

# REPORT

**To the Honorable Mayor and City Council  
From the City Manager**

June 9, 2014

## **SUBJECT**

Resolution of Intent to Establish a Community Benefit Improvement District in Downtown Redwood City, a Motion Authorizing the City Manager to Sign the City-owned Property Petitions in Support of the Community Benefit Improvement District, and Motion Authorizing the City Manager to Vote Yes on the CBID once the City's property ballots are received.

## **RECOMMENDATION**

1. Approve the Resolution of Intent which instructs the City Clerk to mail out ballots to every affected property owner;
2. Approve the associated Management Plan and Engineer's Report;
3. Make a motion authorizing the City Manager to sign the City-owned property petitions in support of the CBID; and
4. Make a motion authorizing the City Manager to Vote Yes on the CBID once the City's property ballots are received.

## **BACKGROUND**

The City of Redwood City, through the former Redevelopment Agency, made significant capital investments, exceeding \$64 million dollars in aggregate in Downtown Redwood City and funded on-going services above and beyond basic City services. Major capital improvement projects included the creation of Courthouse Square, (including a new public plaza, a new 20-screen movie theater, a parking garage, beautiful streetscaping, and space for shops and restaurants), Downtown Season Banners and Decorations, Gateway and Directional Signs, as well as other planning activities. The Redevelopment Agency also provided on-going support to the Downtown in numerous ways including marketing and events, maintenance, security and financial assistance to businesses for façade improvements. The elimination of redevelopment by the State impacted the City's ability to continue to fund enhanced services in the Downtown.

Currently, the City provides over \$2.5 million annually in support for street system maintenance, parking facility operations, police services, and other personnel to fulfill general service obligations. The City has and intends to continue to provide this service at the baseline level, but understands that the community desires enhanced services to meet the growing needs of the community and to take Downtown Redwood City to the next level by making it the premiere downtown on the Peninsula. With this in mind, in

July 2013, the City retained New City America, Inc. to assist property and business owners in the establishment of a benefit district to fund enhanced services.

New City America distributed a survey to all downtown property owners to determine their conceptual support for a benefit district and worked with a Property Owner Steering Committee to determine if there was sufficient support to move forward with the process. At the March 17, 2014 Steering Committee meeting, the committee recommended the City proceed and develop a Management Plan for a new Downtown Community Benefit Improvement District and also an Engineer's Report was developed to support the management plan (See Attachments 2 and 3). Concurrent with these activities, a petition drive of property owners within the district was conducted. The details surrounding the petition process is found under the section Petitioning and Balloting on page 3 of this staff report.

#### **ANALYSIS**

New City America worked with the Steering Committee on the creation of a Management Plan that outlines the levels of service to be provided, the cost of the various services and a methodology to assess the costs to the benefiting parcels. The Steering Committee approved of the projected CBID budget and related levels of service at their March 17, 2014 meeting. Their recommendations are incorporated in the final management plan at this time.

Highlights of the Management Plan services and breakdown of the FY 2014-15 budget of \$795,781 follows:

<u>Sidewalk Operations and Beautification</u>	\$423,000
Regular sidewalk and gutter sweeping	
Regular sidewalk steam cleaning	
Enhanced trash emptying	
Installation and maintenance of hanging plants, planting flowers throughout the district	
Dog waste receptacles adjacent to apartment buildings and condos	
Possible video surveillance and monitoring, safety programs;	
Other programs that provide special benefits in the sidewalks of the CBID	

District Identity and Signage \$160,000

Special event underwriting, public space development, website creation and management, social media, public and media relations, business attraction

Parking Management \$ 54,000

Opportunity to provide a district valet program, rental of private parking lots, possible shuttle to peripheral parking structures, and other parking solutions

Administration/Corporate Operations \$120,000

Staffing, office related expenses, General liability and other insurance, accounting, legal

Contingency/City and County Fees/Reserves \$ 38,781

Overhead expenses for the collection costs and non-payment of assessments in CBID Delinquencies, City and County fees, reserves, special projects

**Total** **\$795,781**

The Downtown Redwood City CBID 2014 Management District Plan Summary, which includes a map of the CBID boundaries and identifies the properties in benefit zones 1 and 2, is included in attachment #4. The Management Plan also includes information regarding the methodology used to allocate the costs of the various services by linear frontage, lot size or building square footage and the reasoning behind this recommended methodology. Estimates of the cost to provide the desired services were used to determine the amount to be assessed. The assessment methodology was reviewed and approved by an Assessment Engineer to ensure that it reflects the benefit of the services to be received. Details regarding the annual assessments for benefit zones 1 and 2 and residential properties are also included in the attached Management Plan Summary.

#### Petition & Balloting

On May 9, 2014, the petition drive was launched and packets were mailed to all property owners in the proposed district. The packet included a letter from New City America, the petition for the property and the Management Plan Summary. The cover letter, a sample petition and the Management Plan Summary (Attachment #4) are attached for your information.

Since May, property owners have submitted petitions to New City America and details of those in support and those opposed as of June 4, 2014 is attached in the Exhibit titled Redwood City Petition Response 6/04/2014. In summary, 29.48% of property

owners, by weight, are supportive of the CBID initiative, (See attachment #5). With the City's 7.82% weight and subsequent submission of its petition should Council grant authorization to the City Manager to do so, this would equal 37.30%, which would meet the required threshold to move to the final petition stage of the process.

If the City Council chooses to authorize the City Manager to sign the City's petition, the petition threshold will be reached, a Resolution of Intent (ROI) will then be before the City Council for adoption. Adoption of the resolution will bring the CBID initiative to the final balloting stage. According to the State constitution, property owners must then be allowed to submit a ballot on the formation of the district at a public hearing. By adopting the ROI, the City Council is instructing the City Clerk to mail out the ballots to every affected property owner. The property owners will have no less than 45 days in which to return the mail ballots. CBID ballots will be mailed by the City Clerk no later than June 12, 2014 and must be returned by the conclusion of the public hearing scheduled for the July 28, 2014 City Council meeting. Should 50% of the ballots, by weight, be cast in favor of the CBD, the City Council can establish the CBD and authorize placement of the assessment on the Fiscal Year tax roll.

#### Timeline

June 12, 2014	CBID Ballots mailed to property owners
July 28, 2014	City Council Public Hearing, ballots counted
Early August 2014	Assessments forwarded to San Mateo County Auditor/Controller
Aug. 2014 – Dec. 2014	Formation of the CBID Management Corporation
December 2014	Revenue 50% distributed to City and forwarded to the new CBID Management Corporation

#### City Owned Properties

Based on the City's property ownership, the City would pay approximately \$62,251 annually, or 7.82% of the total assessment. The increase in enhanced services that the CBID would provide downtown would be much greater than what the City is able to currently provide on its own. As mentioned earlier, the City currently spends \$2.5 million annually in support for street system maintenance, sidewalk steam cleaning, events management, parking facility operations, police services, and other personnel to fulfill general service obligations. The CBID would fund \$795,781 worth of services including daily maintenance, daily sidewalk cleaning services, marketing, events



management, treatment for pet waste, and staff to administer the services provided in the District.

The enhanced services and the increased activation and beautification of downtown are in the best interests of businesses, property owners and the community. The businesses will benefit from increased commerce and improved identity, property owners will benefit from increased property values and lease revenues, and the community will benefit from a cleaner, more attractive and vibrant downtown. Staff recommends that the City Council authorize the City Manager to sign the petitions for City-owned properties in support of the Community Benefit Improvement District.

Based on the multitude of benefits to be realized by property and business owners as well as residents, staff recommends that the City Council take the following two actions:

- Adopt the Resolution of Intent to establish a Downtown Redwood City Community Benefit Improvement District
- Authorize the City Manager to sign the petition for the City-owned properties to establish a Downtown Redwood City Community Benefit Improvement District
- Authorize the City Manager to vote Yes on the property ballots for the City-owned properties to establish a Downtown Redwood City Community Benefit Improvement District

#### Previous Actions

- On July 18, 2013, the City Manager provided authorization to enter into a Consultant Services Agreement with New City America, Inc. for assistance in establishing a Downtown Redwood City CBID at a cost not to exceed \$60,000.
- On March 10, 2014 the City Council adopted an Ordinance Allowing for the Establishment of Community Benefit Improvement Districts in the City of Redwood City

#### Summary of Public Outreach Efforts

- The CBID Property Owners Steering Committee, comprised of all downtown property owners who chose to attend and other interested parties, met on October 23, 2013; December 12, 2013; January 9, 2014; February 20, 2014; March 17, 2014; and May 28, 2014 to provide input on the initiative process, survey, management plan, and petition drive. At the October meeting, the committee made a recommendation to proceed with the Special Benefit District initiative.

- Updates on the proposed CBID were provided to the Economic Development Subcommittee at their October 21, 2013; January 27, 2014; February 24, 2014 and April 28, 2014 meetings.
- City staff and Marco LiMandri from New City America met with large and small property owners to explain the initiative, answer questions and request their completion of the survey, the property verification form, and the petition.

#### **ALTERNATIVES**

The City could choose not to adopt the resolution even if there are sufficient votes.

#### **FISCAL IMPACT**

There is no fiscal impact by adopting a Resolution of Intent other than the costs associated with the noticing and hearing process. In addition, if the CBID is approved, the annual obligation of the City in FY 2014-15 will be \$62,251.

#### **ENVIRONMENTAL REVIEW**

This action is not a “project” within the meaning of the California Environmental Quality Act because the action contemplated by this report will not cause a direct physical change in the environment nor a reasonably foreseeable indirect physical change in the environment. (Public Resource Code § 21065; Guidelines § 15378)




---

SEAN BROOKS  
ECONOMIC DEVELOPMENT MANAGER




---

ROBERT B. BELL  
CITY MANAGER

#### **ATTACHMENTS**

1. Resolution of Intention to Establish at Downtown Redwood City Community Benefit Improvement District
2. Management Plan
3. Engineers Report
4. Petition Cover Letter, Sample Petition (City's petition included), & Management Plan Summary
5. Redwood City Petition Response Report 6/4/14

## ORIGINAL

## RESOLUTION NO. 15347

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY DECLARING ITS INTENTION TO FORM THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT PURSUANT TO THE REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT PROCEDURAL ORDINANCE AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING IN CONNECTION THEREWITH**

**WHEREAS**, the Redwood City Community Benefit Improvement District Procedural Ordinance (Redwood City Municipal Code Chapter 31) (the "Ordinance"), which incorporates most of the provisions of the Parking and Business Improvement District Law of 1994 (Streets & Highways Code Section 36600 *et seq.*) (the "PBID Law") authorizes the City to form Community Benefit Improvement Districts; and

**WHEREAS**, the City Council has received a petition (the "Petition") requesting the formation of a Community Benefit Improvement District (the "CBID") to be designated the "Downtown Redwood City Community Benefit Improvement District," and

**WHEREAS**, the Petition, which has been signed by signed by property owners in the CBID who will pay more than thirty percent of the assessments proposed to be levied in connection the CBID, meets all of the requirements of Section 36621 of the PBID Law, as modified by Section 31.8 of the Ordinance; and

**WHEREAS**, the Petition is on file in the Office of the City Clerk available for public inspection, and incorporated herein by reference; and

**WHEREAS**, the City Council now desires to conduct proceedings to form the CBID.

**NOW THEREFORE**, the City of Redwood City Council hereby resolves the following:

Section 1. The above recitals are all true and correct.

Section 2. The City Council declares its intention to form the CBID.

Section 3. The boundaries of the CBID are generally described as follows: The territory in Downtown Redwood City roughly bounded by Brewster, Veterans, Maple, Pennsylvania, Winklebleck, and State Highway 82.



Section 4. The proposed activities of the CBID are briefly described as follows: Sidewalk Operations and Beautification (such as sidewalk cleaning and landscaping maintenance), District Identity and Signage (such as marketing and promotional activities), Parking Management, Administration/Corporate Operations, and Contingency/City and County Fees and Reserves.

Section 5. The activities of the CBID will be funded through an annual benefit assessment against lots and parcels of real property within the boundaries of the CBID. The amount of the proposed assessment is \$795,781.00 for Fiscal Year 2014-15.

Section 6. The initial duration of the CBID is proposed to be 15 years.

Section 7. No bonds will be issued in connection with the CBID.

Section 8. For a complete description of the CBID, and its boundaries, activities, and proposed real property assessment, reference is made to the Management District Plan entitled the "Downtown Redwood City Community Benefit Improvement District Management District Plan" and dated June 2, 2014, and to the Engineer's Report entitled the "Downtown Redwood City Community Benefit Improvement District District Assessment Engineers Report" and dated June 2, 2014, each of which is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference.

Section 9. On July 28, 2014 at 7:00 PM or as soon thereafter as the matter may be heard, in the City Council Chambers located at 1017 Middlefield Road, Redwood City, CA 94063, the City Council will hold a public hearing on the establishment of the CBID and the levy of assessments. At the public hearing, the agency shall consider all objections or protests, if any, to the proposed assessment. At the public hearing, any person shall be permitted to present written or oral testimony. The public hearing may be continued from time to time.

Section 10. The City Clerk is directed to mail notice of the public hearing, including an assessment ballot, to affected property owners in the manner required by Section 53753 of the Government Code and Article XIII D, Section 4 of the California Constitution.

Section 11. Assessment ballots will be accepted and tabulated by the City in the manner set forth in the attached "Procedures for the Completion, Return, and Tabulation of Assessment Ballots", which is incorporated herein by reference.

Section 12. A majority protest exists if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the assessment ballots submitted, and not withdrawn, in its favor, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted. If there is a majority protest against the imposition of the assessment in connection with the CBID, the CBID will not be formed.

Section 13. If the CBID is formed, funds may (at the sole discretion of the City Council) be advanced, pursuant to Section 31.10 of the CBID Ordinance, from the City's general fund to permit the operation of the CBID prior to the City's collection of the assessment. Any such advance may not exceed the total anticipated assessment proceeds for the first year of the assessment. Any such advance will be recovered from assessment proceeds, along with interest calculated at the rate set by the State Controller for funds invested in the Local Agency Investment Fund. The duration of any such advance shall not exceed five years.

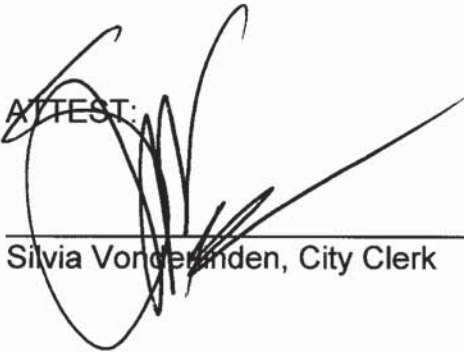
\* \* \*

PASSED AND ADOPTED




Jeffrey Gee, Mayor  
City of Redwood City, California

ATTEST:



Silvia Vonderhinden, City Clerk

APPROVED AS TO FORM:



Pamela Thompson, City Attorney

APPROVED AS TO ADMINISTRATION:



Robert B. Bell, City Manager



## **CITY OF REDWOOD CITY**

### **PROCEDURES FOR THE COMPLETION, RETURN, AND TABULATION OF ASSESSMENT BALLOTS**

#### **I. Completion of Ballots**

- **Who may complete a ballot**

An assessment ballot may be completed by the owner of the parcel to be assessed. As used in these Procedures, the term "owner" includes the owner's authorized representative. If the owner of the parcel is a partnership, joint tenancy, or tenancy in common, a ballot may be completed by any of the general partners, joint tenants, or tenants in common. Except as set forth below, only one ballot may be completed for each parcel.

- **Proportional assessment ballots**

If a parcel has multiple owners, any owner may request a proportional assessment ballot. If the ownership interest of the owner is not shown on the last equalized secured property tax assessment roll, such request must include evidence, satisfactory to the City, of the owner's proportional rights in the parcel. The City will provide the proportional ballot to the owner at the address shown on the assessment roll. Any request for a ballot to be mailed to another location must be made in writing and must include evidence, satisfactory to the City, of the identity of the person requesting the ballot. Each proportional ballot will be marked to show the date on which the ballot was provided, to identify it as a proportional ballot and to indicate the owner's proportional rights in the parcel. The City will keep a record of each proportional ballot provided to an owner.

- **Duplicate ballots**

If an assessment ballot is lost, withdrawn, destroyed or never received, the City will mail or otherwise provide a duplicate ballot to the owner upon request. The duplicate ballot will be marked to show the date on which the ballot was mailed or provided and to identify it as a duplicate ballot or a duplicate proportional ballot. The same procedure applies to duplicate ballots or duplicate proportional ballots which are lost, withdrawn, destroyed, or never received.

- **Marking and signing the ballot**

To complete an assessment ballot, the owner of the parcel must (1) stamp or mark the appropriate box supporting or opposing the proposed assessment, and (2) sign, under penalty of perjury, the statement on the ballot that the person completing the ballot is the owner of the parcel or the owner's authorized representative. Only one box may be stamped or marked on each ballot. Ballots must be completed in ink and include the original signature of the signer.

- **Only assessment ballots provided by the City will be accepted**

The City will only accept ballots mailed or otherwise provided to owners by the City. Photoduplicated, facsimile, and electronic copies of completed ballots will not be accepted.

## **II. Return of Ballots**

- **Who may return ballots**

An assessment ballot may be returned by the owner of the parcel or by anyone authorized by the owner to return the ballot.

- **Where to return ballots**

Ballots may be mailed to the address indicated on the ballot.

Ballots may also be delivered in person to the Office of the City Clerk located at 1017 Middlefield Road, Redwood City, CA 94063 (prior to 5:00 p.m. on the date scheduled for the public hearing on the proposed assessment), or delivered to the City Clerk at the public hearing on the proposed assessment.

The City will not accept ballots returned to the City via email, facsimile machine, or other electronic method.

- **When to return ballots**

All returned ballots must be *received* by the City prior to the time the City Council closes the public input portion of the public hearing on the proposed assessment. The public input portion of the public hearing may be continued from time to time.

- **Withdrawal of assessment ballots**

After returning an assessment ballot to the City, the person who signed the ballot may withdraw the ballot by submitting a written statement to the City directing the City to withdraw the ballot. Such statement must be received by the City prior to the close of the public input portion of the public hearing on the proposed assessment. When ballots for the assessment are tabulated, the City will segregate withdrawn ballots from all other returned ballots. The City will retain all withdrawn ballots and will indicate on the face of such withdrawn ballots that they have been withdrawn.

If any ballot has been withdrawn, the person withdrawing the ballot may request a duplicate ballot.



- **Changes to assessment ballots**

In order to change the contents of a ballot that has been submitted, the person who has signed that ballot may (1) request that such ballot be withdrawn, (2) request that a duplicate ballot be issued, and (3) return the duplicate ballot fully completed. Each of these steps must be completed according to the procedures set forth above.

### **III. Tabulation of Ballots**

- **Which assessment ballots will be counted**

Only ballots which are completed and returned in compliance with these procedures will be counted. Ballots received by the City after the close of the public input portion of the public hearing on the proposed assessment will not be counted. Ballots which are not signed by the owner will not be counted. Ballots with no boxes marked, or with more than one box marked, will not be counted. Ballots withdrawn in accordance with these procedures will not be counted.

The City will keep a record of each proportional or duplicate ballot mailed or otherwise provided to an owner and will ensure that only one ballot is tabulated for the parcel (or for the owner in the case of proportional ballots).

The following rules will apply if more than one countable ballot for a parcel (or owner) has been returned. If a non-duplicate ballot has been returned, the City will count the non-duplicate ballot and disregard all duplicate ballots. If only duplicate ballots have been returned, the City will count the last duplicate ballot and disregard the earlier duplicate ballots. If an owner returns both a non-proportional ballot and a proportional ballot, the City will count the proportional ballot and disregard the non-proportional ballot.

- **When and where ballots will be tabulated**

The tabulation of ballots will be performed, in view of those present, at the public hearing following the close of the public input portion of the public hearing. The public hearing may be continued from time to time for the purpose of tabulating ballots. Ballots will not be unsealed until the tabulation begins.

- **How ballots will be tabulated**

Ballots may be counted by hand, by computer or by any other tabulating device.

Ballots will be tabulated by adding the ballots submitted in opposition to the assessment and adding the ballots submitted in favor of the assessment. Ballots shall be weighted according to the proportional financial obligation of the affected property; provided, however, that proportional ballots shall be weighted in accordance with the respective ownership interests of each proportional ballot submitted. If one or more proportional ballots are returned for a parcel and a non-proportional ballot is returned for the parcel, the non-proportional ballot will either be

disregarded (if the same owner has returned a proportional ballot) or treated as a proportional ballot (if the same owner has not returned a proportional ballot).

- **Who will tabulate ballots**

Ballots will be tabulated by an employee of the City or by some other impartial person designated by the City Council who does not have a vested interest in the outcome of the proposed assessment. The tabulator may be assisted by any of the staff and consultants of the City.

- **Results of tabulation**

The results of the tabulation will be announced following the completion of the tabulation and entered in the minutes of a City Council meeting. If ballots submitted in opposition to the proposed assessment exceed the ballots submitted in favor of the proposed assessment (as tabulated above), the assessment will not be imposed.

#### **IV. Resolution of Disputes**

In the event of a dispute regarding whether the signer of a ballot is the owner of the parcel to which the ballot applies, the City will make such determination from the last equalized assessment roll and any evidence of ownership submitted to the City prior to the conclusion of the public hearing. The City will be under no duty to obtain or consider any other evidence as to ownership of property and its determination of ownership will be final and conclusive.

In the event of a dispute regarding whether the signer of a ballot is an authorized representative of the owner of the parcel, the City may rely on the statement on the ballot signed under penalty of perjury that the person completing the ballot is the owner's authorized representative and any evidence submitted to the City prior to the conclusion of the public hearing. The City will be under no duty to obtain or consider any other evidence as to whether the signer of the ballot is an authorized representative of the owner and its determination will be final and conclusive.

#### **V. Public Record**

During and after tabulation, all ballots are public records.

#### **VI. Further Information**

For further information, contact Silvia Vonderlinden, City Clerk, (650) 780-7222, [svonderlinden@redwoodcity.org](mailto:svonderlinden@redwoodcity.org).



Passed and adopted by the Council of the City of Redwood City at a  
Joint City Council/Successor Agency Board Meeting thereof held on the 9<sup>th</sup> of  
June, 2014 by the following votes:

Council members: Aguirre, Foust, Howard, Seybert and Mayor Gee

NOES: None

RECUSED: Howard

ABSENT: Bain and Pierce



---

Jeffrey Gee  
Mayor of the City of Redwood City

Attest:



---

Silvia Vandenlinden  
City Clerk of Redwood City

I hereby approve the foregoing  
resolution this 11<sup>th</sup> day of May June 2014.



---

Jeffrey Gee  
Mayor of the City of Redwood City



# **The Downtown Redwood City Community Benefit Improvement District 2014 Management District Plan**

**Final Plan – June 2<sup>nd</sup>, 2014**

Prepared pursuant to the  
Redwood City Community Benefit Improvement District Procedural Ordinance  
(Redwood City Municipal Code Chapter 31)

Prepared by:  
New City America, Inc. and  
The Downtown Redwood City  
Community Benefit Improvement District Steering Committee



Bay Area Office ■ 1438 Lakeshore Drive, Ste 8, ■ Oakland CA 94606 ■ 888-356-2726 ■ 619-233-5009  
■ Fax 619-239-7105 ■ mail@newcityamerica.com ■ www.newcityamerica.com

# **Downtown Redwood City Community Benefit Improvement District (CBID) Management District Plan**

## **Table of Contents**

### Section Number

1.	Management District Plan Summary	3
2.	Downtown Redwood City Community Benefit Improvement District Boundaries	10
3.	District Improvement and Activity Plan	14
4.	Assessment Methodology	21
5.	District Rules, Regulations and Governance	35
6.	Implementation Timetable	36
7.	Assessment Roll of Properties Included	37

### Attachment:

#### A. Engineer's Report

## Section 1

### Management District Plan Summary

This is the Management District Plan for the proposed "Downtown Redwood City Community Benefit Improvement District" (the "CBID"). The CBID is being proposed for establishment pursuant to the Redwood City Community Benefit Improvement District Procedural Ordinance (Redwood City Municipal Code Chapter 31) (the "Ordinance"). A summary of the key elements of the proposed Downtown Redwood City Community Benefit Improvement District plan follows:

Developed by the Downtown Redwood City CBID Steering Committee – this Management District Plan is proposed to improve and provide special benefits to individual parcels located within the boundaries of the newly proposed 2014 Downtown Redwood City Community Benefit Improvement District. The proposed CBID will provide special benefit district improvements and activities, including cleaning, beautification, district identity, parking management, public space management and enhancement to the public rights of way for residents, providing amenities for the new residential growth under construction in Downtown and other special benefit programs to parcels within the boundaries of the proposed CBID.

The proposed Downtown Redwood City CBID serves to improve the individual parcels, attract new residents, businesses and customers to their businesses, increase sales, increase occupancies and enhance the benefitting individual parcels within the CBID. The proposed CBID seeks to fund the special benefits that will be provided over the next fifteen years, based upon keeping the Downtown Redwood City area attractive, clean, safe, orderly, well marketed with special events and programs, make the district a high quality place to live and entertain guests and to increase commerce within the boundaries.

#### **Outreach to Property Owners:**

As of June 1<sup>st</sup>, 2014, two mailings have gone out to property owners to explain the CBID, request response to the survey and then to verify our property data on file. We anticipate at least 2 more mailings prior to the completion of the public hearing on this issue in July. In terms of meetings with property owners, CBID Steering Committee meetings were held on the following dates:

- September 17<sup>th</sup>, 2013;
- October 23<sup>rd</sup>, 2013;
- December 12<sup>th</sup>, 2013;
- January 9<sup>th</sup>, 2014;
- January 29<sup>th</sup>, 2014;
- February 5<sup>th</sup>, 2014;
- February 20<sup>th</sup>, 2014;
- March 17<sup>th</sup>, 2014



Additionally, the Economic Development Sub-Committee of the City Council discussed this issue on the following dates:

*October 21<sup>st</sup>, 2013,*

*January 27<sup>th</sup>, 2014*

*February 25<sup>th</sup>, 2014*

*April 17<sup>th</sup>, 2014*

*May 29<sup>th</sup>, 2014*

**Boundaries:** *(Please CBID see map in Section 2)*

In general, the boundaries of the proposed Downtown Redwood City CBID are as follows:

**On the north**, from the intersection of Maple and Veterans (south side) to the intersection of Brewster Street and Veterans (south side);

**On the south**, from the intersection of Main and Pennsylvania (north side) to the intersection of El Camino and Brewster Street (north side);

**On the east**, from the intersection of Pennsylvania and Maple, (west side) to the intersection of Veterans and Maple, (west side);

**On the west**, from the intersection of El Camino and Brewster (east side) to the intersection of Veterans and Brewster (east side). Please see Section 2 for a full map and full description of the boundaries.

**Budget:**

The total first year Downtown Redwood City Community Benefit Improvement District budget will be \$ 795,781.00. Please see Section 3 for a breakdown of the categories of special benefit services and their allocation of services by Benefit Zone. Benefit Zone 1 parcels will generate 43% of the overall annual first year budget, Benefit Zone 2 parcels will generate 57% of the annual first year budget.

**First Year Downtown Redwood City  
Community Benefit Improvement District Service Budget**  
(Figures are rounded)

PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT	APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS
Sidewalk Operations and Beautification	53%	\$ 423,000.00
District Identity and Signage	20%	\$ 160,000.00
Parking Management	7%	\$54,000.00
Administration/Corporate Operations	15%	\$ 120,000.00
Contingency/City and County Fees/Reserves	5%	\$ 38,781.00
<b>TOTAL</b>	<b>100%</b>	<b>\$ 795,781.00</b>

**SIDEWALK OPERATIONS AND BEAUTIFICATION,** (Seven days per week)  
**management services below)**

**53% \* (see parking**

This category of special benefit services provides property owners with the following services predominantly from curb to property line. The function of these services is to provide a cleaner, more orderly, more attractive and dynamic Downtown and reduce problems within the public rights of way of the CBID area. These services are over and above current City general benefit services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of special benefit services will be determined by the CBID management corporation Board of Directors. Such sidewalk operations and beautification special benefit services include:

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning (over and above city services)
- Enhanced trash emptying (over and above city services)
- Tree and vegetation maintenance (over and above city services)
- Special events maintenance and set up
- Maintenance and planning of new outdoor public spaces
- Installation and maintenance of hanging plants, planting flowers throughout the district
- Dog waste receptacles adjacent to apartment buildings and condos
- Possibly video surveillance equipment and monitoring, safety programs;
- Other programs that provide special benefits in the sidewalks of the CBID

**DISTRICT IDENTITY SERVICES:**

**20%**

This category of special benefit services provides property owners with the following services that enhance the positive identity and brand of Downtown Redwood City. The function of these services is to create greater demand for property, office space, business and residential tenancies throughout the CBID. These services are over and above current City general benefit services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of special benefit services will be determined by the CBID management corporation Board of Directors.

Tax exempt property owners operating tax exempt buildings on their property such as the City of Redwood City, the County of San Mateo, the Unified School District and Kaiser Permanente Hospital shall be assessed for linear frontage to fund Sidewalk operations services listed above as well as the assessment levied on their lot size to fund program operations, but shall not have their building square footage assessed. This is due to the fact that building square footage assessments fund District Identity services whose function is to increase commerce, business, rents and identity of the commercial and residential properties. Those special benefit services do not confer a special benefit to the tax exempt properties so they will not be assessed for the services in this category. Such District Identity special benefit services include:

- Web site development and updating
- App development
- Management and coordination of special Events at Courthouse Square
- Social media



- Holiday decorations
- Branding of Downtown Redwood City so a positive image is supported
- Banner programs
- Public art displays
- Logo development
- Public space design and work
- Other marketing and promotion strategies and programs
- Management of district identity related services
- Signage

#### **PARKING MANAGEMENT**

**7%**

Parking management services are special benefits conferred to property owners based upon their location within the two Benefit Zones in the CBID. Benefit Zone 1 parcels will pay a premium on their building square footage to fund the services for Zone 1 valet services as well as rental of private parking lots to accommodate Zone 1 businesses along Broadway and Main Streets. All CBID parcels may have special benefit parking management services funded through the linear frontage costs, which may include other Sidewalk operations services. Benefit Zone 1 and 2 parcels may determine that they need to manage parking services related to mitigation of parking from new construction projects that will be occurring predominantly in the Zone 2 area for at least the next 5 years. Therefore, there will be two distinct levels of Zone parking management services based upon the special benefit needs of Zone 1, Zone 2 or their common need for overall parking management services throughout the CBID. Examples of these special benefit services and costs include, but are not limited to:

- District parking valet program (Funded by Benefit Zone 1 property owners)
- Rental of private parking lots within Benefit Zone 1 (Funded by Benefit Zone 1 property owners)
- Possible shuttle to peripheral parking structures (provided to property owners in both Benefit Zones and funded by linear frontage in both Benefit Zones); \*
- Parking management services district wide, including a shuttle, leased parking (provided to property owners in both Benefit Zones and funded by linear frontage assessments in both Benefit Zones); \*

#### **ADMINISTRATION AND CORPORATE OPERATIONS:**

**15%**

These are overhead expenses to oversee the implementation of programs and activities in the CBID.

- Staff and administrative costs
- Directors and Officers insurance, general liability insurance
- Office related expenses, equipment, rent
- Financial reporting, accounting
- Legal work

**CONTINGENCY/CITY AND COUNTY FEES/RESERVE:****5%**

- These are overhead expenses that account for collection costs and non-payment of assessments in the CBID Delinquencies
- City and County collection fees
- Reserves
- Special projects

**Database/Property Variable District Totals:****(Data verified as of May, 1<sup>st</sup>, 2014)**

Condo SF:	5,957 square feet
Building Square footage:	2,346,119 sq. feet
Lot size square footage:	4,153,988 sq. feet
Linear Frontage:	44,531 linear feet

There are 222 parcels in the proposed CBID with 147 property owners.

**Benefit Zones:**

Article XIII (d) of the state constitution and the state law provide for the definition of zones within the proposed special benefits district that ensures that property owners that receive greater benefit, pay their proportional share of assessments. Proposition 218 states:

*“The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”*

It was determined in formulating the services plan for this CBID that the properties in the general area described as Benefit Zone 1 below would derive greater benefit than those property owners on the periphery of the CBID. The parcels listed below are identified on the map in Section 2. The primary difference and additional special benefit service provided to Benefit Zone 1 property owners is through Zone 1 parking lot leasing and valet services. Zone 1 parcels will pay a supplement on their building square footage assessments to fund these services that they will be deriving benefit from.

In addition, as in mentioned in the District Identity section of this CBID management plan, tax exempt owned parcels and their related buildings on those parcels, will NOT derive benefit from District Identity related special benefit services. Programs including web site development, app development, social media, business attraction services, decorations and other programs to visually enhance the CBID parcels, will not benefit these tax exempt parcel buildings due to the fact that these buildings are not affected by market forces such as increased rents, greater commerce or creating a more livable community for residents. This



plan proposes that there will be two distinct Benefit Zones for the Downtown CBID. With that in mind, the Benefit Zones, in general, would include the following parcels:

***Benefit Zone 1 would include:***

- a. All parcels fronting along Broadway from Maple Street on the East to El Camino on the west, also the site of the new Crossings 900 office building
- b. Courthouse Square
- c. Parcels fronting on Theatre Way
- d. All parcels fronting on the single block of Main Street from Broadway to Middlefield (Upper Main)

***Benefit Zone 2 would include:***

- a. All commercial/retail, residential and private parcels not included in Benefit Zones 1

**Method of Financing: (Please see Section 4 and the Assessment Engineer's report for further detail of the method of financing)**

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

- Linear frontage along a public street. Parcels will be charged the same frontage rates due to the same frequency of services that the all parcels will receive from the Sidewalk Operations portion of the CBID budget;
- Lot square footage or the footprint of the parcel;
- Building square footage (excluding parking structures built within the building that predominantly serve the tenants of the building and are not open to the public); and
- Residential condos that front along the public rights of way within the District.
- Benefit Zones

**Costs:**

Annual assessments are based upon an allocation of program costs by assessable linear frontage; PLUS lot or parcel square footage; PLUS assessable building square footage, and in the case of residential condos, only by actual building square footage of the residential condo. The differentiation between residential condo parcels and commercial or non-commercial parcels is detailed in Section 4 of this report.

The residential condo owners are assessed differently since they are, in essence, acquiring air rights with the condos and linear frontage and lot size is not relevant to their parcels. This alternate assessment methodology is created to respond to their special needs of homeowners within this potentially ascending sector within the Downtown Redwood City district. All four property variables, including an individual parcel's location within the designated areas for Benefit Zone will be used in the calculation of the annual assessment. The FY 2015 year annual assessments per property variable and Benefit Zone are as follows:

<b>Linear Frontage costs:</b>	\$9.50 per linear foot/year
<b>Building Square Footage costs:</b>	Benefit Zone 1 \$0.1094 per square foot/year Benefit Zone 2 \$0.074703 per square foot/year
<b>Lot Size costs:</b>	\$0.038170 per square foot/year
<b>Residential Condo costs:</b>	\$0.20 per square foot of parcel unit square foot. Residential condo owners will NOT be assessed for linear frontage or lot size, but rather only the actual building square footage of their residential condo. (Regardless of benefit zone within the district)

***Assessment District Revenue Generation from each property variable:***

Linear Frontage :	\$ 423,043.00
Building Square Footage:	\$ 212,989.00
Lot Square Footage:	\$ 158,558.00
Residential Condos	<u>\$ 1,191.00</u>
<b>Total:</b>	<b>\$ 795,781.00</b>

**Cap:**

The Downtown Redwood City CBID budget and assessments may be subject to increases which may be determined by the Owners' Association/District Management Corporation and will vary between 0% and 5% annually. The CBID District Management Corporation may request the increase in assessments annually, not to exceed 5% from the previous year's assessment amounts.

Changes in land use, development of empty parcels, conversion of tax exempt to profitable land uses, demolition of existing buildings, and creation of new parcels through new building or residential condo development may alter the budget from year to year based upon the changes in the building square footage of an individual parcels. Since linear frontage and lot size normally are not altered in the development of a site, the only changes realized in the CBID will be through the building square footage. In addition, changes in the budget may occur due to the conversion of single parcels to multiple parcels due to the construction of residential or commercial condominiums.

**Bonds:**

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

**District Formation:**

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



Once the City verifies the petitions totaling a minimum of 30% of the weighted property owners, or \$ 238,735.00 in assessment contribution to the new CBID, the City Council may adopt a Resolution of Intention and mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the mail ballots. The Downtown Redwood City Community Benefit Improvement District will be formed if the weighted majority of all returned mail ballots support the CBID formation and if the City Council adopts a resolution of formation to levy the assessments on the benefiting parcels. We anticipate that this process will be completed by the end of July 2014.

**Duration:**

The Downtown Redwood City Community Benefit Improvement District shall have a fifteen year term which shall commence on January 1<sup>st</sup>, 2015 and expire on December 31<sup>st</sup>, 2029. The CBID may commence operations prior to January 1<sup>st</sup>, 2015 if assessments have been transferred to the City based upon the FY 2014-15 property tax and manual billing of exempt parcel collections.

**Governance:**

Pursuant to Section 36614.5 and 36651 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of Redwood City (City) and will oversee the day-to-day implementation of services as defined in the Management District Plan.

The CBID Owners Association or District Management Corporation shall, under contract with the City of Redwood City, oversee and implement the improvements and activities outlined in this management district plan.

## **Section 2**

### **Proposed Downtown Redwood City CBID Boundaries**

The CBID generally follows the boundaries of the Downtown Specific Plan that was crafted via substantial community facilitation and input and is bounded roughly by Brewster, Veterans, Maple and Pennsylvania/El Camino Real. The parcels selected to be included in the CBID form a unique retail, commercial, office and government business core that has long been recognized and identified by the Redwood City community as a pedestrian friendly retail and commercial central business district or "Downtown". Adjacent parcels not included within the CBID are generally residential neighborhoods or commercial strip automobile oriented corridors that serve the general public not engaged in the Downtown center area.

Keeping the assessed parcels within the District clean, safe and attractive will increase pedestrian traffic and consumer activity and increase sales, business transactions, and employment and visitor satisfaction. There are two benefit zones in the proposed Downtown Redwood City CBID. These zones are shown on the District Map in Appendix 2 of this Report.

In the summer of 2013, a group of property owners met and formed the Downtown Redwood City CBID Steering Committee. The original function of the Steering Committee was to review the historic boundaries of what was considered to be "Downtown Redwood City", which has evolved over the past few decades. The boundaries set by the Steering Committee coincided with not only the Downtown Redwood City Specific Plan mentioned above, but also with improvements that had been funded by the former Redwood City Redevelopment Agency. These improvements included special paving for sidewalks, pedestrian signage, district signage, landscaping, lighting, Courthouse Square, the new Downtown anchor project which included the movie theatres and parcels that had a common land use that represented the core of retail, office, commercial, County seat, City public seat, theatre/entertainment and related uses.

Any blocks excluded from the CBID boundaries (one apartment building parcel between Maple and Walnut between Hilton, Stambaugh and the one block of El Camino Real north of Broadway), were based upon the fact that the land uses of these blocks had very little relationship to the core of Downtown and it was believed by the Steering Committee that the special benefit services that would be provided would be of minimal value, at best, to these excluded parcels.

The Cal Train station parking lot has also been excluded directly west of the Cal Train station due to the fact that the special benefit services are only provided west of the rail tracks along Broadway, and not to any other parcels on that side of the tracks. Cal Train currently provides maintenance and security services for this parking lot and the special benefit programs funded by the CBID will not benefit this parking lot.

**Boundaries:** (Please see the attach map identifying the exact boundaries of the proposed CBID)

In general, the boundaries of the proposed Downtown Redwood City CBID are as follows:

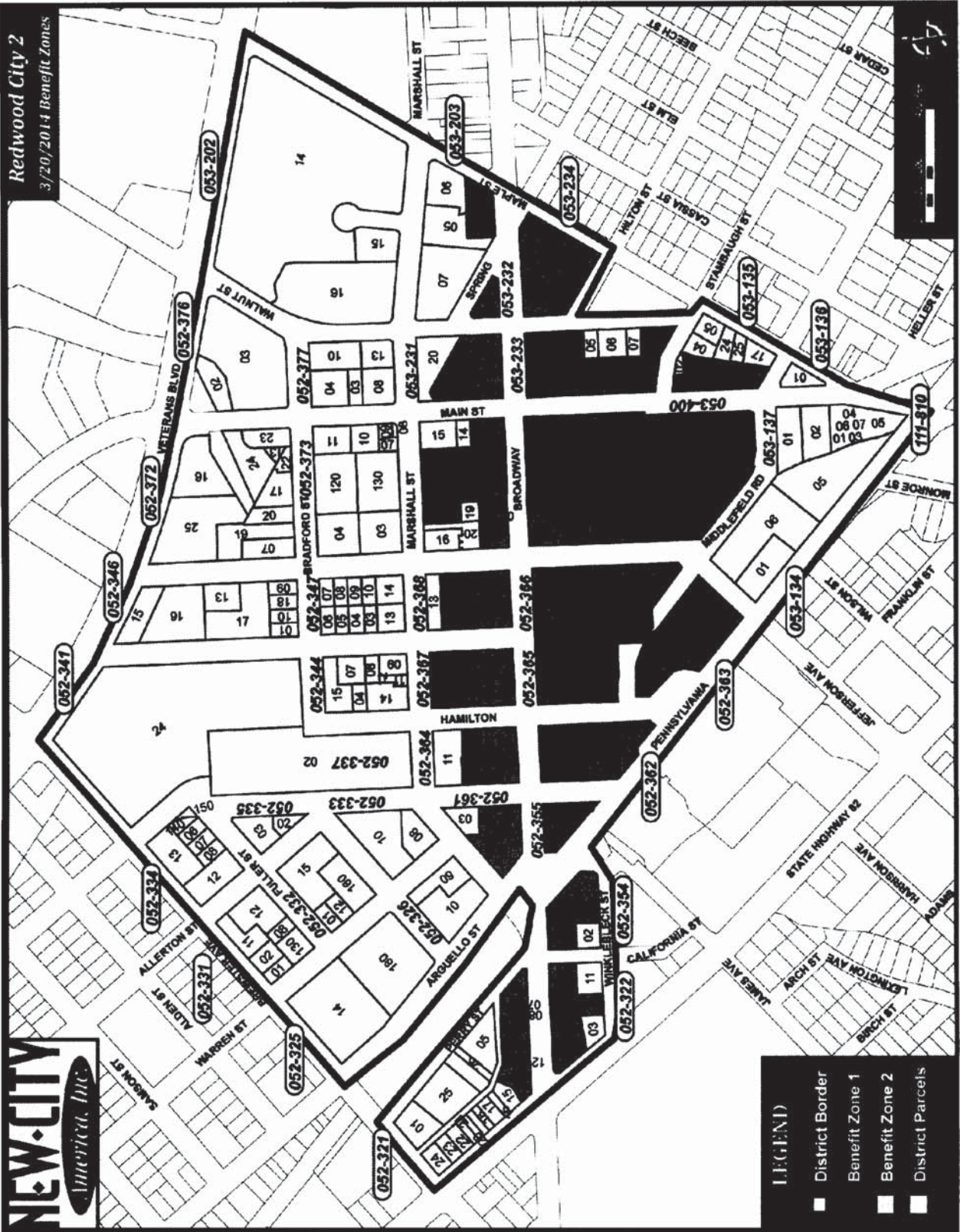
**On the north,** from the intersection of Maple and Veterans (south side) to the intersection of Brewster Street and Veterans (south side);

**On the south,** from the intersection of Main and Pennsylvania (north side) to the intersection of El Camino and Brewster Street (north side);

**On the east,** from the intersection of Pennsylvania and Maple, (west side) to the intersection of Veterans and Maple, (west side);

**On the west,** from the intersection of El Camino and Brewster (east side) to the intersection of Veterans and Brewster (east side).







## Section 3

### Downtown Redwood City CBID Improvement and Activity Plan

#### **Explanation of Special Benefit Services:**

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

Subject to the City Council decision, the City will continue to provide services from the general fund to the benefitting parcels' which will include public safety, street tree trimming, street sweeping, trash collection of public refuse containers, street repair, emergency services, fire protection, etc. The frequency of these general benefits may change from year to year and time to time based upon budget constraints. The CBID funded special benefits cannot by law replace City funded general benefits, but rather will provide special benefits to parcel owners over and above the general benefits provided by the City of Redwood City.

All services funded by the assessments outlined in the Management District Plan are intended to directly benefit properties within the CBID area. These CBID special benefit services shall support increased commerce, greater safety, support business attraction and retention, attract new residents, retain and increase commercial and residential property rentals, enhance cleanliness in the CBID, improve district identity, and eventually promote specialized beautification for the individual parcel owners within the entire District.

The total improvement and activity plan budget for 2014-15, which is funded entirely by property assessments within the CBID boundaries, is projected to be \$ 795,781.00. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services in similar districts throughout the State of California.

#### **Improvements, Activities and Services of the Downtown Redwood City Property CBID Plan:**

There are five basic categories of special benefit services that will be funded by the Downtown Redwood City Community Benefit Improvement District. All of these services will confer a special benefit to the individual parcels within the Downtown Redwood City Community Benefit Improvement District. The categories of special benefits are as follows:

1. *Sidewalk Operations and Beautification*
2. *District Identity*
3. *Parking management*
4. *Program Management and Corporate Operations*
5. *Contingency/Reserve*

Demands for prioritization of one special benefit need over another *within the same category* will occur year by year. Sidewalk cleaning may be a priority one year, however beautification programs may be a priority another year. Both of these services fall within the same special benefit category.

**Table 3 - A**  
**First Year Downtown Redwood City**  
**Community Benefit Improvement District Service Budget**  
 (Figures are rounded)

PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT	APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS
Sidewalk Operations and Beautification	53%	\$ 423,000.00
District Identity and Signage	20%	\$ 160,000.00
Parking Management	7%	\$54,000.00
Administration/Corporate Operations	15%	\$ 120,000.00
Contingency/City and County Fees/Reserves	5%	\$ 38,781.00
<b>TOTAL</b>	<b>100%</b>	<b>\$ 795,781.00</b>

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

**SIDEWALK OPERATIONS AND BEAUTIFICATION,** (Seven days per week)      **53% \* (see parking management services below)**

This category of special benefit services provides property owners with the following services predominantly from curb to property line. The function of these services is to provide a cleaner, more orderly, more attractive and dynamic Downtown and reduce problems within the public rights of way of the CBID area. These services are over and above current City general benefit services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of special benefit services will be determined by the CBID management corporation Board of Directors. Such sidewalk operations and beautification special benefit services include:

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning (over and above city services)
- Enhanced trash emptying (over and above city services)
- Tree and vegetation maintenance (over and above city services)
- Special events maintenance and set up
- Maintenance and planning of new outdoor public spaces
- Installation and maintenance of hanging plants, planting flowers throughout the district



- Dog waste receptacles adjacent to apartment buildings and condos
- Possibly video surveillance equipment and monitoring, safety programs;
- Other programs that provide special benefits in the sidewalks of the CBID

#### **DISTRICT IDENTITY SERVICES:**

**20%**

This category of special benefit services provides property owners with the following services that enhance the positive identity and brand of Downtown Redwood City. The function of these services is to create greater demand for property, office space, business and residential tenancies throughout the CBID. These services are over and above current City general benefit services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of special benefit services will be determined by the CBID management corporation Board of Directors.

Tax exempt property owners operating tax exempt buildings on their property such as the City of Redwood City, the County of San Mateo, the Unified School District and Kaiser Permanente Hospital shall be assessed for linear frontage to fund Sidewalk operations services listed above as well as the assessment levied on their lot size to fund program operations, but shall not have their building square footage assessed. This is due to the fact that building square footage assessments fund District Identity services whose function is to increase commerce, business, rents and identity of the commercial and residential properties. Those special benefit services do not confer a special benefit to the tax exempt properties so they will not be assessed for the services in this category. Such District Identity special benefit services include:

- Web site development and updating
- App development
- Management and coordination of special Events at Courthouse Square
- Social media
- Holiday decorations
- Branding of Downtown Redwood City so a positive image is supported
- Banner programs
- Public art displays
- Logo development
- Public space design and work
- Other marketing and promotion strategies and programs
- Management of district identity related services
- Signage

#### **PARKING MANAGEMENT**

**7%**

Parking management services are special benefits conferred to property owners based upon their location within the two Benefit Zones in the CBID. Benefit Zone 1 parcels will pay a premium on their building square footage to fund the services for Zone 1 valet services as well as rental of private parking lots to accommodate Zone 1 businesses along Broadway and Main Streets. All CBID parcels may have special benefit parking management services funded through the linear frontage costs, which may include other Sidewalk operations services. Benefit Zone 1 and 2 parcels may determine that they need to manage parking services related

to mitigation of parking from new construction projects that will be occurring predominantly in the Zone 2 area for at least the next 5 years. Therefore, there will be two distinct level of Zone parking management services based upon the special benefit needs of Zone 1, Zone 2 or their common need for overall parking management services throughout the CBID. Examples of these special benefit services and costs include, but are not limited to:

- District parking valet program (Funded by Benefit Zone 1 property owners)
- Rental of private parking lots within Benefit Zone 1 (Funded by Benefit Zone 1 property owners)
- Possible shuttle to peripheral parking structures (provided to property owners in both Benefit Zones and funded by linear frontage in both Benefit Zones); \*
- Parking management services district wide, including a shuttle, leased parking (provided to property owners in both Benefit Zones and funded by linear frontage assessments in both Benefit Zones); \*

**ADMINISTRATION AND CORPORATE OPERATIONS:**

**15%**

These are overhead expenses to oversee the implementation of programs and activities in the CBID.

- Staff and administrative costs
- Directors and Officers insurance, general liability insurance
- Office related expenses, equipment, rent
- Financial reporting, accounting
- Legal work

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

**5%**

- These are overhead expenses that account for collection costs and non-payment of assessments in the CBID Delinquencies
- City and County collection fees
- Reserves
- Special projects

**Fifteen-Year Operating Budget:**

A projected fifteen year operating budget for the Downtown Redwood City CBID is provided. The projections are based upon the following assumptions:

- Increases will be determined by the District Management Corporation and in no case shall annual increases exceed 5% per year.

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



**Table 3 – B**  
**Fifteen-Year Projection of Maximum Assessment for the**  
**Downtown Redwood City CBID**

Projected Budget	FY 1	FY 2	FY 3	FY 4	FY 5
Sidewalk Operations	\$423,000.00	\$444,150.00	\$466,357.50	\$489,675.38	\$514,159.14
District Identity	\$160,000.00	\$168,000.00	\$176,400.00	\$185,220.00	\$194,481.00
Parking Management	\$54,000.00	\$56,700.00	\$59,535.00	\$62,511.75	\$65,637.34
Administration	\$120,000.00	\$126,000.00	\$132,300.00	\$138,915.00	\$145,860.75
Contingency	\$38,781.00	\$40,720.05	\$42,756.05	\$44,893.86	\$47,138.55
<b>Total</b>	<b>\$795,781.00</b>	<b>\$835,570.05</b>	<b>\$877,348.55</b>	<b>\$921,215.98</b>	<b>\$967,276.78</b>

Projected Budget	FY 6	FY 7	FY 8	FY 9	FY 10
Sidewalk Operations	\$539,867.10	\$566,860.46	\$595,203.48	\$624,963.65	\$656,211.84
District Identity	\$204,205.05	\$214,415.30	\$225,136.07	\$236,392.87	\$248,212.51
Parking Management	\$68,919.20	\$72,365.16	\$75,983.42	\$79,782.59	\$83,771.72
Administration	\$153,153.79	\$160,811.48	\$168,852.05	\$177,294.65	\$186,159.39
Contingency	\$49,495.48	\$51,970.25	\$54,568.76	\$57,297.20	\$60,162.06
<b>Total</b>	<b>\$1,015,640.62</b>	<b>\$1,066,422.65</b>	<b>\$1,119,743.78</b>	<b>\$1,175,730.97</b>	<b>\$1,234,517.52</b>

Projected Budget	FY 11	FY 12	FY 13	FY 14	FY 15
Sidewalk Operations	\$689,022.43	\$723,473.55	\$759,647.23	\$797,629.59	\$837,511.07
District Identity	\$260,623.14	\$273,654.30	\$287,337.01	\$301,703.86	\$316,789.06
Program Management	\$87,960.31	\$92,358.33	\$96,976.24	\$101,825.05	\$106,916.31
Administration	\$195,467.36	\$205,240.72	\$215,502.76	\$226,277.90	\$237,591.79
Contingency	\$63,170.16	\$66,328.67	\$69,645.10	\$73,127.36	\$76,783.73
<b>Total</b>	<b>\$1,296,243.39</b>	<b>\$1,361,055.56</b>	<b>\$1,429,108.34</b>	<b>\$1,500,563.76</b>	<b>\$1,575,591.95</b>

**Notes:**

- Assumes a 5% yearly increase on all budget items.
- Any accrued interest or delinquent payments will be expended in the above categories.

**Benefit Zones:**

Article XIII (d) of the state constitution and the state law provide for the definition of zones within the proposed special benefits district that ensures that property owners that receive greater benefit, pay their proportional share of assessments. Proposition 218 states:

*“The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”*

This plan proposes that there will be two Benefit Zones for the Downtown CBID. It was determined by CBID Steering Committee in formulating the services plan for this CBID that the properties in the area described as Benefit Zone 1 below required additional parking management as well as parking lot leasing and valet services for customers and clientele transacting business in Zone 1 which will not be provided to Zone 2 properties.

The parcels within each benefit zone were set by the Downtown CBID Steering Committee, who, based upon their knowledge of the critical mass of pedestrian traffic concentration, retail concentration and frequency of use by visitors to Downtown, set the boundaries based upon the frequency and type of services that the specific parcels would receive. The Steering Committee determined that all parcels would benefit equally within the CBID boundaries based upon Sidewalk Operations and Beautification services, District Identity, Administration and other overhead expenses in operating the special benefits district.

The one service distinction between the two benefit zones was based solely on parking management needs. Whereas Benefit Zone 1 parcels specifically advocated for valet, parking leasing and parking operational services in the evening hours for the retail, restaurant, and entertainment businesses fronting on Broadway in the CBID, Middlefield (west of Broadway), and on Pennsylvania Street between Broadway and Middlefield, the other individual parcels peripheral to these Benefit Zone 1 parcels within the CBID boundaries, would not require the valet and parking lot rental services due to their non-retail and restaurant land uses. Benefit Zone 1 parcels will fund the enhanced parking services through their supplemental assessment assessed to the building square footage costs, which are slightly higher in Zone 1 vs. Zone 2.

Zone 2 parcels have qualitatively different parking needs centering NOT on specific evening retail and restaurant needs, but rather needs related to parking and circulation, possible CBID wide shuttle services, and parking mitigation for daytime construction worker use of limited street parking needs. Zone 1 property owners through the Steering Committee direction, specifically understand that Zone 1 parcels would need to pay their proportional share of the parking special benefit needs, funded through the supplemental building square foot assessments. These supplemental building assessments are specifically earmarked for parking benefit services only to Zone 1 parcels.

CBID wide special benefit parking needs may be funded from time to time, and based upon Owners Association direction, from the linear frontage assessments which fund Sidewalk Operations and Beautification services. The decision to use linear frontage assessments, which are equally apportioned throughout the CBID, is a decision to be made by the Owners Association in the implementation of the programs and activities of the CBID.

Benefit Zone 1 would include:

- a. All parcels fronting along Broadway from Maple Street on the East to El Camino on the west, also the site of the new Crossings 900 office building
- b. Courthouse Square
- c. Parcels fronting on Theatre Way



- d. All parcels fronting on the single block of Main Street from Broadway to Middlefield (Upper Main)
- e. Some City and County properties. *(All parcels which are owned and operated by tax-exempt and public agencies, County, City, School District, Kaiser Hospital, and any other tax exempt parcels would not pay into marketing, promotion or District Identity special benefit services. Therefore no assessment on building square footage would be levied against these parcels, however the assessments for linear frontage and lot size would be apportioned equally throughout the entire CBID. Furthermore, City and County owned parcels in Zone 1 will not pay into the parking supplemental building assessments due to the fact that the City and County do NOT have evening parking requirements, they provide free parking for their employees and would not benefit from any of the parking special benefit services funded through Zone 1 building assessments)*

Benefit Zone 2 would include:

- a. All parcels not included in Benefit Zones 1
- b. *(All parcels which are owned and operated by tax-exempt and public agencies, County, City, School District, Kaiser Hospital, and any other tax exempt parcels would not pay into marketing, promotion or District Identity special benefit services. Therefore no assessment on building square footage would be levied against these parcels, however the assessments for linear frontage and lot size would be apportioned equally throughout the entire CBID)*

In addition, as in mentioned in the District Identity section of this CBID management plan, tax exempt owned parcels and their related buildings on those parcels, will NOT derive benefit from District Identity related special benefit services. Programs including web site development, app development, social media, business attraction services, decorations and other programs to visually enhance the CBID parcels, will not benefit these tax exempt parcel buildings due to the fact that these buildings are not affected by market forces such as increased rents, greater commerce or creating a more livable community for residents. This plan proposes that there will be two distinct Benefit Zones for the Downtown CBID. With that in mind, the Benefit Zones, in general, would include the following parcels:

## Section 4

### Assessment Methodology

The Downtown Redwood City CBID is a property-based benefit assessment district being established pursuant to the Redwood City Business Improvement Management District Ordinance Adding Chapter 31 to the Municipal Code. Due to the special benefit assessment nature of assessments levied within a CBID, program costs are to be distributed amongst all identified specially benefiting properties based on the proportional amount of special program benefit each property is expected to derive from the assessments collected.

The Ordinance refers to the concept of relative "benefit" received from CBID funded programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from CBID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

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

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

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

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



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

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

**The following data represents the foundation of the assessments that will generate the revenue to fund the Downtown Redwood City Community and Benefit Improvement District: (verified as of May 15<sup>th</sup>, 2014);**

**Database/Property Variable District Totals: (Data verified as of May, 15<sup>th</sup>, 2014)**

Condo SF:	5,957 square feet
Building Square footage:	2,346,119 sq. feet
Lot size square footage:	4,153,988 sq. feet
Linear Frontage:	44,531 linear feet

***Assessment District Revenue Generation from each property variable:***

Linear Frontage :	\$ 423,043.00
Building Square Footage:	\$ 212,989.00
Lot Square Footage:	\$ 158,558.00
Residential Condos	<u>\$ 1,191.00</u>

**Total: \$ 795,781.00**

*\*(less than 1% of the first year's revenues are generated by residential condos)*

**Costs:**

Annual assessments are based upon an allocation of program costs by assessable linear frontage; PLUS lot or parcel square footage; PLUS assessable building square footage, and in the case of residential condos, only by actual building square footage of the residential condo.

The residential condo owners are assessed differently since they are, in essence, acquiring air rights with the condos and linear frontage and lot size is not relevant to their parcels. This alternate assessment methodology is created to respond to their special needs of homeowners within this potentially ascending sector within the Downtown Redwood City district. All four property variables, including an individual parcel's location within the designated areas for Benefit Zone will be used in the calculation of the annual assessment. The FY 2015 year annual assessments per property variable and Benefit Zone are as follows:

<b>Linear Frontage costs:</b>	\$ 9.50 per linear foot/year
<b>Building Square Footage costs:</b>	Benefit Zone 1 \$ 0.1094 per square foot/year Benefit Zone 2 \$ 0.074703 per square foot/year
<b>Lot Size costs:</b>	\$ 0.038170 per square foot/year
<b>Residential Condo costs:</b>	\$0.20 per square foot of parcel unit square foot. Residential condo owners will NOT be assessed for linear frontage or lot size, but rather only the actual building square footage of their residential condo. (Regardless of benefit zone within the district)

There are 222 parcels in the proposed CBID with 147 property owners.

### Downtown Redwood City CBID Plan 2014 Generation of Revenues by Benefit Zone and Property Variables

	<b>Annual Costs</b>	<b>Generates</b>
1 – Building	\$0.1094	\$ 118,954.00
1 – Lot	\$0.038170	\$ 58,304.00
1 – Linear	\$9.50	\$ 159,961.00
	<b>Subtotal Zone 1</b>	<b>\$ 337,219 - 42%</b>
2 – Building	\$0.074703	\$ 94,035.00
2 – Lot	\$0.038170	\$ 100,254.00
2 – Linear	\$9.50	\$ 263,082.00
	<b>Subtotal Zone2</b>	<b>\$ 457,371 - 58%</b>
Condo/Per Sq. Ft	\$ 0.20	<b>\$ 1,191.00 - 0 %</b>
<b>Total Budget</b>		<b>\$ 795,781.00 - 100%</b>

<b>Sidewalk Operations and Beautification</b>	<b>100% of the linear frontage assessments in both benefit zones</b> <i>(Residential Condo assessments pay for services in the same proportion as allocated in the budget)</i>	<b>\$ 423,000.00 – 53%</b> The Board decides how this amount will be allocated month by month, prioritizing services based upon the changing needs of the growing CBID area
<b>District Identity</b>	<b>100% of the building square footage district wide*</b> <i>(Residential Condo assessments pay for services in the same proportion as allocated in the budget)</i>	<b>\$ 160,000 – 20%</b>
<b>Parking Management</b>	<b>*Paid for the difference in costs for Benefit Zone 1 building square footage and Benefit Zone 2 building square footage, - approximately \$40,000 per year. Additionally, Benefit Zone 1 and 2 linear frontage assessments may also be used for district wide parking management programs</b>	<b>\$54,000 – 7%</b> These special benefit services are generated from the premium on building square footage annual costs in Benefit Zone 1 and are apportioned to provide special services to Benefit Zone 1 parcels. District wide parking management programs may also be funded by linear frontage assessments from both benefit zones
<b>Program Management corporate operations</b>	<b>Lot Size assessments</b> <i>(Residential Condo assessments pay for services in the same proportion as allocated in the budget)</i>	<b>\$ 120,000 – 15%</b>
<b>Contingency</b>	<b>Balance of Lot size assessments</b> <i>(Residential Condo assessments pay for services in the same proportion as allocated in the budget)</i>	<b>\$ 38,781 – 5%</b>
<b>Total for all Special Benefit Services</b>		<b>\$ 795,781.00</b>



**Linear Frontage Defined:**

Individual parcels will be assessed for all sides of the parcel since they are receiving services on all sides. Linear front footage data was obtained from the County Assessor's parcel maps and reviewed by staff at New City America, and finally verified by the City of Redwood City.

**Building Square Footage Defined:**

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

**Lot Square Footage Defined:**

Lot square footage is defined as the total amount of area within the borders of the parcel. The lot square footage of a parcel is defined on the County Assessor's parcel maps and was confirmed by New City America staff and City of Redwood City.

**Commercial Condominium Parcels Defined:**

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

**Residential Condo/Single residential unit parcels**

Condo residential unit parcels built on commercially zoned parcels are assessed as a separate category. These condo residential units are not built on residentially zoned land, but rather on commercially zoned parcels within the boundaries of the Downtown Redwood City CBID.

These condo residential unit parcels will be assessed for their building square footage only at the rate of \$0.20 per square foot in the first year in which they have been given a parcel number. The residential condos will have their assessments allocated in the same percentages of special benefit categories as the rest of the district. The residents will benefit from cleaning, sidewalk operation services, district identity services, beautification, public space development and management and the other services in the same proportion as non-residential parcels throughout the two benefit zones of the district.

For residential condominium uses, the application of unit building pad area (interior unit parcel building square area measurement) is a proven method of fairly and equitably spreading special benefit costs to these unique property ownerships and land uses. Land area and street frontage are not appropriate assessment factors to use for residential condominiums due to their design



configurations which often involve multi-floor layouts and varied unit orientation. This assessment factor, assessed to the parcel building square footage area, directly relates to the degree of special benefit each residential condominium parcel will receive from targeted CBID funded activities for this land use. This factor, residential condominium building pad area, would generate approximately 0.001% of the total CBID revenue.

This assessment methodology for residential condominium parcels is consistent with the building square footage costs of other CBID and community benefit districts in the state. Their parcel assessments are allocated in the same proportion percentage as the overall budget, however residential condominium units have a more unique relationship with the Downtown in that they are present 365 days per year, as compared to 5 to 6 days per week, they are present on holidays, they use the public rights of way for recreational and exercising, they enjoy the public spaces to a greater extent as their leisure areas, they have animals within Downtown and Downtown is their "home" as compared to a business or property that they frequent for commercial purposes.

Distinctions between residential tenants and residential condominium owners as it pertains to the CBID assessment methodology and the special benefits they will receive are as follows:

1. *Distinctions between residential condo owners and tenants are codified in the California Civil Codes, Davis Stirling Act. This piece of legislation creates an entire set of rules and regulations on how residential condo owners have obligations based upon their "separate interests". Renters have no such rights.*
2. *In the daily residential life of Downtown Redwood City residential condominium unit owners will have greater concern and are anticipated to be more forceful for ensuring quality of life issues such as noise levels, alcohol permits and placement of poor land uses, etc.*
3. *The state constitution requires that the CBID "confers special benefits to real property owners". Residential condo owners are "real property owners" and have the right to vote in a Proposition 218 assessment ballot proceeding which creates the proposed CBID. Residential tenants do not have the right to vote in the proceedings*
4. *Considering residential tenants and residential condominium unit owners under the same methodology will make some pay more for the same services based upon the density and number of units per complex on similar size parcels of land;*
5. *Residential owners have legal rights and entitlements to have pets, which impact their neighborhood- tenants have no such legal entitlements;*
6. *Residential tenants may be evicted due to a building sale or have their rents increased with no prior notice, residential condo owners do not face the same conditions or challenges.*

#### **Calculation of Assessments:**

The proportionate special benefit derived by each identified parcel shall be determined in a relationship to the entirety of the improvement or the maintenance and operation expenses of an improvement or for the cost of property service being provided. Per California Constitutional

Amendment Article XIII D, Section 2(i), "Special Benefit", means a particular and distinct benefit over and above general benefits conferred on a real property located in the district or to the public at large.

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

Properties are assessed as defined on the San Mateo County Assessor's most current parcel maps. The preceding methodology is applied to the database of parcels within the CBID. The process for compiling the property database includes the following steps:

- A report was submitted to the City Manager's office using the data obtained from the San Mateo County Tax Assessors office.
- A list of properties to be included within the Downtown Redwood City CBID is provided in Section 7.
- A property verification form was sent out to each and every property owner based upon the data collected by New City America. Property owners were asked to verify the data that had been collected on their parcel(s).

The Calculation of Assessment for each parcel in the Downtown Redwood City CBID is as follows:

#### **Parcel Assessment – Benefit Zone 1**

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

$$\begin{array}{r}
 \text{Total Street Frontage X \$ 9.50 per linear foot} \\
 + \\
 \text{Total Lot Square Footage X \$0.038170 per square foot} \\
 + \\
 \text{Total Building Square footage X \$0.1094 per square foot} \\
 \\
 \text{Equals} \\
 \\
 \text{TOTAL PARCEL ASSESSMENT}
 \end{array}$$

#### **Parcel Assessment – Benefit Zone 2**

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

$$\begin{array}{r}
 \text{Total Street Frontage X \$ 9.500 per linear foot} \\
 +
 \end{array}$$



$$\begin{array}{r}
 \text{Total Lot Square Footage X \$0.038170 per square foot} \\
 + \\
 \text{Total Building Square footage X \$0.0074703 per square foot} \\
 \hline
 \text{Equals}
 \end{array}$$

#### TOTAL PARCEL ASSESSMENT

#### **Residential Condo Assessment:**

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

$$\begin{array}{r}
 \text{Total Residential Unit Building Square footage X \$0.20 per Square Foot} \\
 \hline
 \text{Equals}
 \end{array}$$

#### TOTAL RESIDENTIAL CONDO UNIT ASSESSMENT

#### **Parcel Assessment/Benefit Zone 1 - 2 (Public Benefit, Tax-exempt ownership)**

$$\begin{array}{r}
 \text{Total Street Frontage X frontage costs} \\
 + \\
 \text{Total Lot Square Footage X lot size costs} \\
 + \\
 \text{No assessment for building square footage} \\
 \hline
 \text{Equals}
 \end{array}$$

#### TOTAL PARCEL ASSESSMENT

#### **Public and Tax exempt parcel assessments:**

In addition, tax exempt, non-profit and other public or government owned properties are not exempt from being assessed and if special benefit is determined to be conferred upon government owned properties, then those properties must be assessed in proportion to the special benefits conferred in a manner similar to privately owned property assessments. *In this plan, tax exempt parcels, that are operating enterprises which reflect their public benefit purposes, will have their building square footage assessments exempted from their assessments.* The public-benefit, tax exempt owned parcels will pay into the CBID based upon their linear frontage and parcel size, consistent with the rest of the CBID parcels. This is done because it is the building assessment will pay for "District Identity" services and those services function to increase rental values based upon generating demands for products, services or

land. Therefore, churches, City, County and School District owned properties and Kaiser Hospital will not pay for building square footage costs since they will not derive benefit from these services funded by the building square footage assessments.

#### **Future Development:**

As a result of continued new development, the CBID will experience the addition or subtraction of assessable commercial buildings or the conversion of empty parcels into new commercial and residential or buildings and units. The Management District Plan assessment methodology will accommodate any and all changes anticipated within the term of the CBID with annual adjustments being submitted to the City, as these assessment formula and property variable alterations occur.

In future years, the assessments for the special benefits bestowed upon the benefitting CBID parcels may change in accordance with the assessment methodology formula listed in this plan and the Engineer's Report provided the assessment rate does not change. If the assessment formula is proposed to be increased, then a Proposition 218 mail ballot procedure will be required for approval of increasing the formula changes.

#### **Budget Adjustments**

Annual budget surpluses, if any, will be rolled into the following year's budget.

#### **Benefit Analysis, Special vs. General Benefits:**

As stipulated by Proposition 218, assessment District programs and activities confer a combination of general and special benefits to properties, 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 California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Services, programs and improvements provided by the CBID are primarily designed to provide special benefits to identified commercial parcels and live-work condominium parcels within the District boundaries.

Existing City of Redwood City general benefit services will remain and not replaced or duplicated, by CBID services. In the case of the Downtown Redwood City CBID, the very nature of the purpose of this District is to fund supplemental programs, improvements and services within the CBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources.

These services, programs and improvements, are designed to enhance the commercial core uses, including residential condos and work/live lofts, increase tenancy and marketing of the properties in the CBID and improve the aesthetic appearance of areas adjacent to each identified parcel. All benefits derived from the assessments to be levied on parcels within the



CBID are for services, programs and improvements directly benefiting each individual parcel within this area and support increased cleanliness, commerce, business attraction and retention, increased property rental income and improved District identity. No CBID funded services, activities or programs will be provided beyond the CBID boundaries.

While every attempt is made to provide CBID services and programs to confer benefits only to those identified assessed parcels within the CBID, the California State Constitution was amended via Proposition 218 to stipulate 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. General benefits might be conferred on parcels within the District, or "spillover" onto parcels surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business within the District or interest in the District itself.

Conventional assessment engineering experience has found that general benefits within a given district tend to range from 2-5% of the total costs. There are three methods that have been used by the Assessment Engineer for determining general and special benefit ratios within assessment districts:

- (1) The parcel by parcel allocation method*
- (2) The program/activity line item allocation method, and*
- (3) The composite district overlay determinant method.*

A majority of CBIDs or PBIDs in California for which the Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, have used Method #3, the composite district overlay determinant method which will be used for the Downtown Redwood City District CBID. This method of computing the value of general benefit involves a composite of two distinct types of general benefit – benefit to the public at large within the District and benefit to parcels outside the District.

#### **Separate General Benefits from Special Benefits and Related Costs (Prop 218):**

Total costs are estimated at \$ 781,035 (see Table below). General benefits are factored at 3% of total (see Finding 2 on page 6 of the Assessment Engineer's report) with special benefits set at 97%. Prop 218 limits the levy of property assessments to costs attributed to special benefits only. The 3% general benefit cost is computed to be \$ 24,612 with a resultant 97% special benefit limit computed at \$ 795,781. This is the maximum amount of revenue that can be derived from property assessments from the subject CBID. The total amount of revenue proposed to be derived from CBID assessments and general benefits for Year 1 is \$ 820,393.00.



**Total Year 1 – 2015- Special + General Benefit Revenue**

<b>Service</b>	<b>Assessment Allocation</b>	<b>Non-Assessment Allocation</b>	<b>Total Allocation</b>	<b>% of Total</b>
Sidewalk Operations	\$ 423,000	\$ 13,082	\$ 436,082	53%
District Identity	\$ 160,000	\$4,949	\$164,949	20%
Parking Management	\$ 54,000	\$1,670	\$ 55,670	7%
Administration	\$ 120,000	\$3,711	\$ 123,711	15%
Contingency/Reserves	\$ 38,781	\$ 1,200	\$ 39,981	5%
<b>Total</b>	<b>\$ 795,781.00</b>	<b>\$ 24,612.00</b>	<b>\$ 820,393.00</b>	<b>100%</b>

All program costs associated with general benefits will be derived from sources or credits other than CBID assessments. Sample "other" revenue sources can be derived from special events, grants, volunteer hours and must simply equal a total of \$ 24,612 per year which would equal the general benefit cost of 3% of the computed total CBID cost of \$ 820,393.00 from Table 3 above.

**Time and Manner for Collecting Assessments:**

As provided by the City Ordinance, the District assessments will appear as a separate line item on annual property tax bills prepared by the County of San Mateo.

**Cap:**

The Downtown Redwood City CBID budget and assessments may be subject to increases which may be determined by the Owners' Association/District Management Corporation and will vary between 0% and 5% annually. The CBID District Management Corporation may request the increase in assessments annually, not to exceed 5% from the previous year's assessment amounts.

Changes in land use, development of empty parcels, conversion of tax exempt to profitable land uses, demolition of existing buildings, and creation of new parcels through new building or residential condo development may alter the budget from year to year based upon the changes in the building square footage of an individual parcels. Since linear frontage and lot size normally are not altered in the development of a site, the only changes realized in the CBID will be through the building square footage. In addition, changes in the budget may occur due to the conversion of single parcels to multiple parcels due to the construction of residential or commercial condominiums.

**Maximum Assessment**

Assessments may be increased by the District Management Corporation and shall not exceed 5% per year. The following projections illustrate a potential 5% maximum annual increase.

**Maximum Assessments by Property Variable, Fifteen Year Period  
Commencing FY 2015 by Benefit Zone**

**Benefit Zone 1**

<b>Projected Assessment</b>	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
Linear Frontage	\$9.50	\$9.98	\$10.47	\$11.00	\$11.55
Building Sq. Ft.	\$0.10940	\$0.11487	\$0.12061	\$0.12664	\$0.13298
Lot Square Footage	\$0.03817	\$0.04008	\$0.04208	\$0.04419	\$0.04640
Condo Bldg. Sq. Ft.	\$0.20000	\$0.21000	\$0.22050	\$0.23153	\$0.24310

<b>Projected Assessment</b>	<b>FY 6</b>	<b>FY 7</b>	<b>FY 8</b>	<b>FY9</b>	<b>FY 10</b>
Linear Frontage	\$12.12	\$12.73	\$13.37	\$14.04	\$14.74
Building Sq. Ft.	\$0.1396	\$0.1466	\$0.1539	\$0.1616	\$0.1697
Lot Square Footage	\$0.0487	\$0.0512	\$0.0537	\$0.0564	\$0.0592
Condo Bldg. Sq. Ft.	\$0.2553	\$0.2680	\$0.2814	\$0.2955	\$0.3103

<b>Projected Assessment</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Linear Frontage	\$15.47	\$16.25	\$17.06	\$17.91	\$18.81
Building Sq. Ft.	\$0.1782	\$0.1871	\$0.1965	\$0.2063	\$0.2166
Lot Square Footage	\$0.0622	\$0.0653	\$0.0685	\$0.0720	\$0.0756
Condo Bldg. Sq. Ft.	\$0.3258	\$0.3421	\$0.3592	\$0.3771	\$0.3960

**Benefit Zone 2**

<b>Projected Assessment</b>	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
Linear Frontage	\$9.50	\$9.98	\$10.47	\$11.00	\$11.55
Building Sq. Ft.	\$0.07470	\$0.07844	\$0.08236	\$0.08648	\$0.09080
Lot Square Footage	\$0.03817	\$0.04008	\$0.04208	\$0.04419	\$0.04640
Condo Bldg. Sq. Ft.	\$0.20000	\$0.21000	\$0.22050	\$0.23153	\$0.24310

<b>Projected Assessment</b>	<b>FY 6</b>	<b>FY 7</b>	<b>FY 8</b>	<b>FY9</b>	<b>FY 10</b>
Linear Frontage	\$11.55	\$12.12	\$12.73	\$13.37	\$14.04
Building Sq. Ft.	\$0.0908	\$0.0953	\$0.1001	\$0.1051	\$0.1104
Lot Square Footage	\$0.0464	\$0.0487	\$0.0512	\$0.0537	\$0.0564
Condo Bldg. Sq. Ft.	\$0.2431	\$0.2553	\$0.2680	\$0.2814	\$0.2955

<b>Projected Assessment</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Linear Frontage	\$14.04	\$14.74	\$15.47	\$16.25	\$17.06
Building Sq. Ft.	\$0.1104	\$0.1159	\$0.1217	\$0.1278	\$0.1342
Lot Square Footage	\$0.0564	\$0.0592	\$0.0622	\$0.0653	\$0.0685
Condo Bldg. Sq. Ft.	\$0.30	\$0.31	\$0.33	\$0.34	\$0.36



### **Budget Adjustments**

Annual budget surpluses, if any, will be rolled into the following year's budget. Assessments will be set annually, within the constraints of the CPI or land use changes. Revenues from the delinquent accounts may be expended in the year they are received. If the District is not renewed, any remaining funds will be returned to property owners in the proportion by what each property owner paid. If the District renews and money is left over from the previous term, the balance of remaining funds will be rolled over into the renewed district. However, the rolled over funds may only be used within the boundaries of the old district. Funds collected from the previous CBID term cannot be expended for activities, services, or improvements in the expanded area but may be used to finish Steering activities.

### **Assessment of Possessory Interests**

The Downtown Redwood City CBID Plan provides for the levy of assessments for the purpose of providing improvements and promoting activities that benefit property owners and business owners within the District. These assessments are not taxes for the general benefit of the city, but are assessments for the improvements and activities that confer special benefits upon owners of interest in real property for which the improvement and activities are provided.

The assessments are levied on the basis of the estimated benefit to the real property within the property and business improvement district. Owners of possessory interest in real property within the district are owner of real property and benefit from the proposed improvements and activities. Because assessments are levied based on estimated benefit, owners of possessory interest are required to pay their fair share of assessments.

Possessory interest tax is collected by San Mateo County as per California Revenue and Taxation(R&T) Code Section 61, 107-107.9, 480.6 and Property Tax Rules 20, 21-22 and 27-28, only in those instances where an underlying property owner is not paying real property taxes. Likewise, as it relates to owners of possessory interests, the assessment for the proposed district shall be levied on these owners only where no underlying assessment is levied. Therefore, fair share shall be determined on the same basis as the assessment calculation for all other owners. All Possessory interest owners shall be assessed based on the total for all assessment variables that would be including front frontage, lot square footage and building square footage- an assessment that would be equal to the assessment that would have been levied on the underlying property owner. This assessment represents the benefit from the proposed activities and improvements.

The assessment shall be collected at the same time and in the same manner as does the possessory interest tax paid to the County of San Mateo. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the possessory interest tax.

The "property owner" of the possessory interest shall be any person shown as the owner of land on the last equalized possessory interest assessment roll or otherwise known to be the owner of land by the city council. The City Council has no obligation to obtain other information



as to the ownership of the interest, and its determination of ownership shall be final and conclusive for the purposes of the district.

***Government Owned Parcels in the Downtown Redwood City  
Community Benefit Improvement District CBID***

APN	Legal Owner	Site #	Site Street	Benefit Zone	Annual Assessment	Percent
052 321 050	City Of Redwood City		Perry St	2	\$ 2,560.32	0.32%
052 362 150	City Of Redwood City		*no Site Address*	1	\$ 7,273.45	0.91%
052 366 130	City Of Redwood City	850	Jefferson Ave	1	\$ 4,863.13	0.61%
052 372 130	City Of Redwood City		*no Site Address*	2	\$ 66.61	0.01%
052 372 170	City Of Redwood City		*no Site Address*	2	\$ 1,331.64	0.17%
052 372 200	City Of Redwood City	707	Bradford St	2	\$ 996.27	0.13%
052 372 220	City Of Redwood City		*no Site Address*	2	\$ 869.17	0.11%
052 372 240	City Of Redwood City		*no Site Address*	2	\$ 1,308.03	0.16%
052 373 130	City Of Redwood City	755	Marshall St	2	\$ 3,289.51	0.41%
052 374 080	City Of Redwood City		*no Site Address*	1	\$ 5,232.99	0.66%
052 374 190	City Of Redwood City		*no Site Address*	2	\$ 157.95	0.02%
052 376 020	City Of Redwood City		Main St	2	\$ 2,011.33	0.25%
053 131 140	City Of Redwood City	1017	Middlefield Rd	1	\$ 11,053.85	1.39%
053 134 010	City Of Redwood City	923	Jefferson Ave	2	\$ 4,025.70	0.51%
053 134 050	City Of Redwood City	1050	Middlefield Rd	2	\$ 4,865.16	0.61%
053 134 060	City Of Redwood City		*no Site Address*	2	\$ 7,809.85	0.98%
053 231 200	City Of Redwood City		*no Site Address*	2	\$ 4,536.21	0.57%
				<b>Total</b>	<b>\$ 62,251.16</b>	<b>7.82%</b>
052 333 080	County Of San Mateo	333	Marshall St	2	\$ 3,469.43	0.44%
052 333 100	County Of San Mateo	330	Bradford St	2	\$ 7,477.47	0.96%
052 334 150	County Of San Mateo	490	Winslow St	2	\$ 72.48	0.01%
052 337 020	County Of San Mateo	400-455	County Center	2	\$ 14,604.90	1.87%
052 341 240	County Of San Mateo	555	County Center	2	\$ 28,300.28	3.62%
052 344 040	County Of San Mateo	617	Hamilton St	2	\$ 188.67	0.02%
052 344 070	County Of San Mateo		*no Site Address*	2	\$ 1,335.36	0.17%
052 344 080	County Of San Mateo		*no Site Address*	2	\$ 667.22	0.09%
052 344 090	County Of San Mateo	555	Marshall St	2	\$ 2,187.57	0.28%
052 344 110	County Of San Mateo	525	Marshall St	2	\$ 486.76	0.06%
052 344 120	County Of San Mateo		*no Site Address*	2	\$ 17.56	0.00%
052 344 140	County Of San Mateo		*no Site Address*	2	\$ 1,350.20	0.17%
052 344 150	County Of San Mateo	500	County Center	2	\$ 1,045.22	0.13%
052 364 110	County Of San Mateo	710	Hamilton St	2	\$ 4,629.99	0.59%
052 367 010	County Of San Mateo	2200-2210	Broadway St	1	\$ 11,785.62	1.51%
				<b>Total</b>	<b>\$ 77,618.75</b>	<b>9.75%</b>
052 373 120	Redwood City Elem School Dist		*no Site Address*	2	\$ 3,256.27	0.41%
052 332 160	San Mateo County Bar Assoc	333	Bradford St	2	\$ 3,940.47	0.50%

## Section 5

### District Rules and Regulations and Governance

#### **Disestablishment:**

Local ordinance provides for the disestablishment of the CBID pursuant to an annual review process. Each year that the Downtown Redwood City CBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary date that the district was first established by the City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 30% or more of the assessments levied, the CBID may be considered for disestablishment. The City Council will hold a public hearing on disestablishing the CBID prior to actually doing so.

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

#### **Management Corporation:**

The final management structure will include the Downtown Redwood City CBID assessed property owners who will organize themselves into a new non-profit corporation who's Board will serve in the capacity of the contracted management corporation.

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

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

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



### **Assessment Engineer's Report**

New City America has contracted with Ed Henning and Associates to compile the required engineer's report under the guidelines of Proposition 218, Article XIID of the California State Constitution.

In preparing the engineer's report for the Downtown Redwood City CBID Management District Plan, the engineer concluded that the special benefit to each parcel in the various benefit zones was found to be proportional to the property variable and their apportionment.

An Engineer's report for the CBID is provided in the Appendix.

### **Bonds:**

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

## **Section 6 Implementation Timetable**

### **District Formation:**

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

Once the City verifies the petitions totaling a minimum of 30% of the weighted property owners, or \$ 238,734.00 in assessment contribution to the new CBID, the City Council may adopt a Resolution of Intention and mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the mail ballots. The Downtown Redwood City Community and Benefit Improvement District will be formed if the weighted majority of all returned mail ballots support the CBID formation and if the City Council adopts a resolution of formation to levy the assessments on the benefiting parcels. We anticipate that this process will be completed by the end of July 2014.

## Section 7

### Assessment Roll of Properties Included

APN	Annual Assessment				
052 321 010	\$8,539.13	052 332 150	\$7,921.11	052 355 020	\$964.07
052 321 050	\$2,560.32	052 332 160	\$3,940.47	052 355 030	\$1,593.23
052 321 060	\$3,803.12	052 333 080	\$3,469.43	052 355 050	\$1,130.71
052 321 070	\$606.43	052 333 100	\$7,477.47	052 355 060	\$2,960.12
052 321 080	\$606.43	052 334 060	\$2,236.33	052 361 010	\$3,275.81
052 321 090	\$1,212.85	052 334 070	\$665.85	052 361 030	\$4,984.73
052 321 100	\$1,212.85	052 334 080	\$1,351.62	052 361 050	\$17,600.96
052 321 110	\$1,352.54	052 334 120	\$4,742.69	052 362 050	\$2,473.16
052 321 120	\$595.49	052 334 130	\$3,735.17	052 362 060	\$1,715.15
052 321 130	\$1,326.51	052 334 140	\$804.09	052 362 070	\$1,209.74
052 321 140	\$1,659.68	052 334 150	\$72.48	052 362 080	\$4,243.54
052 321 150	\$925.75	052 335 020	\$3,277.92	052 362 090	\$1,117.85
052 321 160	\$2,203.67	052 335 030	\$4,734.38	052 362 150	\$7,273.45
052 321 170	\$1,039.37	052 337 020	\$14,604.90	052 363 130	\$359.64
052 321 180	\$483.60	052 341 240	\$28,300.28	052 363 180	\$2,367.37
052 321 190	\$511.45	052 344 040	\$188.67	052 363 200	\$4,999.21
052 321 200	\$550.57	052 344 070	\$1,335.36	052 364 110	\$4,629.99
052 321 210	\$482.18	052 344 080	\$667.22	052 364 130	\$8,151.72
052 321 220	\$832.41	052 344 090	\$2,187.57	052 365 020	\$2,311.16
052 321 230	\$1,029.72	052 344 110	\$486.76	052 365 040	\$3,269.69
052 321 240	\$2,338.48	052 344 120	\$17.56	052 365 050	\$1,181.50
052 321 250	\$5,819.55	052 344 140	\$1,350.20	052 365 060	\$2,280.75
052 321 260	\$653.22	052 344 150	\$1,045.22	052 365 080	\$1,912.47
052 321 270	\$1,338.12	052 346 010	\$1,961.05	052 365 090	\$6,971.48
052 322 030	\$1,953.64	052 346 090	\$1,989.37	052 365 100	\$399.98
052 322 040	\$1,235.75	052 346 100	\$889.96	052 366 120	\$38,651.13
052 322 060	\$4,434.24	052 346 130	\$2,922.64	052 366 130	\$4,863.13
052 322 070	\$2,937.70	052 346 150	\$4,693.14	052 367 010	\$11,785.62
052 322 100	\$2,676.08	052 346 160	\$5,246.21	052 368 030	\$1,921.72
052 322 110	\$3,215.09	052 346 170	\$3,458.96	052 368 070	\$1,472.38
052 322 120	\$4,538.83	052 346 180	\$1,274.60	052 368 120	\$4,875.17
052 325 140	\$12,134.80	052 347 030	\$898.08	052 368 130	\$2,881.49
052 325 180	\$17,060.26	052 347 040	\$1,440.77	052 368 140	\$3,676.55
052 326 090	\$5,058.02	052 347 050	\$830.20	052 372 070	\$3,500.58
052 326 100	\$20,963.36	052 347 060	\$1,762.27	052 372 130	\$66.61
052 331 010	\$1,877.31	052 347 070	\$2,613.14	052 372 160	\$5,642.00
052 331 020	\$1,222.88	052 347 080	\$641.27	052 372 170	\$1,331.64
052 331 080	\$852.61	052 347 090	\$848.87	052 372 190	\$2,996.21
052 331 110	\$2,462.40	052 347 100	\$1,002.01	052 372 200	\$996.27
052 331 120	\$5,496.33	052 347 130	\$2,751.21	052 372 220	\$869.17
052 331 130	\$2,281.70	052 347 140	\$2,595.45	052 372 230	\$2,911.80
052 332 010	\$1,944.07	052 354 010	\$2,186.05	052 372 240	\$1,308.03
052 332 120	\$853.58	052 354 020	\$2,767.63	052 372 250	\$9,601.41
		052 354 030	\$6,680.06	052 373 030	\$4,044.09
		052 355 010	\$1,911.46	052 373 040	\$3,309.70



052 373 070	\$1,214.80	053 131 110	\$3,825.58	053 203 050	\$3,492.44
052 373 080	\$689.37	053 131 120	\$1,903.88	053 203 060	\$4,451.66
052 373 090	\$750.66	053 131 140	\$11,053.85	053 203 070	\$8,572.87
052 373 100	\$2,003.95	053 131 150	\$1,023.52	053 231 130	\$2,787.24
052 373 110	\$4,054.72	053 131 160	\$4,542.16	053 231 200	\$4,536.21
052 373 120	\$3,256.27	053 131 170	\$2,875.28	053 231 210	\$7,972.37
052 373 130	\$3,289.51	053 131 180	\$579.08	053 232 010	\$4,753.21
052 374 040	\$2,744.19	053 131 190	\$2,763.68	053 233 050	\$785.37
052 374 050	\$702.55	053 134 010	\$4,025.70	053 233 060	\$1,514.27
052 374 060	\$920.71	053 134 050	\$4,865.16	053 233 070	\$930.97
052 374 080	\$5,232.99	053 134 060	\$7,809.85	053 233 100	\$3,184.93
052 374 090	\$2,590.57	053 135 010	\$1,619.83	053 233 110	\$1,053.63
052 374 100	\$723.49	053 135 020	\$1,082.65	053 233 120	\$1,495.51
052 374 140	\$1,024.42	053 135 040	\$1,038.80	053 233 130	\$1,379.51
052 374 150	\$3,522.70	053 135 050	\$2,331.36	053 233 220	\$14,801.05
052 374 160	\$7,040.35	053 135 120	\$934.23	053 233 230	\$2,165.91
052 374 180	\$4,353.49	053 135 140	\$1,221.39	053 233 270	\$12,947.57
052 374 190	\$157.95	053 135 160	\$3,669.65	053 234 010	\$3,684.65
052 374 200	\$1,269.06	053 135 170	\$2,177.23	053 234 020	\$13,026.91
052 376 020	\$2,011.33	053 135 240	\$967.02	053 400 010	\$5,908.30
052 376 030	\$12,409.69	053 135 250	\$778.78	053 400 020	\$1,550.85
052 377 030	\$1,094.34	053 135 260	\$851.10	053 400 030	\$8,722.18
052 377 040	\$3,682.38	053 135 270	\$1,212.85	111 810 010	\$151.00
052 377 080	\$3,340.90	053 136 010	\$4,271.49	111 810 020	\$136.00
052 377 100	\$1,622.68	053 137 010	\$3,887.03	111 810 030	\$180.00
053 131 010	\$727.71	053 137 020	\$4,091.31	111 810 040	\$234.40
053 131 020	\$674.80	053 202 140	\$25,333.75	111 810 050	\$159.00
053 131 030	\$1,202.57	053 202 150	\$8,961.91	111 810 060	\$159.00
053 131 040	\$1,040.59	053 202 160	\$15,285.21	111 810 070	\$172.00
053 131 050	\$5,526.99	053 203 020	\$4,071.65	<b>TOTAL</b>	<b>\$795,781.14</b>

# **THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT**

*Being Established Pursuant to the  
Redwood City Community Benefit Improvement District Procedural Ordinance  
(Redwood City Municipal Code Chapter 31)*

## **DISTRICT ASSESSMENT ENGINEER'S REPORT**

### **ATTACHMENT A**

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

*June 2<sup>nd</sup>, 2014*



**DISTRICT 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 Downtown Redwood City Community Benefit Improvement District ("Downtown Redwood City CBID") being established for a fifteen (15) year term 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 of Edward V. Henning in black ink, written over a horizontal line.

RPE #26549

June 2<sup>nd</sup>, 2014

Edward V. Henning

Date

*(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)*

**Introduction**

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the Downtown Redwood City CBID in the City of Redwood City, California being established for a fifteen (15) year term. The discussion and analysis contained within this Report constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by properties within the Downtown Redwood City CBID.

### **Background**

The Downtown Redwood City CBID is a property-based benefit assessment district being established for a fifteen (15) year term pursuant to the City of Redwood City's Community Benefit Improvement District (CBID) Procedural Ordinance - Redwood City Municipal Code Chapter 31 (the "Ordinance") which is based in part on Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District (PBID) Law of 1994 (the "Act"). Due to the benefit assessment nature of assessments levied within a CBID district program costs are to be distributed amongst all identified benefiting properties based on the proportionate amount of special program benefit each property is expected to derive from the assessments levied. Within the Ordinance and Act, frequent references are made to the concept of relative "benefit" received from CBID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from CBID funded programs and activities may be assessed and only in an amount proportionate to the relative special benefits expected to be received.

To fund activities and services in the CBID's service areas, an annual benefit assessment will be levied against parcels of real property that specially benefit from the programs, activities and services of the CBID.

The method used to determine special benefits derived by each identified property within a CBID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Downtown Redwood City CBID, 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 number of building floors 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 the CBID in order to determine any levels of different benefit which 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 basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and 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.

From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all special benefit costs are allocated proportionally or “spread” based on special benefits conferred on benefitting properties within the CBID.

The method and basis of spreading program costs varies from one CBID 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.

#### **Supplemental Proposition 218 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 Downtown Redwood City CBID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Downtown Redwood City CBID, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Downtown Redwood City CBID complies with each of these provisions are delineated below.

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

#### **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”**

There are 222 parcels within the proposed Downtown Redwood City CBID “identified” as assessable parcels that will derive special benefit from the proposed District programs and activities. The benefits are special and unique only to the identified parcels within the District because programs and services (i.e. sidewalk operations/beautification; district identity; parking management; administration; and, contingency/reserve) will only be provided directly for the special benefit of the identified parcels. These identified benefitting parcels are located within the CBID perimeter boundary which is shown on the Boundary Map attached as Appendix 2 to this Report and are listed in Appendix 1 to this Report -

identified by benefit zone and assessor parcel number. Any future development and/or land subdivisions will adhere to the assessment rate structures described herein.

**CBID Boundary:**

The CBID generally follows the boundaries of the Downtown Specific Plan that was crafted via substantial community facilitation and input and is bounded roughly by Brewster, Veterans, Maple and Pennsylvania/El Camino Real. The parcels selected to be included in the CBID form a unique retail, commercial, office and government business core that has long been recognized and identified by the Redwood City community as a pedestrian friendly retail and commercial central business district or "Downtown". Adjacent parcels not included within the CBID are generally residential neighborhoods or commercial strip automobile oriented corridors that serve the general public not engaged in the Downtown center area.

Keeping the assessed parcels within the District clean, safe and attractive will increase pedestrian traffic and consumer activity and increase sales, business transactions, and employment and visitor satisfaction. There are two benefit zones in the proposed Downtown Redwood City CBID. These zones are shown on the District Map in Appendix 2 of this Report.

In the summer of 2013, a group of property owners met and formed the Downtown Redwood City CBID Steering Committee. The original function of the Steering Committee was to review the historic boundaries of what was considered to be "Downtown Redwood City", which has evolved over the past few decades. The boundaries set by the Steering Committee coincided with not only the Downtown Redwood City Specific Plan mentioned above, but also with improvements that had been funded by the former Redwood City Redevelopment Agency. These improvements included special paving for sidewalks, pedestrian signage, district signage, landscaping, lighting, Courthouse Square, the new Downtown anchor project which included the movie theatres and parcels that had a common land use that represented the core of retail, office, commercial, County seat, City public seat, theatre/entertainment and related uses.

Any blocks excluded from the CBID boundaries (one apartment building parcel between Maple and Walnut between Hilton, Stambaugh and the one block of El Camino Real north of Broadway), were based upon the fact that the land uses of these blocks had very little relationship to the core of Downtown and it was believed by the Steering Committee that the special benefit services that would be provided would be of minimal value, at best, to these excluded parcels.

The Cal Train station parking lot has also been excluded directly west of the Cal Train station due to the fact that the special benefit services are only provided west of the rail tracks along Broadway, and not to any other parcels on that side of the tracks. Cal Train currently provides maintenance and security services for this parking lot and the special benefit programs funded by the CBID will not benefit this parking lot.



The boundaries of the Downtown Redwood City CBID are generally described as follows:

**On the north**, from the intersection of Maple and Veterans (south side) to the intersection of Brewster Street and Veterans (south side);

**On the south**, from the intersection of Main and Pennsylvania (north side) to the intersection of El Camino and Brewster Street (north side);

**On the east**, from the intersection of Pennsylvania and Maple, (east side), excluding the one block between Hilton and Stambaugh, to the intersection of Veterans and Maple, (west side);

**On the west**, from the intersection of El Camino and Brewster (east side) to the intersection of Veterans and Brewster (east side). Please see Section 2 for a full map and full description of the boundaries.

All identified parcels within the above-mentioned boundaries shall be assessed to fund special benefit programs, services and improvements as outlined herein. Services, programs and improvements will only be provided to these parcels inside the District boundaries and none will be provided outside of the District boundaries. Each of the individual parcels assessed shall receive special benefits from the proposed programs, services and improvements. All CBID funded programs, services and improvements are considered supplemental above normal base level services provided by the City of Redwood City and are only provided for the special and distinct benefit of assessed parcels within the boundaries of the Downtown Redwood City CBID.

**Benefit Zones:**

This plan proposes that there will be two Benefit Zones for the Downtown CBID. It was determined by CBID Steering Committee in formulating the services plan for this CBID that the properties in the area described as Benefit Zone 1 below required additional parking management as well as parking lot leasing and valet services for customers and clientele transacting business in Zone 1 which will not be provided to Zone 2 properties.

The parcels within each benefit zones were set by the Downtown CBID Steering Committee, who, based upon their knowledge of the critical mass of pedestrian traffic concentration, retail concentration and frequency of use by visitors to Downtown, set the boundaries based upon the frequency and type of services that the specific parcels would receive. The Steering Committee determined that all parcels would benefit equally within the CBID boundaries based upon Sidewalk Operations and Beautification services, District Identity, Administration and other overhead expenses in operating the special benefits district.

The one service distinction between the two benefit zones was based solely on parking management needs. Whereas Benefit Zone 1 parcels specifically advocated for valet, parking leasing and parking operational services in the evening hours for the retail, restaurant, and entertainment businesses fronting on Broadway in the CBID, Middlefield (west of Broadway), and on Pennsylvania Street between Broadway and Middlefield, the other individual parcels peripheral to these Benefit Zone 1 parcels within the CBID boundaries, would not require the valet and parking lot rental services due to their non-retail and restaurant land uses. Benefit Zone 1 parcels will fund the enhanced parking services through their supplemental assessment assessed to the building square footage costs, which are slightly higher in Zone 1 vs. Zone 2.

Zone 2 parcels have qualitatively different parking needs centering NOT on specific evening retail and restaurant needs, but rather needs related to parking and circulation, possible CBID wide shuttle services, and parking mitigation for daytime construction worker use of limited street parking needs. Zone 1 property owners through the Steering Committee direction, specifically understand that Zone 1 parcels would need to pay their proportional share of the parking special benefit needs, funded through the supplemental building square foot assessments. These supplemental building assessments are specifically earmarked for parking benefit services only to Zone 1 parcels.

CBID wide special benefit parking needs may be funded from time to time, and based upon Owners Association direction, from the linear frontage assessments which fund Sidewalk Operations and Beautification services. The decision to use linear frontage assessments, which are equally apportioned throughout the CBID, is a decision to be made by the Owners Association in the implementation of the programs and activities of the CBID.

Benefit Zone 1 would include:

- a. All parcels fronting along Broadway from Maple Street on the East to El Camino on the west, also the site of the new Crossings 900 office building
- b. Courthouse Square
- c. Parcels fronting on Theatre Way
- d. All parcels fronting on the single block of Main Street from Broadway to Middlefield (Upper Main)
- e. Some City and County properties. *(All parcels which are owned and operated by tax-exempt and public agencies, County, City, School District, Kaiser Hospital, and any other tax exempt parcels would not pay into marketing, promotion or District Identity special benefit services. Therefore no assessment on building square footage would be levied against these parcels, however the assessments for linear frontage and lot size would be apportioned equally throughout the entire CBID. Furthermore, City and County owned parcels in Zone 1 will not pay into the parking supplemental building assessments due to the fact that the City and County do NOT have evening parking requirements, they provide free parking for their employees and would not benefit from any of the parking special benefit services funded through Zone 1 building assessments)*



Benefit Zone 2 would include:

- a. All parcels not included in Benefit Zones 1
- b. *(All parcels which are owned and operated by tax-exempt and public agencies, County, City, School District, Kaiser Hospital, and any other tax exempt parcels would not pay into marketing, promotion or District Identity special benefit services. Therefore no assessment on building square footage would be levied against these parcels, however the assessments for linear frontage and lot size would be apportioned equally throughout the entire CBID)*

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

#### **BENEFIT ANALYSIS**

As stipulated by Proposition 218, assessment District programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. Special Benefit” as defined by the California State Constitution means “a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. For the purposes of this analysis, “General Benefits” are benefits from the CBID activities and improvements that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other parcels receive. General benefits are not restricted to benefits conferred only on persons and property outside the assessment district, but can include benefits both conferred on real property located in the district or to the public at large. “At large” means not limited to any particular person - means all members of the public - including those who live, work, and shop within the district - and not simply transient visitors. The property uses within the boundaries of the CBID which will receive special benefits from CBID funded programs and services are currently a mix of retail, restaurant, entertainment, service, office, government, residential and parking. Services, programs and improvements provided by the CBID are primarily designed to only provide special benefits to identified parcels within the boundaries of the District. There are five basic categories of special benefit services that will be funded by the Downtown Redwood City Community Benefit Improvement District. All of these services will confer a special benefit only to the individual parcels within the Downtown Redwood CBID. The categories of services of special benefits are as follows:

<b>PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT</b>	<b>APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET</b>	<b>ESTIMATED ANNUAL COSTS</b>
Sidewalk Operations and Beautification	53%	\$ 423,000.00
District Identity and Signage	20%	\$ 160,000.00
Parking Management	7%	\$54,000.00
Administration/Corporate Operations	15%	\$ 120,000.00
Contingency/City and County Fees/Reserves	5%	\$ 38,781.00
<b><i>TOTAL</i></b>	<b><i>100%</i></b>	<b><i>\$ 795,781.00</i></b>

Parcels that receive these programs, services and improvements attract more customers, employees, tenants and investors as a result of these activities, programs, services and improvements, thereby increasing business volumes, sales transactions, occupancies, rental income and return on investments. These special benefits are particular and distinct in that they are not provided to non-assessed parcels outside of the District. Because these programs, services and improvements will only be provided to each individual assessed parcel within the CBID boundaries, these programs, services and improvements will constitute "special benefits". Existing City of Redwood City general benefit services will be supplemented, and not replaced or duplicated, by CBID services. In the case of the Downtown Redwood City CBID, the very nature of the purpose of this CBID is to fund supplemental programs, improvements and services within the CBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources.

These special benefit services, programs and improvements, are designed to enhance the pedestrian, retail, commercial core and new residential uses, increase commercial and residential tenancies and marketing of the mix of retail, service, office, government, residential and parking properties in the CBID and improve the aesthetic appearance of each identified parcel. All special benefits funded from the assessments to be levied on parcels within the CBID are for services, programs and improvements directly benefiting each individual parcel within this area and support increased cleanliness, commerce, business attraction and retention, increased commercial property and residential rental income and improved District identity. No CBID funded services, activities or programs will be provided to any parcels outside of the CBID boundaries.

While every attempt is made to provide CBID services and programs to confer benefits only to those identified assessed parcels within the CBID, the California State Constitution was amended via Proposition 218 to stipulate 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. General benefits might be conferred on assessed parcels within the District, or "spillover" onto parcels



surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business within the District or interest in the District itself.

Assessment engineering experience has found that general benefits within a community benefit improvement type district have ranged from a value of 2 to 5% of the overall total costs. It is noted that the general benefit values in the 4 to 5% range were based exclusively on general benefit analyses that incorporated pedestrian intercept surveys in calculating general benefit values. Such surveys are no longer used for calculating general benefit values for a variety of logistic and legal related issues. Those districts that use a variety of other mathematical factors to calculate general benefits based on the Assessment Engineer's experience range from 2 to 3% total general benefit value.

General benefits, based on language in Proposition 218 and findings in subsequent Court cases (Golden Hills vs City of San Diego, Art District PBID vs the City of Los Angeles) are comprised of three distinct types of general benefit – benefit to assessed parcels within the district, benefit to the public at large within the District and benefit to parcels outside the District.

#### **General Benefit – Assessed Parcels within District**

CBID funded programs are narrowly designed and carefully implemented to specially benefit the assessed District parcels and are only provided for the special benefit to each and every assessed parcel within the CBID. It is projected that nearly 100% of benefits conferred on assessed parcels within the District are distinct and special due to the unique nature of the programs and the geographic application of CBID funded programs and services directly adjacent to all assessed parcels. This is because the CBID funded programs and services are specially geared to the unique needs of each assessed parcel within the CBID and are directed specially only to these assessed parcels within the CBID. This concept is further reinforced by the proportionality of special benefits conferred on each assessed parcel within the District as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics unique to each assessed parcel. In spite of this focused application of CBID funded programs and services, however, it is still estimated that a factor of 0.5% in general benefits may be conferred on assessed parcels within the CBID. The general benefits of 0.5% conferred on assessed parcels within the district equates to \$3,979 ( $0.5\% \times \$795,781$ ).

#### **General Benefit - Public At Large**

While the CBID funded programs are narrowly designed and carefully implemented to specially benefit the assessed District properties and are only provided for the special benefit to each and every assessed parcel within the District, these CBID funded programs may also provide an incidental general benefit to the public at large within the District. 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 on them within the District, while the public at large "just passing through" is typically less than 5%. Again, it is noted that the general benefit values in the 4-5% range were based exclusively on general benefit analyses that incorporated pedestrian intercept surveys in calculating general benefit values. Such surveys are no longer used for calculating general benefit values for a

variety of logistic and legal related issues. Those districts that use a variety of other mathematical factors to calculate general benefits based on the Assessment Engineer's experience range from 2-3% total relative general benefit value.

Based on this experience curve and the focused nature of the CBID funded programs, a general benefit factor of 0.025 (2.5% or an average between the 2-3% empirical findings) of CBID funded special benefit program costs that might provide an immediate general benefit to the public at large will be applied to these applicable program costs in order to compute the dollar and percent value of general benefits to the public at large. The programs that may provide immediate general benefits to the public at large are Sidewalk Operations and Beautification. The dollar value of this general benefit type equates to 1.325% of the total Year 1 –2015 District special benefit program costs or \$5,605 as delineated in the chart below.

	A	B	C	D	E
Program Element	Dollar Allocation	% Allocation of Special Benefit Cost	General Benefit Factor	General Benefit Percent (B x C)	General Benefit Value
Sidewalk Operations and Beautification	\$423,000	53%	0.025	1.325%	\$5,605

#### **General Benefits – Outside Parcels**

While District programs and services will not be provided directly to parcels outside the District boundaries, it is reasonable to conclude that District services such as increased safety and cleanliness and image enhancement may confer an indirect general benefit on parcels immediately adjacent to the District boundaries. An inventory of the District boundaries finds that the District is surrounded by 77 parcels that can reasonably be assumed to receive some indirect general benefit as a result of CBID funded programs, services and improvements. Based on assessment engineering practice for other community benefit type districts in the State, a benefit factor of 1.0 will be attributed to the 222 assessed parcels within the District and a benefit factor of 0.05 will be attributed to general benefits conferred on the 77 parcels immediately adjacent to or across the street from assessed parcels within the Downtown Redwood City CBID. The dollar value of this general benefit type equates to 1.7% of the composite program costs or \$13,762 (1.7% x \$809,543) as delineated in the chart below.

Parcel Type	Quantity	Benefit Factor	Benefit Units	Benefit Percent	Benefit Value
Assessed Within the District	222	1	222.00	98.3%	\$795,781
Outside the District	77	0.05	3.85	1.7%	\$13,762
TOTAL			225.85	100%	\$809,543



**Composite General Benefit**

Based on the general benefit values delineated in the three sections above, the total value of general benefits conferred on assessed parcels within the district, the public at large and parcels outside the District equates to 2.85% or \$23,346 (\$3,979 + \$5,605 + \$13,762). For the purposes of this benefit analysis, the 2.85% general benefit value will be conservatively rounded up to 3% with a dollar value of \$24,612. This leaves a value of 97% assigned to special benefit related costs. The general benefit value of \$24,612 when added to the special benefit value of \$795,781 (Year 1 – 2014-15 assessments) equates to a total Year 1 – 2014-15 program cost of \$820,393. Remaining costs which are attributed to general benefits, will need to be derived from other sources which may include, but not be limited to:

1. Special event revenue from Courthouse Square
2. Parking valet service revenue
3. Farmer's market revenue
4. Grants
5. Special event sponsorships and underwriting.

**CBID Programs and Improvements**

All services funded by the assessments outlined in this Report are intended to directly benefit parcels within the CBID boundaries. These CBID special benefit services shall support increased commerce, greater safety, support business attraction and retention, attract new residents, retain and increase commercial and residential property rentals, enhance cleanliness in the CBID, improve district identity, and promote specialized beautification, provide valet and supplemental parking benefits for Zone 1 parcels of each individual assessed parcel within the CBID.

The program activities and budget allocations that will be provided to each individual parcel assessed in the proposed Downtown Redwood City CBID are shown in the chart below:

**Year 1 - 2014/15 Proposed Special Benefit Work Plan and Budget Allocations**

<b>PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT</b>	<b>APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET</b>	<b>ESTIMATED ANNUAL COSTS</b>
Sidewalk Operations, Beautification	53%	\$ 423,000.00
District Identity and Signage	20%	\$ 160,000.00
Parking Management/Benefit Zone 1	5%	\$54,000.00
Administration/Corporate Operations	15%	\$ 120,000.00
Contingency/City and County Fees/Reserves	5%	\$ 38,781.00
<b><i>TOTAL</i></b>	<b><i>100%</i></b>	<b><i>\$ 795,781.00</i></b>

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year. Accordingly, the Owners' Association shall have the right to reallocate up to 10% of the budget line item within the budget categories based on such cost fluctuations subject to the review and approval by the Board and included in the Annual Planning Report that will be approved by the Redwood City - City Council pursuant to Streets and Highways Code Section 36650. Accrued interest or delinquent payments may be expended in any budget category.

Any funds remaining after the fifteenth year of operation will be rolled over into the renewal budget or returned to stakeholders. Also, if the funds are available in the fourteenth year of operations, costs for renewal may be expended. If the District is not renewed or terminated for any reason, unexpended funds will be returned to the property owners pursuant to Section 36600 of the California Streets and Highway Code.

The proposed CBID special benefit services are described in more detail as follows:

**SIDEWALK OPERATIONS AND BEAUTIFICATION.**      **53% \* (see parking management, points 3 and 4)**

This category of special benefit services provides assessed properties with the following services allocated predominantly from curb to property line. These services are funded from the property variable, - linear frontage - that will derive the majority of special benefit services from this function. In allocating these services, the CBID plan seeks to ensure proportional benefit to the benefitting parcel. Parcels with greater linear frontage will receive and pay for greater Sidewalk Operations special benefit services. Therefore is a direct relationship between what is paid and what is received by each CBID parcel. All parcels in the CBID are assessed equally and will receive the same frequency of this classification of special benefit services. The purpose of these services is to provide cleaner, more orderly, and attractive public rights of way adjacent to each assessed parcel within the CBID area. These services are over and above current



City services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of these special benefit services will be determined by the CBID management corporation Board of Directors. Such sidewalk operations and beautification special benefit services include:

- Regular sidewalk and gutter sweeping adjacent to assessed parcels
- Regular sidewalk steam cleaning adjacent to assessed parcels (over and above city services)
- Enhanced trash emptying for assessed parcels (over and above city services)
- Tree and vegetation maintenance adjacent to assessed parcels (over and above city services)
- Special events maintenance and set up in areas adjacent to assessed parcels
- Maintenance and planning of new outdoor public spaces
- Installation and maintenance of hanging plants, planting flowers in areas adjacent to assessed parcels
- Dog waste receptacles adjacent to apartment buildings and condos
- Possibly video surveillance equipment and monitoring, safety programs;
- Other programs that provide special benefits in the sidewalks of the CBID adjacent to assessed parcels

**Level of Sidewalk Operations Special Service Frequency as determined by Benefit Zone:**

<b>Benefit Zone</b>	<b>Sidewalk and gutter sweeping, sidewalk steam cleaning, enhanced trash receptacle emptying</b>	<b>Beautification programs and services, public space management and maintenance</b>
1	7 days per week	As funding is available
2	7 days per week	As funding is available

**Some Average costs:**

Average cost of services for similar special benefit districts to fund the sidewalk operations component are a low of \$5.00 per linear foot and a high of \$18.00 per linear foot.

**Possible Implementation Scenario:**

44,531 linear feet x \$9.50 per linear foot = \$ 423,043 in annual Sidewalk Operations funds (figuring a ratio of 80% for labor and 20% for supplies), this would equal around 55- 69 person hours per day, or an average of around 7 to 8 full time people providing services 7 days per week. Probably 5 - 6 employees during the day and 2 for the evening shifts, which includes on site supervision. These employees could provide cleaning services, steam cleaning services, provide directions to visitors, stock dog bag stations, empty special benefit trash receptacles, paint out graffiti, fund beautification programs including public space management and maintenance, work with Redwood City Police Department for vagrancy or minor criminal complaints.

**DISTRICT IDENTITY SERVICES:****20%**

This category of special benefit services provides assessed properties with the following services that enhance the positive identity and brand for businesses on assessed parcels within the CBID. The function of these services is to create greater demand for property, office space, business sales and rentals and residential tenancies throughout the CBID. These services are over and above current City services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of District Identity special benefit services will be determined by the CBID management corporation Board of Directors.

The costs for District Identity are apportioned equally to the building square footage assessments of all parcel owners, regardless of Benefit Zone, since all individual parcels (with the exceptions noted in the next paragraph) are presumed to benefit equally from the District Identity implementation of all programs in the new CBID.

It is noted that District identity services are designed primarily for the benefit of commercial for-profit types of land uses and ownerships and not for government and tax exempt type land uses and ownerships. These latter categories of land use and ownership types do not specially benefit from increased business sales or business transactions and enhancement of private parcels is the primary aim of this program element and thus these tax exempt parcels will not be assessed for their respective building square footage to pay for these services. This program element will be funded 100% by building square footage assessments in both benefit zones, except for government and tax exempt owned and occupied parcels. The percentage of building square footage that is dedicated to private or internal tenant parking needs may be deducted from the gross building square footage. Only parking structures that are open to the public and charge fees to the general public on a regular basis will have their building square footage assessed as any other commercial building. Apartment buildings within the boundaries of the CBID, regardless of Benefit Zone, will be assessed as commercial buildings since there is a landlord/tenant relationship. Such sidewalk operations and beautification special benefit services include:



- Web site development and updating
- App development
- Management and coordination of special Events at Courthouse Square
- Social media
- Holiday decorations
- Branding of Downtown Redwood City so a positive image is supported
- Banner programs
- Public art displays
- Logo development
- Public space design and work
- Other marketing and promotion strategies and programs
- Management of district identity related services
- Signage

**PARKING MANAGEMENT SERVICES:**

7%

Benefit Zone 1 parcels will receive special benefits specifically for valet, parking leasing and parking operational services in the evening hours for the retail, restaurant, and entertainment businesses fronting on Broadway in the CBID, Middlefield (west of Broadway), and on Pennsylvania Street between Broadway and Middlefield, the other individual parcels peripheral to these Benefit Zone 1 parcels within the CBID boundaries, would not require the valet and parking lot rental services due to their non-retail and restaurant land uses. Benefit Zone 1 parcels will fund the enhanced parking services through their supplemental assessment assessed to the building square footage costs, which are slightly higher in Zone 1 vs. Zone 2.

Zone 2 parcels have qualitatively different parking needs centering NOT on specific evening retail and restaurant needs, but rather needs related to parking and circulation, possible CBID wide shuttle services, and parking mitigation for daytime construction worker use of limited street parking needs. Zone 1 property owners will pay their proportional share of the parking special benefit needs, funded through the supplemental building square foot assessments. These supplemental building assessments are specifically earmarked for parking benefit services only to Zone 1 parcels.

CBID wide special benefit parking needs may be funded from time to time, and based upon Owners Association direction, from the linear frontage assessments which fund Sidewalk Operations and Beautification services. The decision to use linear frontage assessments, which are equally apportioned throughout the CBID, is a decision to be made by the Owners Association in the implementation of the programs and activities of the CBID.

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

- District parking valet program and related management *(Funded only by Benefit Zone 1 property owners through higher building assessments, excluding tax exempt building square footage)*
- Rental of private parking lots within Benefit Zone 1 and related management *(Funded only by Benefit Zone 1 property owners through higher building assessments, excluding tax exempt building square footage)*
- Possible shuttle to peripheral parking structures *(provided to property owners in both Benefit Zones and funded by street frontage assessments in both Benefit Zones, as funding prioritization permits); \**
- Parking management services district wide for a shuttle, *(provided to property owners in both Benefit Zones and funded by street frontage assessments in both Benefit Zones, as funding prioritization permits); \**

**ADMINISTRATION AND CORPORATE OPERATIONS:**

**15%**

These are overhead expenses to oversee the implementation of programs and activities in the CBID are allocated through the lot or parcel size assessment CBID wide. The costs are apportioned equally to the lot size of all parcel owners, regardless of Benefit Zone, since all individual parcels within the CBID are presumed to benefit equally from the district wide administration of all programs in the new CBID.

- Staff and administrative costs
- Directors and Officers insurance, general liability insurance
- Office related expenses, equipment, rent
- Financial reporting, accounting
- Legal work

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

**5%**

These are overhead expenses are apportioned equally to the lot size assessments of all parcel owners, regardless of Benefit Zone, since all individual parcels within the CBID are presumed to benefit equally from the overhead costs of all programs in the new CBID.

These are overhead expenses that account for collection costs and non-payment of assessments in the CBID Delinquencies:

- City and County collection fees
- Reserves
- Special projects

In summary, relative to the CBID funded work program, all of the above areas of programs, services and improvements work together to create a more pleasing environment for each and every assessed parcel within the district that is conducive to strengthening the current and future economic vitality of each and every assessed parcel through the attraction and retention of new business, increased commerce and attraction of higher volume of pedestrian commercial activities. The programs, improvements and services and related overhead expenses are designed to specifically benefit identified parcels within the CBID boundaries. The proposed CBID assessments will only be levied on identified parcels



within the CBID boundaries and assessment revenues will be spent to deliver services that only provide a direct and special benefit to assessed parcels and to improve the economic vitality of these parcels. Costs for each category of special benefit services have been apportioned to the benefitting property variable.

To ensure proportional assessment to each parcel, Sidewalk Operations have been apportioned to the linear frontage of each parcel equally throughout the CBID; District Identity services have been apportioned to all non tax-exempt parcel building square footage assessments equally in throughout the CBID; Parking Management special benefit services have been apportioned and funded through supplemental assessments to non tax-exempt building square footage assessments in Benefit Zone 1 and may be funded through the linear frontage throughout the CBID; and overhead costs including Administration and Contingency have been apportioned equally to the lot size assessments equally throughout the CBID.

**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 parcel within the district will be assessed based on property characteristics unique only to that parcel. Parcels will be assessed based on a combination of factors: building area (*excluding tax exempt building square footage*), land area, street frontage, and residential single family units/condominiums - all unique measured parameters for each parcel and thereby proportional to each and every other identified parcel within the district as a whole. It is noted that government and tax-exempt owned and occupied parcels will not be assessed for building areas since this revenue is targeted to fund District Identity Services and Benefit Zone 1 Parking Management services, for which these ownership and land use types will not specially benefit. Larger parcels and ones with larger building areas or larger street frontages are expected to impact the demand for services and programs to a greater extent than smaller land and/or building areas and frontages as a result of more pedestrian traffic generated by larger buildings and larger areas to maintain and secure for parcels with longer street frontages, and, thus, are assigned a higher 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. It is noted that other than very broad land use differentiations such as commercial versus government/tax exempt versus residential, it is not a common practice in a property based assessment district to differentiate assessment rates for various classifications of commercial activities such as restaurant versus retail versus service versus office since these commercial uses can and do change throughout an assessment year while property assessments are only reviewed and computed on an annual basis. For this reason, all commercial parcels, including residential apartment buildings, are projected to benefit proportionately to their respective property and building characteristics rather than specific types of commercial activities within each building and parcel.

The proportionate special benefit cost for each parcel has been calculated based on optimum proportionate formula components and is listed as an attachment to this Report as Appendix 1. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) are computed by dividing the individual parcel assessment by the total special benefit program 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 Downtown Redwood City CBID, they are also considerably less than other options considered by the Downtown Redwood City CBID renewal proponent group. The actual assessment rate for each parcel within the CBID directly relate to the level of service and, in turn, special benefit to be provided based on the respective building area, land area, street frontage and location (zone) of each parcel. There are two benefit zones. It is noted that residential condominiums are assessed based on the individual parcel building square footage area of each unit, regardless of zone location. It is further noted that publicly owned and tax-exempt owned and occupied parcels will not be assessed for their respective building areas since this assessment factor funds the district identity program and Benefit Zone 1 parking services and these ownership and land use types will not specially benefit from these types of services and programs that are geared towards increasing sales, managing Benefit Zone 1 vehicular traffic demands and business - transactions.. Any benefits from these specific programs for government and tax exempt owned and occupied parcels are considered general benefits to assessed parcels within the CBID and included in the related general benefit calculation in the Benefit Analysis section of this Report.

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

Currently, there are 34 publicly owned parcels within the CBID. CBID funded services will be provided to publicly owned parcels to the same extent as privately owned parcels. It is clear, however, that publicly owned and occupied parcels as well as tax-exempt owned and occupied parcels will not benefit from District Identity services and Benefit Zone 1 parking programs because this program element is intended to improve commerce, sales and business transactions and Benefit Zone 1 vehicular traffic demands of “for-profit” property types. Any benefits from these specific programs for government and tax-exempt owned and occupied parcels are considered general benefits to assessed parcels within the CBID and included in the related general benefit calculation in the Benefit Analysis section of this Report. Thus, publicly owned parcels as well as tax-exempt owned and occupied parcels will not be assessed for the building area portion of the assessment formula which generates 100% of the District Identity portion as well as the Benefit Zone 1 parking management services of the CBID budget. There is no compelling evidence that these publicly owned parcels would not specially benefit equally to privately owned parcels for all other CBID funded activities and services and, thus, will be



assessed in the same manner and rates as privately owned parcels in the CBID for land area and street frontage.

**Publicly Owned Parcels within the CBID**

APN	Legal Owner	Site #	Site Street	Benefit Zone	Annual Assessment	Percent
052 321 050	City Of Redwood City		Perry St	2	\$ 2,560.32	0.32%
052 362 150	City Of Redwood City		*no Site Address*	1	\$ 7,273.45	0.91%
052 366 130	City Of Redwood City	850	Jefferson Ave	1	\$ 4,863.13	0.61%
052 372 130	City Of Redwood City		*no Site Address*	2	\$ 66.61	0.01%
052 372 170	City Of Redwood City		*no Site Address*	2	\$ 1,331.64	0.17%
052 372 200	City Of Redwood City	707	Bradford St	2	\$ 996.27	0.13%
052 372 220	City Of Redwood City		*no Site Address*	2	\$ 869.17	0.11%
052 372 240	City Of Redwood City		*no Site Address*	2	\$ 1,308.03	0.16%
052 373 130	City Of Redwood City	755	Marshall St	2	\$ 3,289.51	0.41%
052 374 080	City Of Redwood City		*no Site Address*	1	\$ 5,232.99	0.66%
052 374 190	City Of Redwood City		*no Site Address*	2	\$ 157.95	0.02%
052 376 020	City Of Redwood City		Main St	2	\$ 2,011.33	0.25%
053 131 140	City Of Redwood City	1017	Middlefield Rd	1	\$ 11,053.85	1.39%
053 134 010	City Of Redwood City	923	Jefferson Ave	2	\$ 4,025.70	0.51%
053 134 050	City Of Redwood City	1050	Middlefield Rd	2	\$ 4,865.16	0.61%
053 134 060	City Of Redwood City		*no Site Address*	2	\$ 7,809.85	0.98%
053 231 200	City Of Redwood City		*no Site Address*	2	\$ 4,536.21	0.57%
				<b>Total</b>	<b>\$ 62,251.16</b>	<b>7.82%</b>
052 333 080	County Of San Mateo	333	Marshall St	2	\$ 3,469.43	0.44%
052 333 100	County Of San Mateo	330	Bradford St	2	\$ 7,477.47	0.96%
052 334 150	County Of San Mateo	490	Winslow St	2	\$ 72.48	0.01%
052 337 020	County Of San Mateo	400-455	County Center	2	\$ 14,604.90	1.87%
052 341 240	County Of San Mateo	555	County Center	2	\$ 28,300.28	3.62%
052 344 040	County Of San Mateo	617	Hamilton St	2	\$ 188.67	0.02%
052 344 070	County Of San Mateo		*no Site Address*	2	\$ 1,335.36	0.17%
052 344 080	County Of San Mateo		*no Site Address*	2	\$ 667.22	0.09%
052 344 090	County Of San Mateo	555	Marshall St	2	\$ 2,187.57	0.28%
052 344 110	County Of San Mateo	525	Marshall St	2	\$ 486.76	0.06%
052 344 120	County Of San Mateo		*no Site Address*	2	\$ 17.56	0.00%
052 344 140	County Of San Mateo		*no Site Address*	2	\$ 1,350.20	0.17%
052 344 150	County Of San Mateo	500	County Center	2	\$ 1,045.22	0.13%
052 364 110	County Of San Mateo	710	Hamilton St	2	\$ 4,629.99	0.59%
052 367 010	County Of San Mateo	2200-2210	Broadway St	1	\$ 11,785.62	1.51%
				<b>Total</b>	<b>\$ 77,618.75</b>	<b>9.75%</b>
052 373 120	Redwood City Elem School Dist		*no Site Address*	2	\$ 3,256.27	0.41%
052 332 160	San Mateo County Bar Assoc	333	Bradford St	2	\$ 3,940.47	0.50%

**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 Downtown Redwood City CBID.

**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 on Appendix 1 to the Management District Plan and this Report. The proposed CBID and resultant assessment payments will continue for 15 more years and may be renewed again at that time. The reasons (purposes) 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, street frontage, residential condominium parcel square footage and location (zone) in the CBID. There are a two benefit zones. It is noted that residential condominiums are assessed based on the individual building square footage for their individual parcel of each unit, regardless of zone location.

### **Assessment Formula Methodology**

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

The method used to determine special benefits derived by each identified property within a CBID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Downtown Redwood City CBID, 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 number of building floors 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 parcel 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 the CBID in order to determine any levels of different benefit which 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 basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their



relationship to programs/services to be funded.

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed Downtown Redwood City CBID (i.e. sidewalk operations/beautification; district identity; parking management; administration; and, contingency/reserve) the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area, street frontage, residential condominium building square footage and location (zone) within the CBID. It is noted that residential condominiums are assessed based on the individual building pad area (measured interior floor space) of each unit, regardless of zone location. It is further noted that publicly owned and tax-exempt owned parcels will not be assessed for their respective building areas since this assessment factor funds the District Identity program and Benefit Zone 1 Parking Management and these land use types will not specially benefit from this type of program.

For commercial uses, the interactive application of building area, land area and street frontage quantities are a proven method of fairly and equitably spreading special benefit costs to these primary beneficiaries of CBID funded services, programs and improvements. Each of these factors directly relates to the degree of special benefit each parcel will receive from CBID funded activities.

Building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on certain CBID funded activities (i.e. 100% of district identity costs and 100% of parking management costs). The targeted weight of this factor, building area, based on measured property characteristics, should generate approximately 27% of the total CBID revenue. The percentage of building square footage that is dedicated to private or internal tenant parking needs may be deducted from the gross building square footage. Only parking structures that are open to the public and charge fees to the general public on a regular basis will have their building square footage assessed as any other commercial building. Apartment buildings within the boundaries of the CBID, regardless of Benefit Zone, will be assessed as commercial buildings since there is a landlord/tenant relationship.

Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on certain CBID funded activities (i.e. 100% of administration/contingency costs, and 100% of contingency/reserve costs). The targeted weight of this factor, land area, should generate approximately 20% of the total CBID revenue.

Street frontage is a direct measure of the static utilization of each parcel and its corresponding impact or draw on certain CBID funded activities (i.e. 100% of sidewalk operations/beautification). The targeted weight of this factor, street frontage, should generate approximately 53% of the total CBID revenue.

For residential condominium uses, the application of unit building pad area (interior unit parcel building square area measurement) is a proven method of fairly and equitably spreading special benefit costs to these unique property ownerships and land uses. Land area and street frontage are not appropriate assessment factors to use for residential condominiums due to their design configurations which often involve multi-floor layouts and varied unit orientation. This assessment factor, assessed to the parcel building square footage area, directly relates to the degree of special benefit each residential condominium parcel will receive from targeted CBID funded activities for this land use. This factor, residential condominium building pad area, would generate approximately 0.001% of the total CBID revenue. This assessment methodology for residential condominium parcels is consistent with the building square footage costs of other CBID and community benefit districts in the state. Their parcel assessments are allocated in the same proportion percentage as the overall budget, however residential condominium units have a more unique relationship with the Downtown in that they are present 365 days per year, as compared to 5 to 6 days per week, they are present on holidays, they use the public rights of way for recreational and exercising, they enjoy the public spaces to a greater extent as their leisure areas, they have animals within Downtown and Downtown is their "home" as compared to a business or property that they frequent for commercial purposes.

The "Basic Benefit Units" will be expressed as a combined function of gross building square footage (Benefit Unit "A") land square footage (Benefit Unit "B"), street frontage (Benefit Unit "C") and residential condominium building pad area (Benefit Unit "D"). Based on the shape of the proposed Downtown Redwood City CBID, as well as the nature of the District program elements, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building size, parcel size and street frontage within two benefit zones. Residential condominiums will gain a direct and proportionate degree of special benefit based on the individual building pad area of each unit, regardless of zone location.

There are two Benefit Zones within the proposed Downtown Redwood City CBID. Benefit Zones 1 and 2 assessments are based on three formula components: building square footage; land square footage and street frontage. Residential condominiums assessments are based on the individual building pad area of each unit, regardless of zone location.

Based on the proportion of services in the two Benefit Assessment Zones, the Basic Benefit Units will be divided as follows: 1) Benefit Units for the building area, "**Unit A**"; 2) Benefit Units for the land area, "**Unit B**"; 3) Benefit Units for the street frontage, "**Unit C**"; and, 4) Benefit Units for residential condominium building pad area, "**Unit D**";

#### Future Development

Other than future maximum rates and the assessment methodology delineated in this Report, per State Law (Government Code Section 53750), 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



Proposition 218 ballot procedure in order to approve any such changes.

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

Taking into account all identified benefiting properties and their respective assessable benefit units, there are 2,346,119 Benefit Units A, 4,153,988 Benefit Units B, 44,531 Benefit Units C, and 5,957 Benefit Units D. It is noted that non-assessable building areas for publicly owned parcels and non-profit owned and occupied parcels are not included in the Unit A quantities shown below. The measurable assessable quantities for each assessable property characteristic for each benefit zone are shown in the table below:

**Benefit Unit Quantities by Zone for YR 1 – 2014-15**

	<b><u>ZONE 1</u></b>	<b><u>ZONE 2</u></b>	<b><u>TOTAL</u></b>
Total Building Area - Sq Ft (Unit A)	1,087,333	1,258,786	2,346,119
Total Land Area - Sq Ft (Unit B)	1,527,485	2,626,517	4,153,988
Total Street Frontage - Linear Ft (Unit C)	16,838	27,693	44,531
Res Condo Bldg Pad Area - Sq Ft (Unit D)	-	-	5,957

The assessment revenue generated per assessable property characteristic for each benefit zone is shown in the table below:

**Assessment Revenue Allocation by Factor by Zone for YR 1 – 2014-15**

	<b><u>ZONE 1</u></b>	<b><u>ZONE 2</u></b>	<b><u>TOTAL</u></b>
Total Building Area - Sq Ft (Unit A)	\$118,954	\$94,035	\$212,989
Total Land Area - Sq Ft (Unit B)	\$58,304	\$100,254	\$158,558
Total Street Frontage - Linear Ft (Unit C)	\$159,961	\$263,082	\$423,043
Res Condo Bldg Pad Area - Sq Ft (Unit D)	-	-	\$1,191

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

The number of Benefit Units for each identified benefiting parcel within the proposed Downtown Redwood City CBID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, building areas, 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 CBID for their review. All known or reported discrepancies, errors or misinformation will be corrected.

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

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, the proposed Downtown Redwood City CBID assessments will be based on building area, land area, street frontage, and location in the

CBID. It is noted that for publicly owned parcels and tax exempt owned and occupied parcels, building areas will not be assessed since this property characteristic will fund 100% of the District Identity programs (i.e. image and marketing) and Benefit Zone 1 Parking Management and it is clear that such land use ownership types will not specially benefit from these programs which are intended to increase commerce, sales, manage parking demand and facilitate business transactions.

The assessment formula by Zone is as follows:

Zone 1 Assessment = Building Area (Unit A-1) Sq Ft x Unit A-1 Rate, plus  
Land Area (Unit B-1) Sq Ft x Unit B-1 Rate, plus  
Street Frontage (Unit C-1) Lin Ft x Unit C-1 Rate

Zone 2 Assessment = Building Area (Unit A-2) Sq Ft x Unit A-2 Rate, plus  
Land Area (Unit B-2) Sq Ft x Unit B-2 Rate, plus  
Street Frontage (Unit C-2) Lin Ft x Unit C-2 Rate

Residential Condominium Assessments = Building Pad Area (Unit D) Sq Ft x Unit D Rate

**Computing Assessment Formula Unit Rates Year 1 – 2014-15**

Zone 1 – Building Area Rate (Unit A-1)

\$118,954 / 1,087,333 sq ft = \$0.1094/sq ft

Zone 1 – Land Area Rate (Unit B-1)

\$58,304 / 1,527,485 sq ft = \$0.038170/sq ft

Zone 1 – Street Frontage Rate (Unit C-1)

\$159,961 / 16,838 lin ft = \$9.50/lin ft

Zone 2 – Building Area Rate (Unit A-2)

\$94,035 / 1,258,786 sq ft = \$0.074703/sq ft

Zone 2 – Land Area Rate (Unit B-2)

\$100,254 / 2,626,517 sq ft = \$0.038170/sq ft

Zone 2 – Street Frontage Rate (Unit C-2)

\$263,082 / 27,693 lin ft = \$9.50/lin ft



Zone 1 & 2 Residential Condominium Rate (Unit D) = \$0.20 / sq ft bldg pad area

The complete Yr 1 – 2014-15 assessment roll of all parcels to be assessed by this CBID is included in this Plan as Appendix I.

**Special Assessment Circumstances** *(Future Development Scenarios)*

**Residential Condominiums**

For residential condominium individual parcels, the interactive application of interior building square footage area of each condo is a proven method of fairly and equitably spreading special benefit costs to this unique beneficiary of CBID funded services, programs and improvements. These factors directly relate to the degree of special benefit each residential condo unit parcel will receive from CBID funded activities.

**Mixed-Use Developments (Rental)**

All commercial and residential components of mixed-use developments on commercial or mixed-use zoned parcels shall be assessed at the full rate for building area, total land area and total street frontage, based upon their location in each Benefit Zone.

**Ground Floor Commercial Condominiums**

All ground floor commercial condos (retail or office) shall be assessed based on actual land area covered, condo building pad 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**

- Building pad area assessed at respective building area rate
- Land assessed at land area rate but pro-rated for each unit relative to total building area
- Frontage assessed at frontage rate but pro-rated relative to total building area

**Multi-Floor Mixed-Use Condominiums**

- Commercial condo building pad area assessed at respective commercial building area rate
- Residential condo units shall be assessed at the rate of 20 cents per square foot of building pad area
- Land assessed at land area rate (assessed on 1st floor comm. condos for land area covered)
- Frontage assessed at frontage rate (assessed on 1st floor comm. condos for actual street frontage)

**Step 5. Estimate Total District Costs**

The total projected 15 year District costs for operation years 2015 – 2029 of the CBID are shown below in Table 1 assuming a maximum 5% increase per year.

**TABLE 1****15 Year Projected District Special Benefit Costs (assumes 5% annual increase)**

<b>Projected Budget</b>	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
Sidewalk Operations	\$423,000.00	\$444,150.00	\$466,357.50	\$489,675.38	\$514,159.14
District Identity	\$160,000.00	\$168,000.00	\$176,400.00	\$185,220.00	\$194,481.00
Parking Management	\$54,000.00	\$56,700.00	\$59,535.00	\$62,511.75	\$65,637.34
Administration	\$120,000.00	\$126,000.00	\$132,300.00	\$138,915.00	\$145,860.75
Contingency	\$38,781.00	\$40,720.05	\$42,756.05	\$44,893.86	\$47,138.55
<b>Total</b>	<b>\$795,781.00</b>	<b>\$835,570.05</b>	<b>\$877,348.55</b>	<b>\$921,215.98</b>	<b>\$967,276.78</b>
<b>Projected Budget</b>	<b>FY 6</b>	<b>FY 7</b>	<b>FY 8</b>	<b>FY 9</b>	<b>FY 10</b>
Sidewalk Operations	\$539,867.10	\$566,860.46	\$595,203.48	\$624,963.65	\$656,211.84
District Identity	\$204,205.05	\$214,415.30	\$225,136.07	\$236,392.87	\$248,212.51
Parking Management	\$68,919.20	\$72,365.16	\$75,983.42	\$79,782.59	\$83,771.72
Administration	\$153,153.79	\$160,811.48	\$168,852.05	\$177,294.65	\$186,159.39
Contingency	\$49,495.48	\$51,970.25	\$54,568.76	\$57,297.20	\$60,162.06
<b>Total</b>	<b>\$1,015,640.62</b>	<b>\$1,066,422.65</b>	<b>\$1,119,743.78</b>	<b>\$1,175,730.97</b>	<b>\$1,234,517.52</b>
<b>Projected Budget</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Sidewalk Operations	\$689,022.43	\$723,473.55	\$759,647.23	\$797,629.59	\$837,511.07
District Identity	\$260,623.14	\$273,654.30	\$287,337.01	\$301,703.86	\$316,789.06
Program Management	\$87,960.31	\$92,358.33	\$96,976.24	\$101,825.05	\$106,916.31
Administration	\$195,467.36	\$205,240.72	\$215,502.76	\$226,277.90	\$237,591.79
Contingency	\$63,170.16	\$66,328.67	\$69,645.10	\$73,127.36	\$76,783.73
<b>Total</b>	<b>\$1,296,243.39</b>	<b>\$1,361,055.56</b>	<b>\$1,429,108.34</b>	<b>\$1,500,563.76</b>	<b>\$1,575,591.95</b>

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year. Accordingly, the Owners' Association shall have the right to reallocate up to 10% of the budget line item within the budget categories based on such cost fluctuations subject to the review and approval by the Board and included in the Annual Planning Report that will be approved by the Redwood City - City Council. Accrued interest or delinquent payments may be expended in any budget category.

Any funds remaining after the fourteenth year of operation will be rolled over into the renewal budget or returned to stakeholders. Also, if the funds are available in the fourteenth year of operations, costs for renewal may be expended. If the District is not renewed or terminated for any reason, unexpended funds will be returned to the property owners pursuant to California Streets and Highway Code, Section 36600.



**Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)**

Total costs are estimated at \$820,393 (see Table 3 below). General benefits are factored at 3% of total (see Finding 2 on page 6 of this report) with special benefits set at 97%. Prop 218 limits the levy of property assessments to costs attributed to special benefits only. The 3% general benefit cost is computed to be \$24,612 with a resultant 97% special benefit limit computed at \$795,781. *This is the maximum amount of revenue that can be derived from property assessments from the subject CBID.*

**TABLE 2****Total Year 1 – 2014-15 - Special + General Benefit Revenue**

<b>Service</b>	<b>Assessment Allocation</b>	<b>Non-Assessment Allocation</b>	<b>Total Allocation</b>	<b>% of Total</b>
Sidewalk Operations	\$ 423,000	\$ 13,082	\$ 436,082	53%
District Identity	\$ 160,000	\$4,949	\$164,949	20%
Parking Management	\$ 54,000	\$1,670	\$ 55,670	7%
Administration	\$ 120,000	\$3,711	\$ 123,711	15%
Contingency/Reserves	\$ 38,781	\$ 1,200	\$ 39,981	5%
<b>Total</b>	<b>\$ 795,781.00</b>	<b>\$ 24,612.00</b>	<b>\$ 820,393.00</b>	<b>100%</b>

All program costs associated with general benefits (\$24,612) will be derived from monetary sources other than CBID assessments such as:

- Special event revenue from Courthouse Square
- Parking valet service revenue
- Grants
- Special event sponsorships and underwriting.

**TABLE 3**  
**General + Special Benefit Revenue Sources**

Revenue Source	Cost
CBID Assessment Revenues Yr 1 – 2014-15)	\$795,781
Other revenues to fund general benefit costs (see list above)	\$24,612
TOTAL COST - GENERAL + SPECIAL BENEFITS	\$820,393

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

With a YR 1 – 2014-15 budget of \$795,781 (special benefit only), the Basic Unit Costs (rates) are shown above in Step 4 and delineated in Table 5 below. Since the CBID is being proposed for a 15 year term, maximum assessments for future years (2015-2028) must be set at the inception of the proposed CBID. An annual inflationary assessment rate increase of up to 5% may be imposed for future year assessments, on approval by the CBID Property Owner’s Association. The maximum assessment rates for the 15 year proposed CBID term of 2014-2028 are shown below in Table 4. The assessment rates listed constitute the maximum assessment rates that may be imposed for all years of the proposed CBID (2014-2028)

**TABLE 4**  
**15 YEAR MAXIMUM ASSESSMENT RATES (5% MAX INC PER YEAR)**

**Benefit Zone 1**

Projected Assessment	FY 1	FY 2	FY 3	FY 4	FY 5
Street Frontage (per LF)	\$9.50	\$9.98	\$10.47	\$11.00	\$11.55
Building Area (per SF)	\$0.10940	\$0.11487	\$0.12061	\$0.12664	\$0.13298
Land Area (per SF)	\$0.03817	\$0.04008	\$0.04208	\$0.04419	\$0.04640
Res Condo Bldg. Area (per SF)	\$0.20000	\$0.21000	\$0.22050	\$0.23153	\$0.24310
Projected Assessment	FY 6	FY 7	FY 8	FY 9	FY 10
Street Frontage (per LF)	\$12.12	\$12.73	\$13.37	\$14.04	\$14.74
Building Area (per SF)	\$0.1396	\$0.1466	\$0.1539	\$0.1616	\$0.1697
Land Area (per SF)	\$0.0487	\$0.0512	\$0.0537	\$0.0564	\$0.0592
Res Condo Bldg. Area (per SF)	\$0.2553	\$0.2680	\$0.2814	\$0.2955	\$0.3103
Projected Assessment	FY 11	FY 12	FY 13	FY 14	FY 15
Street Frontage (per LF)	\$15.47	\$16.25	\$17.06	\$17.91	\$18.81
Building Area (per SF)	\$0.1782	\$0.1871	\$0.1965	\$0.2063	\$0.2166
Land Area (per SF)	\$0.0622	\$0.0653	\$0.0685	\$0.0720	\$0.0756
Res Condo Bldg. Area (per SF)	\$0.3258	\$0.3421	\$0.3592	\$0.3771	\$0.3960



**Benefit Zone 2**

<b>Projected Assessment</b>	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
Street Frontage (per LF)	\$9.50	\$9.98	\$10.47	\$11.00	\$11.55
Building Area (per SF)	\$0.07470	\$0.07844	\$0.08236	\$0.08648	\$0.09080
Land Area (per SF)	\$0.03817	\$0.04008	\$0.04208	\$0.04419	\$0.04640
Res Condo Bldg. Area (per SF)	\$0.20000	\$0.21000	\$0.22050	\$0.23153	\$0.24310
<b>Projected Assessment</b>	<b>FY 6</b>	<b>FY 7</b>	<b>FY 8</b>	<b>FY 9</b>	<b>FY 10</b>
Street Frontage (per LF)	\$11.55	\$12.12	\$12.73	\$13.37	\$14.04
Building Area (per SF)	\$0.0908	\$0.0953	\$0.1001	\$0.1051	\$0.1104
Land Area (per SF)	\$0.0464	\$0.0487	\$0.0512	\$0.0537	\$0.0564
Res Condo Bldg. Area (per SF)	\$0.2431	\$0.2553	\$0.2680	\$0.2814	\$0.2955
<b>Projected Assessment</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Street Frontage (per LF)	\$14.04	\$14.74	\$15.47	\$16.25	\$17.06
Building Area (per SF)	\$0.1104	\$0.1159	\$0.1217	\$0.1278	\$0.1342
Land Area (per SF)	\$0.0564	\$0.0592	\$0.0622	\$0.0653	\$0.0685
Res Condo Bldg. Area (per SF)	\$0.30	\$0.31	\$0.33	\$0.34	\$0.36

**Step 8. Spread the Assessments**

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

# APPENDIX 1

## YR 1 – 2014-15 ASSESSMENTS



APN	Year 1 Assmnt
052 321 010	\$8,539.13
052 321 050	\$2,560.32
052 321 060	\$3,803.12
052 321 070	\$606.43
052 321 080	\$606.43
052 321 090	\$1,212.85
052 321 100	\$1,212.85
052 321 110	\$1,352.54
052 321 120	\$595.49
052 321 130	\$1,326.51
052 321 140	\$1,659.68
052 321 150	\$925.75
052 321 160	\$2,203.67
052 321 170	\$1,039.37
052 321 180	\$483.60
052 321 190	\$511.45
052 321 200	\$550.57
052 321 210	\$482.18
052 321 220	\$832.41
052 321 230	\$1,029.72
052 321 240	\$2,338.48
052 321 250	\$5,819.55
052 321 260	\$653.22
052 321 270	\$1,338.12
052 322 030	\$1,953.64
052 322 040	\$1,235.75
052 322 060	\$4,434.24
052 322 070	\$2,937.70
052 322 100	\$2,676.08
052 322 110	\$3,215.09
052 322 120	\$4,538.83
052 325 140	\$12,134.80
052 325 180	\$17,060.26
052 326 090	\$5,058.02
052 326 100	\$20,963.36
052 331 010	\$1,877.31
052 331 020	\$1,222.88
052 331 080	\$852.61
052 331 110	\$2,462.40
052 331 120	\$5,496.33
052 331 130	\$2,281.70
052 332 010	\$1,944.07
052 332 120	\$853.58

052 332 150	\$7,921.11
052 332 160	\$3,940.47
052 333 080	\$3,469.43
052 333 100	\$7,477.47
052 334 060	\$2,236.33
052 334 070	\$665.85
052 334 080	\$1,351.62
052 334 120	\$4,742.69
052 334 130	\$3,735.17
052 334 140	\$804.09
052 334 150	\$72.48
052 335 020	\$3,277.92
052 335 030	\$4,734.38
052 337 020	\$14,604.90
052 341 240	\$28,300.28
052 344 040	\$188.67
052 344 070	\$1,335.36
052 344 080	\$667.22
052 344 090	\$2,187.57
052 344 110	\$486.76
052 344 120	\$17.56
052 344 140	\$1,350.20
052 344 150	\$1,045.22
052 346 010	\$1,961.05
052 346 090	\$1,989.37
052 346 100	\$889.96
052 346 130	\$2,922.64
052 346 150	\$4,693.14
052 346 160	\$5,246.21
052 346 170	\$3,458.96
052 346 180	\$1,274.60
052 347 030	\$898.08
052 347 040	\$1,440.77
052 347 050	\$830.20
052 347 060	\$1,762.27
052 347 070	\$2,613.14
052 347 080	\$641.27
052 347 090	\$848.87
052 347 100	\$1,002.01
052 347 130	\$2,751.21
052 347 140	\$2,595.45
052 354 010	\$2,186.05
052 354 020	\$2,767.63
052 354 030	\$6,680.06
052 355 010	\$1,911.46

052 355 020	\$964.07
052 355 030	\$1,593.23
052 355 050	\$1,130.71
052 355 060	\$2,960.12
052 361 010	\$3,275.81
052 361 030	\$4,984.73
052 361 050	\$17,600.96
052 362 050	\$2,473.16
052 362 060	\$1,715.15
052 362 070	\$1,209.74
052 362 080	\$4,243.54
052 362 090	\$1,117.85
052 362 150	\$7,273.45
052 363 130	\$359.64
052 363 180	\$2,367.37
052 363 200	\$4,999.21
052 364 110	\$4,629.99
052 364 130	\$8,151.72
052 365 020	\$2,311.16
052 365 040	\$3,269.69
052 365 050	\$1,181.50
052 365 060	\$2,280.75
052 365 080	\$1,912.47
052 365 090	\$6,971.48
052 365 100	\$399.98
052 366 120	\$38,651.13
052 366 130	\$4,863.13
052 367 010	\$11,785.62
052 368 030	\$1,921.72
052 368 070	\$1,472.38
052 368 120	\$4,875.17
052 368 130	\$2,881.49
052 368 140	\$3,676.55
052 372 070	\$3,500.58
052 372 130	\$66.61
052 372 160	\$5,642.00
052 372 170	\$1,331.64
052 372 190	\$2,996.21
052 372 200	\$996.27
052 372 220	\$869.17
052 372 230	\$2,911.80
052 372 240	\$1,308.03
052 372 250	\$9,601.41
052 373 030	\$4,044.09
052 373 040	\$3,309.70

052 373 070	\$1,214.80
052 373 080	\$689.37
052 373 090	\$750.66
052 373 100	\$2,003.95
052 373 110	\$4,054.72
052 373 120	\$3,256.27
052 373 130	\$3,289.51
052 374 040	\$2,744.19
052 374 050	\$702.55
052 374 060	\$920.71
052 374 080	\$5,232.99
052 374 090	\$2,590.57
052 374 100	\$723.49
052 374 140	\$1,024.42
052 374 150	\$3,522.70
052 374 160	\$7,040.35
052 374 180	\$4,353.49
052 374 190	\$157.95
052 374 200	\$1,269.06
052 376 020	\$2,011.33
052 376 030	\$12,409.69
052 377 030	\$1,094.34
052 377 040	\$3,682.38
052 377 080	\$3,340.90
052 377 100	\$1,622.68
053 131 010	\$727.71
053 131 020	\$674.80
053 131 030	\$1,202.57
053 131 040	\$1,040.59
053 131 050	\$5,526.99
053 131 110	\$3,825.58

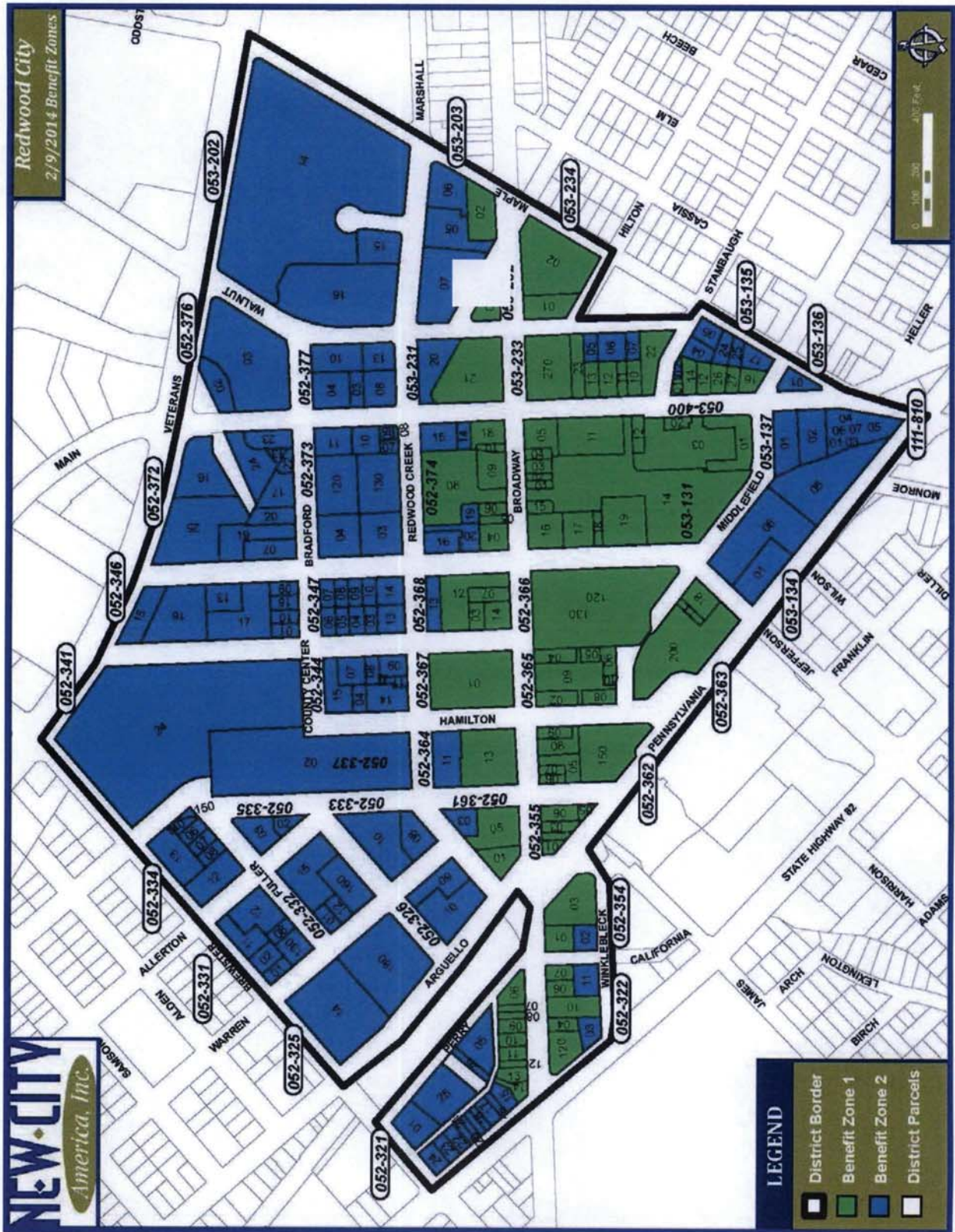
053 131 120	\$1,903.88
053 131 140	\$11,053.85
053 131 150	\$1,023.52
053 131 160	\$4,542.16
053 131 170	\$2,875.28
053 131 180	\$579.08
053 131 190	\$2,763.68
053 134 010	\$4,025.70
053 134 050	\$4,865.16
053 134 060	\$7,809.85
053 135 010	\$1,619.83
053 135 020	\$1,082.65
053 135 040	\$1,038.80
053 135 050	\$2,331.36
053 135 120	\$934.23
053 135 140	\$1,221.39
053 135 160	\$3,669.65
053 135 170	\$2,177.23
053 135 240	\$967.02
053 135 250	\$778.78
053 135 260	\$851.10
053 135 270	\$1,212.85
053 136 010	\$4,271.49
053 137 010	\$3,887.03
053 137 020	\$4,091.31
053 202 140	\$25,333.75
053 202 150	\$8,961.91
053 202 160	\$15,285.21
053 203 020	\$4,071.65
053 203 050	\$3,492.44
053 203 060	\$4,451.66

053 203 070	\$8,572.87
053 231 130	\$2,787.24
053 231 200	\$4,536.21
053 231 210	\$7,972.37
053 232 010	\$4,753.21
053 233 050	\$785.37
053 233 060	\$1,514.27
053 233 070	\$930.97
053 233 100	\$3,184.93
053 233 110	\$1,053.63
053 233 120	\$1,495.51
053 233 130	\$1,379.51
053 233 220	\$14,801.05
053 233 230	\$2,165.91
053 233 270	\$12,947.57
053 234 010	\$3,684.65
053 234 020	\$13,026.91
053 400 010	\$5,908.30
053 400 020	\$1,550.85
053 400 030	\$8,722.18
111 810 010	\$151.00
111 810 020	\$136.00
111 810 030	\$180.00
111 810 040	\$234.40
111 810 050	\$159.00
111 810 060	\$159.00
111 810 070	\$172.00
<b>TOTAL</b>	<b>\$795,781.14</b>



# APPENDIX 2

## DOWNTOWN REDWOOD CITY CBID BOUNDARY AND BENEFIT ZONE MAP





# NEW-CITY

*America, Inc.*

May 8, 2014

To: Property Owners and Property Managers in Downtown Redwood City

SUBJECT: Petition for Initiating Balloting for the Proposed New Downtown Redwood City Community Benefit Improvement District (CBID)

Attached please find a petition for the proposed Downtown Redwood City Community Benefit Improvement District (CBID). By signing the petition you are demonstrating your support for the CBID and will enable the process to move to the mail balloting phase. Property owners representing a minimum of 30% of the total assessments in the CBID must sign a petition in order to bring this issue to an official mail ballot vote. The petition includes information regarding your specific parcel(s) assessment – the amount and percentage of the total assessment. **The petition must be signed by the legal owner or an authorized representative. Your prompt return of the petition would be appreciated. Please return no later than Friday, May 30, 2014.**

When the minimum 30% weighted petition threshold is reached, Redwood City City Council will consider adopting a *"Resolution of Intent"* to mail out ballots to all affected property owners. Ballots would be mailed to property owners the first two weeks of June and the ballots will be due to be returned by the public hearing, tentatively scheduled for July 28<sup>th</sup>, 2014. In order for the Downtown Redwood City CBID to be adopted by the City Council, 50% plus one of the weighted ballots returned must be in favor of the formation of the Downtown Redwood City CBID.

If the Downtown Redwood City CBID is established, an annual assessment will be collected from each property owner on their county property tax bills beginning with the bill due on December 2014. Assessment funds would be managed, under contract with the City, by a non-profit organization made up of primarily of the property owners that pay into the CBID. Each year that non-profit organization would present to the City the assessment rate and program for the upcoming year.

This package includes a summary of the Downtown Redwood City CBID 2014 Management District Plan (the full plan is available upon request), your petition and a return envelope. You may return the petition by mail, scan and e-mail it or fax it into our offices at (619) 239-7105 or e-mail to [mail@newcityamerica.com](mailto:mail@newcityamerica.com).

We have a chance to take Downtown Redwood City to the next level and the CBID Steering Committee believes that the proposed CBID is the most effective long term mechanism for doing just that. For more information, or to get a copy of the full Management District Plan e-mailed or sent to you, please call Monica at (888) 356-2726. Thank you for your cooperation in this important effort.

**The Downtown Redwood City CBID Steering Committee**



Bay Area Office, 1438 Lakeshore Drive, Oakland CA 94606 • 888 356-2726 • Fax 619-239-7105  
[mail@newcityamerica.com](mailto:mail@newcityamerica.com) • [www.newcityamerica.com](http://www.newcityamerica.com) • Facebook: New City America, Inc.

# PETITION TO THE CITY COUNCIL OF THE CITY OF REDWOOD CITY 06/09/2014

## TO FORM THE DOWNTOWN REDWOOD CITY

## COMMUNITY BENEFIT IMPROVEMENT DISTRICT

We petition the City Council of the City of Redwood City to initiate proceedings to form the Downtown Redwood City Community Benefit Improvement District (the "Proposed District") pursuant to Chapter 31 of the Redwood City Municipal Code. A summary of the Management District Plan for the Proposed District is attached to this petition. We understand that the City Council of the City of Redwood City will not take final action to form the District until it conducts a mail ballot proceeding at which affected property owners may express their support for or opposition to the proposed assessment. If the mail ballot proceeding results in a majority protest against the assessment, then the Proposed District will not be formed.

Legal Owner: SUCCESSOR AGCY OF REDWOOD CTY RED

Owner % of Total Assessment: 0.49%

<u>APN</u>	<u>Benefit Zone</u>	<u>Site Address</u>	<u>Initial Annual Assessment</u>
053 137 010	2	1012 Main St	\$3,887.03
			<b>\$3,887.03</b>

I hereby declare, under penalty of perjury of the laws of California, that I am the owner of the parcels listed on this petition or I am the authorized representative of such owner.

---

Please Print Name and Title

X

Signature of Record Owner or Authorized Representative  
(in the case of property owned by non-individuals)

**Please return Petitions by May 30, 2014**  
**Please fax to (619) 239-7105 or scan and email to [mail@newcityamerica.com](mailto:mail@newcityamerica.com)**  
**and mail to Downtown Redwood City Community Benefit Improvement District**  
**c/o New City America, Inc.**  
**710 West Ivy Street, San Diego CA 92101**

RESO. # 15347  
MUFF # 506



# PETITION TO THE CITY COUNCIL OF THE CITY OF REDWOOD CITY TO FORM THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT

06/09/2014

We petition the City Council of the City of Redwood City to initiate proceedings to form the Downtown Redwood City Community Benefit Improvement District (the "Proposed District") pursuant to Chapter 31 of the Redwood City Municipal Code. A summary of the Management District Plan for the Proposed District is attached to this petition. We understand that the City Council of the City of Redwood City will not take final action to form the District until it conducts a mail ballot proceeding at which affected property owners may express their support for or opposition to the proposed assessment. If the mail ballot proceeding results in a majority protest against the assessment, then the Proposed District will not be formed.

Legal Owner: CITY OF REDWOOD CITY

Owner % of Total Assessment: 7.82%

<u>APN</u>	<u>Benefit Zone</u>	<u>Site Address</u>	<u>Initial Annual Assessment</u>
052 321 050	2	Perry St	\$2,560.32
052 362 150	1	*no Site Address*	\$7,273.45
052 366 130	1	850 Jefferson Ave	\$4,863.13
052 372 130	2	*no Site Address*	\$66.61
052 372 170	2	*no Site Address*	\$1,331.64
052 372 200	2	707 Bradford St	\$996.27
052 372 220	2	*no Site Address*	\$869.17
052 372 240	2	*no Site Address*	\$1,308.03
052 373 130	2	755 Marshall St	\$3,289.51
052 374 080	1	*no Site Address*	\$5,232.99
052 374 190	2	*no Site Address*	\$157.95
052 376 020	2	Main St	\$2,011.33
053 131 140	1	1017 Middlefield Rd	\$11,053.85
053 134 010	2	923 Jefferson Ave	\$4,025.70
053 134 050	2	1050 Middlefield Rd	\$4,865.16
053 134 060	2	*no Site Address*	\$7,809.85
053 231 200	2	*no Site Address*	\$4,536.21
			<b>\$62,251.16</b>

I hereby declare, under penalty of perjury of the laws of California, that I am the owner of the parcels listed on this petition or I am the authorized representative of such owner.

\_\_\_\_\_  
Please Print Name and Title

X

\_\_\_\_\_  
Signature of Record Owner or Authorized Representative  
(in the case of property owned by non-individuals)

**Please return Petitions by May 30, 2014**  
**Please fax to (619) 239-7105 or scan and email to [mail@newcityamerica.com](mailto:mail@newcityamerica.com)**  
**and mail to Downtown Redwood City Community Benefit Improvement District**  
**c/o New City America, Inc.**  
**710 West Ivy Street, San Diego CA 92101**

RESO. # 15347  
MUFF # 506



## **Summary of the Downtown Redwood City Community Benefit Improvement District 2014 Management District Plan**

***TO RECEIVE A FULL COPY OF THIS MANAGEMENT DISTRICT PLAN, PLEASE CALL  
NEW CITY AMERICA AT 888 356-2726***

**Final Plan – May 2<sup>nd</sup>, 2014**

Prepared pursuant to the  
Redwood City Community Benefit Improvement District Procedural Ordinance  
(Redwood City Municipal Code Chapter 31)

Prepared by:  
New City America, Inc. and  
The Downtown Redwood City  
Community Benefit Improvement District Steering Committee



Bay Area Office ▪ 1438 Lakeshore Drive, Ste 8, ▪ Oakland CA 94606 ▪ 888-356-2726 ▪ 619-233-5009  
▪ Fax 619-239-7105 ▪ mail@newcityamerica.com ▪ www.newcityamerica.com



## Section 1

### Management District Plan Summary

This is the Management District Plan for the proposed "Downtown Redwood City Community Benefit Improvement District" (the "CBID"). The CBID is being proposed for establishment pursuant to the Redwood City Community Benefit Improvement District Procedural Ordinance (Redwood City Municipal Code Chapter 31) (the "Ordinance"). A summary of the key elements of the proposed Downtown Redwood City Community Benefit Improvement District plan follows:

Developed by the Downtown Redwood City CBID Steering Committee – this Management District Plan is proposed to improve and provide special benefits to individual parcels located within the boundaries of the newly proposed 2014 Downtown Redwood City Community Benefit Improvement District. The proposed CBID will provide special benefit district improvements and activities, including cleaning, beautification, district identity, parking management, public space management and enhancement to the public rights of way for residents, providing amenities for the new residential growth under construction in Downtown and other special benefit programs to parcels within the boundaries of the proposed CBID.

The proposed Downtown Redwood City Property Business District CBID serves to improve the individual parcels, attract new residents, businesses and customers to their businesses, increase sales, increase occupancies and enhance the benefitting individual parcels within the CBID. The proposed CBID seeks to fund the special benefits that will be provided over the next fifteen years, based upon keeping the Downtown Redwood City area attractive, clean, safe, orderly, well marketed with special events and programs, make the district a high quality place to live and entertain guests and to increase commerce within the boundaries.

#### **Outreach to Property Owners:**

As of March 1<sup>st</sup>, 2014, two mailings have gone out to property owners to explain the CBID, request response to the survey and then to verify our property data on file. We anticipate at least 2 more mailings prior to the completion of the public hearing on this issue in July. In terms of meetings with property owners, CBID Steering Committee meetings were held on the following dates:

- September 17<sup>th</sup>, 2013;
- October 23<sup>rd</sup>, 2013;
- December 12<sup>th</sup>, 2013;
- January 9<sup>th</sup>, 2013;
- January 29<sup>th</sup>, 2014;
- February 5<sup>th</sup>, 2014;
- February 20<sup>th</sup>, 2014;
- March 17<sup>th</sup>, 2014

Additionally, the Economic Development Sub-Committee of the City Council discussed this issue on the following dates:

*October 21<sup>st</sup>, 2013,*

*January 27<sup>th</sup>, 2014*

*February 25<sup>th</sup>, 2014*

*April 17<sup>th</sup>, 2014*

**Boundaries:** *(Please CBID see map in Section 2)*

In general, the boundaries of the proposed Downtown Redwood City CBID are as follows:

**On the north**, from the intersection of Maple and Veterans (south side) to the intersection of Brewster Street and Veterans (south side);

**On the south**, from the intersection of Main and Pennsylvania (north side) to the intersection of El Camino and Brewster Street (north side);

**On the east**, from the intersection of Pennsylvania and Maple, (west side) to the intersection of Veterans and Maple, (west side);

**On the west**, from the intersection of El Camino and Brewster (east side) to the intersection of Veterans and Brewster (east side). Please see Section 2 for a full map and full description of the boundaries.

**Budget:**

The total first year Downtown Redwood City Community and Benefit Improvement District budget will be \$ 795,781.00. Please see Section 3 for a breakdown of the categories of special benefit services and their allocation of services by Benefit Zone. Benefit Zone 1 parcels will generate 43% of the overall annual first year budget, Benefit Zone 2 parcels will generate 57% of the annual first year budget.

**First Year Downtown Redwood City  
Special Benefit Service Budget**

(Figures are rounded)

PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN REDWOOD CITY COMMUNITY BENEFIT IMPROVEMENT DISTRICT	APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS
Sidewalk Operations and Beautification	53%	\$ 423,000.00
District Identity and Signage	20%	\$ 160,000.00
Parking Management	7%	\$54,000.00
Administration/Corporate Operations	15%	\$ 120,000.00
Contingency/City and County Fees/Reserves	5%	\$ 38,781.00
<b>TOTAL</b>	<b>100%</b>	<b>\$ 795,781.00</b>



**SIDEWALK OPERATIONS AND BEAUTIFICATION, (Seven days per week)      53% \* (see parking management services below)**

This category of special benefit services provides property owners with the following services predominantly from curb to property line. The function of these services is to provide a cleaner, more orderly, more attractive and dynamic Downtown and reduce problems within the public rights of way of the CBID area. These services are over and above current City general benefit services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of special benefit services will be determined by the CBID management corporation Board of Directors. Such sidewalk operations and beautification special benefit services include:

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning (over and above city services)
- Enhanced trash emptying (over and above city services)
- Tree and vegetation maintenance (over and above city services)
- Special events maintenance and set up
- Maintenance and planning of new outdoor public spaces
- Installation and maintenance of hanging plants, planting flowers throughout the district
- Dog waste receptacles adjacent to apartment buildings and condos
- Possibly video surveillance equipment and monitoring, safety programs;
- Other programs that provide special benefits in the sidewalks of the CBID

**DISTRICT IDENTITY SERVICES:**

**20%**

This category of special benefit services provides property owners with the following services that enhance the positive identity and brand of Downtown Redwood City. The function of these services is to create greater demand for property, office space, business and residential tenancies throughout the CBID. These services are over and above current City general benefit services and one set of services listed below may be prioritized one year and another set of services may be prioritized the following year. That determination of prioritization of special benefit services will be determined by the CBID management corporation Board of Directors.

Tax exempt property owners operating tax exempt buildings on their property such as the City of Redwood City, the County of San Mateo, the Unified School District and Kaiser Permanente Hospital shall be assessed for linear frontage to fund Sidewalk operations services listed above as well as the assessment levied on their lot size to fund program operations, but shall not have their building square footage assessed. This is due to the fact that building square footage assessments fund District Identity services whose function is to increase commerce, business, rents and identity of the commercial and residential properties. Those special benefit services do not confer a special benefit to the tax exempt properties so they will not be assessed for the services in this category. Such District Identity special benefit services include:

- Web site development and updating
- App development
- Management and coordination of special Events at Courthouse Square
- Social media

- Holiday decorations
- Branding of Downtown Redwood City so a positive image is supported
- Banner programs
- Public art displays
- Logo development
- Public space design and work
- Other marketing and promotion strategies and programs
- Management of district identity related services
- Signage

#### **PARKING MANAGEMENT**

**7%**

Parking management services are special benefits conferred to property owners based upon their location within the two Benefit Zones in the CBID. Benefit Zone 1 parcels will pay a premium on their building square footage to fund the services for Zone 1 valet services as well as rental of private parking lots to accommodate Zone 1 businesses along Broadway and Main Streets. All CBID parcels may have special benefit parking management services funded through the linear frontage costs, which may include other Sidewalk operations services. Benefit Zone 1 and 2 parcels may determine that they need to manage parking services related to mitigation of parking from new construction projects that will be occurring predominantly in the Zone 2 area for at least the next 5 years. Therefore, there will be two distinct levels of Zone parking management services based upon the special benefit needs of Zone 1, Zone 2 or their common need for overall parking management services throughout the CBID. Examples of these special benefit services and costs include, but are not limited to:

- District parking valet program (Funded by Benefit Zone 1 property owners)
- Rental of private parking lots within Benefit Zone 1 (Funded by Benefit Zone 1 property owners)
- Possible shuttle to peripheral parking structures (provided to property owners in both Benefit Zones and funded by linear frontage in both Benefit Zones); \*
- Parking management services district wide, including a shuttle, leased parking (provided to property owners in both Benefit Zones and funded by linear frontage assessments in both Benefit Zones); \*

#### **ADMINISTRATION AND CORPORATE OPERATIONS:**

**15%**

These are overhead expenses to oversee the implementation of programs and activities in the CBID.

- Staff and administrative costs
- Directors and Officers insurance, general liability insurance
- Office related expenses, equipment, rent
- Financial reporting, accounting
- Legal work



**CONTINGENCY/CITY AND COUNTY FEES/RESERVE:****5%**

- These are overhead expenses that account for collection costs and non-payment of assessments in the CBID Delinquencies
- City and County collection fees
- Reserves
- Special projects

**Database/Property Variable District Totals:****(Data verified as of May, 1<sup>st</sup>, 2014)**

Condo SF:	5,957 square feet
Building Square footage:	2,346,119 sq. feet
Lot size square footage:	4,153,988 sq. feet
Linear Frontage:	44,531 linear feet

There are 222 parcels in the proposed CBID with 147 property owners.

**Benefit Zones:**

Article XIII (d) of the state constitution and the state law provide for the definition of zones within the proposed special benefits district that ensures that property owners that receive greater benefit, pay their proportional share of assessments. Proposition 218 states:

*"The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

It was determined in formulating the services plan for this CBID that the properties in the general area described as Benefit Zone 1 below would derive greater benefit than those property owners on the periphery of the CBID. The parcels listed below are identified on the map in Section 2. The primary difference and additional special benefit service provided to Benefit Zone 1 property owners is through Zone 1 parking lot leasing and valet services. Zone 1 parcels will pay a supplement on their building square footage assessments to fund these services that they will be deriving benefit from.

In addition, as in mentioned in the District Identity section of this CBID management plan, tax exempt owned parcels and their related buildings on those parcels, will NOT derive benefit from District Identity related special benefit services. Programs including web site development, app development, social media, business attraction services, decorations and other programs to visually enhance the CBID parcels, will not benefit these tax exempt parcel buildings due to the fact that these buildings are not affected by market forces such as increased rents, greater commerce or creating a more livable community for residents. This

plan proposes that there will be two distinct Benefit Zones for the Downtown CBID. With that in mind, the Benefit Zones, in general, would include the following parcels:

***Benefit Zone 1 would include:***

- a. All parcels fronting along Broadway from Maple Street on the East to El Camino on the west, also the site of the new Crossings 900 office building
- b. Courthouse Square
- c. Parcels fronting on Theatre Way
- d. All parcels fronting on the single block of Main Street from Broadway to Middlefield (Upper Main)

***Benefit Zone 2 would include:***

- a. All commercial/retail, residential and private parcels not included in Benefit Zones 1

**Method of Financing: (Please see Section 4 and the Assessment Engineer's report for further detail of the method of financing)**

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

- Linear frontage along a public street. Parcels will be charged the same frontage rates due to the same frequency of services that the all parcels will receive from the Sidewalk Operations portion of the CBID budget;
- Lot square footage or the footprint of the parcel;
- Building square footage (excluding parking structures built within the building that predominantly serve the tenants of the building and are not open to the public); and
- Residential condos that front along the public rights of way within the District.
- Benefit Zones

**Costs:**

Annual assessments are based upon an allocation of program costs by assessable linear frontage; PLUS lot or parcel square footage; PLUS assessable building square footage, and in the case of residential condos, only by actual building square footage of the residential condo. The differentiation between residential condo parcels and commercial or non-commercial parcels is detailed in Section 4 of this report.

The residential condo owners are assessed differently since they are, in essence, acquiring air rights with the condos and linear frontage and lot size is not relevant to their parcels. This alternate assessment methodology is created to respond to their special needs of homeowners within this potentially ascending sector within the Downtown Redwood City district. All four property variables, including an individual parcel's location within the designated areas for Benefit Zone will be used in the calculation of the annual assessment. The FY 2015 year annual assessments per property variable and Benefit Zone are as follows:



<b>Linear Frontage costs:</b>	\$9.50 per linear foot/year
<b>Building Square Footage costs:</b>	Benefit Zone 1 \$0.1094 per square foot/year Benefit Zone 2 \$0.074703 per square foot/year
<b>Lot Size costs:</b>	\$0.038170 per square foot/year
<b>Residential Condo costs:</b>	\$0.20 per square foot of parcel unit square foot. Residential condo owners will NOT be assessed for linear frontage or lot size, but rather only the actual building square footage of their residential condo. (Regardless of benefit zone within the district)

***Assessment District Revenue Generation from each property variable:***

Linear Frontage :	\$ 423,043.00
Building Square Footage:	\$ 212,989.00
Lot Square Footage:	\$ 158,558.00
Residential Condos	<u>\$ 1,191.00</u>
<b>Total:</b>	<b>\$ 795,781.00</b>

**Cap:**

The Downtown Redwood City CBID budget and assessments may be subject to increases which may be determined by the Owners' Association/District Management Corporation and will vary between 0% and 5% annually. The CBID District Management Corporation may request the increase in assessments annually, not to exceed 5% from the previous year's assessment amounts.

Changes in land use, development of empty parcels, conversion of tax exempt to profitable land uses, demolition of existing buildings, and creation of new parcels through new building or residential condo development may alter the budget from year to year based upon the changes in the building square footage of an individual parcels. Since linear frontage and lot size normally are not altered in the development of a site, the only changes realized in the CBID will be through the building square footage. In addition, changes in the budget may occur due to the conversion of single parcels to multiple parcels due to the construction of residential or commercial condominiums.

**Bonds:**

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

**District Formation:**

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

Once the City verifies the petitions totaling a minimum of 30% of the weighted property owners, or \$ 238,735.00 in assessment contribution to the new CBID, the City Council may adopt a Resolution of Intention and mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the mail ballots. The Downtown Redwood City Community and Benefit Improvement District will be formed if the weighted majority of all returned mail ballots support the CBID formation and if the City Council adopts a resolution of formation to levy the assessments on the benefiting parcels. We anticipate that this process will be completed by the end of July 2014.

**Duration:**

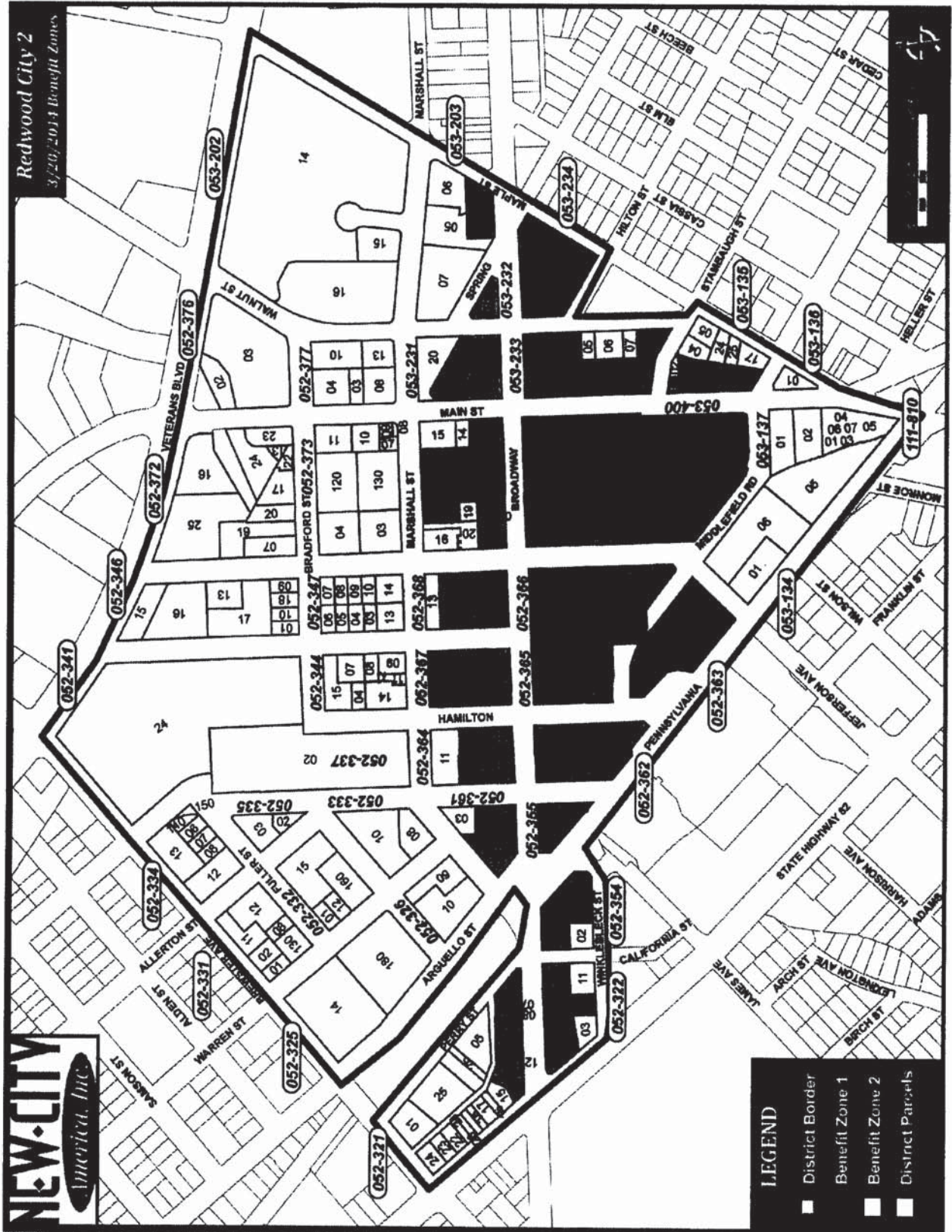
The Downtown Redwood City Community and Benefit Improvement District shall have a fifteen year term which shall commence on January 1<sup>st</sup>, 2015 and expire on December 31<sup>st</sup>, 2029. The CBID may commence operations prior to January 1<sup>st</sup>, 2015 if assessments have been transferred to the City based upon the FY 2014-15 property tax and manual billing of exempt parcel collections.

**Governance:**

Pursuant to Section 36614.5 and 36651 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of Redwood City (City) and will oversee the day-to-day implementation of services as defined in the Management District Plan.

The CBID Owners Association or District Management Corporation shall, under contract with the City of Redwood City, oversee and implement the improvements and activities outlined in this management district plan.







06/09/2014  
Redwood City Petition Report  
6/4/2014 | 7:10:32 AM

052 365 060	840 Middlefield Rd Invtrs LL	840	Middlefield Rd	\$2,280.75	0.29%	Supportive	5/20/14
052 322 070	Anagnostou George	2601	Broadway St	\$2,937.70	0.37%	Supportive	5/14/14
052 322 110	Anagnostou George	30	California St	\$3,215.09	0.40%	Supportive	5/14/14
052 365 050	Anagnostou George	830	Middlefield Rd	\$1,181.50	0.15%	Supportive	5/14/14
052 355 060	Anagnostou George	2401	Broadway St	\$2,960.12	0.37%	Supportive	5/14/14
053 233 230	Anagnostou Investment LLC	831	Main St	\$2,165.91	0.27%	Supportive	5/14/14
052 362 080	Anagnostou Investments II LLC	2317	Broadway St	\$4,243.54	0.53%	Supportive	5/14/14
053 135 040	Coggins Guy	116	Stambaugh St	\$1,038.80	0.13%	Supportive	5/22/14
053 136 010	Feiner Philip F & B M	1001	Main St	\$4,271.49	0.54%	Supportive	5/22/14
052 365 090	Fox Theater Prop LLC	2215	Broadway St	\$6,971.48	0.88%	Supportive	5/9/14
052 365 040	FRANCESCHINI LP	2201	Broadway St	\$3,269.69	0.41%	Supportive	5/30/14
052 322 100	Gibson Don	2625	Broadway St	\$2,676.08	0.34%	Supportive	5/13/14
052 321 190	Gutierrez Antonio F& Par	733	El Camino Real	\$511.45	0.06%	Supportive	5/16/14
052 365 080	Hamilton & Winslow Prop LLC		Hamilton St	\$1,912.47	0.24%	Supportive	5/14/14
052 365 100	Hamilton & Winslow Prop LLC	815	Hamilton St	\$399.98	0.05%	Supportive	5/14/14
052 377 100	Kaiser Foundation Hospitals	610	Walnut St	\$1,622.68	0.20%	Supportive	5/29/14
053 202 140	Kaiser Foundation Hospitals	1100	Veterans Blvd	\$25,333.75	3.19%	Supportive	5/29/14
052 372 230	Kaiser Foundation Hospitals	*no	Site	\$2,911.80	0.37%	Supportive	5/29/14
052 376 030	Kaiser Foundation Hospitals		Veterans	\$12,409.69	1.56%	Supportive	5/29/14
052 363 130	Kilroy Reality Corporation	*no	Site	\$359.64	0.05%	Supportive	5/26/14
052 363 200	Kilroy Reality Corporation	*no	Site	\$4,999.21	0.63%	Supportive	5/26/14
052 363 180	Kilroy Reality Corporation	932	Middlefield Rd	\$2,367.37	0.30%	Supportive	5/26/14
052 347 080	Landucci Albert O J	612	Jefferson Ave	\$641.27	0.08%	Supportive	5/15/14
052 321 100	Lanusse John B	2636	Broadway St	\$1,212.85	0.15%	Supportive	6/3/14
053 202 150	Marshall Squares Investment	1001	Marshall St	\$8,961.91	1.13%	Supportive	5/29/14
053 202 160	Marshall Squares Investment	901	Marshall St	\$15,285.21	1.92%	Supportive	5/29/14
052 321 140	Mazzoni Michael J	2660	Broadway St	\$1,659.68	0.21%	Supportive	5/19/14
052 368 070	Mortgage Investors I LLC	2114	Broadway St	\$1,472.38	0.19%	Supportive	5/15/14
052 368 140	Mortgage Investors II LLC	2120	Broadway St	\$3,676.55	0.46%	Supportive	5/15/14
052 374 160	Ortloff Sheila L	702	Marshall St	\$7,040.35	0.89%	Supportive	6/3/14
052 374 200	Ortloff Sheila L	*no	Site	\$1,269.06	0.16%	Supportive	6/3/14
052 374 180	Oyster Mahleon R & Anthonette	2000	Broadway St	\$4,353.49	0.55%	Supportive	5/14/14
052 347 130	Pellarin Enterprises	601	Marshall St	\$2,751.21	0.35%	Supportive	6/4/14
052 347 140	Pellarin Enterprises	*no	Site	\$2,595.45	0.33%	Supportive	6/4/14
052 361 050	Pellarin Enterprises	2400	Broadway St	\$17,600.96	2.21%	Supportive	6/4/14
052 366 120	RREEF/On Broadway Investors,	825	Middlefield Rd	\$38,651.13	4.86%	Supportive	5/28/14
052 325 180	RWC Technology Station LLC	500	Arguello St	\$17,060.26	2.15%	Supportive	5/28/14
053 131 050	Sequoia Main Street LLC	800	Main St	\$5,526.99	0.69%	Supportive	5/30/14
052 373 070	Smith Charles J	777	Marshall St	\$766.58	0.10%	Supportive	5/26/14
052 347 070	Uy Dorinda	690	Bradford St	\$2,613.14	0.33%	Supportive	5/16/14
053 231 210	Wells Fargo Bank	1900	Broadway St	\$7,972.37	1.00%	Supportive	5/29/14
052 362 090	Zats Boris	2301	Broadway St	\$1,117.85	0.14%	Supportive	5/14/14



06/09/2014

# Redwood City Petition Report

6/4/2014 | 7:10:32 AM

---

052 355 030	Zats Boris	2411	Broadway St	\$1,593.23	0.20%	Supportive	5/14/14
052 321 120	Zats Boris & Lucy	2650	Broadway St	\$595.49	0.07%	Supportive	5/14/14
<b>TOTAL:</b>				<b>\$234,457.60</b>	<b>29.48%</b>		