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ENGINEER'S REPORT

CITY OF FONTANA

LANDSCAPE MAINTENANCE DISTRICT NO. 3

ANNEXATION NO. 1 (EMPIRE CENTER)

Fiscal Year: 2026-2027

April 27, 2026

Public Finance
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CITY OF FONTANA



FONTANA
CALIFORNIA

ENGINEER'S REPORT

LANDSCAPE MAINTENANCE DISTRICT NO. 3

ANNEXATION NO. 1 (EMPIRE CENTER)

Prepared for:

City of Fontana

8353 Sierra Avenue

Fontana, CA 92335

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I AUTHORITY FOR REPORT

This report is prepared pursuant to the direction of the City of Fontana and in compliance with the requirements of Article 2, Chapter 3, Section 22623 of the Streets and Highway Code, State of California (Landscaping and Lighting Act of 1972 and Article XIIID added to the California Constitution in November 1996 through the passage of Proposition 218 by voters of the State of California. These Constitutional provisions affect the procedural and approval requirements for the levy of assessments. Among other things, the requirements provide that assessed parcels of real property must receive a special benefit from assessments. Assessments are also subject to majority protest requirements. These requirements apply, unless an assessment district meets certain exemptions as set forth in Proposition 218 and described below.

The following types of assessments are exempt from the procedures and approval process of Section 5 of Article XIIID of the California Constitution (Proposition 218);

- A. Any assessment imposed exclusively to finance the capital costs or maintenance and/or operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control; or
- B. Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed.

The City of Fontana Landscaping Maintenance District No. 3, Annexation No. 1 (Empire Center) qualifies as an existing assessment exempt from Proposition 218 under exemption "B" described above in that the assessment district was originally formed and the assessment was imposed pursuant to the district was consented to by all of the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed. The proposed assessments for the 2026-2027 Fiscal Year for Landscaping Maintenance District No. 3, Annexation No. 1 fall within this exemption because they are merely the annual levy for assessments previously consented to by property owners.

In calculating the assessment for Fiscal Year ("FY") 2026-2027, this report examines the current fiscal year's financial obligations.

This report is organized into the following sections:

- Section I – Authority For Report;
- Section II – General Description;
- Section III – Plans and Specifications;
- Section IV – Estimated Costs;
- Section V – Assessment Diagram;
- Section VI – Method of Apportionment of Assessment Spread
- Section VII – Limitations of Report; and

- Section VIII – Engineer’s Certification.

II GENERAL DESCRIPTION

This report deals with the annual assessment for the Landscape Maintenance District No. 3, Annexation No. 1 (Empire Center), for the 2026-2027 Fiscal Year commencing on July 1, 2026, and ending on June 30, 2027. Areas to be included in the work program are the trees within the dedicated tree maintenance easements, the trees and ground cover within the tree and ground cover maintenance easements dedicated to the City, the public parks, and other areas required by the approved plan or by the City Council, or areas dedicated by the various subdivisions. Annually, the City Council approves an Engineer's Report defining the specific work programs for each year and the estimated cost for each year.

III PLANS AND SPECIFICATIONS

The plans and specifications have been prepared according to the City's standards. Plans and specifications for walls, fences, and signage have been prepared in accordance with Empire Center Specific Plan and City standards. Said plans and specifications show and describe the general nature, location and extent of the existing and proposed improvements to be maintained and/or serviced. The plans and specifications also indicate the class and type of improvements to be maintained and/or serviced for each zone within the District.

The maintenance activities of the areas to be maintained by the District include but are not limited to:

The repair, removal or replacement of all or any part of any improvement, providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing or treating for disease or injury, the removal of trimmings, rubbish, debris, and other solid waste, the maintenance, repair and replacement as necessary of all irrigation systems, and the removal of graffiti from walls immediately adjacent to the cultivated areas.

IV ESTIMATED COSTS

The costs of the original landscape improvements will be paid by the Developer. Annual maintenance and replacement costs will be borne by the benefiting property owners after the City accepts the landscape improvements for maintenance.

The estimated maintenance cost, for assessment purposes, is based upon the proposed areas for maintenance. The estimated maintenance cost, for assessment purposes is based upon estimated areas for maintenance, actual development, and funds on hand. The projected costs of \$199,013 for Fiscal Year 2026-2027 have been provided by the City of Fontana's Public Works Department. The net amount to be assessed upon assessable lands within the District is equal to \$62,120 which is shown in Table 1 below:

Table 1: Estimated Fiscal Year 2026-2027 Costs

Description	Amount
Cost of Maintenance of Improvements	
Landscape Maintenance and Utilities	\$40,380
Personnel Services and Other Departmental Expenses	\$36,600
Administration	\$7,270
Total Costs of Maintenance	\$84,250
Cash Flow Reserve	\$42,125
Contingencies Reserve	\$12,638
Capital Replacement	\$60,000
Total Cost	\$199,013
Less: Estimated Beginning Fund Balance	(\$136,893)
Total Assessments	\$62,120

All of the costs are based on current estimates. The assessments are based on these costs and the difference between the estimated cost and the actual cost will be accounted for in the subsequent year.

V ASSESSMENT DIAGRAM

The "Map of Original Formation of Landscape Maintenance District No. 3, Annexation No. 1" is on file in the City of Fontana and by this reference are made part of this report. For a detailed description of the lines and dimensions of any lot or parcel, reference is hereby made to the County Assessor's maps, which maps shall govern for all details concerning the lines and dimensions of such lots or parcels.

VI METHOD OF APPORTIONMENT OF ASSESSMENT

The law requires that the assessments levied be based on the benefit the properties receive from the maintenance of the improvements. The methodology used to calculate the annual assessments was approved and adopted during the formation of the District.

The Empire Center Specific Plan was designed as a multi-use commercial development which included a proposed Regional Mall, a Community Center, a Neighborhood Center, an Entertainment Center, a Promotional Center, a Community-Commercial area, a Community-Office area, and a Community-Regional area. The regional mall was never built, and the development was not completed as planned and due to economic conditions property was removed from the district and the area requiring maintenance was reduced.

The properties and improvements remaining within the district are generally located south of the I-10, east of Sierra Avenue, north of Slover Avenue, and west of the east boundary of the Promotional Center.

The assessment formula takes into account that the proposed Regional Mall would have received greater benefit from the landscape improvement than other areas. The property zoned for Regional Mall would have received a 15% surcharge over and above the maintenance cost per acre based upon the following formula:

TA = Estimated Yearly Maintenance Costs	
RM = Number of acres within the Regional Mall	
PC = Number of acres within the Promotional Center (lots 13 thru 33), Community Center (lots 6 thru 11), and Neighborhood Center (lot 5)	
A = Assessment per acre	
Estimated 2026-2027 Assessment	= \$62,120
RM (1.15A) + PC (1.00A)	= \$62,120
0.00 (1.15A) + 62.1197 (1.00A)	= \$62,120
62.1197(A)	= \$62,120
A	= \$1,000.00 per acre

VII LIMITATIONS OF REPORT

The conclusions, calculations and recommendations in this report assume that all information and data provided to DTA Municipal Solutions by the City of Fontana was true and correct. Such data includes, but is not limited to: City budget data, parcel and property information, the initial Fiscal Year 2022-2023 parcel database, and the original assessment methodology as described in the original Engineer's Report.

VIII ENGINEER'S CERTIFICATION

I, the appointed Assessment Engineer, by virtue of the power vested pursuant to the "Landscaping and Lighting Act of 1972", being Division 15, Part 2, of the California Streets and Highways Code, commencing with Section 22500, and by order of the legislative body, hereby made the following assessment to cover the estimated costs and expenses of the maintenance work for the improvements within the Landscape Maintenance District No. 3, Annexation No. 1 (Empire Center), for the Fiscal year commencing on the 1st day of July, 2026 and ending on the 30th day of June, 2027.

I do hereby assess and apportion the net amount of the costs and expenses upon the several parcels of land represented by the City to be within LMD No. 3, Annexation No. 1 liable therefore and benefited thereby, in proportion to the estimated benefits that such parcel receives, respectively, from said maintenance of the works of improvement and appurtenances, and said parcels are hereinafter numbered and set forth to correspond with the numbers as they appear on the San Bernardino County Assessment Roll.

The assessment schedule hereby refers to the San Bernardino County Assessment Roll for the description of the lots or parcels, and said Roll shall govern for all the details concerning the description of the lots or parcels.

The net amount to be assessed upon the lands has been spread and apportioned by a formula in accordance with the benefits received by each parcel, and in my opinion, said costs and expenses have been apportioned in direct relationship to the benefits received from the maintenance of the improvements.

Date: April 27, 2026, 2026



Stephen A. Runk
Stephen A. Runk, P.E.
Vice President of Engineering Services
License Number: C23473

APPENDIX A

City of Fontana
Landscape Maintenance District No. 3, Annexation No. 1



**FISCAL YEAR 2026-2027
ASSESSMENT**

Appendix A

**City of Fontana
Landscape Maintenance District No. 3
Annexation No. 1 (Empire Center)
Fiscal Year 2026-2027 Assessment**

Assessor's Parcel Number (APN)	FY 2026-2027 Special Tax Levy
0254-221-30	\$12,670.00
0254-221-31	\$1,117.50
0254-221-32	\$1,577.40
0254-221-34	\$715.40
0254-221-35	\$1,022.60
0254-221-38	\$745.00
0254-221-39	\$704.10
0254-221-40	\$299.60
0254-221-41	\$286.00
0254-221-42	\$1,590.80
0254-221-47	\$926.90
0254-221-48	\$919.70
0254-221-49	\$12,920.60
0254-221-53	\$10,168.60
0254-221-54	\$6,313.10
0254-221-55	\$3,188.50
0254-221-56	\$3,553.40
0254-221-57	\$1,916.30
0254-221-60	\$671.60
0254-221-61	\$812.60
TOTAL	\$62,119.70

The logo for DTA (Development Tax Authority) features the lowercase letters 'dta' in a bold, black, sans-serif font. A white parallelogram is positioned behind the top of the letter 't', creating a sense of depth and movement.

dta

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