

**ATTACHMENT 1**

**THE MIRACLE MILE  
COMMUNITY IMPROVEMENT DISTRICT**

**ASSESSMENT ENGINEER'S  
REPORT**

*Being established pursuant to the City of Stockton's Maintenance Improvement District Ordinance  
Stockton Ordinance #2022-03-22-1211*

*Prepared by  
Edward V. Henning  
California Registered Professional Engineer # 26549  
Edward Henning & Associates*

**April 19, 2022**

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MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

**ASSESSMENT ENGINEER’S REPORT**

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Miracle Mile Community Improvement District ("MMCID") being established for 20 years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

*Prepared by Edward V. Henning, California Registered Professional Engineer # 26549*



A handwritten signature in blue ink that reads "Edward V. Henning". The signature is written over a horizontal line.

RPE #26549 April 19, 2022

Edward V. Henning

Date

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**Introduction**

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIID of the California Constitution to support the benefit property assessments to be levied within the proposed MMCID in the City of Stockton, California being established for 20 years. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by real properties within the proposed MMCID.

## MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

### **Background**

The MMCID is a property-based benefit assessment type district being established for 20 years pursuant to the City of Stockton’s Community Improvement District Ordinance. The Ordinance was modeled after Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the benefit assessment nature of assessments levied within a community improvement district (“CID”), district program costs are to be distributed amongst all identified benefiting properties based on the proportionate amount of special program benefit each property is projected to derive from the assessments levied. Only those properties expected to derive special benefits from CID funded programs and activities may be assessed and only in an amount proportionate to the special benefits expected to be conferred on each assessed property.

### **Supplemental Article XIID Section 4(b) California Constitution Procedures and Requirements**

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the MMCID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID Section 4(b) of the California Constitution (hereinafter Article XIID).

Since Article XIID provisions will affect all subsequent calculations to be made in the final assessment formula for the MMCID, these supplemental requirements will be taken into account. The key provisions of Article XIID along with a description of how the MMCID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII D of the California Constitution):

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**Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”**

### **Boundaries**

The district is to be named The Miracle Mile Community Improvement District (MMCID). The proposed MMCID boundaries are centered along Pacific Avenue between Alpine Avenue and Harding Way and along Harding Way between Lincoln Street and El Dorado Street. The MMCID encompasses about 25 blocks and includes 155 parcels all of which are assessed. See the MMCID map in Appendix 2 of this Report. The MMCID boundaries are more fully described as follows:

#### **Northern Boundary:**

The northern boundary of the proposed MMCID is on the south side of E. Alpine Avenue and includes parcel number 113-290-010 as well as 125-020-101 on the south side of the intersection of E. Alpine Avenue and Pacific Avenue.

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#### **Western Boundary:**

The western boundary of the proposed MMCID starts at parcel 125-020-010 at E. Alpine Avenue and includes all of the western side of the parcels fronting along Pacific Avenue, continuing south from E. Alpine Avenue to the northwestern corner of the intersection of Harding Way and Pacific Avenue. The western boundary then heads west including all of the north side of the parcels fronting along Harding Way from parcel 127-070-340, westward and ending at the east side of Sperry Avenue including parcels 139-020-370 and parcel 139-020-007.

#### **Southern Boundary:**

The southern boundary of the proposed MMCID commences at the southeastern corner of the intersection of Sperry Road and Harding Way, including parcel 139-020-007 and runs eastward along the southern edge of the parcels fronting along Harding Way, ending at parcel 137-095-010 at the southwestern corner of Lincoln Road and Harding Way.

#### **Eastern Boundary:**

The eastern boundary of the proposed MMCID begins at the southeastern corner of the intersection of Harding Way and Lincoln Road, parcel 137-095-010 and runs northward, including the Stockton Adult School at parcel 137-060-020, continuing northward running on the eastern edge of the parcels fronting along Pacific Avenue including all of the *commercial parcels* bounded by Bedford Road on the south, Beverly Road on the east, Pacific Avenue on the west and Regent Court on the north. Continuing north of Regent Court, including all of the parcels fronting along Pacific Avenue up to parcel 113-290-010 on the south side of W. Alpine Avenue.

### **Benefit Zones**

The proposed MMCID includes four benefit zones. The benefit zones are determined based on a combination of location, service levels and/or land use.

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Benefit Zone 1 parcels will be assessed at a higher rate since they will have the highest frequency of Civil Sidewalks and District Identity services due to the amount of foot traffic in and around the parcels fronting along Pacific Avenue in the core area of the MMCID. Benefit Zone 1 properties are the historic core of Stockton’s Miracle Mile District dating back almost 100 years built on Pacific Avenue. Zone 1 properties include retail, restaurants, services, coffee shops, bars, residential, educational and office. These parcels will benefit the most from the MMCID special benefit services, therefore their assessments have been set to fund the costs of services to these parcels. Generally speaking, Benefit Zone 1 parcels are to be found on both sides of Pacific Avenue from Harding Way on the northeastern and northwestern sides of the intersection of Harding Way and Pacific Avenue on the south and to the southeastern and southwestern parcels at the intersection of North Regent Court and Pacific Avenue on the north.

The higher costs assessed to Benefit Zone 1 parcels are based upon:

- 4 to 6 days per week services, particularly for cleaning and beautification services.
- Benefit Zone 1 parcels are predominantly retail, visitor related, service and pedestrian oriented therefore they will need civil sidewalk special benefit services daily, particularly on the weekends. Holiday traffic will also necessitate cleaning services.
- District identity services will also be proportionally higher and confer special benefit services relative to Benefit Zone 2, 3 and 4 parcels. Special events will be held in Benefit Zone 1, thereby benefitting property owners and their tenants there, no special events will most likely be held in Zone 2, 3 and 4.

All identified parcels within the above-described boundaries and zones shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in the Plan and in this Assessment Engineer’s Report. All MMCID funded services, programs and improvements provided within the above-described boundaries shall confer special benefit to identified assessed parcels inside the MMCID boundaries and none will be provided outside of the MMCID. Each assessed parcel within the MMCID will proportionately specially benefit from the MMCID funded Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve as described in more detail under “Work Plan”, beginning on page 9 of this Report. These services, programs and improvements are intended to improve commerce, employment, rents and commercial/residential occupancy rates of parcels and businesses within the MMCID by reducing litter and debris, marketing the available goods and services and installing beautification elements, each considered necessary in a competitive properly managed mixed-use business district. All MMCID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Stockton and are only provided for the special benefit of assessed parcels within the boundaries of the MMCID.

A list of all parcels included in the proposed MMCID is shown as Appendix 1, attached to this Report with their respective San Joaquin County assessor parcel number. The boundary of the proposed MMCID and parcels within it are shown on the map of the MMCID attached as Appendix 2 to this Report.

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**Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “**

### **QUANTITATIVE BENEFIT ANALYSIS**

As stipulated in Article XIID, assessment district programs and activities confer a combination of general and special benefits, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the Article XIID means a distinct benefit over and above general benefits conferred on real property located in the district.

The property uses within the boundaries of the MMCID that will receive special benefits from MMCID funded programs and services are currently an array of restaurants, retailers, offices and housing. No parcels within the MMCID are zoned solely residential. Services, programs and improvements provided and funded by the MMCID are primarily designed to provide special benefits as described below to identified assessed parcels and the array of land uses within the boundaries of the MMCID.

The proposed MMCID programs, improvements and services and Year 1 – 2023 budget allocation are as follows:

#### **Year 1 – 2023 MMCID Special Benefit Cost Allocations (Assessment Revenue Only)**

BENEFIT ZONE	CIVIL SIDEWALKS	DISTRICT IDENTITY- PLACEMAKING	ADMINISTRATION- MANAGEMENT	CONTINGENCY- RESERVE	TOTAL	%
%	59.8569%	15.1811%	21.6873%	3.2748%	100.00%	
1	\$87,292	\$22,139	\$31,628	\$4,775	\$145,834	63.2550%
2	\$22,804	\$5,784	\$8,262	\$1,248	\$38,098	16.5246%
3	\$26,593	\$6,745	\$9,635	\$1,455	\$44,428	19.2705%
4	\$1,311	\$332	\$475	\$72	\$2,190	0.9499%
TOTAL	\$138,000	\$35,000	\$50,000	\$7,550	\$230,550	100.00%

Assessed parcels are conferred proportionate special benefits from all MMCID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants and investors. MMCID programs, services and improvements are designed to increase business volumes, sales transactions, occupancies and rental income. These programs, services and improvements are designed to improve commerce, livability and aesthetic appeal for owners, tenants, residents, patrons, visitors and employees of these parcels within the MMCID by reducing litter and debris, marketing the available goods and services and installing beautification elements, each considered necessary in a competitive properly managed mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services

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and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate special benefits to each assessed parcel.

In the case of the MMCID, the very nature of the purpose of this CBD is to fund supplemental programs, services and improvements to assessed parcels within the MMCID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All benefits derived from the assessments to be levied on assessed parcels within the MMCID are for services, programs and improvements directly and specially benefiting each individual assessed parcel within the MMCID. No MMCID funded services, activities or programs will be provided outside of the MMCID boundaries.

While every attempt is made to provide MMCID services and programs to confer special benefits only to those identified assessed parcels within the MMCID, Article XIID stipulates that general benefits exist either by design or unintentional in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues.

Empirical assessment engineering analysis throughout California has found that general benefits within a given assessment district tend to range from 2-6% of the total costs. A majority of assessment districts in California for which this Assessment Engineer has provided assessment engineering services in conformance with Article XIID have used the composite district overlay determinant method of computing general benefits which will be used for the MMCID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the MMCID, general benefit to the public at large within the MMCID and general benefit to parcels outside the MMCID.

### General Benefit – Assessed Parcels within the MMCID

MMCID funded programs are narrowly designed and carefully implemented to specially benefit the assessed MMCID parcels and are only provided for the special benefit to each and every assessed parcel within the MMCID. It is the opinion of this Engineer, based on over 30 years of professional assessment engineering experience, that nearly 100% of benefits conferred on the 155 assessed parcels within the MMCID are distinct and special but in the case of the MMCID, it is projected that there are 0.25% general benefits conferred on these parcels. This high ratio of special benefits to general benefits is because the MMCID funded programs and services are specially geared to the unique needs of each parcel within the MMCID and are directed specially only to these parcels within the MMCID. This concept is further reinforced by the proportionality of special benefits conferred on each parcel within the MMCID as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics of each parcel. The computed 0.25% general benefit value on the 155 parcels within the MMCID equates to \$576 or (.25% x \$130,550).

### General Benefits – Outside Parcels

While MMCID programs and services will not be provided directly to parcels outside the MMCID boundaries, it is reasonable to conclude that MMCID services may confer an indirect general benefit on parcels adjacent to the MMCID boundaries. An inventory of the MMCID boundaries finds that the MMCID is immediately surrounded by 152 parcels. Of these 152 parcels, 9 are commercial zoned parcels with commercial uses, 142 are residentially zoned parcels with residential uses and 1 is publicly/non-profit owned parcels with public/non-profit uses.

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The 152 parcels directly outside the MMCID boundaries can reasonably be assumed to receive some indirect general benefit as a result of MMCID funded programs, services and improvements. Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that a benefit factor of 1.0 be attributed to the 155 assessed parcels within the MMCID, a benefit factor of 0.025 be attributed to general benefits conferred on the 9 commercial parcels and uses located adjacent to or across the street from assessed parcels within the MMCID, a benefit factor of 0.005 be attributed to general benefits conferred on the 142 residential parcels and uses located adjacent to or across the street from assessed parcels within the MMCID and, a benefit factor of 0.005 be attributed to general benefits conferred on the 1 publicly owned/non-profit parcel and use located adjacent to or across the street from assessed parcels within the MMCID. The cumulative dollar value of this general benefit type equates to \$1,413 (\$342 + \$15 + \$1,056) as delineated in the following Table:

Parcel Type	Quantity	Benefit Factor	Benefit Units	Benefit Percent	Benefit Value
Assessed Parcels within MMCID	155	1.000	155.00	99.3908%	\$230,550
Commercial Parcels Outside MMCID	9	0.025	0.23	0.1475%	\$342
Public/Non-Profit Parcels Outside MMCID	1	0.005	0.01	0.0064%	\$15
Residential Use Parcels Outside MMCID	142	0.005	0.71	0.4553%	\$1,056
TOTAL			155.95	100.00%	\$231,963

### General Benefit - Public At Large

While the MMCID funded programs are narrowly designed and carefully implemented to specially benefit the assessed MMCID parcels and are only provided for the special benefit to each and every assessed parcel within the MMCID, these programs also provide general benefits to the public at large within the MMCID.

For the proposed MMCID activities, assessment Engineering experience in California has found that generally over 95% of people moving about within similar district boundaries are engaged in business related to assessed parcels and businesses contained located within them, while the public at large “just passing through” is typically 5% or less.

Based on experience curves and the nature of the proposed MMCID funded programs and over 30 years of assessment engineering experience, it is the opinion of this Engineer that districtwide general benefit factors for each of the MMCID funded special benefit program element costs that provide a general benefit to the public at large are as shown in the Table below. These factors are applied to each program element costs in order to compute the dollar and percent value of districtwide general benefits to the public at large. The total dollar value of this general benefit type, public at large, equates to \$2,533 as delineated in the following Table:



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	A	B	C	E
Program Element	Dollar Allocation	General Benefit Percent	General Benefit Factor	General Benefit Value (A x C)
CIVIL SIDEWALKS	\$138,000	1.50%	0.015	\$2,070
DISTRICT IDENTITY- PLACEMAKING	\$35,000	0.50%	0.005	\$175
ADMINISTRATION-MANAGEMENT	\$50,000	0.50%	0.005	\$250
CONTINGENCY-RESERVE	\$7,550	0.50%	0.005	\$38
TOTAL	\$230,550			\$2,533

## Composite General Benefit

Based on the general benefit values delineated in the three sections above, the total value of districtwide general benefits conferred on assessed parcels within the MMCID, on parcels outside the MMCID, and on the public at large, equates to \$4,522 (\$576 + \$1,433 + \$2,533) or 1.92371%. For the purposes of this analysis, the districtwide general benefit factor of 1.92371% will be conservatively rounded up to 2% or \$4,705. This leaves a value of 98% assigned to special benefit related costs. The districtwide general benefit value of \$4,705 when added to the special benefit value of \$230,550 (Year 1 – 2023 assessments) equates to a total Year 1 – 2023 program cost of \$235,255. Remaining costs that are attributed to districtwide general benefits, will need to be derived from other non-assessment sources such as grants, underwritings and sponsorships.

The program special benefit related cost allocations of the MMCID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit related cost allocations of the MMCID assessment revenues for the first 10 years of the MMCID, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

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A breakdown of projected special and districtwide general benefits for Year 1 for each program element and benefit zone is shown in the following Table:

## Year 1 - 2023 Special + Districtwide General Benefits

YR	ZONE	PROGRAM CATEGORY	SPECIAL BENEFITS	GENERAL BENEFITS	TOTAL BENEFITS	% OF TOTAL
YR 1 - 2023	1	CIVIL SIDEWALKS	\$87,292	\$1,782	\$89,074	59.8569%
		DISTRICT IDENTITY- PLACEMAKING	\$22,139	\$452	\$22,591	15.1811%
		ADMINISTRATION-MANAGEMENT	\$31,628	\$645	\$32,273	21.6873%
		CONTINGENCY-RESERVE	\$4,775	\$97	\$4,872	3.2748%
		SUBTOTAL	\$145,834	\$2,976	\$148,810	100%
	2	CIVIL SIDEWALKS	\$22,804	\$465	\$23,269	59.8569%
		DISTRICT IDENTITY- PLACEMAKING	\$5,784	\$118	\$5,902	15.1811%
		ADMINISTRATION	\$8,262	\$169	\$8,431	21.6873%
		CONTINGENCY	\$1,248	\$25	\$1,273	3.2748%
		SUBTOTAL	\$38,098	\$777	\$38,875	100%
	3	CIVIL SIDEWALKS	\$26,593	\$542	\$27,135	59.8569%

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		DISTRICT IDENTITY- PLACEMAKING	\$6,745	\$138	\$6,883	15.1811%
		ADMINISTRATION	\$9,635	\$197	\$9,832	21.6873%
		CONTINGENCY	\$1,455	\$30	\$1,485	3.2748%
		SUBTOTAL	\$44,428	\$907	\$45,335	100%
	4	CIVIL SIDEWALKS	\$1,311	\$27	\$1,338	59.8569%
		DISTRICT IDENTITY- PLACEMAKING	\$332	\$7	\$339	15.1811%
		ADMINISTRATION	\$475	\$10	\$485	21.6873%
		CONTINGENCY	\$72	\$1	\$73	3.2748%
		SUBTOTAL	\$2,190	\$45	\$2,235	100%
	ALL	CIVIL SIDEWALKS	\$138,000	\$2,816	\$140,816	59.8569%
		DISTRICT IDENTITY- PLACEMAKING	\$35,000	\$715	\$35,715	15.1811%
		ADMINISTRATION	\$50,000	\$1,021	\$51,021	21.6873%
		CONTINGENCY	\$7,550	\$153	\$7,703	3.2748%
		TOTAL YEAR 1 - 2023	\$230,550	\$4,705	\$235,255	100%

### MMCID WORK PLAN

#### Overview

The services, programs and improvements to be funded by the MMCID include Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve. The property uses within the boundaries of the MMCID that will receive special benefits from MMCID funded programs, services and improvements are currently an array of restaurants, retailers, offices and housing units. Services, programs and improvements provided and funded by the MMCID are primarily designed to provide special benefits as described below to identified assessed parcels within the boundaries of the MMCID.

These special benefits are particular and distinct to each and every identified assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

The very nature of the purpose of the MMCID is to fund supplemental programs, services and improvements to assessed parcels within the MMCID boundaries above and beyond the base line services provided by the City of Stockton. The City of Stockton does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the MMCID are for services, programs and improvements directly benefiting each individual assessed parcel within the MMCID. No MMCID funded services, activities or programs will be provided outside of the MMCID boundaries.

The program special benefit cost allocations of the MMCID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit cost allocations of the MMCID assessment revenues for the first 10 years of the MMCID, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

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### **WORK PLAN DETAILS**

The services to be provided by the MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve) are all designed to contribute to the cohesive urban fabric to ensure economic success and vitality of each assessed parcel within the proposed MMCID. The assessed parcels in the MMCID will specially benefit from the MMCID programs in the form of increasing commerce and improving economic success and vitality through meeting the MMCID Goals: to improve cleanliness, beautification, landscaping, livability and to attract and retain businesses and services, generate more pedestrian and visitor traffic and to increase commerce and improve the economic viability of each individual assessed parcel.

Assessed parcels are conferred proportionate special benefits from all MMCID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants, residents and investors. MMCID programs, services and improvements are designed to increase business volumes, sales transactions, occupancies and rental income. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for owners, tenants, patrons, visitors and employees of these parcels within the MMCID by reducing litter and debris and installing physical improvements, each considered necessary in a competitive properly managed mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the MMCID and are not provided to non-assessed parcels outside of the MMCID. These programs, services and improvements will only be provided to each individual assessed parcel within the MMCID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

The following programs, services and improvements are proposed by the MMCID to specially benefit each and every individually assessed parcel within the MMCID boundaries. MMCID services, programs and improvements will not be provided to parcels outside the MMCID boundary. Assessment funds generated in each benefit zone shall only be used to provide services which specially benefit individual assessed parcels within that benefit zone.

### **CIVIL SIDEWALKS**

*Examples of this category of special benefit services and costs may include, but are not limited to:*

- Beautification of the district
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces
- Installation of and maintenance of landscaping throughout the district
- Regular sidewalk and gutter sweeping
- Periodic sidewalk steam cleaning
- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Possible hiring of contracted professional case workers to respond to the needs of the unhoused population in and around Miracle Mile
- Farmers market and special event assistance, set up and take down

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**Supplemental/Special Benefit Services for Civil Sidewalks by Benefit Zone**

Type of Special Benefit Service	Benefit Zone	Frequency of Service
Sidewalk and gutter sweeping	1, 2, 3, 4	4 - 5 days per week/Zone 1 and 3 2 – 4 days per week/Zone 2 1 – 2 per week/ Zone 4
Sidewalk pressure washing	1, 2, 3, 4	Quarterly
Trash receptacle emptying (over and above City general services)	As needed	Zones 1, 2 and 3 As needed/Zone 4
Graffiti removal/24 hours	1, 2, 3, 4	24 hours after notice
Notification to City of hazards	1, 2, 3, 4	As identified
Landscaping and watering	1, 2, 3, 4	Weekly or as needed
Ornamental landscaping	1, 3	Weekly or as needed
Special projects	1, 2, 3, 4	As needed
Installation of seasonal displays	1, 2, 3, 4	Seasonally

The proposed budget for Civil Sidewalks will be \$138,000 during the first year of operations and the costs of these services are generally allocated as follows:

80% to labor and personnel: Approximately \$110,400 for labor or 1½ full time employees working an average of 7 days per week, (assuming starting pay at \$18.00 per hour for maintenance, pressure washing and landscaping employees, which includes benefits and insurance).

20% for equipment, supplies: Approximately \$27,600 for vehicles, pressure washer machine/trailer, water tank, gas, supplies, tools, equipment, storage/lockers/employee room

Homeless Outreach Services: Funded by grants and assessments

**DISTRICT IDENTITY AND PLACEMAKING:**

*Examples of this category of special benefit services and costs may include, but are not limited to:*

- Web site updating
- Social media, public relations firm
- Events such as the Taste of Miracle Mile
- Branding of the Miracle Mile CID properties so a positive image is promoted to the public including the development of a new logo
- Banner programs
- Public art displays
- Public space design and improvements
- Refurbishment of street signs and monuments

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### **Supplemental/Special Benefit Services by Benefit Zone for District Identity and Placemaking**

Type of Special Benefit Services	Benefit Zones	Estimated First Year Cost
Web site maintenance and management	All	\$5,000
Social media and PR Firm	All	\$20,000
Branding and signage	All	TBD
Banner program	All	\$10,000
Public Art Displays	Zone 1	Based upon grants
Public space design and management	Zone 1	TBD
<b>Total Budget for District Identity and Placemaking</b>		<b>\$35,000</b>

### **ADMINISTRATION/DISTRICT MANAGEMENT**

*Examples of this category of special benefit services and costs may include, but is not limited to:*

- Staff and administrative costs, contracted or in-house
- Directors and Officers and General Liability Insurance
- Office related expenses
- Rent
- Financial reporting and accounting
- Legal work

Type of Special Benefit Service	Estimated First Year Cost
Executive Director/District Management staff	\$17,000*
Insurance (D & O, General Liability, Employee practices)	\$8,000
Legal Fees	TBD
Accounting and CPA Reviews	\$7,000
Rent and office supplies/computer equipment (Rent, donated, or shared or discounted)	\$18,000
<b>Total Budget for Administration/District Management</b>	<b>\$50,000*</b>

\* Staff costs may be supplemented, by action of the Owners Association Board, by non-assessment activities and grants.

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### **CONTINGENCY/CITY AND COUNTY FEES/RESERVE**

Examples of this category of special benefit services and costs include, but is not limited to:  
Delinquencies, City/County fees, reserves, capital project improvements

In summary, all MMCID funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the MMCID boundaries and none will be provided outside of the MMCID. Each assessed parcel within the MMCID will proportionately specially benefit from Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve. These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates of assessed parcels within the MMCID by reducing litter, marketing the available goods and services and installing physical improvements, each considered necessary in a competitive properly managed contemporary mixed-use business district. All MMCID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Stockton and are only provided for the special benefit of each and every assessed parcel within the boundaries of the MMCID.

### **WORK PLAN BUDGET**

Each identified assessed parcel within the MMCID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of MMCID funded services provided within each benefit zone. The projected MMCID program special benefit (assessments) allocation budget for Year 1 (2023) is shown in the following Table:

**MMCID Year 1 (2023) Special Benefit Assessment Budget by Zone**

BENEFIT ZONE	CIVIL SIDEWALKS	DISTRICT IDENTITY- PLACEMAKING	ADMINISTRATION- MANAGEMENT	CONTINGENCY- RESERVE	TOTAL	%
%	59.8569%	15.1811%	21.6873%	3.2748%	100.00%	
1	\$87,292	\$22,139	\$31,628	\$4,775	\$145,834	63.2550%
2	\$22,804	\$5,784	\$8,262	\$1,248	\$38,098	16.5246%
3	\$26,593	\$6,745	\$9,635	\$1,455	\$44,428	19.2705%
4	\$1,311	\$332	\$475	\$72	\$2,190	0.9499%
TOTAL	\$138,000	\$35,000	\$50,000	\$7,550	\$230,550	100.00%

In order to carry out the MMCID programs outlined in the previous section, a Year 1-2023 assessment budget of \$230,550 is projected. Since the MMCID is being proposed for a 20-year term, projected program costs for future years (Example: Years 2-5) are set at the inception of the MMCID. While future inflationary and other program cost increases are unknown at this point, a built-in maximum increase of 5% per year, commensurate to special benefits conferred on each assessed parcel, is incorporated into the projected program costs and assessment rates for the MMCID.

Funding carryovers, if any, may be reapportioned the following year for related programs, services and improvements in accordance with the Management District Plan. Detailed annual budgets will be

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prepared by the Owners’ Association Board and included in the Annual Report for the City Council’s review and approval.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year for the proposed MMCID. Accordingly, the Owners’ Association shall have the ability to reallocate any budget line item within the budget categories, based on such cost fluctuations subject to the review and approval by the Owners’ Association Board. Such reallocation will be included in the Annual Report for the approval by the City of Stockton City Council pursuant to the related City Ordinance. Any accrued interest or delinquent payments may be expended in any budget category in accordance with the Management District Plan.

A 10-year projected MMCID special benefit budget is shown in the following Table:

### **YEAR 1-10, PROJECTED MMCID ASSESSMENT BUDGET SUMMARY (Special Benefits)**

(Assumes 5% max rate increase per year)

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YEAR	BENEFIT ZONE	CIVIL SIDEWALKS	DISTRICT IDENTITY- PLACEMAKING	ADMINISTRATION- MANAGEMENT	CONTINGENCY- RESERVE	TOTAL
	%	59.8569%	15.1811%	21.6873%	3.2748%	100.00%
<b>YR 1 - 2023</b>	1	\$87,292	\$22,139	\$31,628	\$4,775	\$145,834
	2	\$22,804	\$5,784	\$8,262	\$1,248	\$38,098
	3	\$26,593	\$6,745	\$9,635	\$1,455	\$44,428
	4	\$1,311	\$332	\$475	\$72	\$2,190
	TOTAL	\$138,000	\$35,000	\$50,000	\$7,550	\$230,550
<b>YR 2 - 2024</b>	1	\$91,657	\$23,246	\$33,209	\$5,014	\$153,126
	2	\$23,944	\$6,073	\$8,675	\$1,310	\$40,002
	3	\$27,923	\$7,082	\$10,117	\$1,528	\$46,650
	4	\$1,377	\$349	\$499	\$76	\$2,301
	TOTAL	\$144,901	\$36,750	\$52,500	\$7,928	\$242,079
<b>YR 3 - 2025</b>	1	\$96,240	\$24,408	\$34,869	\$5,265	\$160,782
	2	\$25,141	\$6,377	\$9,109	\$1,376	\$42,003
	3	\$29,319	\$7,436	\$10,623	\$1,604	\$48,982
	4	\$1,446	\$366	\$524	\$80	\$2,416
	TOTAL	\$152,146	\$38,587	\$55,125	\$8,325	\$254,183
<b>YR 4 - 2026</b>	1	\$101,052	\$25,628	\$36,612	\$5,528	\$168,820
	2	\$26,398	\$6,696	\$9,564	\$1,445	\$44,103
	3	\$30,785	\$7,808	\$11,154	\$1,684	\$51,431
	4	\$1,518	\$384	\$550	\$84	\$2,536
	TOTAL	\$159,753	\$40,516	\$57,880	\$8,741	\$266,890
<b>YR 5 - 2027</b>	1	\$106,105	\$26,909	\$38,443	\$5,804	\$177,261
	2	\$27,718	\$7,031	\$10,042	\$1,517	\$46,308
	3	\$32,324	\$8,198	\$11,712	\$1,768	\$54,002
	4	\$1,594	\$403	\$578	\$88	\$2,663
	TOTAL	\$167,741	\$42,541	\$60,775	\$9,177	\$280,234

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<b>YR 6 - 2028</b>	1	\$111,410	\$28,254	\$40,365	\$6,094	\$186,123
	2	\$29,104	\$7,383	\$10,544	\$1,593	\$48,624
	3	\$33,940	\$8,608	\$12,298	\$1,856	\$56,702
	4	\$1,674	\$423	\$607	\$92	\$2,796
	TOTAL	\$176,128	\$44,668	\$63,814	\$9,635	\$294,245
<b>YR 7 - 2029</b>	1	\$116,981	\$29,667	\$42,383	\$6,399	\$195,430
	2	\$30,559	\$7,752	\$11,071	\$1,673	\$51,055
	3	\$35,637	\$9,038	\$12,913	\$1,949	\$59,537
	4	\$1,758	\$444	\$637	\$97	\$2,936
	TOTAL	\$184,935	\$46,901	\$67,004	\$10,118	\$308,958
<b>YR 8 - 2030</b>	1	\$122,830	\$31,150	\$44,502	\$6,719	\$205,201
	2	\$32,087	\$8,140	\$11,625	\$1,757	\$53,609
	3	\$37,419	\$9,490	\$13,559	\$2,046	\$62,514
	4	\$1,846	\$466	\$669	\$102	\$3,083
	TOTAL	\$194,182	\$49,246	\$70,355	\$10,624	\$324,407
<b>YR 9 - 2031</b>	1	\$128,972	\$32,708	\$46,727	\$7,055	\$215,462
	2	\$33,691	\$8,547	\$12,206	\$1,845	\$56,289
	3	\$39,290	\$9,965	\$14,237	\$2,148	\$65,640
	4	\$1,938	\$489	\$702	\$107	\$3,236
	TOTAL	\$203,891	\$51,709	\$73,872	\$11,155	\$340,627
<b>YR 10 - 2032</b>	1	\$135,421	\$34,343	\$49,063	\$7,408	\$226,235
	2	\$35,376	\$8,974	\$12,816	\$1,937	\$59,103
	3	\$41,255	\$10,463	\$14,949	\$2,255	\$68,922
	4	\$2,035	\$513	\$737	\$112	\$3,397
	TOTAL	\$214,087	\$54,293	\$77,565	\$11,712	\$357,657

The MMCID assessments may increase for each individual parcel each year during the life of the MMCID, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners’ Association Board of Directors, included in the Annual Report and adopted by the City of Stockton City Council. Any accrued interest and delinquent payments will be expended within the budgeted categories. The Owners’ Association Board of the Directors (“Property Owners’ Association of the MMCID”) shall determine the percentage increase, if any, to the annual assessment, not to exceed 5% per year. The Owners’ Association Executive Director shall communicate the annual increase to the City each year in which the MMCID operates at a time determined in the Administration Contract held between the Owners’ Association and the City of Stockton. No bonds are to be issued in conjunction with the proposed MMCID.

Pursuant to the Ordinance, any funds remaining after each year of operation will be rolled over into the renewal budget or returned to stakeholders in accordance with the Ordinance. If the MMCID is terminated for any reason or disestablished, unencumbered/unexpended funds will be returned to the property owners in accordance with the Ordinance.



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**Finding 3.** From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

Each identified assessed parcel within the MMCID will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve), it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each parcel within four benefit zones, except as noted herein.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified assessed parcel within the MMCID as a whole and the Benefit Zone in which it is located. Larger parcels and those with larger buildings and/or ones located in Zone 1 are projected to impact the demand for services and programs to a greater extent than smaller parcels or smaller buildings or street frontages and/or located in Zones 2, 3 or 4 and thus, are assigned a greater proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

The proportionate special benefit cost for each parcel has been calculated based on proportionate formula components and is listed in the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program related costs.

**Finding 4.** From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed MMCID, they are also considerably less than other options considered by the MMCID Formation Advisory Committee. The actual assessment rates for each parcel within the MMCID directly relate to the level of service and, in turn, special benefit to be conferred on each parcel based on the respective building area, land area or street frontage of each parcel within four benefit zones.

**Finding 5.** From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

Article XIIIID states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There are currently 13 publicly owned parcels within the boundaries of the proposed MMCID - 11 are owned by the City of Stockton and 2 by the Stockton Unified School District. It is the opinion of this

## MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

Assessment Engineer that there is no clear and convincing evidence that these publicly owned parcels would not receive proportionate special benefits and thus, are not exempt from assessments nor assessed differently than privately owned parcels.

**Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.**

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the proposed MMCID.

**Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”**

The individual and total parcel assessments attributable to special property benefits are shown in Appendix 1 to the Management District Plan and this Report. The proposed MMCID and resultant assessment levies will continue for 20 years unless disestablished. The reasons for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to building area, land area or street frontage of each MMCID assessed parcel within four benefit zones.

### **Assessment Formula Methodology**

#### **Step 1. Select “Benefit Unit(s)”**

##### **Background - Assessment Formula Development**

The method used to determine special benefits derived by each identified assessed 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 MMCID, the benefit unit may be measured in linear feet of street frontage or parcel size in square feet or building size in square feet or any combination of these factors. Factor quantities for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by a CBD in order to determine any levels of different benefit that may apply on a parcel-by-parcel or categorical basis.

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 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, administration and ancillary program costs, are estimated. It is noted, as stipulated in Article XIID Section 4(b) of the California Constitution, and now required of all property-based assessment districts, indirect or general benefit related costs may not be incorporated into the assessment formula and levied on the district properties; only direct or “special” benefits related costs may be used. Indirect or general benefits, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In

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addition, Article XIIIID Section 4(b) of the California Constitution also no longer automatically exempts publicly owned property from being assessed unless the respective public agency can provide clear and convincing evidence that their property does not specially benefit from the programs and services to be funded by the proposed special assessments. If special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments. (See page 15 of this Report for discussion regarding publicly owned parcels within the MMCID).

From the estimated program costs, the value of a benefit unit or “unit cost” can be computed by dividing the total amount of estimated program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Unit Cost times the number of Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionately or “spread” amongst all benefitting 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. CBIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

### MMCID Assessment Formula

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed MMCID (i.e. Sidewalk Operations, District Identity-Placemaking, Administration-Management and Contingency-Reserve) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area or street frontage of each parcel within four benefit zones.

The “Benefit Units” for Zones 1, 2 and 3 will be expressed as a combined function of gross building square footage (Benefit Unit “A”) and land square footage (Benefit Unit “B”) and in Zone 4, street frontage (Benefit Unit “C”). Based on the shape of the proposed MMCID, as well as the nature of the work program, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area and land area in Zones 1, 2 and 3 and in Zone 4, street frontage.

In the opinion of this Assessment Engineer, the targeted weight of Zone 1 revenue to match the projected costs of Zone 1 services, should generate approximately 65% of the total MMCID revenue (63.255% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 2 revenue to match the projected costs of Zone 2 services, should generate approximately 15% of the total MMCID revenue (16.5246% when adjusted for precise parcel measurements and program costs and service levels).

In the opinion of this Assessment Engineer, the targeted weight of Zone 3 revenue to match the projected costs of Zone 3 services, should generate approximately 20% of the total MMCID revenue (19.2705% when adjusted for precise parcel measurements and program costs and service levels).

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In the opinion of this Assessment Engineer, the targeted weight of Zone 4 revenue to match the projected costs of Zone 4 services, should generate approximately 1% of the total MMCID revenue (0.9499% when adjusted for precise parcel measurements and program costs and service levels).

The interaction of building area and land area in Zones 1, 2 and 3 or in Zone 4, street frontage quantities is a common method of fairly and equitably spreading special benefit costs to the beneficiaries of CBD funded services, programs and improvements. These factors directly relate to the degree of special benefit each assessed parcel will receive from MMCID funded activities within each benefit zone.

Building area (Benefit Units A) only applied in Zones 1, 2 and 3, is a direct measure of the static utilization of each parcel and its corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Building Area (Units A) is about 35%. Unit A will actually generate 33.79389% of the overall assessment revenue.

Land area (Benefit Unit B) only applied in Zones 1, 2 and 3, is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Land Area (Unit B) is about 65%. Unit B will actually generate 65.2562% of the overall assessment revenue.

Street frontage (Benefit Unit C) only applied in Zone 4, is a direct measure of each parcel’s corresponding impact or draw on MMCID funded activities. The targeted revenue weight of Street Frontage (Unit C) is about 1%. Unit C will actually generate 0.9499%% of the overall assessment revenue.

### **Special Assessment Circumstances**

#### **1. Residential Condominiums**

Though currently no residential condominium parcels exist within the boundaries of the Miracle Mile CID, future residential condos will be assessed as a separate category. It is the opinion of this Assessment Engineer that residential condominium parcels will proportionately specially benefit from MMCID funded programs and activities, but differently than commercial parcels and other residential parcels with multiple units on them. As such, based on the development configuration of such units which are generally multi floor buildings with no direct land or street frontage, the assessments for residential condominiums shall be assessed based solely on the internal building area of each residential condominium unit at the rate of \$0.13 per square foot of internal building pad area, subject to any approved annual rate increases.

#### **2. Commercial and Mixed-Use Condominiums**

While no mixed-use condominiums currently exist within the MMCID, ground floor commercial condominiums within the MMCID shall be assessed based on actual land area covered, condominium building area and direct street frontage for each unit. Because such uses are typically developed as part of a multi-floor mixed-use complex, special methodologies are needed to address the levy of assessments on such land uses as follows:

##### **Multi-Floor Commercial Only Condominiums (Upper Floors)**

- Building area assessed at respective building area rate

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### Multi-Floor Mixed-Use Condominiums

- Commercial condo (See above for ground floor and upper floor locations)
- Residential condo (See # 2 above)

### ***Changes to Building and/or Parcel Size***

Any changes in building or parcel size as a result of new construction, demolitions, land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications, right of way setbacks shall have their assessment adjusted upon final City approval of such building and/or parcel adjustments.

### ***Other Future Development***

Other than future maximum rates and the assessment methodology delineated in this Report, future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Article XIID ballot procedure in order to approve any such changes.

### **Step 2. Quantify Total Basic Benefit Units**

Considering all identified specially benefiting parcels within the MMCID and their respective assessable benefit units, the cumulative quantities by factor and zone are shown in the following Table:

**Year 1 – 2023 - Assessable Benefit Units**

<b>BENEFIT ZONE</b>	<b>BLDG AREA (SQ FT)</b>	<b>LAND AREA (SQ FT)</b>	<b>STREET FRONTAGE (LN FT)</b>	<b># ASSESSABLE OF PARCELS</b>
1	448,116	673,685	0	90
2	109,625	434,623	0	27
3	108,935	294,957	0	27
4	0	0	1,095	11
<b>TOTAL</b>	<b>666,676</b>	<b>1,403,265</b>	<b>1,095</b>	<b>155</b>

Considering all identified specially benefiting parcels within the MMCID and their respective assessable benefit units, the cumulative assessment revenue by factor and zone are shown in the following Table:

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### Year 1 – 2023 - Assessment Revenue

BENEFIT ZONE	BLDG AREA ASSMT REVENUE	LAND AREA ASSMT REVENUE	STREET FRONTAGE REVENUE	TOTAL REVENUE	%
1	\$58,255.08	\$87,579.05	\$0.00	\$145,834.13	63.2550%
2	\$7,673.75	\$30,423.61	\$0.00	\$38,097.36	16.5246%
3	\$11,982.85	\$32,445.27	\$0.00	\$44,428.12	19.2705%
4	\$0.00	\$0.00	\$2,190.00	\$2,190.00	0.9499%
TOTAL	\$77,911.68	\$150,447.93	\$2,190.00	\$230,549.61	100.000%
1	25.26792%	37.98707%	0.00000%	63.2550%	
2	3.32846%	13.19612%	0.00000%	16.5246%	
3	5.19751%	14.07301%	0.00000%	19.2705%	
4	0.00000%	0.00000%	0.94990%	0.9499%	
TOTAL	33.79389%	65.25620%	0.94990%	100.0000%	

### **Step 3. Calculate Benefit Units for Each Property.**

The number of Benefit Units for each identified benefiting parcel within the proposed MMCID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property-based assessments. All respective property data being used for assessment computations will be provided to each property owner in the MMCID for their review. If a property owner believes there is an error on a parcel’s assessed footages, the MMCID may confirm the data with the San Joaquin County Assessor’s office. If MMCID data matches Assessor’s data, the property owner may opt to work with the Assessor’s office to correct the data so that the MMCID assessment may be corrected.

### **Step 4. Determine Assessment Formula**

In the opinion of this Assessment Engineer, the general assessment formula for the proposed MMCID, except as may vary by Benefit Zone as shown in the Year 1 Assessment Rate Table on page 22, is as follows:

Assessment = Building Area (Unit A) Sq Ft x Unit A Rate, plus  
Land Area (Unit B) Sq Ft x Unit B Rate or, in Zone 4 only,  
Street Frontage (Unit C) Lin Ft x Unit C Rate

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### Assessment Formula Unit Rates

Based on figures from the Assessable Benefit Units Table on page 19, the assessment rates for each factor and zone are shown as calculated below:

#### **Zone 1**

##### Building Area Rate (Unit A-1)

$$(\$230,549.61 \times 25.26792\%) / 448,116 \text{ assessable building units} = \$0.13/\text{sq ft building area}$$

##### Land Area Rate (Unit B-1)

$$(\$230,549.61 \times 37.98707\%) / 673,685 \text{ assessable land units} = \$0.13/\text{sq ft land area}$$

#### **Zone 2**

##### Building Area Rate (Unit A-2)

$$(\$230,549.61 \times 3.32846\%) / 109,625 \text{ assessable building units} = \$0.07/\text{sq ft building area}$$

##### Land Area Rate (Unit B-2)

$$(\$230,549.61 \times 13.19612\%) / 434,623 \text{ assessable land units} = \$0.07/\text{sq ft land area}$$

#### **Zone 3**

##### Building Area Rate (Unit A-3)

$$(\$230,549.61 \times 5.19751\%) / 108,935 \text{ assessable building units} = \$0.11/\text{sq ft building area}$$

##### Land Area Rate (Unit B-3)

$$(\$230,549.61 \times 14.07301\%) / 294,957 \text{ assessable land units} = \$0.11/\text{sq ft land area}$$

#### **Zone 4**

##### Street Frontage Rate B (Unit C-4)

$$(\$230,549.61 \times 0.9499\%) / 1,095 \text{ assessable frontage units} = \$2.00/\text{LF street frontage}$$

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### YEAR 1 –2023 Assessment Rates

BENEFIT ZONE	BLDG AREA ASSMT RATE (\$/SQ FT)	LAND AREA ASSMT RATE (\$/SQ FT)	STREET FRONTAGE ASSMT RATE (\$/LN FT)
YEAR 1			
1	\$0.1300	\$0.1300	\$0.0000
2	\$0.0700	\$0.0700	\$0.0000
3	\$0.1100	\$0.1100	\$0.0000
4	\$0.0000	\$0.0000	\$2.0000

The complete Year 1 – 2023 assessment roll of all parcels to be assessed by the MMCID is included in this Report as Appendix I.

#### **Step 5. Estimate Total MMCID Costs**

The total projected first 10-year MMCID special benefit costs for 2023 – 2032 are shown in the Table on page 14-15 of this Report assuming a maximum 5% increase per year.

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#### **Step 6. Separate General Benefits from Special Benefits and Related Costs (Article XIID)**

Total Year 1 special and districtwide general benefit related costs are estimated at \$235,255. Districtwide general benefits are factored at 2% of the total benefit value (see Finding 2 of this Report) with special benefits set at 98%. Article XIID limits the levy of property assessments to costs attributed to special benefits only. The 2% general benefit value is computed to be \$4,705 with a resultant 98% special benefit limit computed at \$230,550. *Based on current property data and land uses, this is the maximum amount of Year 1 (2023) revenue that can be derived from property assessments from the subject District.* All program costs associated with district-wide and site/activity specific general benefits will be derived from sources other than MMCID assessments.

#### **Step 7. Calculate “Basic Unit Cost”**

With a YR 1 - 2023 assessment revenue portion of the budget set at \$230,550 (special benefit only), the Unit Costs (rates) are shown earlier in Step 4. The MMCID is proposed for a 20-year term. An annual inflationary assessment rate increase of up to 5%, commensurate to special benefits received by each assessed parcel, may be imposed for future year assessments, on approval by the MMCID Property Owner’s Association. The maximum assessment rates for the first 10 years (2023-2032) are shown in the Table below as an example. The assessment rates listed constitute the maximum assessment rates that may be imposed for each of the first 10 years.

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**MMCID – Maximum Assessment Rates - First 10-Years  
(Includes a 5%/Yr. Max Increase)**

<b>BENEFIT ZONE</b>	<b>BLDG AREA ASSMT RATE (\$/SQ FT)</b>	<b>LAND AREA ASSMT RATE (\$/SQ FT)</b>	<b>STREET FRONTAGE ASSMT RATE (\$/LN FT)</b>
YEAR 1			
1	\$0.1300	\$0.1300	\$0.0000
2	\$0.0700	\$0.0700	\$0.0000
3	\$0.1100	\$0.1100	\$0.0000
4	\$0.0000	\$0.0000	\$2.0000
YEAR 2			
1	\$0.1365	\$0.1365	\$0.0000
2	\$0.0735	\$0.0735	\$0.0000
3	\$0.1155	\$0.1155	\$0.0000
4	\$0.0000	\$0.0000	\$2.1000
YEAR 3			
1	\$0.1433	\$0.1433	\$0.0000
2	\$0.0772	\$0.0772	\$0.0000
3	\$0.1213	\$0.1213	\$0.0000
4	\$0.0000	\$0.0000	\$2.2050
YEAR 4			
1	\$0.1505	\$0.1505	\$0.0000
2	\$0.0811	\$0.0811	\$0.0000
3	\$0.1274	\$0.1274	\$0.0000
4	\$0.0000	\$0.0000	\$2.3153
YEAR 5			
1	\$0.1580	\$0.1580	\$0.0000
2	\$0.0852	\$0.0852	\$0.0000
3	\$0.1338	\$0.1338	\$0.0000
4	\$0.0000	\$0.0000	\$2.4311
YEAR 6			
1	\$0.1659	\$0.1659	\$0.0000
2	\$0.0895	\$0.0895	\$0.0000
3	\$0.1405	\$0.1405	\$0.0000
4	\$0.0000	\$0.0000	\$2.5527
YEAR 7			
1	\$0.1742	\$0.1742	\$0.0000
2	\$0.0940	\$0.0940	\$0.0000
3	\$0.1475	\$0.1475	\$0.0000
4	\$0.0000	\$0.0000	\$2.6803

## MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

YEAR 8			
1	\$0.1829	\$0.1829	\$0.0000
2	\$0.0987	\$0.0987	\$0.0000
3	\$0.1549	\$0.1549	\$0.0000
4	\$0.0000	\$0.0000	\$2.8143
YEAR 9			
1	\$0.1920	\$0.1920	\$0.0000
2	\$0.1036	\$0.1036	\$0.0000
3	\$0.1626	\$0.1626	\$0.0000
4	\$0.0000	\$0.0000	\$2.9550
YEAR 10			
1	\$0.2016	\$0.2016	\$0.0000
2	\$0.1088	\$0.1088	\$0.0000
3	\$0.1707	\$0.1707	\$0.0000
4	\$0.0000	\$0.0000	\$3.1028

### **Step 8. Spread the Assessments**

The resultant assessment spread calculation results for each parcel within the MMCID are shown in the Management District Plan and this Report and were determined by applying the MMCID assessment formula to each identified benefiting property.

### **Miscellaneous MMCID Provisions**

#### **Time and Manner of Collecting Assessments:**

Assessments shall be collected at the same time and in the same manner as ad valorem taxes paid to San Joaquin County. The MMCID assessments shall appear as a separate line item on the property tax bills issued by San Joaquin County. The City of Stockton is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement the Management District Plan.

#### **Bonds:**

No bonds are to be issued in conjunction with the proposed MMCID.

### **Duration and Disestablishment**

As allowed by the Ordinance, the MMCID will have a 20-year operation term, beginning January 1, 2023 and ending December 31, 2042. At that time, the MMCID may be renewed again for up to 20 years. Under the Ordinance, property owners will have an annual period in which to petition the City Council to disestablish the MMCID. If the property owners vote, by weighted majority to disestablish the district, the district assessments will be removed from the parcels the following fiscal year. Unexpended surplus funds will be returned to property owners based upon each parcel's percentage contribution to the previous fiscal year's assessments if the MMCID is not continued.

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## APPENDIX 1

### MMCID YR 1 – 2023 ASSESSMENT ROLL

MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

APN	Year 1 Assessment
113-290-010-000	\$6,118.00
113-290-020-000	\$10,428.25
113-300-060-000	\$150.00
113-300-070-000	\$150.00
113-300-080-000	\$130.00
113-310-170-000	\$226.00
113-310-180-000	\$340.00
113-320-050-000	\$264.00
113-320-060-000	\$441.00
113-320-070-000	\$1,242.08
113-320-120-000	\$1,092.91
113-330-040-000	\$1,376.34
113-340-340-000	\$847.00
113-340-350-000	\$2,113.54
113-340-360-000	\$273.00
113-340-370-000	\$678.65
113-340-380-000	\$2,441.40
113-340-390-000	\$658.00
113-354-070-000	\$1,351.74
113-354-080-000	\$1,273.22
113-354-090-000	\$1,285.44
113-354-100-000	\$1,163.24
113-354-110-000	\$1,414.40
113-354-120-000	\$611.00
113-354-150-000	\$1,415.70
113-354-160-000	\$741.00
113-354-180-000	\$1,989.00
113-354-210-000	\$1,422.98
113-354-230-000	\$1,380.21
113-354-240-000	\$907.40
113-354-250-000	\$540.54
113-363-030-000	\$1,625.00
113-363-040-000	\$1,370.72
113-363-050-000	\$1,525.42
113-363-060-000	\$702.00
113-363-070-000	\$871.00
113-363-080-000	\$1,163.89
113-363-090-000	\$1,155.70
113-363-100-000	\$599.95
113-363-160-000	\$794.43
113-364-010-000	\$2,587.00
113-364-040-000	\$938.08
113-364-050-000	\$1,599.00
113-364-060-000	\$452.92
113-364-070-000	\$566.28
113-364-080-000	\$3,068.00
113-380-010-000	\$847.60

113-380-030-000	\$918.71
125-020-010-000	\$594.16
125-020-020-000	\$1,525.30
125-020-03-0000	\$1,148.00
125-030-010-000	\$677.25
125-030-020-000	\$581.00
125-030-030-000	\$571.20
125-030-040-000	\$546.00
125-030-050-000	\$546.00
125-030-060-000	\$102.00
125-030-070-000	\$560.00
125-030-370-000	\$169.40
125-030-390-000	\$175.00
125-030-400-000	\$730.03
125-030-410-000	\$1,092.42
125-040-010-000	\$645.12
125-040-020-000	\$1,379.98
125-040-030-000	\$1,495.20
125-040-040-000	\$1,485.54
125-040-050-000	\$1,293.53
125-050-100-000	\$2,379.52
125-050-160-000	\$2,924.48
125-050-170-000	\$3,582.54
125-060-010-000	\$757.38
125-060-030-000	\$1,075.10
125-060-040-000	\$718.25
125-060-050-000	\$1,022.32
125-060-060-000	\$892.06
125-060-070-000	\$1,113.71
125-060-080-000	\$1,302.34
125-060-090-000	\$2,275.00
125-060-100-000	\$1,093.56
125-060-110-000	\$1,312.61
125-070-110-000	\$3,392.74
125-070-120-000	\$1,472.25
125-070-250-000	\$2,301.78
125-070-260-000	\$1,014.52
125-070-270-000	\$910.00
125-070-380-000	\$1,999.79
125-070-390-000	\$2,131.61
127-020-010-000	\$2,756.00
127-020-020-000	\$1,175.72
127-020-050-000	\$1,472.25
127-020-210-000	\$742.43
127-020-230-000	\$1,267.63
127-020-240-000	\$1,459.90
127-020-250-000	\$3,126.11
127-020-260-000	\$1,083.16

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127-041-010-000	\$924.17
127-041-020-000	\$412.36
127-041-030-000	\$418.99
127-042-040-000	\$1,302.34
127-042-170-000	\$3,255.33
127-042-180-000	\$2,470.00
127-050-010-000	\$3,315.26
127-050-020-000	\$231.92
127-050-030-000	\$651.43
127-050-040-000	\$622.83
127-050-340-000	\$650.00
127-050-350-000	\$650.00
127-050-360-000	\$650.00
127-050-370-000	\$2,182.18
127-060-010-000	\$857.74
127-060-020-000	\$1,014.00
127-060-030-000	\$1,302.34
127-060-340-000	\$650.00
127-060-350-000	\$843.05
127-070-010-000	\$2,243.80
127-070-250-000	\$1,768.47
127-070-260-000	\$7,389.03
127-070-270-000	\$1,521.52
127-070-280-000	\$100.00
127-070-310-000	\$2,846.80
127-070-320-000	\$1,195.92
127-070-330-000	\$1,164.90
127-070-340-000	\$2,866.50
127-070-350-000	\$1,348.93
127-070-370-000	\$3,410.55

137-020-200-000	\$650.00
137-020-210-000	\$1,801.28
137-020-220-000	\$1,302.34
137-020-230-000	\$1,170.00
137-020-310-000	\$1,430.00
137-020-420-000	\$3,900.00
137-060-010-000	\$1,261.00
137-060-020-000	\$18,941.00
137-070-040-000	\$1,342.00
137-070-160-000	\$1,650.00
137-070-170-000	\$88.00
137-070-190-000	\$2,981.00
137-070-550-000	\$880.00
137-070-570-000	\$1,650.00
137-080-010-000	\$480.00
137-080-020-000	\$160.00
137-080-030-000	\$1,188.00
137-080-140-000	\$935.00
137-080-150-000	\$1,402.50
137-080-160-000	\$550.00
137-080-170-000	\$385.00
137-080-540-000	\$156.75
137-080-550-000	\$68.75
137-080-560-000	\$1,188.00
137-080-570-000	\$495.00
137-095-010-000	\$1,056.00
137-095-030-000	\$781.00
137-095-040-000	\$781.00
139-020-010-000	\$2,640.00
139-020-070-000	\$3,652.00

## APPENDIX 2

### MMCID BOUNDARY MAP



# MIRACLE MILE CID – ASSESSMENT ENGINEER’S REPORT

