

CITY OF SAN JOSE
ENGINEER'S REPORT
MAINTENANCE DISTRICT 18
(THE MEADOWLANDS)
FISCAL YEAR 2008-2009

Filed in the office of the City Clerk of the City of San José on June 18, 2007.



LEE PRICE, MMC
City Clerk

This Engineer's Report was preliminarily approved by the City Council of the City of San José at a meeting thereof on June 19, 2007.



LEE PRICE, MMC
City Clerk

This Engineer's Report and assessments herein were duly approved, confirmed and adopted by the City Council of the City of San José at a meeting thereof on _____.

LEE PRICE, MMC
City Clerk

I, the Director of Finance of the City of San José, hereby certify that on _____ the assessments contained in this Engineer's Report were delivered to the officer of the County of Santa Clara designated by law to post City special assessments upon the property tax roll on which they are collected.

SCOTT P. JOHNSON
Director of Finance

WHEREAS, Chapter 14.15 of the City of San José Municipal Code establishes the Alternative Procedures for Maintenance Districts in conformance with the requirements of the California Constitution and provides that benefit assessments may be apportioned upon all assessable lots or parcels of land within a maintenance district in proportion to the estimated special benefits to be received by each lot or parcel from the improvements.

WHEREAS, on June 23, 1998, the City Council of San José adopted its Resolution 68240 providing for the establishment of Maintenance District 18 (The Meadowlands); and

WHEREAS, Articles XIII C and XIII D of the California Constitution require property owner approval of any imposed, extended or increased assessment and that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Constitution also provide that public property is subject to assessments.

WHEREAS, Article XIII D of the California Constitution provides that only special benefits are assessable; a special benefit being a particular and distinct benefit over and above general benefits conferred on real property within the district or the public at large. The general enhancement of property value does not constitute a special benefit; the general benefits must be separated from the special benefits conferred on a parcel.

WHEREAS, Chapter 14.15 of the City of San José Municipal Code requires that the assessment be authorized by a vote of those proposed to be assessed, and; that the Director of Public Works prepare an Engineer's Report containing:

1. a written description of the boundaries of the district;
2. a description of the improvements to be maintained;
3. a description of the maintenance to be provided;
4. a budget for the ensuing fiscal year;
5. a formula for apportioning the maintenance costs among the parcels
6. an estimate of the initial Annual Aggregate assessment and the proposed annual adjustment together with an explanation of the proposed adjustment formula;
7. an assessment roll with a property owners list, and;
8. a map or diagram showing the boundaries of the district and identifying the parcels in the district.

NOW, THEREFORE:

1. THE BOUNDARY of proposed Maintenance District 18 (The Meadowlands), as shown on the diagram attached as Exhibit 3 is generally described as: The Villages planned residential development on the north; San Felipe Road on the southwest; undeveloped parcels and the California Oak Creek (formerly Richmond Ranch) residential development on the south; and, Richmond Ranch on the east.

2. THE IMPROVEMENTS for which maintenance and operation are provided are: the four landscaped entrance areas to the residential communities off San Felipe Road referred to as The

Meadowlands and Silver Bridge: an entrance at Flowering Meadow Lane, and an entrance at Scenic Meadow Lane and both entrances on Meadowlands Lane; the grounds surrounding the Metzger ranch house and barn; the landscaped area to the east of the Metzger grounds along Meadowlands Lane; the frontage landscape and street-side of the soundwall along the east side of San Felipe Road at the rear lot lines of the homes on Flowering Meadow Lane; the pedestrian path on the east side of San Felipe Road from the north of Scenic Meadow Lane to south of Meadowlands Lane; and the native grass on the north side of Flowering Meadow Lane. Specifically excluded are: the historically preserved Metzger ranch house and barn; pedestrian path resurfacing treatments; sound wall replacements or major repairs; and, the Thompson Creek channel.

The improvements include all additions, improvements and enlargements thereto which may hereafter be made for the district, and of benefit to the district but not of benefit to the City of San José as a whole. These include but are not limited to: ornamental plantings including trees, shrubs, vines, groundcovers, grasses, flowers and lawns; irrigation, drainage and lighting systems, and; decorative paving, curbing, maintenance bands, rocks, mulches, seats, walls, fences, signs and statuary.

The pedestrian path to be maintained is extended from approximately 260 feet north of the northern entrance at Scenic Meadow Lane to approximately 480 feet south of the southern entrance at Meadowlands Lane. Previously, the pedestrian path was maintained only along the soundwall on the east side of San Felipe Road. The native grass area along the north side of Flowering Meadow Lane is a new addition to the maintenance areas (limited to native grass and weed control).

3. THE MAINTENANCE AND OPERATION shall include the necessary supervision, care, services, repairs, replacements, equipment, supplies, water, fuel, power and any and all other items necessary for safe and proper condition of the improvements. District administration involves City management over the maintenance and operations of the District. These generally include, but are not limited to: the securing of maintenance contracts; the supervision and inspection of maintenance work; the reporting of annual District documents; the levy, collection and management of special assessment; and the resolution of District issues.

4. THE BUDGET for the costs and expenses of maintaining and operating any and all of the public improvements for Fiscal Year 2008-2009 is shown on the following table. The amounts listed below are estimates of the budget and will be updated in March 2008 during the 2008-2009 Proposed Operating Budget process.

MAINTENANCE DISTRICT 18 - FUND 372		FISCAL YEAR 2008-2009	
SOURCE OF FUNDS	TOTAL	USE OF FUNDS	TOTAL
Beginning Fund Balance:		Expenditures:	
Restricted Cash	1,445	Personal Services	11,542
Unrestricted Cash	82,007	Non-Personal Services	69,000
Total Beginning Fund Balance	\$83,452	Worker's Comp Claims	0
		General Fund (GASB43/45)	29
		Total Expenditures	\$80,571
Interfund Transfers:		Interfund Transfers:	
Loans from Other Funds	0	Repayment to Other Funds	0
Interest	0	Interest	0
Total Interfund Transfers	\$0	Total Interfund Transfers	\$0
Revenue:		Ending Fund Balance:	
Benefit Assessment	85,100	Restricted Cash	1,445
Interest	1,900	Unrestricted Cash **	
Other	*	Operating Funds	60,428
Total Revenue	\$87,000	Replacement Funds	28,008
		Total Ending Fund Balance	\$89,881
TOTAL SOURCE OF FUNDS	\$170,452	TOTAL USE OF FUNDS	\$170,452

* Water bill for middle bridge area (approximately \$5,000 for fiscal year 2008-2009) paid from the Department of Parks, Recreation and Neighborhood Services budget.

** Subject to limitation are the Ending Fund Balances for Unrestricted Cash: Operating Funds and Replacement Funds. Operating Funds may not exceed one year's Total Expenditures. Replacement Funds may not exceed the full replacement value of the improvements maintained. If either limit is exceeded, the excess amount shall be credited to the assessments in proportion to each parcel's assessment.

The annual aggregate Benefit Assessment increases from \$45,648.38 in 2007-2008 to \$85,100 for 2008-2009, which allows expenditures for Non-Personal Services to increase from \$37,200 to \$69,000. Any Personal Service adjustments to accommodate additional staffing needs will be made during the 2008-2009 Proposed Budget process, and will not cause any increase in the assessment. The Benefit Assessment amount accommodates a four-year replacement program. Upon completion of the work in 2011-2012, the district will return to a typical special district maintenance operating schedule. The district reserve will have a target date of 2014-2015 to reach the proscribed reserve. Once district reserves are sufficient, the budget will be re-evaluated and the assessment will be reduced to maintenance operations levels.

5. THE METHOD OF ASSESSMENT upon and by which the special assessment is to be levied is based upon the special benefit received. The benefits received are approximately equally distributed between each and every residential lot in the District, with properties abutting the amenities receiving additional proximity benefit. Therefore, each and every parcel shall be assessed an equal share of the maintenance and operation costs, with properties abutting the amenities assessed an additional proximity premium of 5%.

BACKGROUND

Articles XIII C and XIII D of the California Constitution require that a parcel's assessment not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Articles provide that only special benefits are assessable. If there are general benefits, they must be separated from the special benefits conferred on a parcel; a special benefit being a particular and distinct benefit over and above general benefits which are conferred on the public at large, including real property within the district. The general enhancement of property value is not considered to constitute a special benefit.

As part of the development of the Meadowlands and Silver Bridge, to accent the entrance areas, the developer requested special landscaping of City and Water District frontages and some street median islands including special landscaping. Because the median islands and landscaping are not required for traffic purposes, nor did the City or Water District desire frontage landscaping, the City considered the enhancements to be special benefit and provided no funding for the installation nor the ongoing maintenance. The developer agreed to provide for the landscaping installation, maintenance and operation through completion of development. No provisions were made for landscape maintenance and operation after development was completed. The Meadowlands Homeowners Association desire that the care continues but is unable to reliably provide for the maintenance. Therefore, property owners within the proposed district requested that the City form a special district to provide the ongoing maintenance and operation.

As a result of escalating maintenance costs and low survival rate for current plantings, the funding available under the original assessment formula has been insufficient to cover annual costs to properly maintain the improvements, replace dying plant materials, or repair damaged hardscape, lighting or irrigation systems. The district is amended to increase the aggregate annual assessment and include additional improvements.

BENEFIT APPORTIONMENT

The City provides maintenance in street right-of-ways similar to those within this District. However, that maintenance service is at a lower level and expense than District provided maintenance. Also, the landscaping improvements that are maintained are generally less extensive in character, usually consisting of hard surfaces, trees and mulch or crushed rock. In the special verses general benefit evaluation in the following table of typical maintenance services, is an aid in determining general benefits and the associated costs.

COMPARISON OF CITY AND SPECIAL DISTRICT MAINTENANCE		
ITEM	CITY – GENERAL	SPECIAL DISTRICT
DESIGN	Trees only, occasionally shrubs and/or crushed rock	May include all or part of: trees, shrubs, ground cover, turf, mulches/crushed rock, lighting, pathways, decorative walls & signage, fountains and/or structures
SERVICE FREQUENCY	Bi-Monthly	Weekly
TREES		
Trimming (clearance)	None	As needed
Trimming (structural)	None	Every 3 years
Replacement	None	As needed
SHRUBS and GROUND COVER		
Pruning	Yearly (not all parcels)	Seasonally (and as needed)
Fertilize	None	2 times per year (or as needed)
Replacement	Rarely	As needed
Flowers	None	Optional (3 times per year)
TURF		
Mowing	None	Weekly
Fertilize	None	3 times per year
WEED CONTROL		
Pre-emergent	Yearly	Yearly (and as needed)
Contact Spray	Yearly	As needed
Hand Removal	Limited	As needed
DEBRIS REMOVAL	Monthly	Weekly
IRRIGATION REPAIR	Within 2 weeks (Some are just abandoned)	Weekly
MULCH/BARK/ROCK		
Grooming	None	As needed
Replacement	None	As needed
GRAFFITI REMOVAL	Within 1 - 2 weeks	Within 1-2 days
HARDSCAPE		
Cleaning	Safety only	As needed
Repair	Safety only	As needed

Each and every assessed parcel within the District receives a particular and distinct benefit from the maintenance and operation of the special improvements over and above any general benefit that may be conferred by those services. The benefit is specific and direct to all properties within the District and therefore may be levied upon the properties in proportion to the benefit received.

Special benefits provided by the landscape maintenance:

1. The islands are unneeded for traffic purposes; they are only provided to accommodate the special benefit landscaping
2. The special entrance landscaping and maintenance is provided at a higher quality level than the City provides when no special funds are available.
3. Special landscaping disease and weed control reduces the probability of damaging and costly insect or weed infestation spreading to properties within the District.
4. The special entrance landscaping and maintenance reduces the noise and visual impact of traffic and other activities in the area, thereby improving the physical and visual environment, making the properties in the area more livable and desirable.
5. The enhanced entrances, special landscaping and maintenance, by increasing separation between the neighborhood and the major street, enhances the neighborhood's identity, unity, serenity, and security.
6. Attractive, well maintained public landscaping at the District entrances fosters a sense of community and pride in the area, which tends to carry over to the individual properties, increasing the overall attractiveness and desirability of property in the District.
7. The special landscaping and maintenance, by enhancing the area's attractiveness, adds desirability for potential home buyers, thereby improving salability.
8. Attractive, well maintained public landscaping fosters community pride, which then encourages proper owner maintenance of their individual properties, increasing the attractiveness and desirability of all property in the District.

Several considerations lead to a conclusion that the special benefits are equally apportioned between each and every residential unit, with parcels immediately adjacent to the entrances assigned a premium for added proximity benefit:

1. The parcels within the District are similar. All lots are zoned single family residential, being of larger City size categories. The single family homes are all larger than average City housing but not among the few largest San José estates. This uniform land use contributes to a determination that the benefits are essentially equal.
2. Another consideration is the use of the maintained facilities. For most residents, the landscaped features will be considered an enhancement of the area and a pleasant view as they come and go in their daily routines. Other than the ranch house and its picnic and volleyball facilities, there are no features that could be considered to be used significantly more extensively by some of the residents. So, excluding the ranch house and its amenities (discussed below in "general benefit"), facility use is approximately equal, further contributing to the determination that the benefits are essentially equal.
3. In considering proximity to the facilities, it is again concluded that there is no reason to differentiate benefit. All residents pass through the entrance areas, proximity has minimal effect on their travels. However, parcels abutting the entrance areas receive a slight added benefit of having the assurance of a "neighbor" that continually provides high quality maintenance of its landscaping.

In evaluating the special benefit that the District may provide to public property, it is concluded that there is no special benefit received by the City from the District. The Metzger Ranch house and

barn, being City maintained and operated; also provides enhancements and services to the residents; it does not receive special benefit.

General benefits provided by the landscape maintenance:

1. Includes maintenance and operation services for the City frontages; generally provided the City at much lower care levels in similar areas.
2. Includes maintenance and operation services for the landscaping adjacent to the historical preserve Metzger Ranch house and barn. The service would generally be provided by the City in similar situations but at a lower care level.
3. Water District areas are the creek channel; those frontages about the bridges. Channel areas are maintained by the Water District. At the bridges, the channel passes under the bridges so there are no frontages to maintain. Therefore, no special or general benefit is provided to the Water District.

In evaluating the general benefit associated with maintenance and operation provided, it is concluded that there is some general benefit so there should be public agency contribution for that benefit. There are three types of publicly owned lands receiving the maintenance service:

1. Landscaped street medians – The islands were not required by the City, nor needed. Having been installed only as a decorative feature for the development, it is concluded that there is no general benefit for this area.
2. Landscaped City frontages – In similar hillside and creekside situations, the City does not install landscaping improvements, so general City maintenance would be infrequent weed and litter control, primarily for fire protection. This is even less than the City minimums shown in the table on page 6. Therefore, it is concluded that there is a small general benefit for this area.
3. Metzger Ranch house and amenities – Since the house and barn is preserved for the benefit of all citizens of San José, the City is responsible for the maintenance and operation of the house and barn. In similar situations, it is likely that the City would also provide for the maintenance and operation of a portion (which in this case is undefined) of the associated adjacent landscaping amenities, so it is concluded that there is a general benefit for this area.

6. **THE FORMULA** upon and by which the benefit assessment is to be levied for the costs of maintenance and operation of all entrance area landscaping is:

1. Equally assess the special benefit costs to each and every residential parcel in the district, with parcels abutting the maintained areas, shown in the attached map, assigned a 5% proximity premium.
2. All general benefit costs shall be assessed to the City by its assumption of all metered water costs for the middle bridge landscape area.

The general benefit costs for frontage maintenance is calculated as the equivalent cost of City weed and litter control in similar rural areas, which is estimated to be between \$1,300 to \$1,500. The general benefit contribution for the Metzger Ranch facilities in the middle entrance area is calculated as the equivalent cost of City landscape maintenance for similar facilities, which is estimated to be

between \$3,200 to \$3,500. This estimate is based on the cost of: biweekly lawn mowing; adequate lawn and minimal shrub watering; and, biweekly debris removal. Since (1) there is no clear demarcation between Ranch and district landscaping and (2) all water is provided on one meter and system, the reliable calculation of general benefit water costs is difficult.

The total estimated general benefit cost is between \$4,500 to \$5,000. Since the central area water billing is approximately \$5,000 annually, with the ranch building water costs being a minor unidentifiable portion of that cost, the City Parks, Recreation and Neighborhood Services Department will assume payment of that water billing as payment for all estimated general benefit costs.

The total estimated general benefit cost increases from \$2,700 to \$5,000 reflecting escalating costs for water and general City services.

7. **THE ANNUAL ADJUSTMENT FORMULA**, upon approval of a majority vote of the property owners, sets maximum limits to the assessments in future annual District budgets. The Annual Adjustment shall be equal to the change in the average annual Consumer Price Index, All Urban Consumers, for the San José - San Francisco - Oakland Area for the calendar year preceding the base assessment year. Assessments for any future fiscal year may not exceed the maximum Annual Adjustment; the maximum assessment is calculated by dividing the \$85,100 base assessment by the CPI for the 2007 base calendar year and then multiplying the resulting quotient by the CPI for the calendar year preceding the desired future fiscal year. Annual budgets within this limit may be approved by the City Council without additional property owner ratification. This limit may be exceeded only with a majority owner approval of either: 1) a supplemental assessment; 2) a revision of or a supplement to, the maximum assessment and/or adjustment formula; or, 3) any other methodology amenable to the property owners.

8. **INTERPRETATION** and application of any section of this document shall be left to the City's discretion. In addition, the City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Assessment Formula or Annual Adjustment Formula.

NOW, THEREFORE, I, TIMM BORDEN, Deputy Director of Public Works of the City of San José by virtue of the power vested in me under the Resolution and the order of the City Council, hereby make the benefit assessments as shown on the Assessment Roll attached as Exhibit 1 upon all parcels of property subject to assessment owned by the persons shown on the Owners List attached as Exhibit 2 and shown on the diagram attached as Exhibit 3.

Dated: 6-14-07



TIMM BORDEN
Deputy Director, Public Works Department

CITY OF SAN JOSE

ENGINEER'S REPORT

MAINTENANCE DISTRICT 18
(THE MEADOWLANDS)

FISCAL YEAR 1998-99

Filed in the office of the City Clerk of the City of San Jose on May 4, 1998

Patricia L. O'Keefe

City Clerk, City of San Jose

This Engineer's Report was preliminarily approved by the City Council of the City of San Jose at a meeting thereof on May 5, 1998

Patricia L. O'Keefe

City Clerk, City of San Jose

This Engineer's Report and assessments herein were duly approved, confirmed and adopted by the City Council of the City of San Jose at a meeting thereof on June 23, 1998

SEE ATTACHED
RESOLUTION

City Clerk, City of San Jose

I, the Director of Finance of the City of San Jose, hereby certify that on August 8, 1998 the assessments contained in this Engineer's Report were delivered to the officer of the County of Santa Clara designated by law to extend City taxes upon the tax roll on which they are collected.

Director of Finance, City of San Jose

WHEREAS, Chapter 14.15 of the City of San Jose Municipal Code provides that benefit assessments may be apportioned upon all assessable lots or parcels of land within a maintenance district in proportion to the estimated benefits to be received by each lot or parcel from the improvements; and,

WHEREAS, Articles XIII C and XIII D of the California Constitution require that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable; a special benefit being a particular and distinct benefit over and above general benefits conferred on real property within the district or the public at large. The general enhancement of property value does not constitute a special benefit; the general benefits must be separated from the special benefits conferred on a parcel; and,

WHEREAS, on May 20, 1998 by Ordinance Number 25353 the San Jose City Council amended Chapter 14.15 of the City of San Jose Municipal Code to require that general benefit be identified, public agencies pay for benefit received and that the assessment be authorized by a vote of those proposed to be assessed; and, that the Director of Public Works prepare an Engineer's Report containing:

1. a written description of the boundaries of the district;
2. a description of the improvements to be maintained;
3. a description of the maintenance provided;
4. a budget for the ensuing fiscal year;
5. an assessment method;
6. a formula for apportioning the cost among the parcels;
7. an annual adjustment formula, if the assessments are to be levied more than one year;
8. an assessment roll with a property owners list, and;
9. a map or diagram showing the boundaries of the district and identifying the parcels in the district; and,

WHEREAS, on March 30, 1998, owners of property within proposed Maintenance District 18 (The Meadowlands) submitted to the City of San Jose written requests to form Maintenance District 18.

NOW, THEREFORE:

1. **THE BOUNDARY** of proposed Maintenance District 18 (The Meadowlands), as shown on the diagram attached as Exhibit 3 is generally described as: The Villages planned residential development on the north; San Felipe Road on the southwest; undeveloped parcels and the California Oak Creek (formerly Richmond Ranch) residential development on the south; and, Richmond Ranch on the east.

2. **THE IMPROVEMENTS** for which maintenance and operation are provided are the landscaped entrance areas at three Thompson Creek bridges to the residential development referred to as The Meadowlands. Also included at the rear lot lines of six Meadowlands homes abutting San Felipe Road, is frontage landscape maintenance, the open space trail and routine maintenance of the street side of the sound wall. Specifically excluded are: sound wall major repairs and replacements; the historically preserved Metzger ranch house and barn; all other open space trails not specifically included; and, the Thompson Creek channel.

Improvements include but are not limited to: ornamental plantings including trees, shrubs, vines, groundcovers, color flowers and lawns; irrigation, drainage and lighting systems, and; decorative paving, mulches, curbing, maintenance bands, seats, walls, fences, signs and statuary.

The improvements include all additions, improvements and enlargements thereto which may hereafter be made for the District, and of benefit to the District but not of benefit to the City of San Jose as a whole.

3. **THE MAINTENANCE AND OPERATION** shall include the necessary supervision, care, services, repairs, replacements, equipment, supplies, water, fuel, power and any and all other items necessary for safe and proper condition of the improvements.

4. **THE BUDGET** for the costs and expenses of maintaining and operating any and all of the public improvements for the fiscal year is:

SOURCE OF FUNDS

Beginning Fund Balance:	
Restricted Cash	\$0
Unrestricted Cash	\$0
Total Beginning Fund Balance	\$0
Revenue:	
Property Tax	\$0
Benefit Assessment	\$68,843
Interest	\$0
* City General Benefit Contribution	
Total Revenue	\$68,843
Interfund Transfers:	
Loans from Other Funds	\$0
Interest	\$0
Total Interfund Transfers	\$0
TOTAL SOURCE OF FUNDS	\$68,843

USE OF FUNDS

Expenditures:	
Personal Services	\$5,500
Non Personal Services	\$44,700
Equipment	\$0
Total Expenditures	\$50,200
Interfund Transfers:	
Repayment to Other Funds	\$0
Interest	\$0
Total Interfund Transfers	\$0
Ending Fund Balance:	
Restricted Cash	\$0
Unrestricted Cash	
** Operating Funds	\$17,573
** Replacement Funds	\$1,070
Total Ending Fund Balance	\$18,643
TOTAL USE OF FUNDS	\$68,843

* Water bill for middle bridge area, approximately \$2,700 annually - paid by the Department of Parks, Recreation and Neighborhood Services.

** Subject to limitation are the Ending Fund Balances for Unrestricted Cash: Operating Funds; Replacement Funds. Operating Funds may not exceed one year's Total Expenditures. Replacement Funds may not exceed the full replacement value of the improvements maintained. If either limit is exceeded, the excess amount shall be credited to the assessments in proportion to each parcel's assessment.

5. THE METHOD OF ASSESSMENT upon and by which the special assessment is to be levied is based upon the benefit received. The benefits received are approximately equally distributed between each and every residential lot in the District, with properties abutting the amenities receiving additional proximity benefit. Therefore, each and every parcel shall be assessed an equal share of the maintenance and operation costs, with properties abutting the amenities assessed an additional proximity premium of 5%.

BACKGROUND

Articles XIII C and XIII D of the California Constitution require that a parcel's assessment not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The Articles provide that only special benefits are assessable. If there are general benefits, they must be separated from the special benefits conferred on a parcel; a special benefit being a particular and distinct benefit over and above general benefits which are conferred on the public at large, including real property within the district. The general enhancement of property value is not considered to constitute a special benefit.

As part of the development of the Meadowlands, to accent the three entrance bridge areas, the developer requested street median islands including special landscaping and special landscaping of City and Water District frontages. Because the median islands and landscaping are not required for traffic purposes, nor did the City or Water District desire frontage landscaping, the City considered the enhancements to be special benefit and provided no funding for the installation nor the ongoing maintenance. The developer agreed to provide for the landscaping installation, maintenance and operation through completion of development. No provisions were made for landscape maintenance and operation after development was completed. The Meadowlands Homeowners Association desire that the care continues but is unable to reliably provide for the maintenance. Therefore, property owners within the proposed district requested that the City form a special district to provide the ongoing maintenance and operation.

BENEFIT APPORTIONMENT

The City provides maintenance in street right-of-ways similar to those within this District. However, that maintenance service is at a lower level and expense than District provided maintenance. Also, the landscaping improvements that are maintained are generally less extensive in character, usually consisting of hard surfaces, trees and mulch or crushed rock. In the special versus general benefit evaluation to follow, the below table of typical maintenance services, is an aid in determining general benefits and the associated costs.

COMPARISON OF CITY AND SPECIAL DISTRICT MAINTENANCE		
ITEM	CITY - GENERAL	SPECIAL DISTRICT
DESIGN	Trees only, occasionally shrubs and/or crushed rock	May include all or part of: trees, shrubs, ground cover, turf, mulches/crushed rock, lighting, pathways, fountains and/or structures
SERVICE FREQUENCY	monthly	weekly
TREES		
Trimming (clearance)	Every 15 years	As needed
Trimming (structural)	None	Every 3 years
Replacement	None	As needed
SHRUBS and GROUND COVER		
Pruning	Yearly (not all parcels)	Yearly (and as needed)
Fertilize	None	2 times per year (or as needed)
Replacement	Limited	As needed
Flowers	None	Seasonal
TURF		
Mowing	every 2 weeks	Weekly
Fertilize	2 times per year	3 times per year
WEED CONTROL		
Pre-emergent	Yearly (not all parcels)	Yearly (and as needed)
Contact Spray	Yearly (not all parcels)	As needed
Hand Removal	None	As needed
DEBRIS REMOVAL	Monthly	Weekly
IRRIGATION REPAIR	Within 2 weeks (Most systems not functioning)	Weekly
MULCH/BARK/ROCK		
Grooming	None	As needed
Replacement	None	As needed
GRAFFITI REMOVAL	Within 1 - 2 weeks	Within 1-2 days
HARDSCAPE		
Cleaning	Safety only	As needed
Repair	Safety only	As needed

Each and every assessed parcel within the District receives a particular and distinct benefit from the maintenance and operation of the special improvements over and above any general benefit that may be conferred by those services. The benefit is specific and direct to all properties within the District and therefore may be levied upon the properties in proportion to the benefit received.

Special benefits provided by the landscape maintenance:

1. The islands are unneeded for traffic purposes; they are only provided to accommodate the special benefit landscaping.
2. The special entrance landscaping and maintenance is provided at a higher quality level than the City provides when no special funds are available.
3. Special landscaping disease and weed control reduces the probability of damaging and costly insect or weed infestation spreading to properties within the District.
4. The special entrance landscaping and maintenance reduces the noise and visual impact of traffic and other activities in the area, thereby improving the physical and visual environment, making the properties in the area more livable and desirable.
5. The enhanced entrances, special landscaping and maintenance, by increasing separation between the neighborhood and the major street, enhances the neighborhood's identity, unity, serenity and security.
6. The special entrance landscaping and maintenance increases the attractiveness of the as a place to live for the properties in the District.
7. Attractive, well maintained public landscaping at the District entrances fosters a sense of community and pride in the area, which tends to carry over to the individual properties, increasing the overall attractiveness and desirability of property in the District.
8. The special landscaping and maintenance, by enhancing the area's attractiveness, adds desirability for potential home buyers, thereby improving salability.
9. Attractive, well maintained public landscaping fosters community pride, which then encourages proper owner maintenance of their individual properties, increasing the attractiveness and desirability of all property in the District.

Several considerations lead to a conclusion that the special benefits are equally apportioned between each and every residential unit, with parcels immediately adjacent to the entrances assigned a premium for added proximity benefit:

1. The parcels within the District are similar. All lots are zoned single family residential, being of larger City size categories. The single family homes are all larger than average City housing but not among the few largest San Jose estates. This uniform land use contributes to a determination that the benefits are essentially equal.
2. Another consideration is the use of the maintained facilities. For most residents, the landscaped features will be considered an enhancement of the area and a pleasant view as they come and go in their daily routines. Other than the ranch house and its picnic and volleyball facilities, there are no features that could be considered to be used significantly more extensively by some of the residents. So, excluding the ranch house and its amenities (discussed below in "general benefit"), facility use is approximately equal, further contributing to the determination that the benefits are essentially equal.

3. In considering proximity to the facilities, it is again concluded that there is no reason to differentiate benefit. All residents pass through the entrance areas, proximity has minimal effect on their travels. However, parcels abutting the entrance areas receive a slight added benefit of having the assurance of a "neighbor" that continually provides high quality maintenance of its landscaping.

In evaluating the special benefit that the District may provide to public property, it is concluded that there is no special benefit received by the City from the District. The Ranch, being City maintained and operated, also provides enhancements and services to the residents; it does not receive special benefit.

General benefits provided by the landscape maintenance:

1. Includes maintenance and operation services for the City frontages; generally provided by the City at much lower care levels in similar areas.
2. Includes maintenance and operation services for the landscaping adjacent to the historical preserve Metzger Ranch house and barn. The service would generally be provided by the City in similar situations but at a lower care level.
3. Water District areas are the creek channel; those frontages abut the bridges. Channel areas are maintained by the Water District. At the bridges, the channel passes under the bridges so there are no frontages to maintain. Therefore, no special or general benefit is provided to the Water District.

In evaluating the general benefit associated with maintenance and operation provided, it is concluded that there is some general benefit so there should be public agency contribution for that benefit. There are three types of publicly owned lands receiving the maintenance service:

1. Landscaped street medians - The islands were not required by the City, nor needed. Having been installed only as a decorative feature for the development, it is concluded that there is no general benefit for this area.
2. Landscaped City frontages - In similar hillside and creekside situations, the City does not install landscaping improvements, so general City maintenance would be infrequent weed and litter control, primarily for fire protection. This is even less than the City minimums shown in the table on page 6. Therefore it is concluded that there is a small general benefit for this area.
3. Metzger Ranch house and amenities - Since the house and barn is preserved for the benefit of all citizens of San Jose, the City is responsible for the maintenance and operation of the house and barn. In similar situations, it is likely that the City would also provide for the maintenance and operation of a portion (which in this case is undefined) of the associated adjacent landscaping amenities, so it is concluded that there is a general benefit for this area.

6. THE FORMULA upon and by which the benefit assessment is to be levied for the costs of maintenance and operation of all entrance area landscaping is:

1. Equally assess the special benefit costs to each and every residential parcel in the District, with parcels abutting the maintained areas, shown in the attached map, assigned a 5% proximity premium.
2. All general benefit costs shall be assessed to the City by its assumption of all metered water costs for the middle bridge landscape area.

The general benefit costs for frontage maintenance is calculated as the equivalent cost of City weed and litter control in similar rural areas, which is estimated to be between \$1,000 to \$1,200. The general benefit contribution for the Metzger Ranch facilities in the middle entrance area is calculated as the equivalent cost of City landscape maintenance for similar facilities, which is estimated to be between \$1,200 to \$1,500. This estimate is based on the cost of: biweekly lawn mowing; adequate lawn and minimal shrub watering; and, biweekly debris removal. Since (1) there is no clear demarcation between Ranch and District landscaping and (2) all water is provided on one meter and system, the reliable calculation of general benefit water costs is difficult.

The total estimated general benefit cost is between \$2,200 to \$2,700. Since the water billing is approximately \$2,700 annually, with the ranch building water costs being a minor unidentifiable portion of that cost, the City Parks, recreation and Neighborhood Services Department will assume payment of that water billing as payment for all estimated general benefit costs.

7. THE ANNUAL ADJUSTMENT FORMULA, upon approval of a majority vote of the property owners, sets maximum limits on the assessments in future annual District budgets. The Base Assessment, commencing with Fiscal Year 1997-98 is shown in the Assessment Roll, attached as Exhibit 1. Commencing with Fiscal Year 1998-1999, the assessment for the District is subject to a maximum adjustment limit each year. The Annual Adjustment shall be equal to the change in the average annual Consumer Price Index, All Urban Consumers, for the San Jose Area ("CPI"), for 1996, which is 155.1, to the subsequent year(s). Annual budgets within this limit may be approved by the City Council without additional property owner ratification. This limit may be exceeded only with a majority owner approval of either: 1) a supplemental assessment; 2) a revision of or a supplement to, the maximum assessment and/or adjustment formula; or, 3) any other methodology amenable to the property owners.

The property owners requesting formation of the District also requested that District maintenance begin sooner than the normal district formation flow of events. Therefore, the budget in this Report includes two years of assessments and maintenance. As shown in the attached Assessment Roll, the Fiscal Year 1997-98 total proposed assessment is \$34,844, for District formation costs and maintenance from August 1, 1998 through June 30, 1999. The Fiscal Year

1999-00 total proposed assessment is \$35,000, which is the base year assessment adjusted in proportion to the change in the 1996 base year CPI of 155.1 to 160.4 for 1997. It is for maintenance from July 1, 1999 through June 30, 2000.

8. NOW, THEREFORE, I, DENNIS FUTAMASE, RCE No. 22988, Deputy Director of Public Works of the City of San Jose by virtue of the power vested in me under the Resolution and the order of the City Council, hereby make the benefit assessments as shown on the Assessment Roll and Owners List attached as Exhibit 2 upon all parcels of property subject to assessment owned by the listed persons and shown on the diagram attached as Exhibit 1.

Dated: _____

5.4.98

Dennis Futamase, Dennis

Deputy Director of Public Works
City of San Jose

RESOLUTION NO. 68240

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE TAKING CERTAIN ACTIONS RELATED TO THE ESTABLISHMENT OF MAINTENANCE DISTRICT NUMBER 18 (MEADOWLANDS) INCLUDING THE ADOPTION OF THE ENGINEER'S REPORT AND SETTING THE ASSESSMENT AS DETAILED THEREIN

WHEREAS, on April 28, 1998, pursuant to Chapter 14.15 of Title 14 of the Municipal Code of the City, this Council adopted a resolution of its intention to establish Maintenance District 18 (Meadowlands), and directed the Director of Public Works to prepare an Engineer's Report for the proposed assessment district; and

WHEREAS, on May 5, 1998, this Council adopted a resolution preliminarily approving the Engineer's Report, setting the date for a Public Hearing on the matter for June 23, 1998, and directing the City Clerk to mail notice of the Public Hearing and the Maintenance District balloting process, including ballots, to all affected property owners in the form required by law; and

WHEREAS, on June 23, 1998, the Public Hearing was duly commenced, at which the Council heard public testimony; and the ballots were tallied; and

WHEREAS, the result of the tally of the ballots for the establishment of MD 18, as reported by the City Clerk, was:

Property owners with assessments totaling \$16,751.32 in support, and property owners with assessments totaling \$1,860.32 opposed;

JRG:PAD:em
6/23/98

NOW THEREFORE, BE IT RESOLVED by the Council of the City of San Jose that:

SECTION 1. The Council hereby finds that the property owners returning ballots have approved the levy of assessments in MD 18.

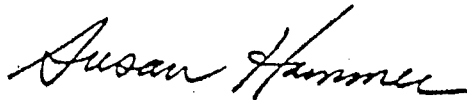
SECTION 2. The Council hereby adopts the Engineer's Report for MD18 and levies the assessment on those parcels within the Maintenance District as proposed in said Engineer's Report.

ADOPTED this 23rd day of June, 1998, by the following vote:

AYES: DANDO, DIAZ, DIQUISTO, FERNANDES, FISCALINI, JOHNSON,
PANDORI, POWERS, SHIRAKAWA, WOODY; HAMMER

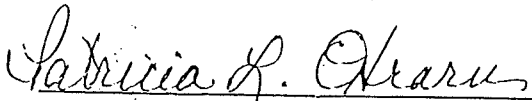
NOES: NONE

ABSENT: NONE



SUSAN HAMMER, Mayor

ATTEST:



PATRICIA L. O'HEARN, City Clerk