043 00 | \$0.00 | 077 0447 015 06 | \$2,435.74 |
| 075 0036 044 00 | \$584.74 | 077 0528 041 00 | \$828.10 |
| 075 0036 045 00 | \$577.61 | 077 0528 042 00 | \$1,093.87 |
| 075 0036 046 01 | \$1,199.99 | 077 0528 043 00 | \$945.54 |
| 075 0036 047 04 | \$3,483.60 | 077 0528 044 01 | \$687.53 |
| 075 0036 048 07 | \$5,034.89 | 077 0528 045 00 | \$777.09 |
| 075 0036 053 00 | \$982.15 | 077 0528 046 05 | \$1,679.52 |
| 075 0036 054 00 | \$82.17 | 077 0528 047 01 | \$1,095.23 |
| 075 0036 055 00 | \$1,276.80 | 077 0529 029 00 | \$643.98 |
| 075 0036 059 00 | \$1,309.60 | 077 0529 033 01 | \$2,319.54 |
| 075 0036 060 00 | \$731.31 | 077 0529 034 00 | \$507.55 |
| 075 0036 061 00 | \$7,563.30 | 077 0529 035 02 | \$986.60 |
| 075 0039 006 06 | \$6,317.59 | 077 0530 025 01 | \$2,407.18 |
| 075 0039 007 05 | \$7,269.86 | 077 0540 008 00 | \$1,445.91 |
| 075 0039 014 02 | \$0.00 | 077 0540 009 00 | \$8,967.65 |

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|-----------------|------------|-----------------|---------------------|
| 077 0540 012 01 | \$3,525.88 | 077 0551 001 00 | \$10,061.62 |
| 077 0545 007 00 | \$1,156.13 | 077 0551 005 00 | \$3,336.20 |
| 077 0545 008 00 | \$2,011.24 | 077 0551 006 00 | \$5,061.06 |
| 077 0545 009 00 | \$923.31 | 077 0551 007 00 | \$1,331.43 |
| 077 0545 010 00 | \$397.64 | 077 0551 012 03 | \$1,149.92 |
| 077 0545 013 04 | \$1,347.07 | 077 0551 014 00 | \$513.81 |
| 077 0545 014 00 | \$471.82 | 077 0551 015 00 | \$1,650.54 |
| 077 0545 015 00 | \$272.89 | 077 0551 029 00 | \$729.75 |
| 077 0545 016 00 | \$1,110.79 | 077 0551 030 00 | \$1,231.61 |
| 077 0545 017 00 | \$1,154.49 | 077 0551 031 00 | \$713.01 |
| 077 0545 018 00 | \$611.71 | 077 0551 032 00 | \$685.43 |
| 077 0545 019 00 | \$1,407.08 | 077 0551 034 00 | \$3,617.54 |
| 077 0545 020 00 | \$314.98 | 077 0551 035 00 | \$438.02 |
| 077 0545 021 00 | \$447.30 | 077 0551 036 00 | \$1,852.38 |
| 077 0545 022 01 | \$2,150.20 | 077 0551 037 00 | \$553.27 |
| 077 0545 024 01 | \$2,147.95 | 077 0551 038 00 | \$1,153.21 |
| 077 0545 025 00 | \$1,476.38 | 077 0551 039 00 | \$562.51 |
| 077 0545 026 02 | \$193.28 | 077 0551 041 01 | \$1,525.27 |
| 077 0545 027 02 | \$1,013.70 | 077 0551 042 00 | \$2,722.74 |
| 077 0545 028 00 | \$309.70 | 077 0551 045 00 | \$1,484.83 |
| 077 0545 029 00 | \$760.95 | 077 0551 046 00 | \$1,807.38 |
| 077 0545 030 00 | \$1,636.17 | 077 0551 047 00 | \$927.89 |
| 077 0545 031 00 | \$1,152.23 | 077 0551 048 00 | \$865.14 |
| 077 0545 032 01 | \$8,377.60 | 077 0551 049 00 | \$804.86 |
| 077 0545 033 00 | \$702.94 | 077 0551 050 00 | \$0.00 |
| 077 0545 034 00 | \$1,467.66 | 077 0551 051 00 | \$722.40 |
| 077 0545 038 01 | \$2,465.82 | 077 0551 052 00 | \$2,657.96 |
| 077 0545 039 00 | \$1,172.62 | 077 0551 053 00 | \$4,953.80 |
| 077 0545 040 01 | \$4,858.13 | 077 0551 064 00 | \$4,948.31 |
| 077 0545 041 00 | \$178.34 | 077 0551 065 03 | \$4,157.29 |
| 077 0545 043 03 | \$2,007.44 | 077 0551 066 00 | \$3,139.77 |
| 077 0545 044 01 | \$2,305.72 | 077 0551 067 00 | \$439.19 |
| 077 0545 045 00 | \$806.01 | 077 0551 068 00 | \$166.11 |
| 077 0545 046 00 | \$795.27 | 077 0551 069 00 | \$127.66 |
| 077 0545 047 00 | \$1,810.13 | 077 0551 070 00 | \$158.29 |
| 077 0545 048 00 | \$342.19 | 077 0551 071 00 | \$322.09 |
| 077 0545 054 00 | \$894.07 | 077 0551 072 00 | \$127.66 |
| 077 0545 055 02 | \$777.29 | 077 0551 073 00 | \$189.93 |
| 077 0545 060 00 | \$1,698.64 | 077 0551 074 00 | \$181.74 |
| 077 0545 061 00 | \$1,706.79 | 077 0551 075 00 | \$237.11 |
| 077 0545 062 00 | \$1,716.90 | 077 0551 076 00 | \$111.11 |
| 077 0545 063 00 | \$672.85 | 077 0551 077 00 | \$251.64 |
| 077 0549 001 00 | \$784.73 | TOTAL | \$384,680.42 |
| 077 0549 002 00 | \$455.55 | | |
| 077 0549 003 00 | \$0.00 | | |
| 077 0549 004 00 | \$0.00 | | |
| 077 0549 006 04 | \$1,704.10 | | |
| 077 0549 007 00 | \$0.00 | | |
| 077 0549 034 00 | \$611.65 | | |
| 077 0550 001 03 | \$1,926.78 | | |