DOWNTOWN SALINAS COMMUNITY BENEFIT DISTRICT

Prepared pursuant to the City of Salinas Community Benefit District Ordinance Codified as Municipal Code Chapter 21D

FIRST ADDENDUM TO THE DISTRICT ASSESSMENT ENGINEER'S REPORT

June 6, 2017

FIRST ADDENDUM TO DOWNTOWN SALINAS COMMUNITY BENEFIT 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 being added to the Downtown Salinas Community Benefit District ("Downtown Salinas CBD") over the balance of the fifteen (15) year term that began July 21, 2015, 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.

CERTE Juhe 6, 2017 Name and Stamp of Engineer DATE OF

Introduction

The Downtown Salinas Community Benefit District (the "CBD: or "District"), is a propertybased benefit assessment district formed by Resolution No. 2080 on July 21, 2015 pursuant to the City of Salinas Community Benefit District Ordinance, codified under Municipal Code Chapter 21D (the "Ordinance"). This Ordinance 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 Law of 1994 (the "Act"). The term of the District is fifteen (15) years, until December 1, 2030.

As a CBD, parcels within the District boundary derive special benefit from programs and activities funded by assessments levied against the identified properties. The benefits are special and unique only to parcels within the District because programs and services (i.e. sidewalk operations/beautification; district identity; program management; and, contingency/reserve) are only provided directly for the benefit of the identified parcels.

As required by Section 4(b) of Article XIIID of the California Constitution (Proposition 218), a District Engineer's Report (the "Engineer's Report" or "Report") was prepared to support the benefit of property assessments to be levied within the Downtown Salinas CDB. The Report

constitutes the required "nexus" of rationale between assessment amounts levied and special benefits conferred on properties within the CBD. It identifies the District boundary, establishes a formula/methodology for the calculation of assessments, describes the special benefits to be received, and establishes a work plan and budget for the provision of the identified programs and activities. The Salinas City Council approved the Downtown Salinas Community Benefit Engineer's Report by Resolution No. 577 on May 26, 2015.

Subsequent to the District's formation, two owners of property adjacent to the District boundaries, expressed their interest in a boundary expansion to include their properties and the levy of an assessment against their properties to receive special District benefits. On January 25, 2017, the Salinas City Center Improvement Association (the "SCCIA") submitted a written request to modify the 2015 Engineer's Report to add the aforementioned properties to the District. Table 1 below lists the property address, Assessor's Parcel Number(s) (the "APN") and property owner names. 401 Monterey Street has seven APNs. This property is comprised of four (4) parcels, three (3) of which have two (2) APNs. A distinct suite number (ie: 401 Monterey, Suite 101, etc) is tied to each of these APNs. In response to SCCIA's request, the City prepared this First Addendum to the Engineer's Report (the "First Addendum").

Table 1: Properties requested to be added to Downtown Salinas CBD

| Property Address | Assessor's Parcel Number(s) | Property Owner(s) | | |
|---------------------|---------------------------------|--------------------------------|--|--|
| 318 Cayuga Street | 002-362-016-000 | Jeffery R. Gilles | | |
| 401 Monterey Street | 002-355-001-000; 002, 003, 004, | Bradley Slama and the L. Keith | | |
| | 005, 006, 007 | Slama & Jannette Slama Trust | | |

Downtown Salinas Community Benefit District Boundary Changes

The sole purpose of the First Addendum is to add these two (2) additional properties listed in Table 1 above to the CBD. It does not in any way change the required "nexus" of rationale between assessment amounts levied and special benefits conferred on properties within the District, nor does it change the formula/methodology for calculating assessment amounts. This Addendum modifies the southern and eastern boundaries of the District as follows:

Southern Boundary: Starting at northwest corner of the intersection at the corner of John Street and Monterey, running westward including the parcels on the north side of John Street to the intersection of San Luis Street and John Street. The southern boundary then runs north for one block to include the parcels on the east side of Salinas

Street between John Street and San Luis Street. The southern boundary then continues westward for two blocks running down the middle of San Luis Street, including all of the parcels on the north side of San Luis Street. The southern boundary then runs northward from the intersection of Salinas Street and Church Street including the parcels only on the east side of that block. The final leg of the southern boundary commences at Auburn and Church Streets running westward for two blocks including all of the parcels on the north side of the street up to Capitol Street, and ends there. *The Southern Boundary is hereby amended and expanded at the south western corner of Auburn Street and Cayuga Street to include one parcel on the south side of Auburn Street at Cayuga Street referred to as "318 Cayuga Street"*.

Eastern Boundary: Starting at the intersection of Market and Monterey Streets, running southward down to San Luis Street and including all of the parcels on both sides of Monterey Street between Market and San Luis Street. *The eastern boundary is* <u>hereby amended and expanded at the south east corner of San Luis Street and Monterey</u> <u>Street adding four parcels, referred to collectively as "401 Monterey Street"</u>. The eastern boundary then continues southward to the intersection of John Street and Monterey Street but at that block only the parcels on the west side fronting Monterey Street are included within the boundaries of the district.

Appendix 1 is a map of the modified CBD boundary. As shown on the map, the subject properties are in Benefit Zone 2.

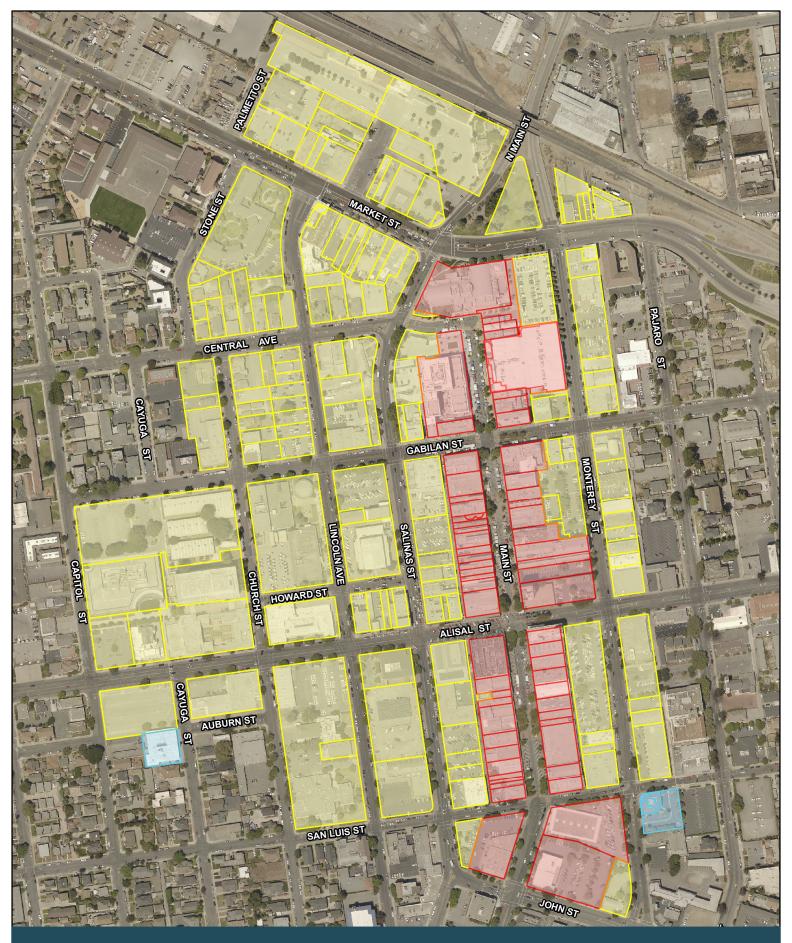
As established in the 2015 Engineer's Report, benefit calculation is derived from lineal footage, building square footage and parcel size. Table 2 calculates the benefit analysis and spread assessment for the subject properties using the formula and methodology established in the 2015 Engineer's Report.

| | Assessment Unit (Zone 2) | 318 Cayuga Street | Sub-total | 401 Monterey Street* | Sub-total | Total |
|-------------------------|--------------------------------|----------------------|-------------|----------------------------|-------------|-------------|
| Lineal | | | | | | |
| Footage | \$ 3.4900000 | 120 ft | \$ 418.80 | 128 ft | \$ 446.72 | \$ 865.52 |
| Parcel Size Building | \$ 0.0671500 | 15,630 sqft | \$ 1,049.55 | 18,570 sqft | \$ 1,246.98 | \$ 2,296.53 |
| Size | \$ 0.0845230 | 21,161 sqft | \$ 1,788.59 | 8,090 sqft | \$ 683.79 | \$ 2,472.38 |
| | | | | | | |
| Total | | | \$ 3,256.95 | | \$ 2,377.49 | \$ 5,634.43 |

Table 2: Benefit Analysis and Spread Assessment

APPENDIX 1

AMENDED DOWNTOWN SALINAS CBD BOUNDARY MAP





Downtown Salinas Community Benefit District





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