

**CITY OF OXNARD
WATERWAY MAINTENANCE DISTRICT
(MANDALAY BAY)**

**Report of Formula and
Methodology of Assessments**

April 26, 1988



**Patrick J. Reeves
Principal Engineer**

W.O. 8572-01-00

April 26, 1988

City of Oxnard
Public Works Department
305 West Third Street
Oxnard, CA 93030

Attention: Mr. James Frandsen, Public Works Director

Subject: Oxnard Waterway Maintenance
District (Mandalay Bay)
Distribution & Assessment of Annual Costs

Gentlemen:

Attached are twenty copies of the final report which describes the formula and methodology of assessing annual maintenance costs in the subject District. This report includes the modifications and comments per a meeting in Dave Bailey's office on April 22, 1988.

It is agreed that there is a need to keep the Zone 1 and Zone 2 costs and assessments on a separate basis. It is also felt that minimizing the changes to the current Zone 1 assessments would be beneficial to both the City and the landowners. These two concerns are expressed in the recommendations listed herein.

With the presentation to the City Council on May 10, 1988, our services for this project will be concluded. We appreciate the opportunity to be of service to you and look forward to working with you again in future endeavors.

Very truly yours,

PENFIELD & SMITH



Patrick J. Reeves, P.E.
Project Manager

PJR:jl

Attachments

P **S**

SECTION 1 - INTRODUCTION

In May of 1970, the City of Oxnard formed a Waterway Maintenance Assessment District for Maintenance of Waterways, Parking and Landscaping in the Mandalay Bay area of the City. Since the original formation, the District was enlarged in 1971 and again in 1976. The existing District includes approximately 743 parcels for single family homes, and 37 parcels designated as parks. The assessed acreage for the private homes totals 63.60 acres. The area within the existing Maintenance District is considered as Zone 1.

In 1985, the City of Oxnard formed Assessment District 85-5, for the Voss Mandalay Bay, Tract 4132 Infrastructure Improvements. This Assessment District would ultimately include 12.12 acres available for development into 3 single family homes and 129 condominium units. This District is located adjacent to the existing Waterway Maintenance District and was annexed into the Maintenance District in 1987. This area is listed as Zone 2. Table 1 sets forth pertinent details regarding the above mentioned Districts.

On March 11, 1988, the City of Oxnard prepared a request for proposals from Assessment District Engineers to prepare a report which would develop a formula to be used to determine the annual assessment for each parcel in both Zone 1 and Zone 2 as illustrated following Table 1, as Attachment No. 2.

The original Maintenance District assessments were based on a share of the total assessed valuation of the property and improvements. This methodology was used from the District's formulation until 1978. When Proposition 13 was passed in that year, a revised methodology was adopted which considered only the 1977-78 land value as the basis of assessment. This procedure was used until the present.

The purpose of this report is to evaluate the methodology for assessing costs for the maintenance of waterways, parking and parks in the project areas. It is hoped that the formulas described herein can be adopted by the City Council and utilized by City staff in determining future annual assessments as the District continues to grow.

TABLE 1

WATERWAYS MAINTENANCE DISTRICT

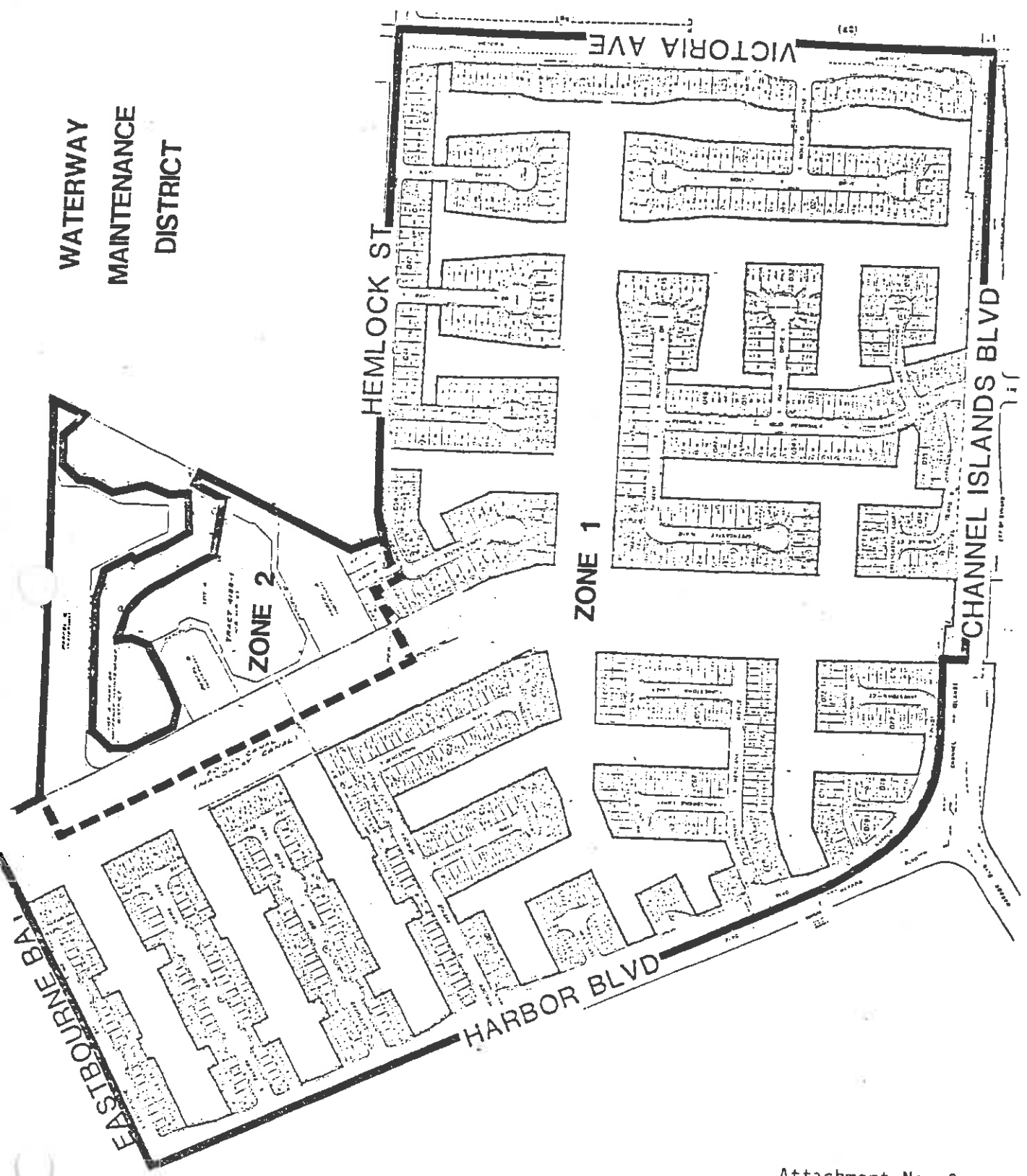
Existing District (Zone 1)

Parcels (Private)	743
Parcels (Parks)	37
Assessed Acreage (Private)	63.6
Gross Acreage - including Waterways	184
Front Footage of Waterways	40,704

Assessment District 85-5 (Zone 2)

Parcels (Single Family Homes)	3
Assessed Acreage (Single Family Homes)	.814
Condominium Units	129
Assessed Acreage (Condominiums)	11.306
Gross Acreage (Zone 2)	27
Front Footage of Waterways (Single Family Homes)	418
Front Footage of Waterways (Zone 2)	5,561
Front Footage of Waterways (Condominium Boat Dock Easements)	2,120

WATERWAY
MAINTENANCE
DISTRICT



Attachment No. 2

SECTION 2 - BASIS OF COSTS

The City of Oxnard has assessed an annual amount of \$240,000 from the property owners in the last 2 years. During that period, services for only Zone 1 maintenance was included. Recently, City staff has prepared a preliminary budget for maintenance of both Zone 1 and Zone 2 areas. The budget items and amounts are shown herein as Table 2. These items provide a means to compare approximate assessments based on the recommended methodologies. Once the actual budgets are adopted, modifications to the procedures described herein may be required.

SECTION 3 - METHODOLOGIES OF ASSESSMENT

In establishing the procedures to assess costs to property owners, the primary objective is to have each individual parcel fairly assessed for benefits received. Benefits can be attributed to:

1. Improved value of land:
 - a. On a per square foot basis of property
 - b. On a waterway linear foot basis
2. Use of waterway by each parcel owner.
3. Aesthetics, quality of life, and easy access to docking facilities.

Each property therefore receives a value from the Maintenance District based on its:

1. Front footage of waterway
2. Land acreage
3. Use of boat(s) on the waterways

With these items in mind, an evaluation was made of the 1977-78 County Assessor Rolls. It was found that there appeared to be a correlation between the assessed land value, without improvements, and a weighted average of the three considerations mentioned above. By reviewing the rolls, we have found a logical rationale in continuing to use this basis as a means to assess the properties in Zone 1. There are approximately 28 parcels which do not appear to be on a par with their neighbors and will therefore require adjustment as described in the next section. In addition, there are many parcels which have been assessed below a minimum level for the smallest parcel. It is not known why the County Assessor Rolls carry the discrepancies between

these values, but for the purposes of the Waterway Maintenance District it is suggested that a minimum value be maintained for all parcels who have access to the waterways and parks.

A few observations regarding the assessed land value of the properties in Zone 1 include:

1. Additional values given to parcels adjacent to parks with larger boat dock easements.
2. Reduced values given to parcels away from main channels.

SECTION 4 - RECOMMENDATIONS

The property owners in Zone 1 have been assessed based on the 1977-78 assessed value of their land for 10 years. It has been found that there is a direct correlation between the land value and the increments of Maintenance District benefits to be received. It is therefore recommended that this methodology continue to be used in Zone 1. It has been discovered that there are 24 parcels within Zone 1 which are in some way inequitably assessed with regard to the Maintenance District. Table 3 indicates those parcels recommended for adjustment along with the amount of adjustments. Besides the 24 parcels which require adjustment, 75 parcels require increases to a minimum assessed land value of \$20,000. All but 2 of these parcels require an adjustment of \$1,000 or just 5.2%. The other 2 parcels require an adjustment of \$3,000 or 17.6%.

Zone 1 assessments will be made based on the percent of the total 1977-78 assessed land value. The calculated existing total after adjustments is \$19,552,500. A parcel with a land value of \$20,000 would therefore receive an assessment as follows:

$$\text{Zone 1 cost} \times \frac{\$20,000}{19,552,500} = \text{Parcel Assessment}$$

The recommended methods to allocate costs between zones, and to further allocate costs within Zone 2, are listed in Tables 4A through 4C.

There are three basic levels of assessment in Zone 2:

1. Condominiums
2. Single family homes
3. Condominium boat dock easements

The allocation between the condominiums and single family homes are shown in Table 4B and 4C. The actual assessments of the condominium units will be based on an equal unit basis, each condominium will receive the same assessment, regardless of size. As the condominiums share equally in access to the common areas and waterways, maintenance costs should also be shared accordingly.

The condominium units do not have boat dock easements. Instead, it has been determined to lease this space. To determine the assessed value for this easement, the actual waterway budget for the entire District can be divided by the effective waterway frontage of 46,272 feet. This would yield a per linear foot fee which could be assessed the easement holder on an annual basis. The amount paid by the boat dock easement holder could be deducted from the condominium owner's cost allocation.

Based on the annual costs and formulas of assessment spreading discussed herein, the following calculations demonstrate examples of assessments based on the budgeted operating costs listed in Table 2 in Section 2:

Zone 1

$$\begin{aligned}
 \text{Total Cost} &= \text{Zone 1 Cost} + 86\% \text{ of General Benefit Cost} \\
 &= \$92,000 + (.86) \$178,800 \\
 &= \$92,000 + \$153,800 \\
 &= \$245,800 \\
 &=====
 \end{aligned}$$

$$\begin{aligned}
 \text{Example 1} &= \$20,000 \text{ Assessed Land Value} \\
 \frac{\$20,000}{\$19,552,500} \times \$245,800 &= \$251.43 \text{ versus } 1987-88 = \$256.58 \\
 &=====
 \end{aligned}$$

$$\begin{aligned}
 \text{Example 2} &= \$30,000 \text{ Assessed Land Value} \\
 \frac{\$30,000}{\$19,552,500} \times \$245,800 &= \$377.14 \text{ versus } 1987-88 = \$384.86 \\
 &=====
 \end{aligned}$$

$$\begin{aligned}
 \text{Example 3} &= \$50,000 \text{ Assessed Land Value} \\
 \frac{\$50,000}{\$19,552,500} \times \$245,800 &= \$628.43 \text{ versus } 1987-88 = \$641.42 \\
 &=====
 \end{aligned}$$

Zone 2

$$\begin{aligned}
 \text{Total Cost} &= \text{Zone 2 Cost} + 14\% \text{ of General Benefit Cost} \\
 &= \$14,500 + (.14) \$178,800 \\
 &= \$14,500 + \$25,000 \\
 &= \$39,500 \\
 &=====
 \end{aligned}$$

Step 1 - Homes versus Condominiums

Homes = \$39,500 x 5.5% (from Table 4B) = \$2,172

Step 2 - Condominiums versus Boat Docks

Boat Docks = $\frac{\text{Waterway Cost}}{\text{Total Frontage}} = \frac{\$207,300}{46,265 \text{ ft.}} = \$4.48/\text{ft.}$

Assumed Cost = 2,120 ft. x \$4.48/ft. = \$ 9,498
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Condominiums = \$39,500 - \$9,498 - \$2,172 = \$27,830
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Example 4 = Single Family Home - Lot 1
\$2,172 x .386 (from Table 4C) = \$838.39
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Example 5 = Condominium Unit
\$27,830/129 Units = \$215.74
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TABLE 2

MANDALAY BAY - WATERWAY MAINTENANCE DISTRICT

Basis of Costs
(\$1,000)

<u>Item</u>	<u>General Benefits</u>	<u>Zone 1</u>	<u>Zone 2</u>
Bottom Soundings	6	-0-	-0-
Landscape Maintenance ¹	-0-	62	14
Landscape Master Plan ¹	-0-	66	-0-
Debris Removal	21	-0-	-0-
Bulkhead Maintenance	-0-	15	-0-
Algae Control	6	-0-	-0-
Weephole Cleaning	-0-	10	-0-
Dredging Reserve	140	-0-	-0-
General Fund Credit ¹	<u>-0-</u>	<u>(64)</u>	<u>-0-</u>
Subtotal	173	89	14
County Fee & Delinquency	<u>5.8</u>	<u>3.0</u>	<u>0.5</u>
	<u>178.8</u>	<u>92.0</u>	<u>14.5</u>
	=====	=====	=====

Total = \$285,300 Annual Budget for District
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Total = \$207,300 Annual Budget for Waterways Only
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¹Items deleted from Waterways Budget

TABLE 3

ADJUSTMENT TO 1977-78 LAND VALUES

<u>No.</u>	<u>Parcel No.</u>	<u>Prior Assessment \$1,000</u>	<u>Proposed Assessment \$1,000</u>	<u>Differential \$1,000</u>
1	188-033-035	24	28	+4
2	188-053-205	22.5	25	+2.5
3	188-055-011/012	36	36	Mistake in Bill
4	188-055-021/022	36	36	Mistake in Bill
5	188-055-031/032	36	36	Mistake in Bill
6	188-055-085	36	37	+1
7	188-055-105	36	37	+1
8	188-056-045	21	24	+3
9	188-056-055	21	24	+3
10	188-062-045	21	24	+3
11	188-062-055	21	24	+3
12	188-063-185	37	36	-1
13	188-063-235	37	36	-1
14	188-072-045	21	24	+3
15	188-072-055	21	24	+3
16	188-073-045	21	24	+3
17	188-073-055	21	24	+3
18	188-078-065	19	24	+5
19	188-084-015	20	24	+4
20	188-100-045	19	30	+11
21	188-100-155	19	30	+11
22	188-100-185	19	24	+5
23	188-100-195	19	24	+5
24	188-100-225	19	30	+11

TABLE 4A

ALLOCATION OF GENERAL COSTS BETWEEN ZONES

<u>Description</u>	Total	Zone 1		Zone 2	
	<u>No.</u>	<u>No.</u>	<u>- %</u>	<u>No.</u>	<u>- %</u>
Units	875	743	- 84.9	132	- 15.1
Gross Area	211	184	- 87.2	27	- 12.8
Assessed Area	75.72	63.6	- 84.0	12.12	- 16.0
<u>Waterway Footage</u>	46,265	40,704	- 88.0	5,561	- 12.0
Total			344.1		55.9
Average Share			86.0%		14.0%

TABLE 4B

ALLOCATION OF ZONE 2 EXPENSES

<u>Description</u>	Total	Condos		Homes	
	<u>No.</u>	<u>No.</u>	<u>- %</u>	<u>No.</u>	<u>- %</u>
Units	132	129	- 97.7	3	- 2.3
Assessed Area	12.12	11.306	- 93.3	.814	- 6.7
<u>Waterway Frontage</u>	5,561	5,143	- 92.5	418	- 7.5
Total			283.5		16.5
Average Share			94.5%		5.5%

TABLE 4C

ALLOCATION OF ZONE 2 EXPENSES (HOMES)

<u>Description</u>	Total	Parcel 1		Parcel 2		Parcel 3	
	<u>No.</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Unit Assessment	3	1	- 33.3	1	- 33.3	1	- 33.3
Assessed Area	.814	.252	- 31.0	.249	- 30.6	.313	- 38.4
<u>Waterway Frontage</u>	418	215	- 51.4	70	- 16.8	133	- 31.8
Total			115.7		80.7		103.5
Average Share			38.6%		26.9%		34.5%

