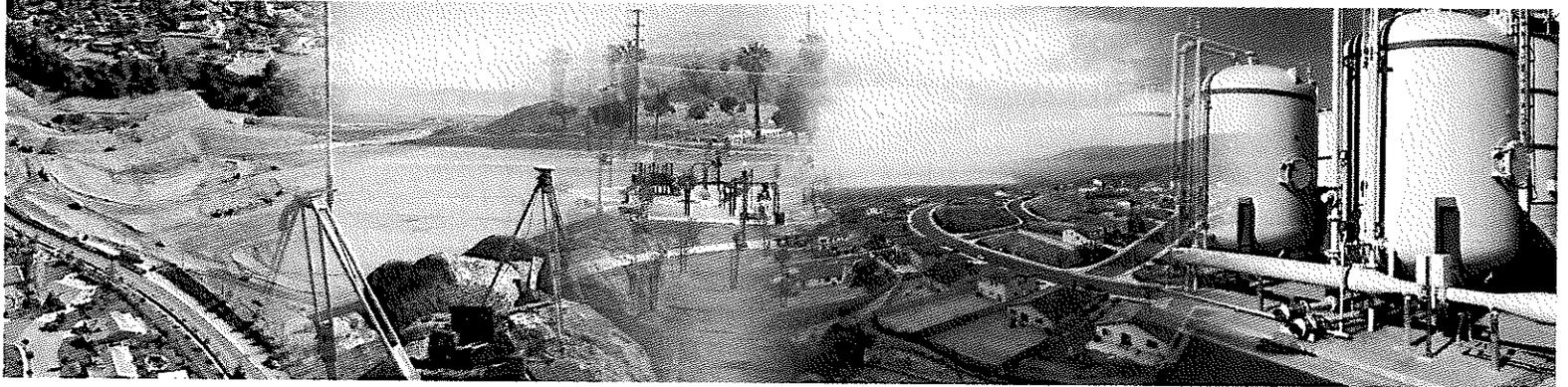




Annual Engineer's Report Fiscal Year 2017-2018



Corona Mall Business Improvement District

Prepared for:



June 2017



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i. Engineer's Statement

AGENCY: CORONA HOUSING AUTHORITY
PROJECT: CORONA MALL BUSINESS IMPROVEMENT DISTRICT
TO: CITY COUNCIL
CITY OF CORONA
STATE OF CALIFORNIA

ENGINEER'S REPORT PURSUANT TO "PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994"

Pursuant to direction from the City Council of the City of Corona, Riverside County, State of California (the "City Council"), submitted herewith is the Engineer's Report (the "Report") for the Corona Mall Business Improvement District (the "District"), consisting of the following parts, pursuant to the provisions of Division 18, Part 7 of the Streets and Highways Code of the State of California, being the "Property and Business Improvement District Law of 1994," as amended, commencing with Section 36600, pursuant to the provisions of Proposition 218 which were approved on November 5, 1996 and added Articles XIII C and XIII D to the California Constitution and in accordance with Resolution No. 2017-_____, adopted by the City Council on June 21, 2017, ordering the preparation of this Report. This Report is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2017 to June 30, 2018.

Pursuant to the provisions of the Property and Business Improvement District Law of 1994 (the "PBID"), the Report shall be incorporated with the Management District Plan (the "Plan") for the Corona Mall Business Improvement District. Annual assessments required to maintain the improvements of the District will be levied on non-exempt property within the District and collected in the same manner and at the same time as ordinary ad valorem property taxes. Annual assessments will be subject to increases as described in Section 3.

Originally, the District was established in Fiscal Year 2005-06, whereby the former Redevelopment Agency of the City of Corona ("Agency") agreed to pay for parking lot, sidewalk, ADA, lighting, and landscape improvements. In exchange for said improvements, the property owners agreed to pay for maintenance costs as established under the initial District. Note: the former Agency did not issue bonds to finance the improvements. As limited by the PBID, the annual assessments are for the term of ten (10) years commencing with Fiscal Year 2010-11.

- SECTION 1** PLANS AND SPECIFICATIONS of the improvements to be maintained for the Fiscal Year. The plans and specifications show and describe the improvements, and are sufficient in showing and describing the general nature, location, and extent of the improvements.
- SECTION 2** An Estimate of COSTS of the improvements to be maintained and/or improved based on Fiscal Year 2017-18 costs.
- SECTION 3** An ASSESSMENT ROLL showing the method of assessment apportionment and the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the boundaries as shown on the below-referenced diagram.
- SECTION 4** A DIAGRAM of the District showing the boundaries of the District. The District is generally the area between Main Street and South Ramona Avenue, and between Fourth Street and Eighth Street. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcel. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the Fiscal Year to which the "Report" applies.

i. Engineer's Statement _____

Executed this 31st day of May 2017.



ALBERT A. WEBB ASSOCIATES

Matthew E. Webb

MATTHEW E. WEBB
PROFESSIONAL CIVIL ENGINEER NO. 37385
ENGINEER OF WORK
CITY OF CORONA
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's Report were made on the _____ day of _____ 2017, by adoption of Resolution No. _____ by City Council.

CITY CLERK
CITY OF CORONA
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's Report were filed in the City Clerk's Office on the _____ day of _____, 2017

CITY CLERK
CITY OF CORONA
STATE OF CALIFORNIA

1. Plans and Specifications

Generally, the work to be performed consists of the utility and maintenance costs of parking lots, sidewalks and landscape improvements ("common areas") within the boundaries of the District, within the City. Maintenance costs include landscape maintenance, common area trash collection, parking lot sweeping, and power washing of sidewalks. Also included are lighting standard maintenance and replacement, and electrical and water costs for the District. Construction of the improvements was funded by the former Redevelopment Agency of the City of Corona; bonds were not issued to finance the construction of the improvements.

Annual costs provide for:

- The expenses required to maintain the landscape improvements including irrigation systems, maintenance of parking areas, including sweeping and trash removal, and power washing of sidewalks.
- Maintenance costs for lighting.
- Energy costs for parking lot lighting.
- Irrigation water costs for landscape improvements.
- Contracts for the maintenance and repair of improvements within the District including repainting and restoration work necessary due to vandalism.
- Administration (incidental) costs including engineering, noticing, legal expenses, finance department expenses for the processing of revenues and billings, public works expenses for the monitoring of facilities, and the investigation and implementation of cost savings programs.
- A Capital Replacement Reserve Fund to cover the cost of repair, improvement, or replacement of capital improvements due to normal wear and tear, unexpected events such as vandalism, hard freezes, vehicular accidents or other acts of nature, and to extend the life expectancy of the improvements.

The plans and specifications can be viewed in the City of Corona Public Works Department.

2. Cost Estimate

Table 2-1
Cost Estimate for Fiscal Year 2017-18

Description	Annual Cost Estimate ⁽¹⁾
Landscaping	\$60,000.00
Power Washing	\$5,000.00
Pest Control	\$3,000.00
Lighting Standard Repairs	\$10,000.00
Electrical Fees	\$8,000.00
Water Fees	\$15,000.00
Insurance Premiums	\$13,076.00
Reserve Fund	\$16,869.26
Administration & Incidentals	\$14,500.00
Total Annual Cost	\$145,445.26

⁽¹⁾ Not included in the Fiscal Year estimated budget is approximately \$320,000, accumulation of these funds over the past six years are necessary for the purpose of conducting a capital improvement project for the parking lot, additional funds will be needed to complete similar maintenance for the auxiliary parking lots of the Corona Mall BID.

3. Assessment Roll

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said District liable therefore and benefited directly thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance, works of improvement, and appurtenances. Please see Page 6 for a list of property owners and their Assessments.

The District is generally the area between South Main Street and South Ramona Avenue, and between Fourth Street and Eighth Street. The boundary of the District coincides with the boundary of the parcels included within the proposed District as of the time of the adoption of the Resolution of Intention and the initiation of these proceedings.

Reference is made to the Riverside County Assessor's Roll and Maps for a detailed description of the lines and dimensions of any lot or parcel. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the Fiscal Year to which the Report applies.

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218, entitled "Right to Vote on Taxes Act," which added Article XIII D to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exceptions, which are described below, all existing assessment districts must be ratified by the property owners within the Assessment District using the new procedures.

Some of these exceptions include:

1. Any assessments imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
2. Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the Assessment District will need to comply with the provisions of Proposition 218 for that portion of the increased assessment formula (e.g., CPI increase).

Proposition 218 does not define the term "streets," however, based on the opinions of the public agency officials, attorneys, assessment engineers, and Senate Bill 919, it has been determined that streets include all public improvements located within the street rights-of-way. This would include median and parkway landscaping, traffic signals, safety lighting, and street lighting.

Proposition 218 defines "assessment" as "any levy or charge upon real property by an agency for a special benefit conferred upon the real property", California Constitution, Article XIII D, §2(b). A special assessment, sometimes called a "benefit assessment," is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. Special assessments are levied according to statutory authority granted by the Legislature or, in some instances, local charters. Distinguishing among taxes, fees, and assessments can be difficult and often depends on the context in which the distinction is made. For example, taxes, assessments, and property-related fees all may be imposed on property. The key feature that distinguishes an assessment from a tax, fee, or charge is the existence of a special benefit to real property. Without identifying a special benefit, there can be no assessment.

Distinguishing General and Special Benefit

Proposition 218 added a set of procedures and requirements, which a local government must follow to levy an assessment. In addition to notice, hearing, and assessment ballot proceedings, Proposition 218 provides that "only special benefits are assessable" and requires a local government to "separate the general benefits from the special benefits conferred on a parcel."

By its nature, most public improvements financed through an assessment district contain an element of public benefit. The test is: does there exist, with relation to the improvement, a special benefit to the property assessed? The law requires that portion of the cost of the improvement, which benefits the public generally to be separated from that portion of the cost of the improvement, which specially benefits assessed properties. Proposition 218 provides the following definition of "special benefit":

3. Assessment Roll

“Special benefit” 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. General enhancement of property value does not constitute “special benefit.”

Method of Assessment Apportionment

The PBID requires that the assessment be apportioned by a formula or method which fairly distributes the net amount of costs and expenses among all assessable lots and parcels in proportion to the estimated benefits to be received by each lot or parcel from the improvements. The PBID does not specify the method or formula that should be used to apportion the assessment in any special assessment district proceedings. The City Council has retained the firm of Albert A. Webb Associates for the purpose of assisting the City Council in making an analysis of the facts of the District and recommending to the City Council the correct apportionment of the assessment obligation.

In performing the analysis, it was necessary to identify the benefits that the improvements being financed render to the properties within the boundaries of this Assessment District and to determine the extent to which such properties receive a direct and special benefit as distinguished from benefits received by the general public.

General Benefits

The parking lots, sidewalks and landscape improvements within the District have been installed to benefit the commercial and business properties within the Corona Mall area. If these improvements were not installed, parking for the subject properties would not exist so the properties would not be allowed to function as commercial and business properties. The improvements are being maintained for the sole benefit and enjoyment of those properties within the District and do not extend beyond the boundaries of the District, therefore, the improvements do not result in any general benefits.

Public Lands

Article XIII D mandates that “parcels within a district that are owned or used by any agency, the State of California, or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels, in fact, receive no special benefit.” The District includes several parcels owned by the City of Corona (“City”) that are used as the parking and landscape areas that allow other properties within the District to function as commercial and business properties. Also the PBID allows that all or any class or category of real property that is exempt by law from real property taxation may be exempted from District assessments.

The function and use of this public property is provided by the District as maintenance to enhance the use and function of other properties within the District. Therefore, the parcels owned by the City that are utilized for parking and landscape areas are deemed not to benefit, thus receiving a nil assessment. However, the Corona Housing Authority owns 12 parcels that benefit from the improvements being maintained and will be assessed for the Fiscal Year 2017-18 Levy. These parcels are listed below.

Table 3-1
Taxable Corona Housing Authority Owned Parcels

Assessor's Parcel Numbers			
117-143-031-3	117-143-039-1	117-151-004-4	117-151-015-4
117-143-032-4	117-143-040-1	117-151-005-5	117-151-016-5
117-143-038-0	117-151-002-2	117-151-007-7	117-151-021-9

Direct and Special Benefits

The maintenance of parking lots, sidewalks, and landscape improvements is a direct and special benefit to privately owned parcels as it provides increased property function by providing public parking and landscape maintenance which enhances the commercial viability of the parcels within the District. The direct and special benefit provided is an image of a progressive, well maintained, and safe District area to outsiders that directly enhances property values District-wide and attracts potential customers.

3. Assessment Roll

Method

An equitable measure of benefit common to commercial and business areas is size of the buildings. The method of apportionment for the District will be the square footage of buildings on each parcel as of January 1st of each year. All properties are deemed to benefit equally based on building square footage. Undeveloped property will not be assessed until the parcels are developed.

For the specific assessment on each parcel, reference is made to the Assessment Roll which is a part of this report and attached hereto.

- Annual cost for Fiscal Year 2017-18 will be \$0.8593 per building square foot.
- Monthly cost for Fiscal Year 2017-18 will be \$0.0716 per building square foot.

The rate of assessment shall increase by the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or by two percent (2%), whichever is greater, on July 1, 2011 for Fiscal Year 2011-12 and on each subsequent July 1, for the Fiscal Year then commencing. For Fiscal Year 2017-18, the rate of assessment will increase by two point sixty eight percent (2.68%).

A portion of the Assessments for Fiscal Year 2017-18 is proposed for the North BID parking lot maintenance – slurry seal entire parking lot, re-striping, curb painting, and additional incidental items encountered as part of the maintenance of the lot.

3. Assessment Roll

Table 3-2
Assessment Roll for Fiscal Year 2017-18

Asmt. No.	APN	Situs	Bldg. Sq. Ft.	FY 2017-18 Assessment	Owner
1	117-103-013-3	310 S MAIN ST CORONA 92882	2,760	\$2,371.82	Hong, Jung E and June B
2	117-103-015-5	320 S MAIN ST CORONA 92882	5,656	\$4,860.52	Hyman Goss Prop
3	117-103-017-7	324 S MAIN ST CORONA 92882	2,940	\$2,526.50	Mendoza, Jose M and Maria T
4	117-114-004-9	325 S MAIN ST CORONA 92879	10,000	\$8,593.58	Tressen, Kenneth James and Sharon Ann
5	117-143-033-5	402 CORONA MALL CORONA 92879	4,318	\$3,710.70	Blender, Berthold Erich
6	117-143-031-3	422 CORONA MALL CORONA 92879	2,574	\$2,211.98	Corona Housing Authority
7	117-143-032-4	442 CORONA MALL CORONA 92879	2,574	\$2,211.98	Corona Housing Authority
8	117-143-017-1	462 CORONA MALL CORONA 92879	4,950	\$4,253.82	Pathe, David
9	117-143-018-2	482 CORONA MALL CORONA 92879	3,960	\$3,403.06	Hagan, Mowbray and Mavis
10	117-143-009-4	141 W CORONA MALL CORONA 92879	360	\$309.36	Pelayo, Roy and Rosemary
11	117-143-036-8	496 CORONA MALL CORONA 92879	2,610	\$2,242.92	Cortez, Danny and Moses
12	117-143-037-9	500 S CORONA MALL CORONA 92879	5,577	\$4,792.64	Mojadidi, Mohammad Aman
13	117-143-038-0	508 S MAIN ST CORONA 92879	10,465	\$8,993.18	Corona Housing Authority
14	117-143-039-1	514 S MAIN ST CORONA 92879	3,960	\$3,403.06	Corona Housing Authority
15	117-143-040-1	518 S MAIN ST CORONA 92879	6,219	\$5,344.34	Corona Housing Authority
16	117-143-002-7	113 E 6TH ST CORONA 92879	2,585	\$2,221.44	Shogun America Inc
17	117-143-024-7	580 CORONA MALL CORONA 92879	1,560	\$1,340.60	Shogun America Inc
18	117-143-025-8	588 CORONA MALL CORONA 92879	1,950	\$1,675.74	Shogun America Inc
19	117-151-002-2	405 S CORONA MALL CORONA 92879	10,000	\$8,593.58	Corona Housing Authority
20	117-151-021-9	415 CORONA MALL CORONA 92879	5,000	\$4,296.78	Corona Housing Authority
21	117-151-019-8	425 CORONA MALL CORONA 92879	2,600	\$2,234.32	Becker, Roger L and Janet R
22	117-151-020-8	405 CORONA MALL CORONA 92879	3,000	\$2,578.06	Lopez, Pedro and Carmen
23	117-151-003-3	487 S CORONA MALL CORONA 92879	1,250	\$1,074.18	Hartog, Todd A and Angelique Padilla
24	117-151-018-7	131 CORONA MALL CORONA 92879	1,250	\$1,074.18	Surville, Chris
25	117-151-004-4	505 CORONA MALL CORONA 92879	8,613	\$7,401.64	Corona Housing Authority
26	117-151-005-5	525 S CORONA MALL CORONA 92879	6,138	\$5,274.74	Corona Housing Authority
27	117-151-006-6	555 CORONA MALL CORONA 92879	3,500	\$3,007.74	Wong, Allan and Huang, Yehui
28	117-151-015-4	577 CORONA MALL CORONA 92879	3,000	\$2,578.06	Corona Housing Authority
29	117-151-016-5	579 CORONA MALL CORONA 92879	5,000	\$4,296.78	Corona Housing Authority
30	117-151-007-7	591 CORONA MALL CORONA 92879	3,000	\$2,578.06	Corona Housing Authority
31	117-151-023-1	400 S RAMONA AVE CORONA 92879	36,480	\$31,349.40	Horvath, Dennis Frank and Pamela Ann
32	117-184-008-0	702 S MAIN ST CORONA 92882	600	\$515.60	Lunetta, Angelo John and Gloria Dee
33	117-184-007-9	708 S MAIN ST CORONA 92882	1,200	\$1,031.22	Ryan Steven M and Ryan Dalyn M
34	117-184-006-8	712 S MAIN ST CORONA 92882	3,600	\$3,093.68	First Baptist Church of Corona
Total	34 Parcels		169,249	\$145,445.26	

4. Diagram

An Assessment Diagram is attached hereto showing the boundary of the Corona Mall Business Improvement District as existed at the time of the adoption of the Resolution of Intention and the Initiation of these proceedings.

AMENDED ASSESSMENT DIAGRAM

CORONA MALL BUSINESS IMPROVEMENT DISTRICT

OF THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

THIS AMENDED ASSESSMENT DIAGRAM AMENDS THE ASSESSMENT DIAGRAM RECORDED ON NOVEMBER 18, 2004 IN BOOK 59,
PAGE 80 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2004-0922851.

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF CORONA ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM ON THE _____ DAY OF _____, 2010. SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS ON THE _____ DAY OF _____, 2010. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THE ASSESSMENT DIAGRAM.

RECORDED THIS _____ DAY OF _____, 2010 AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ PAGES _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE: _____ NO.: _____
LARRY W. WARD, RIVERSIDE COUNTY ASSESSOR-CLERK-RECORDER

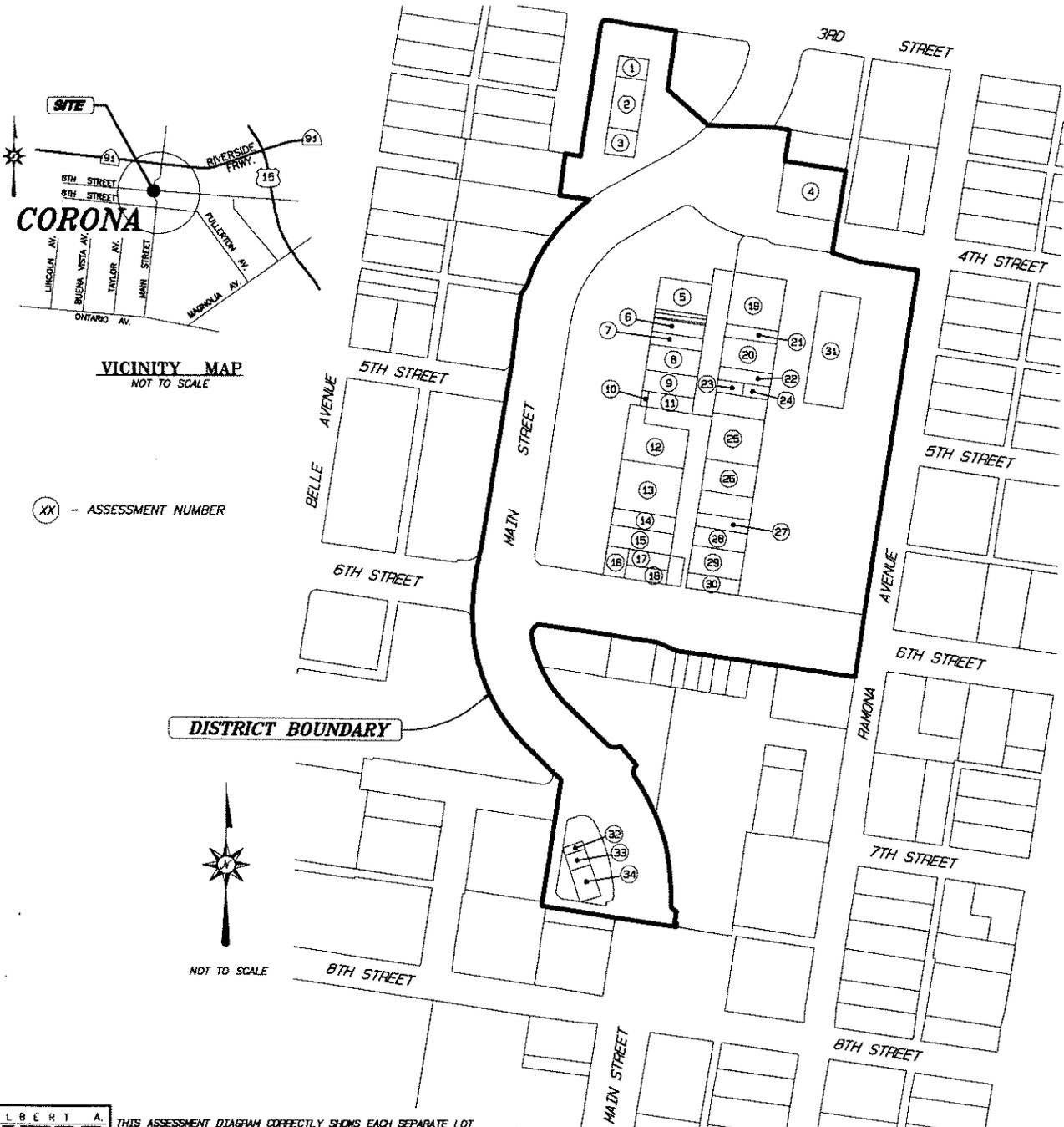
BY: _____
DEPUTY

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF CORONA, STATE OF CALIFORNIA, THIS _____ DAY OF _____, 2010.

CITY CLERK OF THE CITY OF CORONA

FILED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF CORONA, THIS _____ DAY OF _____, 2010.

BY: _____
SUPERINTENDENT OF STREETS, CITY OF CORONA,
STATE OF CALIFORNIA



ⓧ - ASSESSMENT NUMBER

DISTRICT BOUNDARY

