



City of San Leandro Engineer's Report

Heron Bay Maintenance Assessment District Assessment District No. 96-3

2014/2015 Engineer's Annual Levy Report

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I. PLANS AND SPECIFICATIONS

The District provides funding for services required to maintain public improvements, located within various public areas within the boundaries of the District.

A. General Description of the Public Improvements

The total program of improvements which are the subject of the District are briefly described as follows, and are more specifically described in Section I.B.

The operating, maintaining, servicing and replacing of the following public improvements, located in the following public areas:

- a) The Storm Water Lift Station and Detention Pond (SWLS&DP), located on Parcel "B" of Tract 6636, including accessory structures, access roads, walls, gates and fences, and drainage facilities;
- b) The Storm Water Treatment Pond, located in Development Phase 1B (Tract 5548), including accessory outfall/inlet structures, access roads, fences, gates, drainage facilities, and pedestrian pathway;
- c) The "Buffer" area and trail, exclusive of the passive park adjacent to Phase 2B (Tract 6809), including accessory improvements, fencing, signage, drainage facilities and landscaping, said facilities are located adjacent to the westerly boundaries of Phase 1B, 2B, and 3 (Tract 6810), and adjacent to the northerly boundaries of Phase 2B and 3;
- d) Tidal marsh lands (commonly known as "North Marsh", "East Marsh" and "Bunker Marsh.");
- e) Sound walls on both sides of Lewelling Boulevard, easterly from the Union Pacific railroad (UPRR) tracks to Wicks Boulevard, exclusive of that portion of the sound wall which is located on the property of the Sandev Mobile Home Park as an enclosure for a pad mounted electrical transformer;
- f) Lewelling Boulevard improvements, including curb and gutter, sidewalk and landscaping, exclusive of any decorative street pavements, said facilities are located between the Lewelling Boulevard "roundabout" and Wicks Boulevard.

B. Detailed Description of Improvements within the District

The following items are contained in the Agreement among Roberts Landing, Inc., d.b.a. Citation Homes Central, a California corporation, Santa Clara Land Title Company, and the City of San Leandro, said Agreement being dated April 15, 1996, said items to be funded by the Heron Bay Maintenance Assessment District:

- a) Design, construction, and maintenance of Water Circulation and Drainage improvements as depicted in that certain document entitled "Water Circulation and Drainage Plan" dated July 19, 1991, and prepared by ESA subject to regulatory agency amendments;
- b) Design, construction, and maintenance of the Shoreline Trail and trail extension through open space lands adjacent to and serving the Heron Bay development;
- c) Design, construction, and maintenance of existing and newly constructed shoreline levees, outfalls, tide gates, pumps, maintenance roads, bank protection, drainage facilities, and wetland habitats;
- d) Design, construction, reconstruction, and maintenance of levees separating the tidal marshlands and open space from the City's 100-acre dredged disposal area, and any remedial actions or improvements associated therewith;
- e) Design, construction, and maintenance of levees, weirs, dikes, outfalls, drainage facilities, pumps, flap gates, tide gates, and other improvements necessary to implement that certain plan entitled WESCO Mitigation Plan dated January, 1992 (currently identified as the "RMI Mitigation and Monitoring Plan dated May, 1995" for the Citation Marsh);
- f) Any other public improvements customarily financed and maintained through special assessment proceedings, including but not limited to; streets, sidewalks, public rights-of-way, sewers, waterlines, sound walls, traffic signals, signage, streetlights, drains, storm water facilities, parks, landscaping, and lift stations;
- g) The sidewalks, landscaping, and sound walls associated with the Lewelling Boulevard extension westerly of Wicks Boulevard through the roundabout westerly of the Union Pacific Railroad tracks ; and
- h) Portions of the Buffer Zone, which include the Interpretive Center.

C. Specific Definitions of the District Improvements

The following definitions shall be applied in their broadest sense when interpreting the foregoing items A through H in Section I.B, and for using the assessments collected via the Heron Bay Maintenance Assessment District:

- a) Shoreline Trail - The trail, constructed on top of various levees, extending from the southerly terminus of the bridge over Estudillo Canal to the northerly terminus of the bridge over San Lorenzo Creek, including all surface pavements, base rock, signage, striping, and the Interpretive Center and Garden.
- b) Buffer Zone - A strip of land 50 feet wide adjacent with and along the westerly boundary of Phase 1B, and a strip of land 100 feet wide adjacent with and along the northerly and westerly boundaries of Phases 2B and 3, including all habitat fencing, landscaping, and irrigation within these strips of land, exclusive of the passive park along a portion of the northerly boundary of Phase 2B and any storm drainage collection systems installed within the Buffer Zone.

- c) Tidal Marsh Lands - The lands known as North Marsh, Bunker Marsh, East Marsh, and Citation Marsh, including Roberts Landing Slough from the San Lorenzo Creek Delta to Estudillo Canal, all perimeter and interior levees, channels, mounds, and uplands, and further including all tidal control structures, weirs, culverts, gates, fences, debris screens, bridges, and all appurtenant features and facilities.
- d) Storm Water Lift Station and Detention Pond (SWLS&DP) in Phase 1A and Storm Water Treatment Pond in Phase 1B - All landscaping, drainage facilities, structures, fences, walls, gates, access roads, and pathways within the boundaries of the land upon which these facilities are situated, exclusive of the landscaped area, soundwall, and decorative fencing fronting Anchorage Drive near the SWLS&DP, and further exclusive of the landscaped area fronting the street near the Storm Water Treatment Pond.
- e) Soundwalls - The soundwalls, including any gates in the soundwalls, located within the public right-of-way of Lewelling Boulevard, westerly of Wicks Boulevard and easterly of the Union Pacific railroad tracks, exclusive of that portion of the soundwall located on the property of the Sandev Mobile Home Park that form a transformer enclosure, and further exclusive of those soundwalls north and/or south of the Lewelling Boulevard public right-of-way.

II. ESTIMATE OF COSTS

The cost of servicing, maintaining, repairing and replacing the improvements as described in the Plans and Specifications are summarized as follows:

A. 2014/15 District Budget

DESCRIPTION	ESTIMATED COST FISCAL YEAR 2014/2015
DIRECT COSTS	
Storm Water Facilities Maintenance	
Storm water lift station and detention pond	\$46,099.58
Storm water treatment pond in Phase 1B	10,119.42
Maintenance of Buffer Area and Trail	
Trail west of Phase 1B and 2B	84,925.26
Trail north of Phase 2B and 3	76,837.14
Animal Control	10,000.00
Rodent and Pest Control	1,500.00
Tidal Marshlands Monitoring and Maintenance - All Marshe	16,000.00
Maintenance of Lewelling Boulevard Improvements	
Soundwalls east of SPRR	1,400.00
Roundabout to Wicks	28,308.42
Roundabout west to SPRR	12,232.18
Capital Improvement Projects	
Bench Replacement	35,000.00
Riprap Repair	22,000.00
DIRECT COSTS SUBTOTAL	\$344,422.00
ADMINISTRATION COSTS	
City, Engineering, Legal, Consultant, Insurance	\$54,436.00
ADMINISTRATION SUBTOTAL	\$54,436.00
LEVY BREAKDOWN	
Total Direct and Admin Costs	\$398,858.00
Operating Reserve Collection	0.00
TOTAL COSTS	\$398,858.00
Estimated Reserve Surplus from Previous Year	(\$54,000.00)
Estimated Reserve Interest Earnings	(4,721.00)
Reserve Replenishment	0.00
Rounding	146.50
SUB TOTAL LEVY ADJUSTMENTS	(\$58,574.50)
REQUIRED ASSESSMENT	\$340,283.50

* Alameda County requires that assessments are divisible by two, therefore the Required Assessment will vary from actual assessments applied on the county tax roll due to rounding.

B. Mitigation and Monitoring

Mitigation of the Heron Bay project was accomplished by construction of wetlands, tidal wetlands, and upland or high ground for wildlife habitat. In order to verify that the habitat is healthy and in order to identify maintenance requirements a monitoring report is prepared annually.

For Fiscal Year 2014/2015 a monitoring report will be prepared by a consultant and funded by the District.

C. District Reserve Fund

A Maintenance Reserve Fund is maintained by the District in the amount of \$300,000 to fund capital improvements and unexpected or emergency repairs. There have not been any withdrawals from the reserve fund this past fiscal year and none are anticipated for the coming fiscal year.

D. Capital Improvement Projects

Levee Maintenance 2014-15

The nature of the levees that protect the Heron Bay marshland is such that they require periodic maintenance; specifically, the heavy stone rip rap that prevents erosion shifts, settles, or washes away and needs to be replaced. This work is most efficiently done by an outside contractor in large quantities. In fiscal year 2009-10 the Heron Bay Levee Maintenance account was established. Provided that there are funds available, the District will contribute to the account each year. The District has contributed \$350,000 towards the maintenance of the levee, which appeared sufficient to address areas of the levee City staff has identified that need repair. However, recent proposals received for environmental review consulting exceeded staff's expectations of the costs of the task related to environmental clearance. Upon staff investigation of the higher costs for the environmental clearance, the consultants cited inflation relative to the last time similar exercise was undertaken, and more realistic accounting of the effort involved in dealing with the multiple agencies involved in granting the permits for work at the site. Any unused funds will be returned to the District.

City staff, through a consultant, is in the process of obtaining permits from various regulatory agencies in preparation of constructing the levee sections identified for repair. At the same time, City staff has started preparing the construction documents for the repair. Upon the issuance of the necessary permits, City staff on behalf of the District will bid and contract for the construction of the repairs. Based on past experience from the last levee repair, in the same general vicinity, and without any unforeseen delays, it is anticipated that construction window to be allowed by the permitting agencies will be sometime in late Summer into early Fall of 2015.

Entryway Landscape

The landscape at the entrance to the development along Lewelling Blvd, between Wicks Blvd and the roundabout started in Fiscal Year 2013-14 and will be completed in Fiscal Year 14-15, as part of the overall improvement to the Entryway to Heron Bay District. City Staff is working with Stopwaste.org to investigate the possibility of receiving grant funds to offset portions of the landscape upgrade, with the intent of utilizing Bay Friendly Landscape Guidelines.

Bench Replacement

As part of the upkeep of the district grounds, City staff will be working with vendors to replace the existing rotted wood benches along the pathway with durable concrete benches in Fiscal Year 2014-15.

III. ASSESSMENTS

The amount of the assessment for Fiscal Year 2014/2015 apportioned to each parcel as shown on the latest equalized roll at the County Assessor's office is listed in Section 5 of this Report. The description of each lot or parcel is part of the records of the County Assessor of the County of Alameda and such records are, by reference, made part of this Report.

A. Method of Apportionment

Pursuant to the City of San Leandro Municipal Code, and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

B. Annual Assessment Increases

As to the amount of the maximum annual assessment which may be levied in future years, it is the intent of this District that the maximum assessments for Fiscal Year 1996/97 be increased by 2% each successive year (over the rate of the previous year) to approximate increases in costs of maintenance.

C. Maximum Assessments for Single Family Detached Units

There are four hundred fifty-one (451) subdivided detached single-family parcels within the District. Each of these is deemed to receive proportional special benefit from the maintenance and operation of the improvements. When the District was formed in Fiscal Year 1996/97, a basic assessment, per lot per year was established for the single family detached lots. In addition, an annual maximum assessment was also established for each future year, which included a cost of living increase to allow for reasonable increases in maintenance costs. An additional reserve fund of \$105.32 per lot was included in the single family detached assessment per lot for each of the first five years. Beginning with the sixth year (FY 2001/02), and for each year thereafter, this "Additional Reserve Fund" will only be levied to the extent necessary to replenish the monies spent from the Reserve Fund during the previous year for maintenance costs which exceed the "annual Maximum Assessment" income.

The District Reserve Fund was fully funded as of June 30, 2001; therefore the "Additional Reserve Fund" will not be collected in Fiscal Year 2014/2015.

The table on the following page reflects the basic assessment, annual maximum assessment including a cost of living increase, the additional reserve fund component and the total maximum assessment for single family detached lots per year through Fiscal Year 2025/26.

Single Family Detached Maximum Assessments

Fiscal Year	Annual Maximum Assessment per lot per year (Including cost-of-living increase)	Additional Reserve Fund ⁽¹⁾	Total Maximum Assessment per lot per year
1996/97	\$445.88	\$105.32	\$551.20
1997/98	\$454.80	\$105.32	\$560.12
1998/99	\$463.88	\$105.32	\$569.20
1999/00	\$473.18	\$105.32	\$578.50
2000/01	\$482.64	\$105.32	\$587.96
2001/02	\$492.28	\$105.32	\$597.60
2002/03	\$502.12	\$105.32	\$607.44
2003/04	\$512.18	\$105.32	\$617.50
2004/05	\$522.42	\$105.32	\$627.74
2005/06	\$532.86	\$105.32	\$638.18
2006/07	\$543.52	\$105.32	\$648.84
2007/08	\$554.40	\$105.32	\$659.72
2008/09	\$565.48	\$105.32	\$670.80
2009/10	\$576.80	\$105.32	\$682.12
2010/11	\$588.32	\$105.32	\$693.64
2011/12	\$600.10	\$105.32	\$705.42
2012/13	\$612.10	\$105.32	\$717.42
2013/14	\$624.34	\$105.32	\$729.66
2014/15	\$636.82	\$105.32	\$742.14
2015/16	\$649.56	\$105.32	\$754.88
2016/17	\$662.56	\$105.32	\$767.88
2017/18	\$675.80	\$105.32	\$781.12
2018/19	\$689.32	\$105.32	\$794.64
2019/20	\$703.10	\$105.32	\$808.42
2020/21	\$717.16	\$105.32	\$822.48
2021/22	\$731.50	\$105.32	\$836.82
2022/23	\$746.14	\$105.32	\$851.46
2023/24	\$761.06	\$105.32	\$866.38
2024/25	\$776.28	\$105.32	\$881.60
2025/26	\$791.80	\$105.32	\$897.12

⁽¹⁾ The additional Reserve Fund will not be collected in Fiscal Year 2014/2015. The Reserve Fund has been fully funded.

D. Maximum Assessments for Motor Court Units

There are one hundred seventy-eight (178) subdivided motor court units within the District. Each of the planned motor court units is deemed to receive proportional special benefit from the maintenance and operation of the improvements. When the District was formed in Fiscal Year 1996/97, a basic assessment, per lot per year was established for the motor court units. In addition, an annual maximum assessment was also established for each future year, which included a cost of living increase to allow for reasonable increases in maintenance costs. An additional reserve fund of \$70.22 per unit will be included in the motor court assessment per unit for each of the first five years. Beginning with the sixth year (FY 2001/02), and for each year thereafter, this "Additional

Reserve Fund" will only be levied to the extent necessary to replenish the monies spent from the Reserve Fund during the previous year for maintenance costs which exceed the "annual Maximum Assessment" income.

The District Reserve Fund was fully funded as of June 30, 2001; therefore the "Additional Reserve Fund" will not be collected in Fiscal Year 2014/2015.

The table below reflects the basic assessment, annual maximum assessment including a cost of living increase, the additional reserve fund component and the total maximum assessment for motor court units per year through Fiscal Year 2025/26.

Motor Court Maximum Assessments

Fiscal Year	Annual Maximum Assessment per unit per year (Including cost-of-living increase)	Additional Reserve Fund ⁽¹⁾	Total Maximum Assessment per unit per year
1996/97	\$297.24	\$70.22	\$367.46
1997/98	\$303.18	\$70.22	\$373.40
1998/99	\$309.24	\$70.22	\$379.46
1999/00	\$315.42	\$70.22	\$385.64
2000/01	\$321.74	\$70.22	\$391.96
2001/02	\$328.18	\$70.22	\$398.40
2002/03	\$334.74	\$70.22	\$404.96
2003/04	\$341.44	\$70.22	\$411.66
2004/05	\$348.26	\$70.22	\$418.48
2005/06	\$355.22	\$70.22	\$425.44
2006/07	\$362.32	\$70.22	\$432.54
2007/08	\$369.58	\$70.22	\$439.80
2008/09	\$376.98	\$70.22	\$447.20
2009/10	\$384.52	\$70.22	\$454.74
2010/11	\$392.20	\$70.22	\$462.42
2011/12	\$400.04	\$70.22	\$470.26
2012/13	\$408.04	\$70.22	\$478.26
2013/14	\$416.20	\$70.22	\$486.42
2014/15	\$424.54	\$70.22	\$494.76
2015/16	\$433.02	\$70.22	\$503.24
2016/17	\$441.68	\$70.22	\$511.90
2017/18	\$450.52	\$70.22	\$520.74
2018/19	\$459.52	\$70.22	\$529.74
2019/20	\$468.72	\$70.22	\$538.74
2020/21	\$478.10	\$70.22	\$548.32
2021/22	\$487.66	\$70.22	\$557.88
2022/23	\$497.40	\$70.22	\$567.62
2023/24	\$507.36	\$70.22	\$577.58
2024/25	\$517.50	\$70.22	\$587.72
2025/26	\$527.86	\$70.22	\$598.08

(1) The Additional Reserve Fund will not be collected in Fiscal Year 2014/15. The Reserve Fund has been fully funded.

For Fiscal Year 2026/27 and thereafter, the amount of the maximum assessment shall be increased each year using the same formula used above.

E. District Reserve Fund

An additional levy of up to \$105.32/year/single-family detached unit and \$70.22/year/motor court unit is assessed when the reserve fund needs replenishment. The Reserve Fund is fully funded and no levy will be required to replenish it this fiscal year.

F. Calculation of Fiscal Year 2014/2015 Assessments

The Fiscal Year 2014/2015 Assessment Rates are based on a percentage of the Maximum Allowable Assessment. The estimated annual cost of operating and maintaining the District improvements for the Fiscal Year shall be determined (Total Costs). Any surpluses or deficits from the previous Fiscal Year shall be identified and applied as a credit or debit to the district. This credit or debit along with revenues from other sources such as interest earnings or General Fund contributions shall be applied to the "Total Cost" to determine the net amount to be raised by assessment (Required Assessment). The percentage of Maximum Allowable Assessment (Percent of Maximum) is determined by dividing the Required Assessment by the Maximum Allowable Assessment (Maximum Assessment). The Maximum Assessment per Single Family Detached and Motor Court Units shall be determined by multiplying the Percentage of Maximum by their respective Maximum Assessment Rate per parcel based on Land Use to determine the cost to be assessed per lot or unit (2014/2015 Assessment Rate).

The following formulas are used to calculate each property's assessment:

$$\text{Total Required Assessment} / \text{Maximum Assessment} = \text{Percentage of Maximum Levy}$$

$$\text{Percentage of Maximum Levy} \times \text{Maximum Assessment Rate} = \text{Applied Assessment Rate}$$

$$\text{Lot or Unit} \times \text{Applied Assessment Rate} = \text{Parcel Levy Amount}$$

Fiscal Year 2014/2015 Applied assessments are to be levied at 93.80% of Maximum. The total 2014/15 Assessment has increased by approximately \$426.30 from the Fiscal Year 2013/2014 assessments

The table below summarizes the current year maximum and applied assessments and rates:

Land Use	Lots/Units	Maximum Rate 2014/15	Estimated Annual Levy at Maximum	2014/15 Assessment	Applied Rate 2014/15	Percent of Maximum
Single Family Detached	451	\$636.82	\$287,205.82	\$269,400.34	\$597.34	93.80%
Motor Court Units	178	\$424.54	75,568.12	70,883.16	\$398.22	93.80%
Totals			\$362,773.94	\$340,283.50		

*Alameda County requires that assessments placed on the tax roll be divisible by two. 2014/15 Assessment indicated here may vary due to rounding.

IV. ASSESSMENT DIAGRAM

An Assessment Diagram for the District is on file with the City Clerk in the format required under the provisions of the Municipal Code. The lines and dimensions shown on maps of the County Assessor of the County of Alameda for the current year are incorporated by reference herein and made part of this Report.

V. ASSESSMENT ROLL

The assessment roll for Fiscal Year 2014/15 for the District is listed on the following pages.