

**ENGINEER'S REPORT FOR FIRE
SUPPRESSION ASSESSMENT OF THE
TEMPLETON COMMUNITY
SERVICES DISTRICT**

FINAL DRAFT

AUGUST 25, 2009

Public Finance
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Newport Beach
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ENGINEER'S REPORT FOR
FIRE SUPPRESSION ASSESSMENT

TEMPLETON, CALIFORNIA



Prepared For

Templeton Community Services District
420 Crocker Street
Templeton, CA 93465
(805) 434-4900

Prepared By

David Taussig & Associates, Inc.
5000 Birch Street, Suite 6000
Newport Beach, California 92660
(949) 955-1500

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I. INTRODUCTION

WHEREAS, on _____, the Board of Directors of the Templeton Community Services District ("Templeton CSD" or the "District"), pursuant to the provisions of Government Code Section 50078, *et seq.* (the "Code") and California Constitution Article XIID ("Proposition 218"), adopted its resolution (the "Resolution") initiating proceedings for the determination of an assessment against properties in the Templeton CSD to generate revenue to fund fire suppression services (the "Fire Suppression Services").

WHEREAS, the Resolution designates David Taussig & Associates, Inc. ("DTA") as Assessment Engineer and directed the Assessment Engineer to prepare and file a report ("Engineer's Report") pursuant to the Code and Proposition 218;

WHEREAS, the Section 50078.4 of the Code requires that the Engineer's Report contain the following:

- a. A description of each lot or parcel proposed to be subject to the assessment;
- b. The amount of the assessment for each lot or parcel for the initial fiscal year;
- c. The maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year;
- d. The duration of the assessment;
- e. The basis of the assessment;
- f. The schedule of the assessment; and
- g. A description specifying the requirements for protest and hearing procedures for the proposed assessment pursuant to Section 50078.6 of the Code.

NOW, THEREFORE, the undersigned, acting as an agent for DTA, Assessment Engineer for Templeton CSD, by virtue of the power vested in me under the Code and the order of the District, hereby submits this Engineer's Report and makes the following assessment to cover the portion of the estimated costs of the Fire Suppression Services, including the incidental costs and expenses.

The net assessment for Fiscal Year 2010-11 is summarized in Table 1.

TABLE 1

**NET ASSESSMENT FOR
FISCAL YEAR 2010-11**

Estimated Costs	Total
Net Special Benefit	\$490,000
Incidental Expenses	\$10,000
LESS: Amount Deferred	(\$500,000)
<i>Net FY 2010-11 Assessment</i>	<i>\$0</i>

I do hereby assess the net amount to be assessed upon all assessable lots or parcels of land within the District by apportioning the amount allocable among the several lots or parcels of each in proportion to the estimated special benefits to be received by each such lot or parcel from the Fire Suppression Services, as more particularly set forth in the list attached as Attachment 1 (the "Assessment Roll") and by this reference made a part of this Engineer's Report. The assessment diagram appearing herein is a representation of the assessment diagram to be approved by resolution of the Board of Directors. Reference is hereby made to the Assessor's maps of the County of San Luis Obispo for Fiscal Year 2010-11 for a more particular description of the properties within the District. Each parcel of land assessed is described on the Assessment Roll by reference to its parcel number as shown on the County of San Luis Obispo Assessment Roll.

Dated: _____

Stephen A. Runk, P.E.

License Number: C23473

II. DESCRIPTION OF FIRE DEPARTMENT SERVICES AND PROPOSED FIRE SUPPRESSION ASSESSMENT

The Templeton CSD Fire Department has provided and will continue to provide fire protection services to the properties, businesses, residents and visitors in the District and, through mutual aid arrangements, to areas outside the District. These services include fire fighting, fire prevention, first response emergency medical services, search and rescue services, and fire prevention related code enforcement. In fiscal year 2008-09, the District budgeted \$640,415 on Fire Department services. The District plans to continue to fund the Fire Department at approximately this level of funding in subsequent years, apart from the elimination of the Assistant Fire Chief position, which will reduce the Fire Department budget by approximately \$129,300. These current services and related funding levels for future years (approximately \$511,115 annually) constitute the baseline level of fire protection and related services (“Baseline Funding”) provided by the District for the overall benefit of the community.

Templeton CSD currently provides Fire Department services through the use of a volunteer fire department. With increased land development, planned development, and related demands placed on local fire protection, the District desires to provide an enhanced level of fire protection for the benefit of the existing, new and planned development. Some property owners in the District have urged the District to provide greater protection for their buildings and structures through an expanded and improved Fire Department.

Section 50078 of the Code authorizes the District to levy a Fire Suppression Assessment to assess property owners for the costs of "obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus," or "paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property." Section 50078.1(c) of the Code defines "Fire Suppression" as "firefighting and fire prevention, including, but not limited to, vegetation removal or management undertaken, in whole or part, for the reduction of a fire hazard." For the purposes of this report, the term "Fire Suppression Services" shall mean services provided by the Templeton Fire Department as described by Sections 50078 and 50078.1(c) of the Code.

As required by Section 50078.4 of the Code and Proposition 218, the basis of the assessment is described in this engineer’s report.

The District proposes to levy an assessment to finance the costs associated with providing an enhanced level of Fire Suppression Services for the benefit of District property owners, residents and businesses. The District would use the assessment revenue to finance a portion of the salaries and benefits of regular full-time firefighters for the principal purpose of providing enhanced and additional Fire Suppression Services to and for the property owners, residents and businesses in the District (the “Enhanced Services”).

The principal purpose and focus of the Enhanced Services will be to provide Fire Suppression Services in and for the District and to stand-by and be prepared and available to provide those services. It is important to note, though, that fire department personnel will also engage in some services not included in the definition of Fire Suppression Services. Such services include first response emergency medical services, search and rescue and code enforcement (“Non-Fire Related Services”). The Non-Fire Related Services and mutual aid services outside the District are considered general benefits to the community and they will be funded through the Baseline Funding

and other available funding. Tables 2 through 4 below show the costs of the overall Fire Department services and Enhanced Services and funding to be provided by the Baseline Funding and proposed assessment. It should be noted that the costs associated with hiring a full-time firefighting staff may change for future years and that the District plans only to hire the number of firefighters that can be supported with surplus general revenues and the collection of assessments related to special benefit.

Proposition 218 requires the District to identify all parcels that will receive a special benefit from the Enhanced Services to be provided by the proposed assessment. The assessment district boundaries should be narrowly drawn and limited to the parcels directly receiving a special benefit.

The District is relatively small. It is only 4.5 square miles. The District currently is served by a single fire station that is centrally located. All parcels within the District are within a 4.6 minutes response time of the fire station. The Enhanced Services will provide improved and superior Fire Suppression Services for all properties within the District. While the level of benefit is somewhat different depending upon the size, value and type of use of the property (and which is factored in when determining the amount of the assessment), all property will receive a particular and distinct benefit from the availability of and service provided by the Enhanced Services. The District therefore has determined that all parcels in the District will specially benefit from the proposed assessment and that the extent of the assessment therefore should be the same as the District boundary.

III. FIRE SUPPRESSION ASSESSMENT BUDGET

A. ANNUAL COST OF FIRE DEPARTMENT AND ENHANCED SERVICES

The District has evaluated and estimated the funds required to finance the annual direct costs of maintaining existing levels of service and to provide the Enhanced Services. In addition to these direct costs are the incidental expenses of administering the proposed assessment.

The cost estimate presented in Table 2 represents the costs of salaries and benefits needed to provide the Enhanced Services. This figure does not represent the entire budget, but only a portion of the budget dedicated to providing Enhanced Services to each individual parcel of property within the District.

TABLE 2

ANNUAL COST OF SERVICES

Description	Cost Estimate
Salaries and Benefits of Firefighting Personnel	\$700,000
Total	\$700,000

Source: Templeton Fire Department

Incidental expenses to be paid with assessment proceeds for Fiscal Year 2010-11 ("Incidental Expenses") are included in the definition of "incidental expenses" as defined in Sections 50078.13 and 50078.16 of the Code. Estimates of the Incidental Expenses to be financed are identified in Table 3 below.

TABLE 3

INCIDENTAL EXPENSES

Incidental Expense	Expense Estimate
District Administration	\$10,000
Total	\$10,000

B. DURATION OF ASSESSMENTS

The District will levy the assessment each year in perpetuity until the District determines that the assessment is no longer necessary to provide Enhanced Services to property in the District.

C. ANNUAL COST INDEXING

With the passage of Proposition 218, any proposed increase in assessments must be approved by affected property owners via a mail ballot and public hearing process, similar to these proceedings. A weighted simple majority of ballots received (weighted according to each parcel's proportionate assessment obligation) must be affirmative for the Board of Directors to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total amount of the increase. The incidental costs of these proceedings may be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the published Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County metropolitan area allows for minor increases in normal maintenance and operating costs, without incurring the costs of ballot proceedings required by Proposition 218. Any other significant changes to the assessment (e.g., increase in service, modification to assessment budget, etc.) would still require Proposition 218 proceedings and property owner approval.

On each July 1, commencing on July 1, 2011, the maximum authorized unit assessment rates established in these proceedings will be indexed increased annually by a factor equal to the published CPI-U for the Los Angeles-Riverside-Orange County metropolitan area, but no less than two percent (2%) and no more than six percent (6%), from the amount in effect the preceding fiscal year.

D. CONTRIBUTIONS FROM OTHER SOURCES

Proposition 218 provides that "an agency shall separate the general benefits from the special benefits conferred" In accordance with that provision, Table 4 and Sections IV(A) and V show the Fire Department services and portion of Enhanced Services that will be separated out as general benefits and paid for from the Baseline Funding and other available funds. It is determined that the Baseline Funding and 8.3% of the Enhanced Services funding will be allocated to general benefit, as explained in Sections IV(A) and V of this report. The cost of providing those services that benefit the public at large, and generally and indirectly benefit parcels within and outside the District, will be funded with revenues from other sources, including the Baseline Funding and general property taxes.

E. ANNUAL INSTALLMENTS

The Fiscal Year 2010-11 assessment is shown in Table 4 below. The assessable costs associated with providing the Enhanced Services, which include the costs of salaries and benefits of the firefighting staff to be hired later, have been determined at this time. However, these costs will not be incurred until after the District has hired the firefighting

staff to provide the Enhanced Services. Because of this, the assessment is proposed to be approved at this time, but its placement on the tax roll and collection will be deferred until the fiscal year in which the firefighters are to be employed by the District.

F. NET ASSESSMENT

Pursuant to the foregoing, Table 4 below shows the costs of Enhanced Services, the portion of Enhanced Services allocated to general benefit, additional Templeton CSD contributions to special benefit to reduce the assessment amount, the incidental expenses, and the net amount to be assessed upon assessable lands within the District in Fiscal Year 2010-11.

TABLE 4

**NET AUTHORIZED ASSESSMENT
AND ACTUAL ASSESSMENT FOR FISCAL YEAR 2010-11**

Item	Amount
A. Gross Cost of Enhanced Services	\$700,000
B. LESS: District Contribution to General Benefit	(\$58,100)
C. LESS: District Contribution to Special Benefit	(\$151,900)
<i>D. Net Assessment of Special Benefit (A - B - C)</i>	<i>\$490,000</i>
E. Incidental Expenses	\$10,000
<i>F. Net Authorized Assessment (D + E)</i>	<i>\$500,000</i>
<i>G. Less: Amount Deferred in FY 2010-11</i>	<i>(\$500,000)</i>
<i>H. FY 2010-11 Net Assessment (F +G)</i>	<i>\$0</i>

IV. METHODOLOGY OF ASSESSMENT

In determining the net amount to be assessed upon parcels within the District, Section 50078.2 of the Code states that the assessment rates shall be "based upon the type of use or property and the risk classification of the structures or other improvements on, or the use of, the property" and that "the assessment shall be related to the benefits of the property assessed." This Section IV describes the methodology used to calculate the net amount to be assessed on each parcel within the District in proportion to the special benefit conferred on each such parcel.

A. DESCRIPTION OF SPECIAL BENEFIT FROM ENHANCED SERVICES AND GENERAL BENEFIT

Templeton CSD provides Fire Suppression Services and Non-Fire Related Services to all parcels within the boundaries of the District and, through mutual aid, to properties and incidents outside the District. The provision of Fire Suppression Services at the existing level of service and Non-Fire Related Services (see Section II above) constitute a general benefit, which the District will continue to fund through the Baseline Funding and other available revenue. With the Enhanced Services to be provided by the assessment revenue, properties within the District will receive increased and additional protection of buildings, structures and occupants from fires and resulting property loss and owner liability from injuries to occupants. These benefits are the direct result of the additional fire department staff working organized shifts from a centralized location.

Proposition 218 provides that "an agency shall separate the general benefits from the special benefits conferred on a parcel," where "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." It is therefore necessary to establish definitions of General Benefit and Special Benefit as such terms relate to the benefit to be derived from the Fire Suppression Services financed by the District.

Furthermore, in the case of *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority*, the Supreme Court of the State of California refined the above definition by stating that "the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement." Since the benefits received from the Fire Department services will be received by all parcels within the District, it will be necessary to separate those benefits that are particular, distinct and direct from those benefits which are indirect or derivative.

With the assessment-funded Enhanced Services, the Fire Department would be supported by revenue from the assessment, Baseline Funding and other property tax and other available funds. The Fire Department therefore will have adequate funding both for the general benefits provided to property generally and the public at large and for the particular and distinct additional benefits provided by the Enhanced Services to land, buildings and structures in the District.

The principal benefit from the Enhanced Services lies not in the act of extinguishing the fire, but in the assurance that when and if a fire occurs, firefighters will respond promptly and

directly to that property and extinguish the fire. As such, the Enhanced Services are particular, distinct and direct. To this end, the Enhanced Services being assessed in this report constitute Special Benefit under Proposition 218.

The Fire Department will continue to provide services that constitute General Benefit, which would include the level of service Non-Fire Related Services, and Fire Suppression Services to property outside the District funded by the Baseline Funding. The time spent performing tasks considered to be General Benefit would not be funded by the assessment.

The Enhanced Services provided to real property within the District shall be considered Special Benefit and will be assessed to all parcels within the District according to the benefit formula set forth in Section IV.D below. The District also has evaluated whether a portion of the Enhanced Services should be allocated to general benefit. It has determined that 8.3% of the Enhanced Services constitutes general benefit and that this portion should not be funded by the assessment. This allocation is explained in section V below.

B. BENEFIT ZONES

Section 50078.5 of the Code provides that "the legislative body may establish zones or areas of benefit within the local agency." According to Templeton CSD staff and as explained in section II, the District and proposed assessment area are small and served by a single fire station. All parcels currently within the boundaries of the District will be served with an average response time equal to approximately 4.6 minutes. The National Fire Protection Association's ("NFPA") national panel of fire chiefs, firefighters and technical specialists has adopted a standard, urging communities with full-time fire departments to adopt a standard of response time equal to six minutes from the time of the service call to the arrival of fire suppression personnel. Since the average response time of all property within the District is well within the guidelines of the NFPA, all parcels within the District will receive substantially the same benefit, as detailed in Section IV.A above, and will be included in a single District-wide assessment and not be assigned to benefit zones.

C. ALLOCATION OF SPECIAL BENEFIT TO PARCELS

Section 50078.2 of the Code states that the benefit formula shall be "based upon the type of use of property and the risk classification of the structures on, or the use of, the property." Additionally, Proposition 218 states that "no assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

To establish a proportional assessment, Special Benefit is allocated to parcels based upon the number of Equivalent Benefit Units ("EBUs") assigned to each parcel. The number of EBUs assigned to a parcel is proportional to the amount of Special Benefit allocable to each such parcel based on the benefit methodology and formula described in this section.

The Code states that the risk classification may include the structure size, the type of construction, and other factors relating to potential fire and panic hazards and the cost of providing Enhanced Services. The benefit from the Enhanced Services to a particular parcel is directly related to the parcel's risk classification and related factors; a higher risk equates to a greater benefit and a lower risk property would receive less benefit.

Based on the above reasoning, the benefit formula shall take into account the following factors:

- Estimated risk of a fire incident
- Property loss per fire incident
- Number of residents and/or employees
- Structure size (or parcel size in the case of open space and agricultural land uses)
- Structure use

The number of EBUs assigned to each residential unit, each thousand square feet of non-residential property and each acre of undeveloped property will be the average of the sum of three equally weighted benefit factors. For the purposes of this benefit calculation, the single family residential unit was selected to equal 1 EBU. The benefit of all other land uses is expressed in terms of its proportional benefit relative to the single family residential unit.

The first benefit factor estimates the relative fire risk of each land use type. Different land use types pose different fire risks, making this factor appropriate to consider in determining a parcel's proportional special benefit. The purpose of this analysis is to determine the relative fire risk within the service area among the different land uses. There are too few fire incidents in Templeton to accurately estimate the risk associated with each land use type. Consequently, data from the National Fire Protection Association (NFPA) were used to determine the relative fire risk for all property containing structures thereon.

Since no national data are available to accurately estimate the fire risk for open space and agricultural land similar to that of Templeton and because the data available for Templeton is too narrow in scope to achieve an accurate estimate of risk, the risk shall be estimated with data specific to the San Luis Obispo County. Cal Fire San Luis Obispo County estimates that of the 1,695,933 acres of open space that they are responsible for protecting, approximately 356 acres burned in 2008. This translates to 0.21 acres burned for every thousand acres of open space in San Luis Obispo County. Since this is the best data available to estimate the probability of an open space fire, it will be used to determine the special benefit associated with fire risk.

According to the Templeton Fire Department, fires occurring in parks (not including buildings and structures), parking lots and miscellaneous land uses that do not contain vegetation are infrequent and cause little or no damage to the underlying property. As a result, parks, parking lots and miscellaneous land uses without vegetation will be assigned a fire risk factor of 0.

Table 5 below shows the calculation of the relative fire risk for each land use type.

TABLE 5

FIRE RISK/BENEFIT BY LAND USE

Column No.	I	II	III	IV
	Number of Fires	Units (in thousands)	Fires per Thousand Units	Fire Risk Benefit Factor¹
	414,000	116,600	3.55	1.00
	Number of Fires	Building Square Feet (in millions)	Fires per MSF	Fire Risk Benefit Factor¹
Commercial/Industrial	33,000	51,908	0.64	0.18
Storage	31,000	10,477	2.96	0.83
Public Assembly/Religious	14,500	7,798	1.86	0.52
Educational	6,500	8,651	0.75	0.21
Institutional	7,000	7,004	1.00	0.28
	Number of Fires³	Total Acres³	Fires per Thousand Acres	Fire Risk Benefit Factor¹
Vacant/Agriculture/Open Space	356	1,695,933	0.21	0.06
Recreational/Miscellaneous	NA	NA	NA	NA

Source: National Fire Protection Association, *Fire Loss in the United States (2007)*, United States Department of Energy

[1] Single family residential unit assumed to have a fire risk benefit factor of 1.00. All other risk benefit factors are calculated by dividing the risk assessment in column III by the risk assessment for residential units.

[2] All residential land uses are assumed to have approximately the same fire risk.

[3] Based on information provided by Cal Fire for all acres of open space in San Luis Obispo County.

The second benefit factor estimates the relative costs associated with a typical fire incident based on the expected value of property loss as a result of a potential fire. Different buildings and structures have different values with varying damage amount potential, making this factor appropriate to consider in determining a parcel's proportional special benefit. Since fire departments do not allocate their resources on a per fire basis and since there are not enough fire incidents within the District to accurately determine the relative costs associated with each fire incident, the cost of extinguishing the fire is assumed to be approximately proportional to the expected value of property loss as a result of a potential fire. Table 6 below shows the calculation of the average relative fire loss for each land use type.

Since no national data are available to estimate the expected annual fire loss per acre for open space and agricultural land, the cost shall be estimated based on the average property loss per open space/agricultural fires compared with single family residential fires. According to the NFPA, the average property loss for open space/agricultural fires is \$1,027

and the average loss for a single family residential fire is \$20,715. Since the single family home is assigned a benefit factor of 1.00, open space and agricultural land will be assigned a benefit factor of 0.05, based on the ratio of average property loss per agricultural fire to the average property loss per residential fire.

According to the Templeton Fire Department, fires that take place in parks (without buildings or structures), parking lots and miscellaneous land uses without vegetation are most often dumpster fires. These fire incidents seldom cause any property loss and require very little effort to extinguish. For this reason, the property damage loss associated with fires that take place on parks, parking lots and miscellaneous land uses is determined to be zero.

TABLE 6

FIRE RISK/BENEFIT BY VALUE

Column No.	I	II	III	IV
	Total Property Loss (in thousands)	Units (in thousands)	Property Loss per Thousand Units	Fire Cost Benefit Factor¹
	Land Use Category	Units (in thousands)	Property Loss per Thousand Units	Fire Cost Benefit Factor¹
	Residential ²	116,600	\$64,717	1.00
	Total Property Loss (in thousands)	Building Square Feet (in millions)	Property Loss per MSF	Fire Cost Benefit Factor¹
	Land Use Category	Building Square Feet (in millions)	Property Loss per MSF	Fire Cost Benefit Factor¹
	Commercial/Industrial	51,908	\$27,375	0.42
	Storage	10,477	\$63,950	0.99
	Public Assembly/Religious	7,798	\$63,863	0.99
	Educational	8,651	\$11,559	0.18
	Institutional	7,004	\$5,854	0.09
	Total Property Loss (in thousands)	Acres	Property Loss per Acre	Fire Cost Benefit Factor³
	Land Use Category	Acres	Property Loss per Acre	Fire Cost Benefit Factor³
	Vacant/Agriculture/Open Space	NA	NA	0.05
	Recreational/Miscellaneous	NA	NA	0.00

Source: National Fire Protection Association, *Fire Loss in the United States* (2008), United States Department of Energy

[1] Single family residential unit assumed to have a fire cost benefit factor of 1.00. All other cost benefit factors are determined by dividing the risk assessment in column III by the cost assessment for residential unit.

[2] All residential land uses are assumed to have approximately the same property loss risk.

[3] Total open space area in the U.S. not available. Benefit factor based on the average property loss per open space fire divided by the average property loss per residential fire.

The third benefit factor estimates the relative health hazard associated with a typical fire incident for each land use type. For the purposes of this analysis, the number of people residing in a building or employed within a business will be used to determine the health hazard associated with a fire incident. While the Enhanced Services provide a direct benefit to a parcel and its buildings and structures, the ultimate beneficiaries are the people who reside and work in the building or structure, which makes an occupancy factor appropriate to consider in determining a parcel's proportional special benefit.

When comparing the number of employees within a business to the number of residents that reside within a home, it is important to take into account that residents spend approximately twice as much time in their homes as employees spend at the workplace. For this reason, all employment numbers will be divided by two in determining the proportional health hazard.

Table 7 below shows the calculation of the relative health hazard for each land use type. Although there may be employees working on agricultural and recreational land, the chances of health hazards are greatly reduced since they are not working in an enclosed structure. Agricultural and park employees are not included in this analysis.

TABLE 7

FIRE RISK/BENEFIT BY OCCUPANCY

Column No.	I	II
	Average Household Size	Fire Hazard Benefit Factor¹
	Single Family	1.00
	Multi-Family	0.63
	Other Residential	0.84
	Employees/ Thousand SF (divided by 2)	Fire Hazard Benefit Factor¹
	Commercial/Industrial	0.32
	Storage	0.01
	Public Assembly/Religious	0.12
	Educational	0.12
	Institutional	0.53
	Employees/ Acre²	Fire Hazard Benefit Factor¹
	Vacant/Agriculture/Open Space	0.00
	Recreation/Miscellaneous	0.00

Source: U.S. Census Bureau, Urban Land Institute

[1] Single family residential unit assumed to have a fire risk benefit factor of 1.00. All other hazard benefit factors are determined by dividing the hazard assessment in column II by the hazard assessment for single family residential unit.

[2] Number of employees per acre of vacant land assumed to be zero.

All three of the factors described above are important in determining the Special Benefit received by the individual parcels within the District. As a result, the three benefit factors described above were assigned equal weights and added together and then averaged to determine the total amount of EBUs for each land use type. Table 8 below shows the number of EBUs associated with each land use type, based on the equally weighted average of those factors.

TABLE 8

EQUIVALENT BENEFIT UNITS

Residential Land Use Category	EBUs per Unit¹
Single Family	1.00
Multi-Family	0.88
Other Residential	0.95
Non-Residential Land Use Category	EBUs per Thousand Bldg. SQ. Ft. ¹
Commercial/Industrial	0.31
Storage	0.61
Public Assembly/Religious	0.54
Educational	0.17
Institutional	0.30
Non-Residential Land Use Category	EBUs per Acre¹
Vacant/Agricultural/Open Space	0.04
Recreation/Miscellaneous	0.01

[1] Equivalent Benefit Units for each land use are calculated as the average of the benefit factors in Column IV of Table 5, Column IV of Table 6, and Column II of Table 7. All factors assumed to have equal weight.

Special Benefit accrues to each parcel that will be provided Enhanced Services by the District, subject to the following provisions:

- Since some areas within the District that have been zoned for development have not been subdivided into individual lots at this time, the assessments will be levied against the property; however, the per parcel assessment will not be billed and collected until final subdivision maps and lot line adjustments are recorded. In the meantime, the property will be assessed as open space land.
- All parcels will be assessed based on their current land use as reported by the County Assessor, except in cases where the Templeton Fire Department is aware of a building, structure or use on the parcel that is different from the County Assessor records, a recent building permit has been filed with the County for a use that is different from the County Assessor records, or an improvement value is listed on the assessor's roll indicating that the improvement is different from the County Assessor records, in which case the assessment will be based on this other information. When

a building permit is issued for a vacant parcel, the number of EBUs associated with that parcel will be recalculated based on the new land use and the assessment will be increased accordingly.

- Parcels containing multiple structures will be assigned the cumulative benefit units associated with the structures thereon, regardless of land use.
- For the purposes of calculating the amount of agricultural/open space acres on residential lots, each acre of land in excess of 1 acre will be considered agricultural/open space land and will be assigned additional EBUs accordingly.
- Single family lots that lie within more than one assessor's parcel will be assigned to the parcel which contains the majority of the acreage.
- The number of EBUs per parks/parking lots/Miscellaneous Acre was rounded up to 0.01 to reflect the fact that those parcels will receive some small Special Benefit from the assessment greater than zero.

V. ASSESSMENT OF ESTIMATED COSTS

This section describes the calculations used to determine the net amount to be assessed on each parcel within the District in proportion to the Special Benefit conferred on each such parcel. The amount of the assessment for each parcel is listed in the Assessment Roll, which is attached as Attachment 1.

A. CALCULATION OF GENERAL BENEFIT AND SPECIAL BENEFIT

As detailed in Section IV, the Fire Suppression Services provided by the District will generate both Special Benefit that directly benefits properties within the District and General Benefit, which indirectly affects the properties and the public at large.

In calculating the amount of General Benefit, it is important to note that the primary goal of firefighters is to provide Fire Suppression Services to property owners, residents and business owners within the District. Firefighting personnel are extensively trained primarily to put out hazardous fires that threaten civilian populations and property. Furthermore, as described in the Code, the benefit from Fire Suppression Services is conferred on the property whether or not the Fire Suppression Services are used. In other words, the ability of a property owner to report a fire-related emergency and have firefighters on the scene within five minutes is the principal direct benefit of the Enhanced Services associated with this assessment.

Proposition 218 states that "the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of [...] the cost of the property-related service being provided." Therefore, as explained above, the costs associated with providing the Baseline Funding level of Fire Suppression Services and Non-Fire Related Services to the community will be allocated to General Benefit.

Regarding the Enhanced Services, the substantial majority of the fire department's time will be spent preparing for and being available to respond to protect buildings and structures in the District. Because the primary purpose of the Enhanced Services is to provide improved Fire Suppression Services to property within the District, the hours spent preparing for, being available to respond, and providing Fire Suppression Services will be allocated to Special Benefit. On the other hand, a portion of the staffing provided for the Enhanced Services will be available for Non-Fire Related Services. Therefore, a portion of the Enhanced Services should be allocated to general benefit.

According to the Templeton Fire Department, approximately 414 calls per year are related to Non-Fire Related Services. An average of 105 minutes are spent responding to each non-fire related call. The time spent providing these Non-Fire Related Services therefore is estimated to be approximately 724.5 hours annually. For the purposes of this analysis, all other hours are considered directly related to the provision of Fire Suppression Services (i.e., providing those services, preparing and training to provide those services, and standing by to provide those services). Because the fire department is on call 24 hours a day, 7 days a week, the amount of time spent providing Non-Fire Related Services therefore represents 8.3% of the fire department's total annual working hours (724.5 hours ÷ 8,760 hours in a year). These hours will be allocated to General Benefit and will not be assessed.

The portion of the Enhanced Services costs allocated to General Benefit and Special Benefit is identified in Table 9 below.

TABLE 9

BENEFIT ALLOCATION

Category of Benefit	Percentage Allocation	Associated Costs
Special Benefit	91.7%	\$641,900
General Benefit	8.3%	\$58,100

B. CLASSIFICATION OF PARCELS BY LAND USE

Table 10 lists the parcels in the District by land use and total EBUs.

TABLE 10

PARCELS/LOTS IN TEMPLETON CSD

Land Use Category	Residential Units	EBUs
Single Family	1,906	1,906.00
Multi-Family	74	326.48
Other Residential	230	109.25
Land Use Category	Building Square Feet (in thousands)	EBUs
Commercial/Industrial	1,389	430.46
Storage	191	116.50
Public Assembly/Religious	47	25.38
Educational	664	61.82
Institutional	236	70.74
Land Use Category	Acres	EBUs
Agriculture/Open Space	1,676	54.22
Parks/Parking Lots/Miscellaneous	67	0.67
Total	NA	3,101.53

C. CALCULATION OF ASSESSMENTS

The Special Benefit identified above was allocated to parcels based upon EBUs. The FY 2010-2011 net assessment identified in Table 4 above is divided equally among the 3,104.03 EBUs to yield a net assessment rate of \$161.08 per EBU. The resulting assessment rates by land use type are shown in Table 11 below.

TABLE 11

ASSESSMENT RATES IN TEMPLETON CSD

Land Use Category	Maximum Authorized Assessment per Unit	Actual FY 2010-11 Assessment per Unit
Single Family	\$161.21	\$0.00
Multi-Family	\$141.25	\$0.00
Other Residential	\$152.68	\$0.00
Land Use Category	Maximum Authorized Assessment per Thousand Bldg. Sq. Ft.	Actual FY 2010-11 Assessment per Thousand Bldg. Sq. Ft.
Commercial/Industrial	\$49.63	\$0.00
Storage	\$98.39	\$0.00
Public Assembly/Religious	\$87.82	\$0.00
Educational	\$27.62	\$0.00
Institutional	\$48.48	\$0.00
Land Use Category	Maximum Authorized Assessment per Acre	Actual FY 2010-11 Assessment per Acre
Vacant/Agriculture/Open Space	\$5.87	\$0.00
Parks/Parking Lots/Miscellaneous	\$1.61	\$0.00

VI. PROTEST AND HEARING PROCEDURES

As required by Section 50078.4 and 50078.6 of the Code, the requirements for protest and hearing procedures for the proposed assessment are described below.

The District will provide a notice and ballot for each affected parcel within the District which has a Special Benefit conferred upon it and upon which an assessment will be imposed if approved by the property owners and confirmed by the District's Board of Directors. The ballot will identify the assessment amount for the affected property based on the land use codes, assessed values, descriptions and acreages assigned by the San Luis Obispo County Assessor and the building square footage information provided by the District. The District will rely on the information provided by the San Luis Obispo County Assessor to classify parcels and assign assessment categories and presume that the Assessor's data is correct. Ballots must be received by the Clerk of the Board of Directors prior to the close of the public input portion of the Public Hearing scheduled for _____, to be considered. Valid ballots returned to the Clerk of the Board of Directors will be tabulated to determine if a majority protest exists. A majority protest exists if, upon the conclusion of the public hearing, ballots submitted in opposition to the assessment exceed ballots submitted in favor of the assessment. In tabulating the ballots the ballots will be weighted according to the proportional financial obligation of the affected property. If majority protest exists, the District will not impose the assessment. If there is not a majority protest, the assessment may be approved by the District Board.

Pursuant to Government Code Section 54954.6(h), the requirements of Government Code Section 54954.6 do not apply to this assessment.

VII. ASSESSMENT ROLL

The Assessment Engineer has prepared an Assessment Roll for the fire suppression assessment based upon the assessment methodology described in this Engineer's Report. The Assessment Roll includes the net total assessment for Fiscal Year 2010-11 and shows the Fiscal Year 2010-11 assessment, assessment number, Assessor's parcel number, and land use designation for each parcel in the District. The Assessment Roll is shown in Attachment 1. Reference is hereby made to County of San Luis Obispo Assessment Roll for a description of the parcels within the District.

VIII. CERTIFICATIONS

1. I, the _____ of the Templeton Community Services District, California, hereby certify that the foregoing assessment, in the amounts set forth in the Assessment Roll was filed with me on _____.

Dated: _____, 2009;

District Clerk, Templeton Community Services
District

2. I have prepared this Engineer's Report and do hereby certify that the amounts set forth in Table 1 under Engineer's Cost Estimate on page 2, and the individual assessment amounts in the Assessment Roll included with this Report, have been computed in accordance with the order of the Templeton Community Services District, as expressed by its Resolution No. _____ duly adopted by the Board of Directors on _____.

Dated: _____, 2009;

Stephen A. Runk, P.E.
License Number: C23472

3. I, the _____ of the Templeton Community Services District, California, hereby certify that the foregoing assessment, in the amounts set forth in the Assessment Roll, was approved and confirmed by the Templeton Community Services District on _____, 2009; by Resolution No. _____.

Dated: _____, 2009;

District Clerk, Templeton Community Services
District

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ATTACHMENT 1

Assessment Roll

The Assessment Roll, which is contained in this attachment, consists of a list of all Assessor's parcels in Templeton CSD, based on data supplied by the San Luis Obispo County Office of the Assessor. Parcels are listed in order from smallest assessor's parcel number to largest assessor's parcel number. In addition to the Fiscal Year 2010-11 assessor's parcel number, number of equivalent benefit units (EBUs) and approved assessment for Fiscal Year 2010-11 are shown for each parcel.