(530) 895-4711
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CARD
Chico Area Recreation & Park District

545 Vallombrosa Ave
Chico, CA 95926

BOARD OF DIRECTORS REGULAR MEETING

Thursday, July 23, 2026 – 4:00 P.M.

If you need an accommodation to participate in this meeting, please call (530) 895-4711
Documents produced and distributed less than 72 hours prior to or during
an open session will be made available for public inspection at the meeting.
Agenda was posted prior to 4:00 PM Monday, July 20, 2026

BOARD MEMBERS
Michael McGinnis, Chair
Christopher Norden, Vice Chair
Dave Donnan
Tom Lando
Jason Roye

CARD STAFF
Annabel Grimm, General Manager
Scott Schumann, Assistant General Manager
Phil Aviles, Finance and Human Resources Director
Holli Drobny, Administrative Director
Erin Morrissey, Recreation Director

LEGAL COUNSEL
Jackson Glick, Sac Valley Law

A G E N D A

Zoom Meeting Information:
https://card.zoom.us/j/81607636750?pwd=R1NNUkZPYi9ySGNsNVQ3OXh0U1hoZz09
Meeting ID: 816 0763 6750
Passcode: 156857

1. CALL TO ORDER

1.1. Roll Call

2. PUBLIC COMMENTS

Members of the public may address the Board of Directors on any matter not listed on the Agenda and within the District's authority. Comments are limited to three minutes or as determined by the Chairman of the Board based on the number of speakers. The Board cannot take action on requests made under this section of the agenda.

3. CONSENT AGENDA

3.1. Minutes of the Regular Meeting of the Board of Directors on June 25, 2026 - *Action Requested: Approve meeting minutes.*

3.2. June Monthly Financial Report (Staff Report FI-26-20) - *Action Requested: Approve the monthly financials.*

4. REGULAR AGENDA

4.1. Public Hearing of Continuation of Landscape and Lighting Assessment Districts (Staff Report FI-26-021 & Resolution 26-07) *Action Requested: Board of Directors hold the public hearing, consider all public comments, and adopt Resolution 26-07.*
Resolution 25-07 approves engineer's reports, confirms diagram and assessment, and orders the continuation of the levy of assessment for Fiscal Year 2026-27 for the Oak Way, Amber Grove/Greenfield, and Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscaping and Lighting Assessment Districts.

4.2. Items Removed from the Consent Agenda

5. NEW BUSINESS

5.1. 2026 Board of Directors Annual Meeting Calendar Amendment (Staff Report 26-38)
Action requested: Approve amendments to the Board of Directors annual meeting calendar to cancel the July regular meeting each year and consolidate the November and December regular meetings into a single meeting on the second Thursday of December each year.
The Board will consider approval of standing amendments to the annual meeting calendar, including the cancellation of the July regular meeting and the consolidation of the November and December regular meetings into a single early December meeting, to be applied to all future calendar years.

5.2. Equipment Lease Agreement with Lupine Legacy Foundation (Staff Report 26-39 and Resolution 26-08) *Action requested: Adopt Resolution 26-08 approving the equipment lease agreement with Lupine Legacy Foundation.*
The Board will consider approval of a lease agreement with Lupine Legacy Foundation for infrastructure equipment to be used at the aquatic center.

5.3. Resolution Authorizing Application for the Community Resiliency Centers Implementation Grant (Resolution 26-09)
Action requested: Adopt Resolution 26-09 authorizing the District to apply for the Community Resiliency Centers Implementation Grant.
The Board will consider adoption of a resolution authorizing staff to submit an application for the Community Resiliency Centers Implementation Grant on behalf of the Chico Area Recreation and Park District.

5.4. Garner Lane Frontage Improvements: Revised Intergovernmental Cooperative Agreement with the City of Chico and Associated Change Order with Slater & Son, General Contractor (Staff Report 26-40)
Action requested: (1) approve revisions to the Intergovernmental Cooperative Agreement

between the City of Chico and CARD regarding coordinated construction of the Garner Lane frontage improvements adjacent to the Aquatic Center; (2) approve an associated change order to the Aquatic Center construction contract with Slater & Son, General Contractor, for that scope of work; and (3) authorize the General Manager to execute related documents.

The Board will consider approval of a revised Intergovernmental Cooperative Agreement with the City of Chico and an associated change order with Slater and Son, General Contractor, to coordinate construction of frontage improvements along Garner Lane adjacent to the Chico Aquatic Center.

6. DIRECTOR COMMENTS

Opportunity for the Board to comment on items not listed on the agenda.

7. STAFF COMMENTS

Opportunity for District Staff to comment on items not listed on the agenda.

Recreation Update (Staff Report 26-41)
Parks and Facilities Update (Staff Report 26-42)
General Manager Update (Staff Report 26-43)

8. ADJOURNMENT

Adjourn to the next meeting of the Board of Directors of the Chico Area Recreation and Park District.

9. CLOSED SESSION

Pursuant to Government Code 54957.6: Conference with Labor Negotiators
Annabel Grimm, General Manager
Union of Operating Engineers, Stationary Engineers (IUOE), Local 39
General Unit Service Employees International Union (SEIU)

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BOARD OF DIRECTORS REGULAR MEETING MINUTES

Thursday, June 25, 2026 – 4:00 P.M.

DRAFT

Board Members Present:	Michael McGinnis, Chair
	Christopher Norden, Vice Chair
	Dave Donnan, Board Member
	Tom Lando, Board Member
	Jason Roye, Board Member
Staff Members Present:	Annabel Grimm, General Manager
	Phil Aviles, Finance and Human Resources Director
	Holli Drobny, Administrative Director
	Erin Morrissey, Recreation Director
	Scott Schumann, Parks and Facilities Director
Legal Counsel Present:	Jackson Glick, Attorney at Law

1. CALL TO ORDER

The meeting was called to order at 4:00, and a roll call was taken, as noted above.

2. PUBLIC COMMENTS

There were none.

3. CONSENT AGENDA

3.1. Minutes of the Regular Meeting of the Board of Directors on May 28, 2026 - *Action Requested: Approve meeting minutes.*

3.2. Minutes of the Special Meeting of the Board of Directors on June 4, 2026 - *Action Requested: Approve meeting minutes.*

3.3. May Monthly Financial Report (Staff Report FI-26-16) - *Action Requested: Approve the monthly financials.*

M/S/C (Directors Norden/Roye) Board of Directors approved the consent agenda.
The motion was unanimously approved.

4. REGULAR AGENDA

4.1. Establishing Appropriations Limits for Fiscal Year 2026-2027 (Staff Report FI-26-17 and Resolution 26-04)

Establishing annual appropriation limits for Special Districts, as required by Proposition 4, authorizes a limit of funds to be spent by the District.

M/S/C (Directors Norden/Donnan) Board of Directors adopted Resolution 26-04 establishing Appropriations Limits for the 2026-2027 Fiscal Year.
The motion was unanimously approved.

4.2. Approval of the Fiscal Year 2026-2027 Budget and Budget Calendar (Staff Report 26-30 and Resolution 26-05)

A public hearing was held for the Fiscal Year 2026-2027 Budget on May 28, 2026. There was a calculation error in the position inventory that was corrected prior to the meeting but after packets had been posted and distributed.

Henshaw Park construction project was removed from the Capital Improvement Plan (CIP), pending funding. This amounted to a reduction of $3.5M to the CIP. The project can come back to the Board once funding is identified.

M/S/C (Directors Lando/McGinnis) Board of Directors adopted Resolution 26-05, including the budget calendar for Fiscal Year 2027-2028, accepting the upcoming fiscal year budget.
The motion was unanimously approved.
Ayes: Donnan, Lando, Roye, Vice Chair Norden, Chair McGinnis

4.3. Landscape and Lighting Assessment Districts (Staff Report FI-26-18 & Resolution 26-06)

Resolution 26-06 approves engineer's reports, confirms diagram and assessment, and orders the continuation of the levy of assessment for Fiscal Year 2026-27 for the Oak Way, Amber Grove/Greenfield, and Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscaping and Lighting Assessment. Following a question-and-answer session, the Board suggested ideas to reduce operating costs at Oak Way and Amber Grove parks, as LLD funding is insufficient to cover maintenance costs. Director Lando requested a future discussion about funding for all Neighborhood Parks.

M/S/C (Directors Lando/Donnan) Board of Directors adopted Resolution 26-06, which approves engineer's reports, confirms diagram and assessment, and orders the continuation of the levy of assessment for Fiscal Year 2026-27 for the Oak Way, Amber Grove/Greenfield, and Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscaping and Lighting Assessment.
The motion was unanimously approved.

4.4. Hooker Oak ADA Improvements (Staff Report FI-26-19)

The Board considered award of the Hooker Oak ADA Improvements project to Synergy, the lowest responsive bidder, following receipt of ten bids ranging from $103,280 to $188,590.

M/S/C (Directors Lando/McGinnis) Board of Directors awarded the Hooker Oak ADA

Improvements project, including additive alternates, to Synergy in the amount of $103,280, including a contingency per District policy, and authorized the General Manager to execute the contract and associated documents.
The motion was unanimously approved.

4.5. 2026 Adult Summer League Update (Staff Report 26-31)
Staff provided a general update on the status of the 2026 Adult Summer League. Registration will close on June 26, and the leagues will commence July 13. Operating procedures for the league were discussed. Director Lando asked for information on the financial performance of Adult Sports.

4.6. Depot Park Acquisition Update (Staff Report 26-32)
Staff provided an update on the status of the Depot Park transfer from the City of Chico to the District. Director McGinnis noted Depot Park's good condition and suggested it not be overdeveloped. The transfer of the property will occur once the deed and transfer documents are completed.

5. NEW BUSINESS

5.1. California Special District Association North State Representative Election (Staff Report 26-33)
The Board discussed and selected a candidate to support for North State Representative in the CSDA election.
M/S/C (Directors McGinnis/Lando) Board of Directors voted for Jason Roye as the CSDA North State Representative seat in accordance with CSDA election procedures.
The motion was approved 3-1.
Abstain: Norden
Recuse: Roye

5.2. Lakeside Pavilion Rental Update (Staff Report 26-34)
District staff provided an update on Lakeside Pavilion rental operations.

6. DIRECTORS' COMMENTS

Director Norden asked for an update on the Bike Park opening. Assistant General Schumann stated that the construction completion date is November 6, but opening may be sooner. General Manager Grimm offered a tour of the Bike Park to the Directors and their families.

Director McGinnis requested draft agendas 2 weeks prior to the meeting date. Lando also asked about the required training that is due January 1, 2028, and Grimm confirmed that the District is coordinating the training.

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Lando requested information on the recent Supreme Court decision regarding trustee area election.

Legal informed the Board he would be meeting with the Baroni neighborhood resident to discuss the LLD in the coming days.

7. STAFF COMMENTS

8. ADJOURNMENT
Adjourned at 4:40PM to the next meeting of the Board of Directors of the Chico Area Recreation and Park District.

9. CLOSED SESSION
There was no closed session.

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Philip Aviles, Finance & Human Resources Director
SUBJECT: Preliminary Monthly Financial Reports for June

JUNE OVERVIEW

The June financial report demonstrated an increase in operating revenue when compared to period activity from prior months. Operating expenses remained consistent as anticipated. Although June marks the close of the fiscal year, several year-end closing procedures remain in progress. There are no anticipated material impacts to the June reports.

June represents **100%** of the annual budget.

BUDGET ANALYSIS
Revenue: June revenue reported at 97.57%.

Income:

- **Tax Revenue:** The District received another $405k in tax revenue disbursement which put District revenue for the year at 103.3%.
- **Program Income:** Program income for the month was $782k. This brought annual revenue to $6.6M for 95.96% of goal. However, the way revenue and expense are recorded in Contact Activities artificially decreases income due to the revenue split agreement with Contractors. Taking that into account, Program Income is at $6.743M bring it to 97.5% of budget.
- **Other Income:** Revenue remained behind plan at 41.64% of goal, due to the drop in interest income as cash has been outlaid for capital projects.

Expenses: Expenses ended the year at 96.34% of budget.

- Salaries & Wages reported under budget at 95.47%.
- Employee Benefits reported under budget at 96.08%.
- Supplies & Services reported at 90.47%
- Repairs & Maintenance reported at 137.24% of budget. As mentioned in previous board reports, this is due to expense being captured here that needs to be journaled to DFM, ADA or Assessment Parks at year end.
- Utilities remained under plan at 86.52%.
- Contracts reported over the annual budget at 128.55% as a result of expense reclassification from general services.

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Program Income: Programs for the year show a surplus of $453k in revenue over expenses. Youth Sports, Contract Programs, After School Program and Field Rentals reported over goal for the Fiscal Year.

- **Rentals:** Revenue reported at 106.84% between Facility, Picnic and Field Rentals. Rentals exceeded annual revenue while expense remained under goal at 93.04%.
- **Contracted Programs:** Revenue reported at 133.45% of goal while expenses ended the year at 113.11% of budget.
- **Adult Sports:** Annual revenue reported at $287k which represented 78.52% of budget.
- **Inclusion:** Revenue for inclusion has been captured within ASP while expense is recorded in the Inclusion line, causing a misrepresentation between revenue and expense for Inclusion programing.
- **Youth Sports:** Revenue reported at 112.83% of plan while expenses reported at 81.20%, respectively.
- **Aquatics:** Revenue reported significantly below budget at 45.43% which is directly attributed to not providing lifeguarding services to the City of Chico at Sycamore Pool at the end of last summer and to date this year.

Assessment Districts: Assessment Districts had no period activity. Reporting will be finalized as year end closing procedures are completed.

Impact Fees: City and County fees were reported at 363.57% and 60.66%, respectively. City Impact fees reflect cost recovery through the LWCF Grant reimbursement. County impact fees are below budget as a result of two moderately sized subdivision being annexed into City limits.

Cash Accounts: Cash Balances continue to deplete from prior year due to construction progress at the Aquatic Center. The LWCF grant method of payment is reimbursement. The District can receive up to 80% recovery cost before final construction. The final disbursement will be issued after the construction is complete and the park is open.

Project Activity: Still reflects the development of Henshaw Park for the completion of the design documents. Beginning in July's reports, the construction of the park will be removed from the list.

CARD
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Monthly Financial Reports
June 2026

KEY TERMS

Original: Board adopted budget amount

Current: Subsequent Board approved budget changes

Period Activity: Financial transactions occurring in the month being reported

Fiscal Activity: Year-to-date information

Variance: Fiscal Activity less the Current Budget

Percent Used: Percentage of Fiscal Activity from the Current Budget.

Figures: Surplus is a positive and Deficit is shown as a negative (-) number

YOY: Year-Over-Year Comparison

REPORT SECTIONS

General Fund to Budget Actual

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 06/30/2026

Class	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 90 - General Fund						
Revenue						
50 - Taxes	7,400,000.00	7,400,000.00	405,476.58	7,644,717.39	244,717.39	103.31%
53 - Operating Income	6,920,012.00	6,920,012.00	781,510.32	6,640,108.24	-279,903.76	95.96%
55 - Other Income	558,530.00	558,530.00	5,938.12	232,575.73	-325,954.27	41.64%
Revenue Total:	**14,878,542.00**	**14,878,542.00**	**1,192,925.02**	**14,517,401.36**	**-361,140.64**	**97.57%**
Expense						
60 - Salaries & Wages	8,103,452.00	8,103,452.00	637,760.65	7,735,994.91	367,457.09	95.47%
61 - Employee Benefits	2,458,549.00	2,458,549.00	155,099.68	2,362,272.88	96,276.12	96.08%
62 - Supplies & Services	2,425,768.50	2,425,768.50	165,811.72	2,194,698.04	231,070.46	90.47%
63 - Repairs & Maintenance	242,325.00	242,325.00	38,000.70	332,574.60	-90,249.60	137.24%
64 - Utilities	893,404.80	893,404.80	54,105.56	772,976.52	120,428.28	86.52%
65 - Contracts	706,200.00	706,200.00	47,555.84	907,846.09	-201,646.09	128.55%
69 - Other Expenses	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00%
Expense Total:	**14,849,699.30**	**14,849,699.30**	**1,098,334.15**	**14,306,363.04**	**543,336.26**	**96.34%**
Fund: 90 - General Fund Surplus (Deficit):	**28,842.70**	**28,842.70**	**94,590.87**	**211,038.32**	**182,195.62**	**731.69%**
Report Surplus (Deficit):	**28,842.70**	**28,842.70**	**94,590.87**	**211,038.32**	**182,195.62**	**731.69%**

YOY Comparative Income Statement

Chico Area Recreation and Park District

For the Period Ending 06/30/2026

Class	FY 2026 June Activity	FY 2025 June Activity	June Variance Favorable / (Unfavorable)	Variance %	FY 2026 YTD Activity	FY 2025 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
Revenue								
50 - Taxes	405,476.58	315,745.92	89,730.66	28.42%	7,644,717.39	7,317,148.15	327,569.24	4.48%
53 - Operating Income	781,510.32	2,256,810.04	-1,475,299.72	-65.37%	6,640,108.24	8,094,510.22	-1,454,401.98	-17.97%
55 - Other Income	5,938.12	-211,114.78	217,052.90	102.81%	232,575.73	493,455.44	-260,879.71	-52.87%
Revenue Total:	**1,192,925.02**	**2,361,441.18**	**-1,168,516.16**	**-49.48%**	**14,517,401.36**	**15,905,113.81**	**-1,387,712.45**	**-8.72%**
Expense								
60 - Salaries & Wages	637,760.65	573,740.79	-64,019.86	-11.16%	7,735,994.91	6,726,125.96	-1,009,868.95	-15.01%
61 - Employee Benefits	155,099.68	138,339.04	-16,760.64	-12.12%	2,362,272.88	1,620,290.42	-741,982.46	-45.79%
62 - Supplies & Services	165,811.72	487,365.29	321,553.57	65.98%	2,194,698.04	2,431,402.43	236,704.39	9.74%
63 - Repairs & Maintenance	38,000.70	37,303.30	-697.40	-1.87%	332,574.60	327,070.67	-5,503.93	-1.68%
64 - Utilities	54,105.56	52,545.73	-1,559.83	-2.97%	772,976.52	724,388.92	-48,587.60	-6.71%
65 - Contracts	47,555.84	147,158.33	99,602.49	67.68%	907,846.09	689,524.31	-218,321.78	-31.66%
Expense Total:	**1,098,334.15**	**1,436,452.48**	**338,118.33**	**23.54%**	**14,306,363.04**	**12,518,802.71**	**-1,787,560.33**	**-14.28%**
Total Surplus (Deficit):	**94,590.87**	**924,988.70**	**-830,397.83**	**-89.77%**	**211,038.32**	**3,386,311.10**	**-3,175,272.78**	**-93.77%**

Program Revenue & Expense

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 06/30/2026

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Program: 11610 - Facility Rentals						
Revenue	360,000.00	360,000.00	8,330.00	386,928.25	26,928.25	107.48%
Expense	351,351.00	351,351.00	26,330.03	339,608.03	11,742.97	96.66%
Program: 11610 - Facility Rentals Surplus (Deficit):	**8,649.00**	**8,649.00**	**-18,000.03**	**47,320.22**	**38,671.22**	**547.12%**
Program: 11611 - Picnic Rentals						
Revenue	60,000.00	60,000.00	4,824.80	50,329.50	-9,670.50	83.88%
Program: 11611 - Picnic Rentals Total:	**60,000.00**	**60,000.00**	**4,824.80**	**50,329.50**	**-9,670.50**	**83.88%**
Program: 11612 - Field Rentals						
Revenue	100,000.00	100,000.00	4,871.73	109,068.29	9,068.29	109.07%
Expense	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Program: 11612 - Field Rentals Surplus (Deficit):	**95,000.00**	**95,000.00**	**4,871.73**	**109,068.29**	**14,068.29**	**114.81%**
Program: 11710 - Special Events						
Revenue	208,000.00	208,000.00	9,440.00	129,125.46	-78,874.54	62.08%
Expense	101,923.00	101,923.00	3,113.10	159,339.12	-57,416.12	156.33%
Program: 11710 - Special Events Surplus (Deficit):	**106,077.00**	**106,077.00**	**6,326.90**	**-30,213.66**	**-136,290.66**	**-28.48%**
Program: 22200 - Camps						
Revenue	757,740.00	757,740.00	58,850.55	478,705.15	-279,034.85	63.18%
Expense	668,314.00	668,314.00	89,610.25	510,072.23	158,241.77	76.32%
Program: 22200 - Camps Surplus (Deficit):	**89,426.00**	**89,426.00**	**-30,759.70**	**-31,367.08**	**-120,793.08**	**-35.08%**
Program: 22310 - Youth Sports						
Revenue	417,771.10	417,771.10	24,830.19	471,350.28	53,579.18	112.83%
Expense	500,317.00	500,317.00	19,225.90	406,277.43	94,039.57	81.20%
Program: 22310 - Youth Sports Surplus (Deficit):	**-82,545.90**	**-82,545.90**	**5,604.29**	**65,072.85**	**147,618.75**	**-78.83%**
Program: 22320 - Adult Sports						
Revenue	365,080.00	365,080.00	5,230.30	286,671.33	-78,408.67	78.52%
Expense	476,796.00	476,796.00	18,239.85	333,605.90	143,190.10	69.97%
Program: 22320 - Adult Sports Surplus (Deficit):	**-111,716.00**	**-111,716.00**	**-13,009.55**	**-46,934.57**	**64,781.43**	**42.01%**
Program: 22330 - Action Sports						
Expense	0.00	0.00	0.00	522.23	-522.23	0.00%
Program: 22330 - Action Sports Total:	**0.00**	**0.00**	**0.00**	**522.23**	**-522.23**	**0.00%**
Program: 22400 - Contract Programs						
Revenue	217,828.00	217,828.00	8,859.96	290,685.20	72,857.20	133.45%
Expense	348,254.00	348,254.00	69,506.04	393,901.62	-45,647.62	113.11%
Program: 22400 - Contract Programs Surplus (Deficit):	**-130,426.00**	**-130,426.00**	**-60,646.08**	**-103,216.42**	**27,209.58**	**79.14%**
Program: 22510 - After School Program						
Revenue	2,664,607.00	2,664,607.00	560,928.67	2,926,749.27	262,142.27	109.84%
Expense	2,223,122.00	2,223,122.00	96,181.24	1,771,036.95	452,085.05	79.66%
Program: 22510 - After School Program Surplus (Deficit):	**441,485.00**	**441,485.00**	**464,747.43**	**1,155,712.32**	**714,227.32**	**261.78%**
Program: 22600 - NC Admin						
Revenue	230,238.00	230,238.00	4,784.69	151,278.01	-78,959.99	65.71%
Expense	254,727.00	254,727.00	27,899.39	345,498.03	-90,771.03	135.63%
Program: 22600 - NC Admin Surplus (Deficit):	**-24,489.00**	**-24,489.00**	**-23,114.70**	**-194,220.02**	**-169,731.02**	**793.09%**
Program: 22630 - Nature ABC						
Revenue	8,530.00	8,530.00	0.00	6,082.33	-2,447.67	71.31%
Expense	7,977.00	7,977.00	64.57	1,450.56	6,526.44	18.18%
Program: 22630 - Nature ABC Surplus (Deficit):	**553.00**	**553.00**	**-64.57**	**4,631.77**	**4,078.77**	**837.57%**
Program: 22800 - PV Pool						
Revenue	232,919.90	232,919.90	26,492.01	105,804.51	-127,115.39	45.43%

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Expense	339,936.00	339,936.00	60,639.98	250,682.97	89,253.03	73.74%
Program: 22800 - PV Pool Surplus (Deficit):	**-107,016.10**	**-107,016.10**	**-34,147.97**	**-144,878.46**	**-37,862.36**	**135.38%**
Program: 22900 - Youth Leader						
Revenue	36,000.00	36,000.00	0.00	200.00	-35,800.00	0.56%
Expense	420.00	420.00	0.00	622.73	-202.73	148.27%
Program: 22900 - Youth Leader Surplus (Deficit):	**35,580.00**	**35,580.00**	**0.00**	**-422.73**	**-36,002.73**	**-1.19%**
Program: 22910 - Inclusion						
Revenue	159,009.00	159,009.00	60.00	2,088.00	-156,921.00	1.31%
Expense	123,374.00	123,374.00	38,370.02	429,536.46	-306,162.46	348.16%
Program: 22910 - Inclusion Surplus (Deficit):	**35,635.00**	**35,635.00**	**-38,310.02**	**-427,448.46**	**-463,083.46**	**-1,199.52%**
Report Surplus (Deficit):	**416,212.00**	**416,212.00**	**268,322.53**	**452,911.32**	**36,699.32**	**108.82%**

Assessment Districts

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 06/30/2026

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 60 - Baroni Park						
Revenue	142,155.00	142,155.00	0.00	111,015.62	-31,139.38	78.09%
Expense	137,155.00	137,155.00	14,885.87	129,227.85	7,927.15	94.22%
Fund: 60 - Baroni Park Surplus (Deficit):	**5,000.00**	**5,000.00**	**-14,885.87**	**-18,212.23**	**-23,212.23**	**-364.24%**
Fund: 63 - Indigo Park						
Revenue	94,531.00	94,531.00	0.00	50,099.68	-44,431.32	53.00%
Expense	94,531.00	94,531.00	5,682.88	75,833.94	18,697.06	80.22%
Fund: 63 - Indigo Park Surplus (Deficit):	**0.00**	**0.00**	**-5,682.88**	**-25,734.26**	**-25,734.26**	**0.00%**
Fund: 65 - Oak Way Park						
Revenue	182,190.00	182,190.00	0.00	24,029.42	-158,160.58	13.19%
Expense	182,190.00	182,190.00	10,392.87	150,258.79	31,931.21	82.47%
Fund: 65 - Oak Way Park Surplus (Deficit):	**0.00**	**0.00**	**-10,392.87**	**-126,229.37**	**-126,229.37**	**0.00%**
Fund: 67 - Peterson Park (Amber Grove)						
Revenue	158,229.00	158,229.00	0.00	42,257.85	-115,971.15	26.71%
Expense	158,229.00	158,229.00	9,092.48	127,322.41	30,906.59	80.47%
Fund: 67 - Peterson Park (Amber Grove) Surplus (Deficit):	**0.00**	**0.00**	**-9,092.48**	**-85,064.56**	**-85,064.56**	**0.00%**
Report Surplus (Deficit):	**5,000.00**	**5,000.00**	**-40,054.10**	**-255,240.42**	**-260,240.42**	**-5,104.81%**

Chico Area Recreation and Park District

Impact Fee Activity

For Fiscal: FY 2026 Period Ending: 06/30/2026

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 70 - City Impact Fees (Community Park)						
Revenue	1,360,000.00	1,360,000.00	7,751.02	4,944,533.85	3,584,533.85	363.57%
Fund: 70 - City Impact Fees (Community Park) Total:	**1,360,000.00**	**1,360,000.00**	**7,751.02**	**4,944,533.85**	**3,584,533.85**	**363.57%**
Fund: 80 - County Impact Fees						
Revenue	75,000.00	75,000.00	2,639.82	45,497.53	-29,502.47	60.66%
Fund: 80 - County Impact Fees Total:	**75,000.00**	**75,000.00**	**2,639.82**	**45,497.53**	**-29,502.47**	**60.66%**
Report Total:	**1,435,000.00**	**1,435,000.00**	**10,390.84**	**4,990,031.38**	**3,555,031.38**	**347.74%**

Balance Sheet

Chico Area Recreation and Park District

As Of 06/30/2026

Account	Name	Balance	
Fund: 90 - General Fund			
Assets			
90-1016	Petty Cash	800.00	
90-1021	Claim On Cash - General	-7,699,107.23	
90-1210	Land	18,393,214.21	
90-1212	Land Improvements	35,358,109.56	
90-1215	Leasehold Improvements	2,009,521.47	
90-1220	Buildings and Components	270,258.28	
90-1225	Building Improvements & Renovations	334,263.34	
90-1230	Construction in Progress	21,747,415.11	
90-1235	Equipment	1,275,340.26	
90-1240	Vehicles	777,619.75	
90-1250	Technology Hardware	296,192.00	
90-1270	Accumulated Depreciation	-20,415,278.75	
90-1310	Accounts Receivable	-292,996.28	
90-1340	Suspense	-34,237.53	
90-1360	Deferred Outflows of Resources	1,234,618.00	
	Total Assets:	**53,255,732.19**	**53,255,732.19**
Liability			
90-2004	Deferred Inflows of Resources	135,905.00	
90-2010	Vouchers Payable	138,646.93	
90-2014	Accrued Wages and Salaries Payable	210,509.38	
90-2015	Payroll Corrections	-471.84	
90-2016	Compensated Absences Payable	336,786.15	
90-2018	457 Employee Contribution	4,168.60	
90-2020	457 ROTH Employee Contribution	2,325.00	
90-2022	CalPERS - Employee	31,056.52	
90-2024	CalPERS - Employer	37,713.30	
90-2026	Federal Withholding	96,408.40	
90-2030	Garnishments	2,797.35	
90-2031	HSA	-14,194.50	
90-2032	Benefits Payable	-25,979.33	
90-2036	Medicare and Social Security - Employee	111,877.15	
90-2038	Medicare and Social Security - Employer	27,924.09	
90-2040	State Withholding	72,905.27	
90-2042	SDI	9,507.64	
90-2044	Union Dues - Parks Staff	-537.56	
90-2046	Union Dues - Supervisor	556.11	
90-2052	Deferred Revenue	496,191.30	
90-2056	Other Liability - Class Clearing Acct	-74,260.75	
90-2058	Net Pension Liability	3,223,546.00	
90-2060	Time Expired Holding Acct	8,298.11	
90-2062	Prepaid Facilities Transfer	-1,091.00	
90-2066	Security Deposits	96,503.77	
90-2070	Sales Tax	266.50	
90-2099	Due To- General	1,232,317.54	
	Total Liability:	**6,159,675.13**	
Equity			
90-3010	Fund Balance - NonSpendable	35,555,915.76	
90-3020	Fund Balance - Restricted	2,500,000.00	
90-3050	Fund Balance - Unassigned	8,945,488.10	
	Total Beginning Equity:	**47,001,403.86**	

Account	Name	Balance	
Total Revenue		14,517,401.36	
Total Expense		14,422,748.16	
Revenues Over/Under Expenses		**94,653.20**	
	Total Equity and Current Surplus (Deficit):	**47,096,057.06**	
	Total Liabilities, Equity and Current Surplus (Deficit):		**53,255,732.19**

Account	Name	Balance	
Fund: 99 - POOLED CASH			
Assets			
99-1010	Cash In Bank - US Bank Treasurer	4,215,217.99	
99-1011	Cash In Bank - Golden Valley Bank	1,779,948.28	
99-1012	Cash In Bank - California Class Investment	4,876.18	
99-1014	Cash In Bank - GVB Investment Account	1,291,246.85	
99-1018	Cash In Bank - Tri Counties Investment Ac	1,227,968.90	
99-1384	Due From Other Funds-General	1,232,317.54	
	Total Assets:	**9,751,575.74**	**9,751,575.74**
Liability			
99-2006	Accounts Payable (Pooled Cash)	1,232,317.54	
99-2007	Wages Payable	-2,446.00	
99-2054	Due To Other Funds (Pooled Cash)	8,521,704.20	
	Total Liability:	**9,751,575.74**	
	Total Equity and Current Surplus (Deficit):	**0.00**	
	Total Liabilities, Equity and Current Surplus (Deficit):		**9,751,575.74**

Cash Accounts

Current to Prior Year

Current Year	Balance
As of 6/30/2026	
Petty Cash	800.00
US Bank - County Treasurer	4,215,217.99
Golden Valley Bank - Operations	1,779,948.28
California CLASS	4,876.18
GVB Investment	1,291,246.85
TCB Investment	1,227,968.90
TOTAL	**8,520,058.20**

Prior Year	Balance
As of 6/30/2025	
Petty Cash	800.00
US Bank - County Treasurer	5,807,541.73
Golden Valley Bank - Operations	1,260,552.12
California CLASS	2,779,891.94
GVB Investment	10,913,739.60
TCB Investment	1,181,358.56
TOTAL	**21,943,883.95**

Fund Balance Report

Chico Area Recreation and Park District

Account Summary

As Of 06/30/2026

	90 - General Fund	60 - Baroni Park	63 - Indigo Park	65 - Oak Way Park	67 - Peterson Park (Amber Grove)	70 - City Impact Fees (Community Park)	80 - County Impact Fees	Total
Asset								
1016 - Petty Cash	800	-	-	-	-	-	-	800
1021 - CLAIM ON CASH	(7,699,107)	52,119	(2,313)	(126,595)	(45,842)	15,750,675	592,768	8,521,705
2010 - 2050 Fixed Assets	80,461,934	-	-	-	-	-	-	80,461,934
1270 - Accumulated Depreciation	(20,415,279)	-	-	-	-	-	-	(20,415,279)
1310 - Accounts Receivable	(292,996)	-	-	-	-	-	-	(292,996)
1340 - Suspense	(34,238)	-	-	-	-	-	-	(34,238)
1360 - Deferred Outflows of Resources	1,234,618	-	-	-	-	-	-	1,234,618
Total Asset:	**53,255,732**	**52,119**	**(2,313)**	**(126,595)**	**(45,842)**	**15,750,675**	**592,768**	**69,476,544**
Liability								
2004 - Deferred Inflows of Resources	135,905	-	-	-	-	-	-	135,905
2056 - Other Liab-Class Clearing Acct	(74,261)	-	-	-	-	-	-	(74,261)
2058 - Net Pension Liability	3,223,546	-	-	-	-	-	-	3,223,546
2010 - 2099 Other Current Liabilities	2,874,485	-	-	-	-	-	-	2,874,485
Total Liability:	**6,159,675**	**-**	**-**	**-**	**-**	**-**	**-**	**6,159,675**
Equity								
3010 - Fund Balance - Nonspendable	35,555,916	-	-	-	-	-	-	35,555,916
3020 - Fund Balance - Restricted	2,500,000	70,331	12,780	-	38,448	10,806,141	547,271	13,974,971
3030 - Fund Balance - Committed	-	-	10,641	(366)	774	-	-	11,050
3050 - Fund Balance - Unassigned	8,945,488	-	-	-	-	-	-	8,945,488
Total Total Beginning Equity:	**47,001,404**	**70,331**	**23,421**	**(366)**	**39,222**	**10,806,141**	**547,271**	**58,487,425**
Total Revenue	14,517,401	111,016	50,100	24,029	42,258	4,944,534	45,498	19,734,835
Total Expense	14,422,748	129,228	75,834	150,259	127,322	-	-	14,905,391
Revenues Over/Under Expenses	**94,653**	**(18,212)**	**(25,734)**	**(126,229)**	**(85,065)**	**4,944,534**	**45,498**	**4,829,444**
Total Equity and Current Surplus (Deficit):	**47,096,057**	**52,119**	**(2,313)**	**(126,595)**	**(45,842)**	**15,750,675**	**592,768**	**63,316,869**
Total Liabilities, Equity and Current Surplus (Deficit):	**53,255,732**	**52,119**	**(2,313)**	**(126,595)**	**(45,842)**	**15,750,675**	**592,768**	**69,476,544**

Project Activity vs Budget Report

Date Range: 07/01/2025 - 06/30/2026

Summary

Project Summary

Project Number	Project Name	Total Budget	Date Range Budget	Beginning Balance	Total Activity	Ending Balance	Budget Remaining
2324-102	AQC - Design	2,075,000.00	0.00	1,757,296.19	225,599.07	1,982,895.26	92,104.74
2324-103	AQC - Construction	34,200,628.00	1,200,628.00	851,859.54	15,657,954.97	16,509,814.51	17,690,813.49
2324-104	ADA Compliance Upgrades	205,000.00	0.00	197,555.64	1,442.43	198,998.07	6,001.93
2324-105	DFM Upgrades	205,000.00	0.00	46,507.72	14,605.03	61,112.75	143,887.25
2324-107	DST - Irrigation Smart Controller Upgr	519,040.00	300,000.00	221,015.96	247,929.08	468,945.04	50,094.96
2324-109	COM - Maintenance Building	1,622,350.00	100,000.00	558,956.82	1,045,010.07	1,603,966.89	18,383.11
2425-101	HEN - Park Development	3,500,000.00	0.00	45,069.28	309,100.10	354,169.38	3,145,830.62
2526-101	DEG - Yard Expansion	35,000.00	35,000.00	0.00	29,986.45	29,986.45	5,013.55
2526-102	CCC - Office Expansion	25,000.00	25,000.00	0.00	22,888.57	22,888.57	2,111.43
2526-201	DFJ - Oven Replacement	25,000.00	25,000.00	0.00	23,036.11	23,036.11	1,963.89
2526-202	DST - Gator w/Spray Tank	55,000.00	55,000.00	0.00	49,597.87	49,597.87	5,402.13
2526-203	DST - Vehicle Replacement (2 trucks)	138,000.00	138,000.00	0.00	109,526.06	109,526.06	28,473.94
2526-204	COM - Mower (6ft)	45,000.00	45,000.00	0.00	43,013.57	43,013.57	1,986.43
2526-205	DST - Vehicles	45,000.00	45,000.00	0.00	38,789.05	38,789.05	6,210.95
2526-901	HAR - Shade Structure	40,000.00	40,000.00	0.00	39,994.28	39,994.28	5.72
2526-902	PVC - Perimeter Fence	50,000.00	50,000.00	0.00	30,510.00	30,510.00	19,490.00
2526-903	DEG - Freeway Barrier	60,000.00	60,000.00	0.00	36,800.00	36,800.00	23,200.00
2526-904	COM - Adjustable Hoops	95,000.00	95,000.00	0.00	94,262.00	94,262.00	738.00
	Report Total:	**42,940,018.00**	**2,213,628.00**	**3,678,261.15**	**18,020,044.71**	**21,698,305.86**	**21,241,712.14**

Group Summary

Group	Total Budget	Date Range Budget	Beginning Balance	Total Activity	Ending Balance	Budget Remaining
Capital Projects	41,977,018.00	1,660,628.00	3,434,197.79	17,538,468.31	20,972,666.10	21,004,351.90
Fixed Assets	308,000.00	308,000.00	0.00	263,962.66	263,962.66	44,037.34
Non-Capital Projects	410,000.00	0.00	244,063.36	16,047.46	260,110.82	149,889.18
Other	245,000.00	245,000.00	0.00	201,566.28	201,566.28	43,433.72
Report Total:	**42,940,018.00**	**2,213,628.00**	**3,678,261.15**	**18,020,044.71**	**21,698,305.86**	**21,241,712.14**

Type Summary

Group	Total Budget	Date Range Budget	Beginning Balance	Total Activity	Ending Balance	Budget Remaining
Construction	39,810,628.00	1,235,628.00	2,654,225.01	16,222,640.59	18,876,865.60	20,933,762.40
Equipment	125,000.00	125,000.00	0.00	115,647.55	115,647.55	9,352.45
Improvements	320,000.00	115,000.00	197,555.64	94,835.28	292,390.92	27,609.08
Renovation	205,000.00	0.00	46,507.72	14,605.03	61,112.75	143,887.25
Replacements	2,296,390.00	555,000.00	779,972.78	1,424,001.15	2,203,973.93	92,416.07
Vehicle	183,000.00	183,000.00	0.00	148,315.11	148,315.11	34,684.89
Report Total:	**42,940,018.00**	**2,213,628.00**	**3,678,261.15**	**18,020,044.71**	**21,698,305.86**	**21,241,712.14**

Aquatic Center Project Cost

Total Project Cost	Budget
Design Phase	2,074,600
Construction Phase	29,885,850
Board Approved Contingency	2,500,000
Project Total	**34,460,450**

Source of Funds	Actuals	Pending	Total
Dev Impact Funds	15,200,000	1,000,000	16,200,000
LWCF Grant	6,000,000	-	6,000,000
Funraising - Secured	3,200,000	-	3,200,000
Pledged		2,000,000	2,000,000
Lease Financing	-	7,000,000	7,000,000
Total Funds	**24,400,000**	**10,000,000**	**34,400,000**

Other Funds	
General Fund Reserve	8,945,687
Catastrophic Reserve	(2,500,000)
Available Reserve	**6,445,687**

as of 7.23.2026

	FY 2022 Total Activity	FY 2023 Total Activity	FY 2024 Total Activity	FY 2025 Total Activity	FY 2026 Budget	*FY 2027 Projected*
Class: 50 - Taxes						
5021 - Property Taxes: Current Secured	2,973,291	3,081,643	4,072,989	3,432,358	3,454,525	*5,250,000*
5022 - Property Taxes: Current Unsecured	244,620	275,453	299,234	318,912	306,066	*350,000*
5023 - Property Taxes: Prior Unsecured	7,184	20,795	12,861	7,804	9,156	-
5024 - Property Taxes: Supplemental	98,539	158,280	108,934	58,388	71,808	*200,000*
5025 - Property Taxes: Residual RDA	1,155,227	1,237,798	635,262	1,512,389	1,641,979	-
5026 - Property Taxes: Pass-Through RDA	1,593,211	1,734,349	1,899,514	1,930,964	2,106,389	*1,700,000*
5027 - Other Taxes	4,624	4,636	4,663	4,513	4,557	-
5029 - Homeowner Property Tax Relief	50,945	49,250	47,738	47,253	46,170	*50,000*
5045 - County Pass-Through			-	4,568	4,068	-
5048 - Prop Tax Backfill Pro Rata Share			1,550	-		-
Class: 50 - Taxes Total:	6,127,641	6,562,204	7,082,746	7,317,148	**7,644,718**	*7,550,000*
Class: 53 - Operating Income						
5110 - Program Income	3,304,124	4,045,689	4,864,330	4,756,306	4,444,867	*8,150,894*
5120 - Rental Income	410,249	464,994	468,648	488,101	573,570	*655,000*
5130 - Donations	5,506	38,352	103,613	41,659	181,172	*100,000*
5140 - Endowments	10,994	10,689	4,606	-	-	*10,000*
5150 - Investment Income	55,095	49,546	810,344	381,834	152,764	*250,000*
5180 - Scholarships	(7,297)	(6,737)	(6,584)	(19,774)	(57,240)	
5310 - Event Tickets	-		305,558	225,432	211,007	*125,000*
5330 - Silent Auction			12,511	4,784	-	-
5340 - Sponsorship			53,250	87,825	103,250	*165,000*
5345 - Rebates		43,759	36,637	300	-	*40,000*
5350 - Cost Recovery	-	-	-	2,167,687	-	-
5355 - Reimbursed - City Parks	18,195	145,841	2,666,329 *	340,434	482,145	*631,000*
5360 - Reimbursed Expenses	154,522	1,140,617	-	1,559	163,779	*30,500*
Class: 53 - Operating Income Total:	3,951,388	5,932,750	9,320,569	8,476,344	**6,255,315**	***10,157,394***
Class: 55 - Other Income						
5560 - Grant Income			11,895	10,019	3,354,841	*8,500*
5570 - Other Income	6,771.95	20,295	62,119	101,602	73,729	*405,000*
Class: 55 - Other Income Total:	6,771.95	20,295	74,014	111,621	**3,428,570**	*413,500*
90 - General Fund Income Total:	10,085,801	12,515,249	16,477,329	15,905,114	**17,328,603**	***18,120,894***

	FY 2022 Total Activity	FY 2023 Total Activity	FY 2024 Total Activity	FY 2025 Total Activity	FY 2026 Budget	*FY 2027 Projected*
Expense						
60 - Salaries & Wages	4,956,481	5,492,144	6,593,491	6,818,400	7,735,995	*10,039,385*
61 - Employee Benefits	1,427,221	1,286,469	2,359,120	2,107,616	2,362,273	*3,182,306*
62 - Supplies & Services	1,903,638	2,330,163	2,376,169	2,077,016	2,194,698	*2,992,006*
63 - Repairs & Maintenance			(2)	327,071	332,575	*250,000*
64 - Utilities	554,368	505,436	648,574	724,389	772,977	*785,000*
65 - Contracts			520,527	689,524	907,846	*729,200*
69 - Other Expenses			12,865	-	-	*20,000*
	8,841,708	9,614,212	12,510,744	12,744,016	**14,306,363**	*17,997,897*
90 - General Fund Expense Total:	8,841,708	9,614,212	12,510,744	12,744,016	**14,306,363**	*17,997,897*

	FY 2022 Total Activity	FY 2023 Total Activity	FY 2024 Total Activity	FY 2025 Total Activity	FY 2026 Budget	*FY 2027 Projected*
90 - General Fund Income Total:	10,085,801	12,515,249	15,177,073	13,084,450	14,788,508	*18,120,894*
90 - General Fund Expense Total:	8,841,708	9,614,212	12,510,744	12,744,016	14,306,363	*17,997,897*
Grand total	1,244,092.53	2,901,037.41	2,666,329.34	340,433.60	482,145.00	122,997

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Finance Committee

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Annabel Grimm
SUBJECT: Neighborhood Parks Levy Administration

BACKGROUND
In accordance with the Landscaping and Lighting Act of 1972, which mandates the preparation of an annual Engineer's Report by a licensed professional engineer, the Board, on May 28, 2026, by Resolution No. 26-03, directed SCI Consulting Group to develop the Engineer's Report for the Oak Way, Amber Grove/Greenfield, and Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscape and Lighting Assessment Districts ('the Districts'). This directive aligns with the legislative requirements for levying the annual assessments for the fiscal year 2026-27.

The Engineer's Report under discussion today incorporates updates on budgets, scopes of services, current legal justifications, rate adjustments, and a preliminary assessment roll detailing specific assessment amount for each parcel within the Districts. The Report's findings and recommendations are important for justifying the continuation of these assessments, ensuring they comply with Proposition 218's requirements, which require an explanation of the special and general benefits derived from the assessments. This presentation to the Board constitutes the third phase in a three-part process to continue levying the assessments for the upcoming fiscal year.

As we proceed with this process, the final stage, includes the public hearing scheduled for July 23, 2026, which provides an opportunity for the community to discuss the proposed budgets, services, and assessments.

<u>Amber Grove/Greenfield Landscape and Lighting Assessment District</u>
The Amber Grove/Greenfield Landscape and Lighting Assessment District was approved by property owners in 1994 to fund the maintenance and operations of the Amber Grove/Greenfield Park.

<u>Oak Way Landscape and Lighting Assessment District</u>
The Oak Way Landscape and Lighting Assessment District was approved by property owners in 1997 to continue to fund the maintenance and operations of Oak Way Park.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscape and Lighting Assessment District

In 2006, property owners approved the Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscape and Lighting Assessment District to provide funding for the maintenance and operations for the Baroni Neighborhood Park, adjacent open space areas and related trails system within the District.

ANALYSIS

The Board will conduct a public hearing on the continuation of the assessments. In order to place the assessments on the annual property tax bill, the Board will need adopt the resolution to approve the Engineer's Report, confirm the diagram and assessments and continue to levy the assessments for fiscal year 2026-27. The Engineer's Report is required by Proposition 218 and includes the special and general benefit findings to support the assessments, the updated proposed assessments for each parcel in the Districts, the proposed budget for the assessments, and the proposed assessments per single-family equivalent for fiscal year 2026-27. This is the final step in the annual administration process for the landscape and lighting districts.

RECOMMENDATION

It is recommended that the Board hold a public hearing, consider all public comments, and subsequently approve Resolution 26-07 that would approve the Engineer's Reports, confirm the diagrams and assessments, and order the continuation of the levy of assessments for fiscal year 2026-27 for the Oak Way, Amber Grove/Greenfield, and Baroni Neighborhood Park and Open Space (No. LLD 001-005) Landscaping and Lighting Assessment Districts as the final step in levying the assessments.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

FY 2026-27

ENGINEER'S REPORT

Chico Area Recreation and Park District

Amber Grove / Greenfield Landscaping and Lighting Assessment District

July 2026
Final Report

Engineer of Work:

SCIConsultingGroup
Public Finance Consulting Services

4745 Mangels Boulevard
Fairfield, California 94534
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Chico Area Recreation & Park District

Board of Directors

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Annabel Grimm

Administrative Director

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Finance Manager

Phil Aviles

Engineer-of-Work

SCI Consulting Group

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Introduction

Overview

The Chico Area Recreation and Park District ("CARD") formed the Amber Grove/Greenfield Park Landscaping and Lighting Assessment District (the "Assessment District") in order to comply with the District's Master Park and Recreation Plan that was developed in September 1988. The Master Plan outlined three major findings:

1. There exist inadequate neighborhood parks to service the park and recreational needs of the community,
2. Additional large neighborhood parks should be developed within the service area of the District, preferably in conjunction with the development of adjacent school sites and in connection with development of new housing subdivisions, and
3. Emphasize the need to develop a long-range financing program to ensure adequate financial resources to support the development and maintenance of the park and recreational improvements recommended by the Master Plan, including financial alternatives such as park fees, state recreation bonds, and assessments levied pursuant to the Landscaping and Lighting Act of 1972.

In 1992, Webb Homes contacted CARD to develop a neighborhood park on approximately five acres of land. Webb Homes offered to construct the park in exchange for CARD assuming responsibility for continued maintenance of the Amber Grove/Greenfield Park once the park was completed. CARD agreed provided that the costs incurred by the District for continuing maintenance and servicing of the park would be paid by levying assessments on property owners with the Amber Grove/Greenfield subdivision areas. On November 11, 1993, the Board approved the Engineer's Report and passed its Resolution of Intent to Form the Amber Grove/Greenfield Landscaping and Lighting Assessment District and to Levy and Collect Assessments for Fiscal Year 1994-1995. On January 13, 1994, a public protest hearing was held to hear all written and oral protests of the formation of the proposed assessment district. After no written or oral protests, the CARD Board of Directors passed its Resolution Ordering the Formation of the Amber Grove/Greenfield Landscaping and Lighting Assessment District and Confirming a Diagram and Assessment for Fiscal Year 1994-1995.

Introduction

This Engineer's Report ("Report") was prepared to establish the budget for the capital improvement and services expenditures that would be funded by the proposed 2026-27 assessment, determine the benefits received from the lighting and landscaping maintenance and improvements by property within CARD and the method of assessment apportionment to lots and parcels within CARD. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIIID of the California Constitution (the "Article").

This Report describes the Assessment District, any new annexations, changes to the Assessment District, and the proposed assessments for fiscal year 2026-27. The proposed assessments are based on the estimated cost to operate, maintain and service the improvements that provide a direct and special benefit to properties within the Assessment District.

In each year for which the assessments will be levied, the CARD Board must direct the preparation of an Engineer's Report, annual budget and proposed assessments for the upcoming fiscal year. After the Report is completed, the Board may preliminarily approve the Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Board adopted on April 23, 2026.

Once the Board preliminarily approves the Engineer's Report and the continuation of the assessments by resolution, a notice of the proposed assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing will be used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 25, 2026.

Following consideration of public comments at a public hearing, and review of the Final Annual Engineer's Report, the Board of Directors ("the Board") of CARD, may order amendments to the Report or confirm the Report as submitted.

At this hearing, the Board would consider approval of a resolution confirming the assessments for fiscal year 2026-27. If confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2026-27.

Legislative Analysis

Proposition 218

Many of these Assessment Districts were formed prior to the passage of Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article XIIIC and XIIID of the California Constitution. (Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.) Although these assessments are consistent with Proposition 218, the California judiciary has generally referred to pre-Proposition 218 assessments as "grandfathered assessments" and held them to a lower standard than post Proposition 218 assessments.

Other Assessment Districts that were formed after Proposition 218 are consistent with the approval procedures and requirements imposed by Proposition 218.

Silicon Valley Taxpayers Association, Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the Assessment District

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the Assessment District. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

In the December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the Assessment District instead of proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer's Report is consistent with the requirements of Article XIIIC and XIIID of the California Constitution and with the SVTA decision because the Improvements to be funded are clearly defined; the Improvements are directly available to and will directly benefit property in the Assessment District; and the Improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with Buetz, Greater Golden Hill, and Dahms because similar Improvements will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with Bonander because the Assessments have been apportioned based on the overall cost of the Improvements and proportional special benefit to each property.

Plans and Specifications

The improvements to be undertaken by the Amber Grove/Greenfield Landscaping and Lighting Assessment District (the "Assessment District") and the cost thereof paid from the levy of the annual assessments, provide special benefit to parcels within the Assessment District as defined in the Method of Assessment herein. In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the "Act") the work and improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, property owned or property rights, easements and/or rights of entry, leases or dedications including, but not limited to, parks, recreation facilities, open space lands, greenbelts, playground equipment, trails, utility right-of-ways, signage, fencing, picnic areas, restrooms, lighting and other improvements and land preparation (such as grading, leveling, cutting, and filling) sod landscaping, irrigation systems, sidewalks and drainage on (1) real property owned by, or encumbered by property rights held by, or maintained by, the Assessment District; or (2) on real property owned by, or encumbered by property rights held by, or maintained by any local agency or non-profit entity within the jurisdictional area of the Assessment District in any of the installations, maintenance and servicing described herein.

"Installation" means the construction of public improvements, including, but not limited to, land preparation, (such as grading, leveling, cutting and filling), sod, landscaping, irrigation systems, sidewalks and drainage, and lights.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any Improvement, including (a) repair, removal, or replacement of all or part of any Improvement; (b) providing for the life, growth, health and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; (c) the removal of trimmings, rubbish, debris, and other solid waste; and (d) the cleaning, sandblasting and painting of walls and other Improvements to remove or cover graffiti. (Streets & Highways Code §22531)

"Servicing" means the furnishing of (a) electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other Improvements; and (b) water for irrigation of any landscaping, the operation of any fountains, or the maintenance of any other Improvements. (Streets & Highways Code §22538)

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526)

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus incidental expenses. Reference is made to the plans and specifications, including specific expenditure and improvement plans by park/recreation site, which are on file with CARD.

Estimate of Costs And Budget- Fiscal Year 2026-27

The annual assessment for the Amber Grove/Greenfield Landscaping and Lighting Assessment District is shown in the figure below:

Figure 1 - Amber Grove/Greenfield Park Estimate of Costs Fiscal Year 2026-27

Estimate of Costs			
			Preliminary Budget
Maintenance and Servicing Expenditures:			
Salary and Benefits			$95,000.00
Total Maintenance and Servicing			**$95,000.00**
Service and Supply			
Agriculture			$3,150.00
Maintenance Structure & Grounds			$5,000.00
District Vandalism			$0.00
Utilities			$19,500.00
Contract Services [1]			$4,182.00
Total Service and Supply			**$31,832.00**
Installation, Maintenance, Servicing and Incidental Costs Total			**$126,832.00**
Contributions from General Fund			($84,342.00)
Net Costs for Maintenance and Servicing			**$42,490.00**
Budget Allocation to Property [2]			
	Assessment Units	**RATE**	**BUDGET [3]**
	607.00	$70.00	$42,490.00

Notes:

1. Incidental cost includes county collection charges and project management.

2. The Act stipulates that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Assessment District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year.

3. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor-Controller. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to assessment.

Method of Apportionment

Method of Apportionment

This section of the Engineer's Report explains the benefits to be derived from the Improvements and the methodology used to apportion the total assessment to properties within the Assessment District.

The method used for apportioning the assessment is based upon the relative special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property or to the public at large. The assessment is apportioned to lots and parcels in proportion to the relative special benefit from the improvements. The apportionment of special benefit is a two-step process: the first step has been to identify the types of special benefit arising from the improvements and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

This section of the Report includes a discussion of the benefits to be provided by the proposed improvements and the method of apportionment of assessments within the Assessment District.

Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

> *"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property and that the value of the special benefits must exceed the cost of the assessment:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the Improvements to be provided with the assessment proceeds. These types of special benefit are summarized as follows:

- Proximity to Improved Landscaped Areas and Other Public Improvements within the Assessment District.
- Access to Improved landscaped areas and Other Public Improvements within the Assessment District.
- Improved Views within the Assessment District.
- Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements.

In this case, the recent the SVTA v. SCCOSA decision provides enhanced clarity to the definitions of special benefits to properties from similar park improvements in three distinct areas:

- Proximity
- Expanded or improved access
- Views

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

> *The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Proximity, improved access and views, in addition to the other special benefits listed herein further strengthen the basis of these assessments.

Moreover, the Dahms decision further clarified that certain services and improvements funded by assessments, that are over and above what otherwise would be provided and that other property in general and the public do not share or receive are 100% special benefit. The assessment funded services upheld by Dahms included streetscape maintenance and security services.

Benefit Factors

The special benefits from the Improvements are further detailed below:

Proximity to improved landscaped and park areas within the Assessment District

Only the specific properties within close proximity to the Improvements are included in the Assessment District. Each of the Assessment District has been narrowly drawn to only include the properties that receive special benefits from the Improvements. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.

In absence of the assessments, the Improvements would not be provided and the public improvements funded in the Assessment District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

Access to improved landscaped and park areas within the Assessment District

Since the parcels in the Assessment District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved landscaped and park areas and other public improvements that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

Improved views within the Assessment District

CARD, by maintaining permanent public improvements funded by the assessments in each Assessment District, provides improved views to properties in the Assessment District. The properties in the Assessment District enjoy close and unique proximity, access and views of the specific Improvements funded in their Assessment District; therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District.

Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements

In large part because it is cost prohibitive to provide large open land areas on property in the Assessment District, the residential, commercial and other benefiting properties in the Assessment District do not have large outdoor areas and green spaces. The landscaped areas within the Assessment District provide additional outdoor areas that serve as an effective extension of the land area for proximate properties because the Improvements are uniquely proximate and accessible to property in close proximity to the Improvements. The Improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties in the Assessment District because such properties have uniquely good and close proximity to the Improvements.

General versus Special Benefit

In absence of the assessments, the Improvements in each Assessment District would not be provided, so the Improvements are "over and above" what otherwise would be provided. Many of the parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the Assessment District was a condition of development approval.

All of the Assessment proceeds derived from each Assessment District will be utilized to fund the cost of providing a level of tangible "special benefits" in the form of proximate landscaping, lighting, and other permanent public improvements. The Assessments are also structured to provide specific Improvements within each Assessment District, further ensuring that the Improvements funded by the Assessments are of specific and special benefit to property within each Assessment District.

Although these Improvements may be available to the general public at large, the public landscaping and other public improvements in each Assessment District were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the Assessment District, and not the public at large. Other properties that are either outside an Assessment District or within an Assessment District and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, many of the homes and other improvements on parcels in the Assessment District would not have been built if the Assessments were not established because an assessment for public landscaping and lighting was a condition of development approval.

It is also important to note that the improvements and services funded by the assessments in Pomona ("Dahms") are similar to the improvements and services funded by the Assessments described in this Engineer's Report and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Improvements, particularly setback landscaping improvements.

Benefit Finding

In summary, real property located within the boundaries of the Assessment District distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and from the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve local properties in each Assessment District, not other properties or the public at large. The Assessment District have been narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the Assessment District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Improvement District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Method of Assessment

The step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single-family home.

Amber Gove/Greenfield Land Use Classification

On the following page, the Land Use Classes for the Amber Grove/Greenfield Landscaping and Lighting Assessment District are defined in the original Engineer's Report:

1. Class A: Includes all single-family residential lots, single family ag-residential parcels, condominium residential parcels and all multi-residential and apartment residential parcels.

2. Class B: Includes all retail, commercial and non-residential land use parcels.

3. Class C: Includes all parcels classified as exempt from assessment by the County Assessor. Vacant properties, small irregular shaped parcels and property owned by any government entity or utility fall into this class.

Assessment Factors

The Assessment District calculates the Assessment per parcel based on Land Use Classes and the Assessment Factor Index. The Assessment Factor Index and Assessment per Parcel are defined in the previous Amber Grove/Greenfield Landscaping and Lighting Assessment District Engineer's Reports:

Assessment Factor Index:

The Assessment Matrix also shows the Assessment Factor Index for each land use category. Since a single-family residential parcel is the "benchmark property", the relative scores of all other land use classes were related to the benchmark by indexing. A single-family residential parcel was assigned a relative Assessment Factor Index of 1.00. The Assessment Factor Index for other land use classes were determined by dividing the point total for each particular land use class by the point total for the single family/ condominium residential class.

Assessment Per Parcel:

The total number of dwelling units for each land use class was multiplied by its respective Assessment Factor Index to determine the number of Assessment Units for each land class. The sum of the Assessment Units for all land use classes was then divided into the annual assessment amount to determine a Base Unit per unit.

The final assessment per parcel is determined by multiplying the Base Assessment by the Assessment Factor Index and the number of units for that particular parcel.

Appeals of Assessments Levied to Property

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment may file a written appeal with the District Engineer or his or her designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the District Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the General Manager or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the Assessment Roll. If any such changes are approved after the Assessment Roll has been filed with the County for collection, the District Engineer or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District Engineer or his or her designee shall be referred to the Board of Directors of the Chico Area Recreation and Park District, and the decision of the Board shall be final.

Assessments

WHEREAS, said the Board directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Improvements upon all assessable parcels within the Assessment District, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars.

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the Board of the Chico Area Recreation and Park District hereby make the following assessment to cover the portion of the estimated cost of the Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for the improvements and the expense incidental thereto, to be paid by the District for the fiscal year 2026-27 is generally as follows:

Figure 2- Summary Estimate of Costs Fiscal Year 2026-27

Installation, Maintenance, Servicing and Incidental Cost:	$126,832
Contributions from General Fund	($84,342)
Total Amber Grove/Greenfield LLAD Budget	**$42,490**

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Landscaping and Lighting Assessment District. The distinctive number of each parcel or lot of land in the said Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The maximum authorized assessment rate of $70.00 per single-family residential unit for fiscal year 2026-27 is based on the estimate of cost and budget in this Engineer's Report.

The assessment is made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said Improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Butte for the fiscal year 2026-27. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County. I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2026-27 for each parcel or lot of land within the Assessment District.

Dated: June 30, 2026

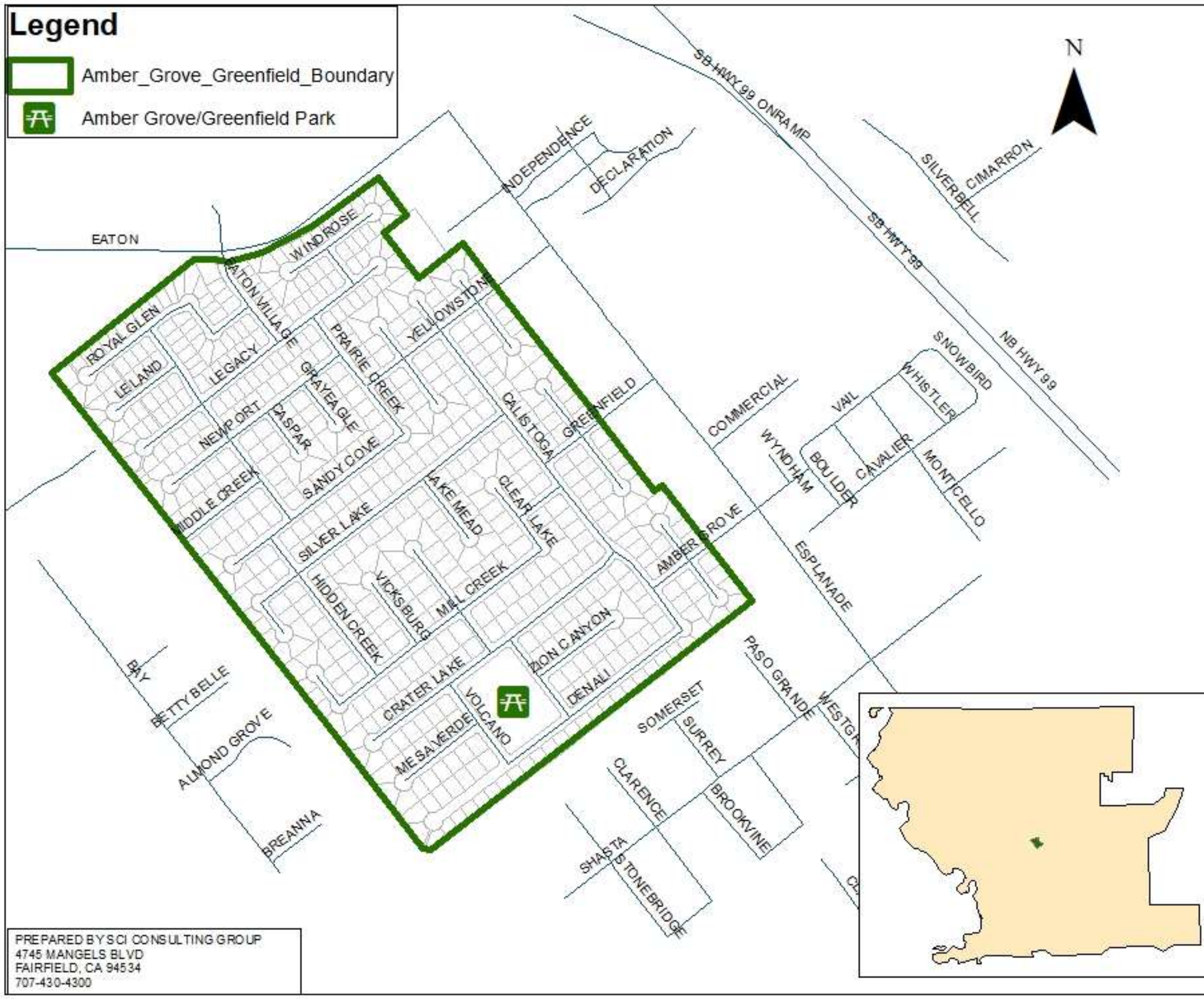
Engineer-of-Work

By John W. Bliss

John W. Bliss, License No. C52091

Assessment Diagrams

The boundaries of the Assessment District are displayed on the following Assessment Diagrams. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Butte, for fiscal year 2026-27, and are incorporated herein by reference, and made a part of this Diagram and this Report.



FILED IN THE OFFICE OF THE DISTRICT MANAGER OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, CALIFORNIA, THIS _____ DAY OF ___________, 20____.

____

DISTRICT MANAGER

RECORDED IN THE OFFICE OF THE DISTRICT MANAGER OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, CALIFORNIA THIS ____DAY OF ___________, 20____.

____

DISTRICT MANAGER

AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _____ DAY OF _________, 20____.

FOR THE FISCAL YEAR 20_____-______ AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF BUTTE ON THE ______ DAY OF _______________, 20____.

REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.

____

DISTRICT MANAGER

Note:
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF BUTTE FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.

CHICO AREA RECREATION AND PARK DISTRICT
AMBER GROVE/GREENFIELD
LANDSCAPING AND LIGHTING
ASSESSMENT DISTRICT
ASSESSMENT DIAGRAM

Assessment Roll

An Assessment Roll (a listing of all parcels assessed within the Assessment District and the amount of the assessment) will be filed with the Secretary to the Board of Directors and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor's records and these records are, by reference made part of this Report. These records shall govern for all details concerning the description of the lots or parcels.

Non-assessable lots or parcels include government owned land and public utility owned property.

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FY 2026-27

Engineer's Report

Chico Area Recreation and Park District

Baroni Neighborhood Park and Open Space Landscaping and Lighting District (No. LLD 001-05)

July 2026

Final Report

Engineer of Work:

SCIConsultingGroup

Public Finance Consulting Services

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Chico Area Recreation & Park District

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Introduction

Overview

The Chico Area Recreation and Park District ("CARD") was formed in 1948 and covers approximately 255 square miles within Butte County. The District provides parks, park maintenance, and recreational programs and facilities to the residents of the City of Chico, the unincorporated community of Nord and other rural areas of unincorporated Butte County.

Baroni Park is a multi-use neighborhood park and open space that occupies 7.285 acres. It was completed in 2007 and is located in Southeast Chico along Baroni Drive. On April 18, 2006, the City Council of the City of Chico ("City") passed its Resolution of Intent to Form the Baroni Neighborhood Park and Open Space Landscaping and Lighting Assessment District No LLD 001-05 ("Assessment District") pursuant to the provisions of the City's Maintenance District Ordinance of 1997, being Chapter 3.81 of Title 3 of the Chico Municipal Code.

Effective July 1, 2010, the City transferred ownership and maintenance and operational responsibility of Baroni Park to CARD. CARD was also tasked to maintain the assessments from the Assessment District which is to provide funding for the operation and maintenance of the park.

Assessment Formation

On June 20, 2006, the City Council of the City of Chico ordered by Resolution No. 70-06, the formation of, and levied the first assessment within, the Baroni Neighborhood Park and Open Space Landscaping and Lighting Assessment District No LLD 001-05 pursuant to the provisions of the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof).

Assessment Continuation

In each subsequent year for which the assessments will be continued, the Board must direct the preparation of an Engineer's Report ("Report"), budgets and continued assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Board may preliminarily approve the Engineer's Report and proposed assessments, and establish the date for a public hearing on the continuation of the assessments. This Engineer's Report was prepared pursuant to the direction of the Board on April 23, 2026.

This Report was prepared to establish the budget for the continued services that would be funded by the proposed 2026-27 continued assessments and to define the benefits received from the improvements by property within the District and the method of assessment apportionment to lots and parcels. This Report and the continued assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code and Article XIIID of the California Constitution (the "Article).

Once the Board preliminarily approves this Engineer's Report and the continuation of the assessments by resolution, a notice of the proposed assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing will be used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 25, 2026. At this hearing, the Board will consider approval of a resolution confirming the continuation of the assessments for fiscal year 2026-27. If so confirmed and approved, the assessments will be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2026-27.

Legislative Analysis

Proposition 218

This assessment is formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now codified as Articles XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including property-owner balloting, for the imposition, increase and extension of assessments, and these requirements are satisfied by the process used to establish this assessment.

Silicon Valley Taxpayers Assoc., Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("*SVTA*"). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit

- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the Improvement District
- The assessment paid by property should be proportional to the special benefits it receives from the Improvements

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeals amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona in Dahms v. Downtown Pomona Property (“*Dahms*”). On July 22, 2009, the California Supreme Court denied review. In *Dahms* the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

On December 31, 2009, in Bonander v. Town of Tiburon (“*Bonander*”), the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments primarily on the grounds that the assessments had been apportioned to assessed property based on the costs within sub-areas of the assessment district instead of the overall cost of the improvements and the overall proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010 the 4th District Court of Appeals issued a decision in Steven Beutz v. County of Riverside (“*Beutz*”). This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal (commonly known as “*Greater Golden Hill*”). This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer's Report is consistent with the *SVTA* decision and with the requirements of Article XIIIC and XIIID of the California Constitution because the Improvements to be funded are clearly defined; the benefiting property in the Improvement District enjoys close and unique proximity, access and views to the Improvements; the Improvements serve as an extension of usable land area for benefiting properties in the Improvement District and such special benefits provide a direct advantage to property in the Improvement District that is not enjoyed by the public at large or other property.

This Engineer's Report is consistent with *Beutz, Dahms* and *Greater Golden Hill* because, the improvements will directly benefit property in the Improvement District and the general benefits have been excluded from the Assessments, and the special and general benefits have been separated and quantified. The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the Improvements and proportional special benefit to each property.

Plans and Specifications

The proposed improvements associated with the Basic Park Design provides for the development of the western portion of the 7.285 acre park (west of the drainage swale) to be developed as a more traditional active park site; and the remaining portion (east of the drainage swale) to be more representative of a passive park (natural or native) site. This Basic Park Design incorporates, but is not limited to the following improvements:

- Approximately 201,977 square feet of irrigated park area (active park area located west of the drainage swale) that includes approximately 90,400 square feet of turf area, 14,377 square feet of trees, shrubs, and groundcover (plant areas), and 97,200 square feet of swale area;
- Approximately 120,000 square feet of non-irrigated area (passive park area east of the drainage swale) that includes trees and natural vegetation; and a decomposed granite trail that connects the park’s concrete paths to the open space trails; and
- Public lighting facilities including all safety lighting and ornamental lighting installed as part of the approved Master Plan for the Baroni Neighborhood Park;
- Miscellaneous park facilities including but not limited to: park signage, fencing; playground equipment; concrete pathway surrounding the turf area; a picnic area including tables and barbeque facilities; and bench/seating at various locations.
- All appurtenant facilities, equipment, materials and utilities related to the aforementioned improvements.

In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the “Act”) the work and improvements (the “Improvements”) are generally described as follows:

Installation, maintenance and servicing of public facilities and improvements, including, but not limited to, turf and play areas, landscaping, ground cover, shrubs and trees, irrigation systems, drainage systems, lighting, street lighting, public lighting facilities, fencing, picnic areas, entry signs and associated appurtenances and labor, materials, supplies, utilities and equipment, as applicable, at each of the locations owned, operated or maintained by CARD. Any plans and specifications for these improvements will be filed with the District Manager of CARD and are incorporated herein by reference.

As applied herein, “Installation” means the construction of recreational improvements, including, but not limited to, land preparation (such as grading, leveling, cutting and filling), sod, landscaping, irrigation systems, sidewalks and drainage, lights, playground equipment, benches, and public restrooms.

“Maintenance” means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal, or replacement of all or part of any improvement; providing for the life, growth, health and beauty of landscaping; including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, and the cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti.

“Servicing” means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes if any pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus Incidental expenses. Reference is made to the plans and specifications, including specific expenditure and improvement plans by park/recreation site, which are on file with the Chico Area Recreation and Park District.

Estimate of Cost

Figure 1 – Baroni Park LLAD Estimate of Cost 2026-27

Estimate of Costs			
			Preliminary Budget
Maintenance and Servicing Expenditures:			
Salaries and Benefits			$125,000
Total Salaries and Benefits			**$125,000**
Services and Supplies			
Maintenance Structure & Grounds			$10,000
District Vandalism			$1,000
Contract Services[1]			$4,241
Utilities			$25,300
Total Services and Supplies			**$40,541**
Capital Equipment Replacement Reserves[2]			$5,000
Total for Installation, Maintenance, Servicing and Incidental Costs			**$170,541**
Contributions from General Fund			**($56,541)**
Net Costs for Maintenance and Servicing			**$114,000**
Budget Allocation to Property[3]			
	Assessment Units	**RATE**	**BUDGET[4]**
Maximum Assessment Allowed	963.00	$118.38	$114,000

Notes:

1. Incidental cost includes county collection charges and project management.

2. Funds from the Capital Equipment Replacement Reserves will be used for ADA upgrades to the park.

3. The Act stipulates that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Assessment District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year.

4. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor-Controller. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to assessment.

Method of Apportionment

Method of Apportionment

This section of the Engineer's Report includes an explanation of the benefits to be derived from the maintenance, operation, and servicing of improvements throughout the Assessment District, and the methodology used to apportion the total assessment to land uses within the Assessment District.

The Assessment District consists of all Assessor Parcels within the boundaries of the Baroni Neighborhood Park and Open Space Landscaping and Lighting Assessment District No LLD 001-05 as defined by the Assessment Diagram shown in this report and the Assessor Parcel Numbers listed within the included levy roll. The parcels include all privately or publicly owned parcels within the boundaries. The method used for apportioning the total assessment is based upon the proportional special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's facilities or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

> *"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property and that the value of the special benefits must reasonably exceed the cost of the assessment:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing of landscaping improvements to be provided with the assessment proceeds.

These categories of special benefit are summarized as follows:

- Proximity and access to improved parks and recreational facilities.
- Improved views.
- Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements.

In this case, the recent the *SVTA* decision provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

The *SVTA* decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The *SVTA* decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

Benefit Factors

The special benefits from the Improvements are further detailed below:

Proximity to improved public landscaping, lighting, parks and other permanent public facilities

Only the specific properties within close proximity to the Improvements are included in the Assessment District. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.

In absence of the assessments, the Improvements would not be provided and the Baroni Park and recreation areas in the Assessment District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

Since the parcels in the Assessment District enjoy close access to the Improvements, they directly benefit from this unique close access to improved park and recreation areas that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

Improved Views

CARD, by maintaining the landscaping areas provides improved views to properties in the Assessment District. The properties in the Assessment District enjoy close and unique proximity, access and views of the Improvements; therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District.

Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements

The public parks and landscaped areas within certain Districts provide additional outdoor areas that serve as an effective extension of the land area for proximate properties. The park improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties with good and close proximity to the Improvements.

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), neighborhood parks in urban areas have a service area radius of generally one-half mile and community parks have a service area radius of approximately two miles. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within this service radius close proximity and easy walking access to such public land areas. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within this service area clearly receive a direct advantage and special benefit from the Improvements - and this advantage is not received by other properties or the public at large.

Moreover, Baroni Park does not provide a restroom or parking lot. Such public amenities were specifically excluded from neighborhood parks because neighborhood parks are designed to be an extension of usable land area specifically for properties in close proximity, and not the public at large or other non-proximate property. The occupants of proximate property do not need to drive to their local park and do not need restroom facilities because they can easily reach their local neighborhood park and can use their own restroom facilities as needed. This is further tangible evidence of the effective extension of land area provided by the Improvements to proximate parcels in the Assessment District and the unique direct advantage the proximate parcels receive from the Improvements.

General versus Special Benefit

The Chico Area Recreation and Park District is a special district created pursuant to the laws of the State of California. There are many types of special districts that provide a variety of urban services. Special districts, like the Chico Area Recreation and Park District, are created to provide a higher level of service within their boundaries than what would be provided in their service area in absence of the special district. The Baroni Neighborhood Park and Open Space (No. LLD 001-05) Landscape and Lighting Assessments allow the District to provide its park and recreation Improvements to the Baroni Park at a much higher level than what otherwise would be provided in absence of the Assessments. Moreover, in absence of the Assessments, no other agency would provide the Improvements nor would the District, because it does not have alternative available funds to provide the Improvements.

All of the Assessment proceeds derived from the Assessment District will be utilized to fund the cost of providing a level of tangible “special benefits” in the form of proximate parks, recreation facilities, landscaped corridors, project entrances, signs, walkways, parks, and other improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the Baroni Park and trail system/open space in the Assessment District was specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the Assessment District, and not the public at large. Other properties that are outside the Assessment District do not enjoy the unique proximity, access, views and other special benefit factors described previously.

These Improvements are of special benefit to properties located within the Assessment District because they provide a direct advantage to properties in the Assessment District that would not be provided in absence of the Assessments. Without the Assessments, the Baroni Park and recreation facilities within the Assessment District would be closed and would turn into brown, unmaintained and unusable lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the Assessment District. In fact, it is reasonable to assume that if Assessments were not collected and the Baroni Park and recreation facilities were closed as a result, properties in the Assessment District would decline in desirability, utility and value by significantly more than the amount of the Assessment. We therefore conclude that all the park and recreation Improvements funded by this Assessment are of special benefit to certain benefiting properties located within the Assessment District and that the value of the special benefits from the Improvements to property in the Assessment District

reasonably exceeds amount of the Assessments for every assessed parcel in the Assessment District. (In other words, as required by Proposition 218: the reasonable cost of the proportional special benefit conferred on each parcel reasonably exceeds the cost of the assessments.)

Special Note Regarding General Benefit and the SVTA Decision:

> *There is no widely-accepted or statutory formula for calculating general benefit. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. SVTA decision provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements.*

Quantification of General Benefit

Although the analysis used to support these assessments concludes that the benefits are solely special, as described above, consideration is made for the suggestion that a portion of the benefits are general. General benefits cannot be funded by these assessments - the funding must come from other sources.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including Chico Area Recreation and Park District, the County of Butte, and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds. This funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments district.

In the 2009 *Dahms* case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided within the assessment district. It is also important to note that the improvements and services funded by the assessments in Pomona (*Dahms*) are similar to the improvements and services funded by the Assessments described in this Engineer's Report, and the Court found those improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, *Dahms* establishes a basis for minimal or zero general benefits from the Assessments.

The General Benefits from this assessment may be quantified as illustrated in the following table:

Figure 2 – General Benefit Calculation

Benefit Factor	Relative Weight	General Benefit Contribution	Relative General Benefit
Extension of recreation area	40	10%	4
Proximity to improved public landscaping, lighting, parks and other permanent public facilities	30	10%	3
Improved views	30	10%	3
	100		10
		Total Calculated General Benefit =	10.0%

The costs of this 10% General Benefit cannot be funded by the assessments. Non-assessment funding does contribute to the overall maintenance of Baroni Park in the following components:

The City of Chico owns, maintains, rehabilitates and replaces curb and gutter along the border of the Assessment District improvements. This curb and gutter serves to support, contain, retain, manage irrigation flow and growth, and provide a boundary for the improvements. The contribution from the City towards general benefit from the maintenance, rehabilitation and replacement of the curb and gutter is conservatively estimated to be 1%.

The City maintains a storm drainage system along the border of the Assessment District improvements. This system serves to prevent flooding and associated damage to the improvements, and manage urban runoff including local pollutants loading from the improvements. The contribution from the City towards general benefit from the maintenance, and operation of the local storm drainage system is conservatively estimated to be 1%.

The City maintains local public streets along the border of the Assessment District improvements. These public streets provide access to the improvements for its enjoyment as well as efficient maintenance. The contribution from the City towards general benefit from the maintenance local public streets is conservatively estimated to be 1%.

The value of the initial construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this "annuity" can be used to offset general benefit costs, and is conservatively estimated to contribute 25%.

The total non-assessment funding contribution sums to 28%. Therefore the total General Benefit is conservatively quantified at 10% which is more than offset by the total non-assessment contribution towards general benefit of 28%.

Method of Assessment

The step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home. The Land Use Classes for the Assessment District is defined in the original Engineer's Report:

Single-Family Residential

This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that all other properties are compared and weighted against (i.e. Equivalent Benefit Unit EBU).

Planned Development

This land use is defined as any property for which a tentative or final map has been filed and approved (a specific number of residential lots and units or non-residential use has been identified) and the property is expected to be developed or subdivided in the near future or is part of the overall improvement and development plan for the District (Planned Subdivision). This land use classification often times involves more than a single parcel (e.g. the approved map encompasses more than a single APN). Each parcel that is part of the approved map shall be assessed proportionately for the proposed or estimated residential units or non-residential use to be developed on that parcel as part of the approved map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out. (The EBU assigned to each parcel shall represent the combination of single-family, condominium, multi-family units or non-residential use associated with the development).

Non-Residential Property

This land use is defined as property developed for non-residential use. One acre of non-residential property is equivalent to four (4) single-family residential lots per acre within the District. Therefore, 4.0 EBU per gross acre will be assigned to parcels classified as non-residential property. Parcels less than 1.0 acres are assigned a minimum of 4.0 EBU.

Vacant Property

This land use is defined as property currently zoned for residential or non-residential development, but a tentative or final map for the property has not yet been approved. Vacant Property will be assigned 1.00 EBU per acre rounded to the nearest acre. Properties less than one acre are assigned 1.00 EBU.

Exempt Parcels

This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, detention or retention basins, parks or other publicly owned properties that are part of the District improvements or may provide other benefits to private properties within the District;
Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status.

Government owned properties or public properties are not necessarily exempt properties and shall be subject to special benefit assessment unless it qualifies for an exempt status.

Special Cases

In many districts where multiple land use classifications are involved, there may be one or more properties that the standard land use classifications does not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a Vacant Property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel.

The following table provides a summary of land use classifications and the Equivalent Benefit Unit calculations previously outlined.

Figure 3 - Land Uses and Equivalent Benefit Units

Property Type	Benefit Units Multiplier
Single Family Residential	1.000 per Unit/Lot/Parcel
Single Family Residential	1.000 per Planned SF-Residential Lot
Planned Development	0.750 per Planned Condominium
	0.750 per Unit for the First 50 Units
	0.500 per Unit for Units 51-100
	0.250 per Unit for all remaining Units
Vacant Land	1.000 per acre (1.0 Minimum)
Non-Residential 4.000 per acre (1.0 Minimum)	4.000 per acre (1.0 Minimum)
Exempt Parcels	0.000 per Parcel

The following formula is used to calculate each parcel's EBU (proportional benefit).

Parcel Type EBU x Acres or Units = Parcel EBU

The total number of Equivalent Benefit Units (EBU's) is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of all parcels benefiting from the improvements. This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for each zone.

Total Balance to Levy (Budget) / Total EBUs = Assessment Rate per EBU
Assessment Rate per EBU x Parcel's EBU = Levy per Parcel

Duration of Assessment

It is proposed that the Assessment be levied for fiscal year 2006-07 and continued every year thereafter, so long as the Baroni Park and recreational areas need to be maintained and serviced, and the Chico Area Recreation and Park District requires funding from the Assessments for its continued Improvements in the Assessment District. As noted previously, the Assessment can continue to be levied annually after the Chico Area Recreation and Park District Board of Directors approves an annually updated Engineer's Report, budget for the Assessment, Improvements to be provided, and other specifics of the Assessment. In addition, the District Board of Directors must hold an annual public hearing to continue the Assessment.

Appeals and Interpretation

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the District Administrator or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the District Administrator or his or her designee will promptly review the appeal and any information provided by the property owner. If the District Administrator or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the District Administrator or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District Administrator, or her or his designee, shall be referred to the Board of Directors of the Chico Area Recreation and Park District and the decision of the Board of Directors of the Chico Area Recreation and Park District shall be final.

Assessment Statement

WHEREAS, said the Board directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Improvements upon all assessable parcels within the Assessment District, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the Board of the Chico Area Recreation and Park District hereby make the following assessment to cover the portion of the estimated cost of the Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for the improvements and the expense incidental thereto, to be paid by the District for the fiscal year 2026-27 is generally as follows:

Figure 4 - Summary Estimate of Costs Fiscal Year 2026-27

Total for Installation, Maintenance, Servicing and Incidental Costs	$170,541
Contributions from General Fund	($56,541)
Net Costs for Maintenance and Servicing	**$114,000**

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Landscaping and Lighting Assessment District. The distinctive number of each parcel or lot of land in the said Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) for the San Francisco Bay Area as of December of each succeeding year.

The change in the CPI from December 2024 to December 2025 is 3.04%. Therefore, the maximum authorized assessment rate for fiscal year 2026-27 is increased by 3%, which equates to $118.38 per single-family equivalent benefit unit.

The assessment is made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said Improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Butte for the fiscal year 2026-27. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County. I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2026-27 for each parcel or lot of land within the Assessment District.

Dated: June 30, 2026

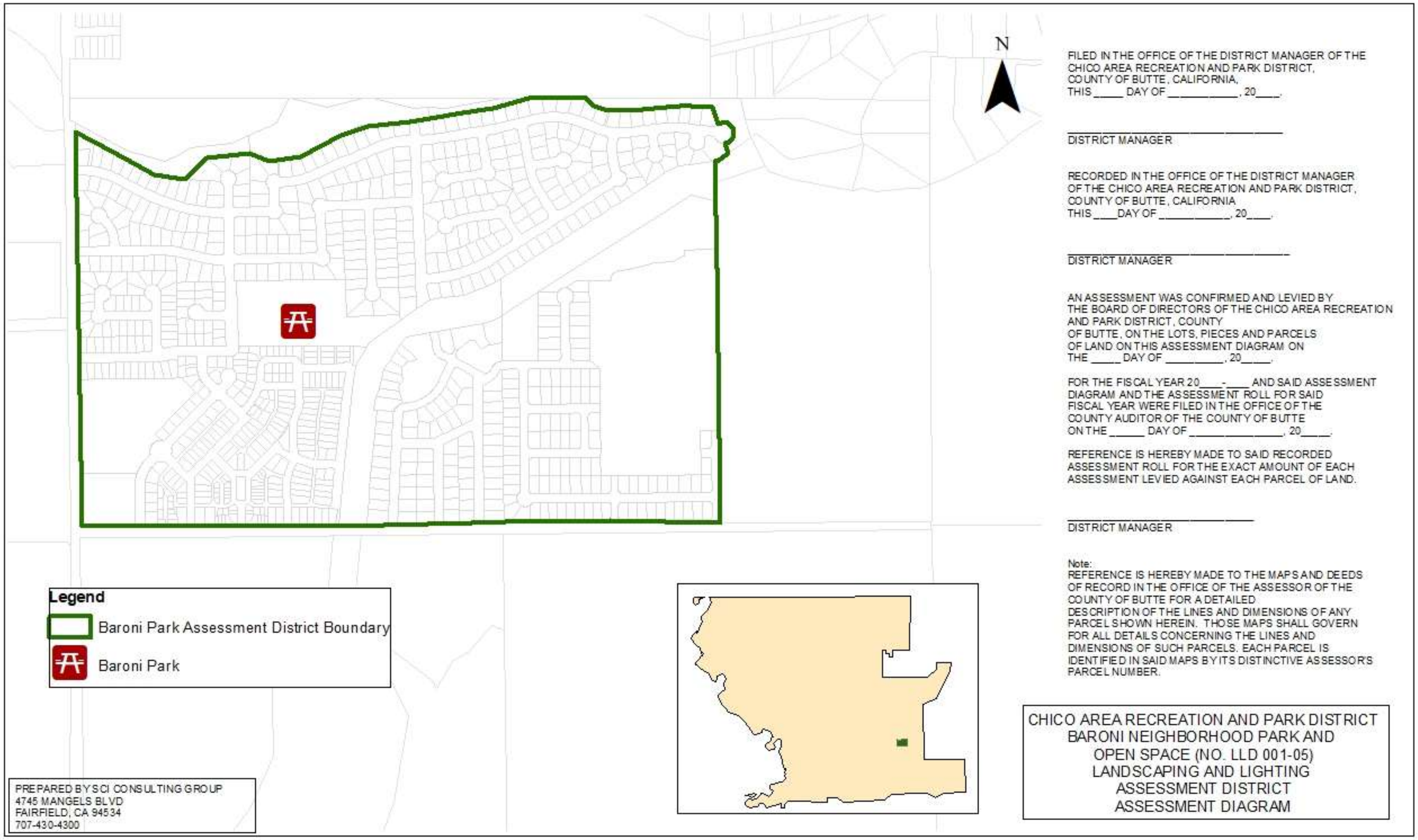
Engineer-of-Work

By John W. Bliss

John W. Bliss, License No. C52091

Assessment Diagram

The following page displays the Assessment Diagram of the Baroni Neighborhood Park and Open Space Landscaping and Lighting Assessment District No LLD 001-05. The diagram shows all of the parcels of real property within this Assessment District. Reference is hereby made to the maps and deeds of record in the office of the Assessor of the County of Butte for a detailed description of the lines and dimensions of any parcels shown herein. Those maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in the maps by its distinctive Assessor's Parcel Number.


N
FILED IN THE OFFICE OF THE DISTRICT MANAGER OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, CALIFORNIA, THIS _____ DAY OF ___________, 20____.
DISTRICT MANAGER
RECORDED IN THE OFFICE OF THE DISTRICT MANAGER OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, CALIFORNIA THIS ____DAY OF ___________, 20____.
DISTRICT MANAGER
AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _____ DAY OF __________, 20_____.
FOR THE FISCAL YEAR 20____-____ AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF BUTTE ON THE ______ DAY OF ________________, 20_____.
REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.
DISTRICT MANAGER
Note:
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF BUTTE FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.
Legend
Baroni Park Assessment District Boundary
Baroni Park
CHICO AREA RECREATION AND PARK DISTRICT
BARONI NEIGHBORHOOD PARK AND
OPEN SPACE (NO. LLD 001-05)
LANDSCAPING AND LIGHTING
ASSESSMENT DISTRICT
ASSESSMENT DIAGRAM
PREPARED BY SCI CONSULTING GROUP
4745 MANGELS BLVD
FAIRFIELD, CA 94534
707-430-4300

Assessment Roll

The Assessment Roll follows in this Report and is on file in the office of the Chico Area Recreation and Parks District at 545 Vallombrosa Avenue, Chico, CA 95926. The final Assessment Roll is based upon the land use information in the fiscal year 2026-27 Butte County Assessor's Roll.

FY 2026-27

ENGINEER'S REPORT

Chico Area Recreation and Park District

Oak Way Park Landscaping and Lighting Assessment District

July 2026
Final Report

Engineer of Work:

SCIConsultingGroup
Public Finance Consulting Services

4745 Mangels Boulevard
Fairfield, California 94534
707.430.4300
www.sci-cg.com

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Chico Area Recreation & Park District

Board of Directors

Michael McGinnis, Chair
Chris Norden, Vice Chair
Dave Donnan, Director
Tom Lando, Director
Jason Roye, Director

General Manager

Annabel Grimm

Administrative Director

Holli Drobny

Finance Manager

Phil Aviles

Engineer-of-Work

SCI Consulting Group

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Introduction

Overview

The Chico Area Recreation and Park District ("CARD") formed the Oak Way Park Landscaping and Lighting Assessment District (the "Assessment District") in order to comply with the District's Master Park and Recreation Plan that was developed in September 1988. The Master Plan outlined three major findings:

1. There exist inadequate neighborhood parks to service the park and recreational needs of the community,

2. Additional large neighborhood parks should be developed within the service area of the District, preferably in conjunction with the development of adjacent school sites and in connection with development of new housing subdivisions, and

3. Emphasize the need to develop a long-range financing program to ensure adequate financial resources to support the development and maintenance of the park and recreational improvements recommended by the Master Plan, including financial alternatives such as park fees, state recreation bonds, and assessments levied pursuant to the Landscaping and Lighting Act of 1972.

In 1992, CARD began the planning process for the Oak Way neighborhood park. On February 25, 1993, the Board approved the Engineer's Report and passed its Resolution of Intent to Form the Oak Way Landscaping and Lighting Assessment District and to Levy and Collect Assessments for Fiscal Year 1993-1994. On April 22, 1993, a public protest hearing was held to hear all written and oral protests of the formation of the proposed assessment district. After a few written protests and no oral protests, the Chico Area Recreation and Park District Board of Directors passed its Resolution Ordering the Formation of the Oak Way Landscaping and Lighting Assessment District and Confirming a Diagram and Assessment for Fiscal Year 1993-94. In 1997, the Park District conducted an assessment balloting proceeding for the Assessment District to comply with Proposition 218 requirements which reduced the rate from $12.00 to $4.00.

Introduction

This Engineer's Report ("Report") was prepared to establish the budget for the capital improvement and services expenditures that would be funded by the proposed 2026-27 assessment, determine the benefits received from the lighting and landscaping maintenance and improvements by property within CARD and the method of assessment apportionment to lots and parcels within CARD. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIIID of the California Constitution (the "Article").

This Report describes the Assessment District, any new annexations, changes to the Assessment District, and the proposed assessments for fiscal year 2026-27. The proposed assessments are based on the estimated cost to operate, maintain and service the improvements that provide a direct and special benefit to properties within the Assessment District.

In each year for which the assessments will be levied, the CARD Board must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Report is completed, the Board may preliminarily approve the Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Board adopted on April 23, 2026.

Once the Board preliminarily approves this Engineer's Report and the continuation of the assessments by resolution, a notice of the proposed assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing will be used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 25, 2026.

Following consideration of public comments at a public hearing, and review of the Final Annual Engineer's Report, the Board of Directors ("the Board") of CARD, may order amendments to the Report or confirm the Report as submitted.

At this hearing, the Board would consider approval of a resolution confirming the assessments for fiscal year 2026-27. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2026-27.

Legislative Analysis

Proposition 218

Many of these Assessment Districts were formed prior to the passage of Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article XIIIC and XIIID of the California Constitution. (Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.) Although these assessments are consistent with Proposition 218, the California judiciary has generally referred to pre-Proposition 218 assessments as “grandfathered assessments” and held them to a lower standard than post Proposition 218 assessments.

Other Assessment Districts that were formed after Proposition 218 are consistent with the approval procedures and requirements imposed by Proposition 218.

Silicon Valley Taxpayers Association, Inc. v Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority (“SVTA vs. SCCOSA”). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general, benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the Assessment District

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the Assessment District. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

In the December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the Assessment District instead of proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010, the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

Compliance with Current Law

This Engineer's Report is consistent with the requirements of Article XIIIC and XIIID of the California Constitution and with the SVTA decision because the Improvements to be funded are clearly defined; the Improvements are directly available to and will directly benefit property in the Assessment District; and the Improvements provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with Buetz, Greater Golden Hill, and Dahms because similar Improvements will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with Bonander because the Assessments have been apportioned based on the overall cost of the Improvements and proportional special benefit to each property.

Plans and Specifications

The improvements to be undertaken by the Oak Way Park Landscaping and Lighting Assessment District (the "Assessment District") and the cost thereof paid from the levy of the annual assessments, provide special benefit to parcels within the Assessment District as defined in the Method of Assessment herein. In addition to the definitions provided by the Landscaping and Lighting Act of 1972, (the "Act") the work and improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, property owned or property rights, easements and/or rights of entry, leases or dedications including, but not limited to, parks, recreation facilities, open space lands, greenbelts, playground equipment, trails, utility right-of-ways, signage, fencing, picnic areas, restrooms, lighting and other improvements and land preparation (such as grading, leveling, cutting, and filling) sod landscaping, irrigation systems, sidewalks and drainage on (1) real property owned by, or encumbered by property rights held by, or maintained by, the Assessment District; or (2) on real property owned by, or encumbered by property rights held by, or maintained by any local agency or non-profit entity within the jurisdictional area of the Assessment District in any of the installations, maintenance and servicing described herein.

"Installation" means the construction of public improvements, including, but not limited to, land preparation, (such as grading, leveling, cutting and filling), sod, landscaping, irrigation systems, sidewalks and drainage, and lights.

"Maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any Improvement, including (a) repair, removal, or replacement of all or part of any Improvement; (b) providing for the life, growth, health and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; (c) the removal of trimmings, rubbish, debris, and other solid waste; and (d) the cleaning, sandblasting and painting of walls and other Improvements to remove or cover graffiti. (Streets & Highways Code §22531)

"Servicing" means the furnishing of (a) electric current or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other Improvements; and (b) water for irrigation of any landscaping, the operation of any fountains, or the maintenance of any other Improvements. (Streets & Highways Code §22538)

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526)

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus incidental expenses. Reference is made to the plans and specifications, including specific expenditure and improvement plans by park/recreation site, which are on file with Chico Area Recreation and Park District.

Estimate of Costs And Budget

The annual assessment for the Oak Way Park Landscaping and Lighting Assessment District is shown in the figure below:

Figure 1 - Oak Way Park LLAD Estimate of Costs Fiscal Year 2026-27

			Preliminary Budget
Maintenance and Servicing Expenditures:			$147,000
Incidental Expenses [1]			$4,851
Installation, Maintenance, Servicing and Incidental Costs Total			**$151,851**
Contributions from General Fund			($127,887)
Net Costs for Maintenance and Servicing			**$23,964**
Budget Allocation to Property [2]			
	Assessment Units	**RATE**	**BUDGET [3]**
	5,991	$4.00	$23,964

Notes:

1. Incidental cost includes county collection charges and project management.
2. The Act stipulates that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the Assessment District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year.
3. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor-Controller. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to assessment.

Method of Apportionment

Method of Apportionment

This section of the Engineer's Report explains the benefits to be derived from the Improvements and the methodology used to apportion the total assessment to properties within the Assessment District.

The method used for apportioning the assessment is based upon the relative special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property or to the public at large. The assessment is apportioned to lots and parcels in proportion to the relative special benefit from the improvements. The apportionment of special benefit is a two-step process: the first step has been to identify the types of special benefit arising from the improvements and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

This section of the Report includes a discussion of the benefits to be provided by the proposed improvements and the method of apportionment of assessments within the Assessment District.

Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

> *"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Proposition 218, as codified in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property and that the value of the special benefits must exceed the cost of the assessment:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the Improvements to be provided with the assessment proceeds. These types of special benefit are summarized as follows:

- Proximity to Improved Landscaped Areas and Other Public Improvements within the Assessment District.
- Access to Improved landscaped areas and Other Public Improvements within the Assessment District.
- Improved Views within the Assessment District.
- Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements.

In this case, the recent the SVTA v. SCCOSA decision provides enhanced clarity to the definitions of special benefits to properties from similar park improvements in three distinct areas:

- Proximity
- Expanded or improved access
- Views

The SVTA v. SCCOSA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA v. SCCOSA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

> *The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).*

Proximity, improved access and views, in addition to the other special benefits listed herein further strengthen the basis of these assessments.

Moreover, the Dahms decision further clarified that certain services and improvements funded by assessments, that are over and above what otherwise would be provided and that other property in general and the public do not share or receive are 100% special benefit. The assessment funded services upheld by Dahms included streetscape maintenance and security services.

Benefit Factors

The special benefits from the Improvements are further detailed below:

Proximity to improved landscaped and park areas within the Assessment District

Only the specific properties within close proximity to the Improvements are included in the Assessment District. Each of the Assessment District has been narrowly drawn to only include the properties that receive special benefits from the Improvements. Therefore, property in the Assessment District enjoys unique and valuable proximity and access to the Improvements that the public at large and property outside the Assessment District do not share.

In absence of the assessments, the Improvements would not be provided and the public improvements funded in the Assessment District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

Access to improved landscaped and park areas within the Assessment District

Since the parcels in the Assessment District are nearly the only parcels that enjoy close access to the Improvements, they directly benefit from the unique close access to improved landscaped and park areas and other public improvements that are provided by the Assessments. This is a direct advantage and special benefit to property in the Assessment District.

Improved views within the Assessment District

CARD, by maintaining permanent public improvements funded by the assessments in each Assessment District, provides improved views to properties in the Assessment District. The properties in the Assessment District enjoy close and unique proximity, access and views of the specific Improvements funded in their Assessment District; therefore, the improved and protected views provided by the Assessments are another direct and tangible advantage that is uniquely conferred upon property in the Assessment District.

Extension of a property's outdoor areas and green spaces for properties within close proximity to the Improvements

In large part because it is cost prohibitive to provide large open land areas on property in the Assessment District, the residential, commercial and other benefiting properties in the Assessment District do not have large outdoor areas and green spaces. The landscaped areas within the Assessment District provide additional outdoor areas that serve as an effective extension of the land area for proximate properties because the Improvements are uniquely proximate and accessible to property in close proximity to the Improvements. The Improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties in the Assessment District because such properties have uniquely good and close proximity to the Improvements.

General versus Special Benefit

In absence of the assessments, the Improvements in each Assessment District would not be provided, so the Improvements are "over and above" what otherwise would be provided. Many of the parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the Assessment District was a condition of development approval.

All of the Assessment proceeds derived from each Assessment District will be utilized to fund the cost of providing a level of tangible "special benefits" in the form of proximate landscaping, lighting, and other permanent public improvements. The Assessments are also structured to provide specific Improvements within each Assessment District, further ensuring that the Improvements funded by the Assessments are of specific and special benefit to property within each Assessment District.

Although these Improvements may be available to the general public at large, the public landscaping and other public improvements in each Assessment District were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the Assessment District, and not the public at large. Other properties that are either outside an Assessment District or within an Assessment District and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, many of the homes and other improvements on parcels in the Assessment District would not have been built if the Assessments were not established because an assessment for public landscaping and lighting was a condition of development approval.

It is also important to note that the improvements and services funded by the assessments in Pomona ("Dahms") are similar to the improvements and services funded by the Assessments described in this Engineer's Report and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund improvements and services directly provided within the Assessment District and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Improvements, particularly setback landscaping improvements.

Benefit Finding

In summary, real property located within the boundaries of the Assessment District distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and from the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve local properties in each Assessment District, not other properties or the public at large. The Assessment District have been narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the Assessment District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Improvement District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Method of Assessment

The step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single-family home.

Oak Way Park Land Use Classification

The Land Use Classes for the Oak Park Landscaping and Lighting Assessment District is defined in the original Engineer's Report:

> *Class A: Includes all single family residential lots, single family ag-residential parcels and condominium residential parcels.*
> *Class B: Includes all multi-residential and apartment residential parcels.*
> *Class C: Includes all mobile home residential parcels.*
> *Class D: Includes all retail, commercial and non-residential land use parcels.*
> *Class E: Includes all industrial and mini-storage parcels.*

<u>Class F</u>: Includes all parcels classified as exempt from assessment by the County Assessor. Vacant properties, small irregular shaped parcels and property owned by any government entity or utility fall into this class.

Assessment Factors

The Assessment District calculate the Assessment per parcel based on Land Use Classes and the Assessment Factor Index. The Assessment Factor Index and Assessment per Parcel are defined in the original Oak Way Park Landscaping and Lighting Assessment District Engineer's Reports:

Assessment Factor Index:

> *The Assessment Matrix also shows the Assessment Factor Index for each land use category. Since a single family residential parcel is the "benchmark property", the relative scores of all other land use classes were related to the benchmark by indexing. A single family residential parcel was assigned a relative Assessment Factor Index of 1.00. The Assessment Factor Index for other land use classes were determined by dividing the point total for each particular land use class by the point total for the single family/ condominium residential class.*

Assessment Per Parcel:

> *The total number of dwelling units for each land use class was multiplied by its respective Assessment Factor Index to determine the number of Assessment Units for each land class. The sum of the Assessment Units for all land use classes was then divided into the annual assessment amount to determine a Base Unit per unit.*

The final assessment per parcel is determined by multiplying the Base Assessment by the Assessment Factor Index and the number of units for that particular parcel.

Figure 2 - The Benefit Assessment Matrix

Use of Property	Assessment Factor Index	Rate
Single and Multi-Family Residential, Apartment Unit, or Condominium	1.00	$4.00
Mobile Homes on a Separate Parcel	0.90	$3.60
Commercial/Industrial	0.00	$0.00

Appeals of Assessments Levied to Property

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment may file a written appeal with the District Engineer or his or her designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the District Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the General Manager or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the Assessment Roll. If any such changes are approved after the Assessment Roll has been filed with the County for collection, the District Engineer or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District Engineer or his or her designee shall be referred to the Board of Directors of the Chico Area Recreation and Park District, and the decision of the Board shall be final.

Assessments

WHEREAS, said the Board directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Improvements upon all assessable parcels within the Assessment District, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the Board of the Chico Area Recreation and Park District hereby make the following assessment to cover the portion of the estimated cost of the Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for the improvements and the expense incidental thereto, to be paid by the District for the fiscal year 2026-27 is generally as follows:

Figure 3 - Summary Estimate of Costs Fiscal Year 2026-27

Installation, Maintenance, Servicing and Incidental Cost:	$151,851
Contributions from General Fund	($127,887)
Total Oak Way Park LLAD Budget	**$23,964**

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Landscaping and Lighting Assessment District. The distinctive number of each parcel or lot of land in the said Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said Improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The maximum authorized assessment rate of $4.00 per single-family residential unit for fiscal year 2026-27 is based on the estimate of cost and budget in this Engineer's Report.

The assessment is made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said Improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Butte for the fiscal year 2026-27. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County. I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2026-27 for each parcel or lot of land within the Assessment District.

Dated: June 30, 2026

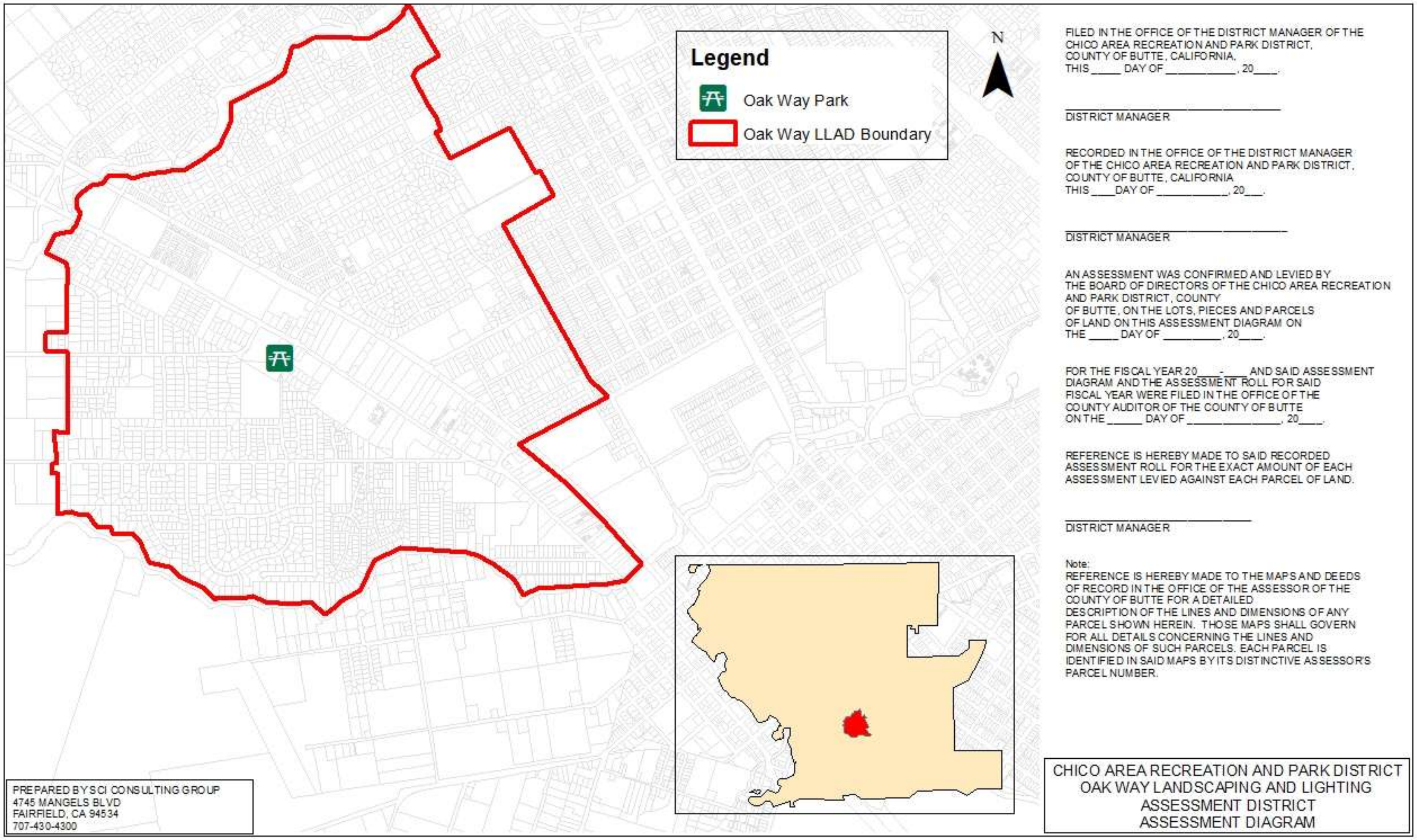
Engineer-of-Work

By John W. Bliss

John W. Bliss, License No. C52091

Assessment Diagrams

The boundaries of the Assessment District are displayed on the following Assessment Diagrams. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Butte, for fiscal year 2026-27, and are incorporated herein by reference, and made a part of this Diagram and this Report.


Legend
Oak Way Park
Oak Way LLAD Boundary
N
FILED IN THE OFFICE OF THE DISTRICT MANAGER OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, CALIFORNIA, THIS _____ DAY OF ___________, 20____.
DISTRICT MANAGER
RECORDED IN THE OFFICE OF THE DISTRICT MANAGER OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, CALIFORNIA THIS ____DAY OF ___________, 20___.
DISTRICT MANAGER
AN ASSESSMENT WAS CONFIRMED AND LEVIED BY THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT, COUNTY OF BUTTE, ON THE LOTS, PIECES AND PARCELS OF LAND ON THIS ASSESSMENT DIAGRAM ON THE _____ DAY OF __________, 20____.
FOR THE FISCAL YEAR 20____-____ AND SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL FOR SAID FISCAL YEAR WERE FILED IN THE OFFICE OF THE COUNTY AUDITOR OF THE COUNTY OF BUTTE ON THE ______ DAY OF _______________, 20____.
REFERENCE IS HEREBY MADE TO SAID RECORDED ASSESSMENT ROLL FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND.
DISTRICT MANAGER
Note:
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF BUTTE FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.
PREPARED BY SCI CONSULTING GROUP
4745 MANGELS BLVD
FAIRFIELD, CA 94534
707-430-4300
CHICO AREA RECREATION AND PARK DISTRICT
OAK WAY LANDSCAPING AND LIGHTING
ASSESSMENT DISTRICT
ASSESSMENT DIAGRAM

Assessment Roll

An Assessment Roll (a listing of all parcels assessed within the Assessment District and the amount of the assessment) will be filed with the Secretary to the Board of Directors and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor's records and these records are, by reference, made part of this Report. These records shall govern for all details concerning the description of the lots or parcels.

Non-assessable lots or parcels include government owned land and public utility owned property.

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RESOLUTION 26-07 OF THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT

A RESOLUTION APPROVING ENGINEER'S REPORT, CONFIRMING DIAGRAM AND ASSESSMENT AND ORDERING CONTINUATION OF THE LEVY OF ASSESSMENT FOR FISCAL YEAR 2026-27 FOR THE OAK WAY, AMBER GROVE/GREENFIELD, AND BARONI NEIGHBORHOOD PARK AND OPEN SPACE LANDSCAPING AND LIGHTING ASSESSMENT DISTRICTS

RESOLVED, by the Governing Board (the "Board") of the Chico Area Recreation and Park District (the "District"), County of Butte, State of California, that

WHEREAS, the Chico Area Recreation and Park District is authorized, pursuant to the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof) and Article XIIID of the California Constitution (Proposition 218), to levy assessments for park and recreation improvements; and

WHEREAS, the Oak Way and the Baroni Neighborhood Park and Open Space Landscaping and Lighting Assessment Districts were approved by property owners pursuant to Proposition 218; the Amber Grove/Greenfield Landscaping and Lighting Assessment District was approved in 1994 after not receiving majority protest.

WHEREAS, the purpose of the Assessment Districts is for the installation, maintenance, and servicing of improvements within the Chico Area Recreation and Park District, as described in the annual Engineer's Report; and

WHEREAS, on May 28, 2026, A Resolution Directing Preparation of Annual Report for the Oak Way, Amber Grove/Greenfield, and Baroni Neighborhood Park and Open Space Landscaping and Lighting Assessment Districts (the "Assessment Districts"), this Board designated SCI Consulting Group as Engineer of Work and ordered said Engineer to make and file a report in writing in accordance with and pursuant to the Landscaping and Lighting Act of 1972;

WHEREAS, notice of the hearing was given as required by law and was held before the Board on July 23, 2026, at approximately 4:00 p.m., at Chico Area Recreation and Park District office located at 545 Vallombrosa Ave, Chico, CA, on the question of the levy of the assessments; and

WHEREAS, at the hearing all persons interested and desiring to be heard were given an opportunity to be heard, and all oral statements and all written protests pertaining to the levy were fully heard and considered by this Board; and

WHEREAS, the Engineer's Report was also duly considered by the Board and found to be sufficient.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of CARD hereby proclaim

SECTION 1. The public interest, convenience and necessity require that the levy continues to be made.

SECTION 2. The Engineer's Report, including the plans and specifications, estimate of the costs and expenses, the diagram, and the assessment, including any modifications or revisions, which is attached as an exhibit is finally approved and confirmed.

SECTION 3. The assessment is levied without regard to property valuation.

SECTION 4. Based on the oral and documentary evidence, including the Engineer's Reports, offered and received at the hearing, this Board expressly finds and determines (a) that each of the several lots and parcels of land will be specially benefited by the maintenance of the improvements at least in the amount if not more than the amount, of the assessment apportioned against the lots and parcels of land, respectively, and (b) that there is substantial evidence to support, and the weight of the evidence preponderates in favor of, the aforesaid finding and determination as to special benefits.

SECTION 5. The diagram of the Assessment District as contained in the Engineer's Report for fiscal year 2026-27 is hereby approved and confirmed.

SECTION 6. The assessment as established in the Engineer's Report for fiscal year 2026-27 is hereby approved, confirmed, and levied.

SECTION 7. The assessments continue to pay the costs and expenses of the maintenance of the improvements for fiscal year 2026-27 is hereby levied. For further particulars pursuant to the provisions of the Landscaping and Lighting Act of 1972, reference is hereby made to the Resolution Directing Preparation of Engineer's Reports.

SECTION 8. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments. After collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the Chico Area Recreation and Park District.

SECTION 9. The funds representing assessments collected by the County shall be deposited in the District Treasury to the credit of the improvement fund previously established under the distinctive designation of the Assessment Districts. Funds in the improvement fund shall be expended only for bond expenses, maintenance, servicing, construction or installation of the improvements.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Chico Area Recreation and Park District on the 23rd day of July 2026 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

	ATTEST:
____________________________	____________________________
Michael McGinnis, Chair Board of Directors	Holli Drobny Clerk of the Board of Directors

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Board Meeting Calendar Amendment

BACKGROUND
The District's Board of Directors currently holds regular meetings on the fourth Thursday of each month. The annual meeting calendar was adopted to reflect this schedule. Staff are proposing two amendments to the annual calendar to better align with operational needs and seasonal programming demands.

DISCUSSION
July Regular Meeting:
Consideration of permanently removing the July regular board meeting from the annual meeting calendar. This adjustment reflects a period of reduced Board business activity and allows focus on summer programming operations impacting the availability of facility space each year.

November and December Meeting Consolidation:
Consideration of consolidating the November and December regular meetings into a single meeting to be held on the second Thursday of December each year. This date provides consistency and predictability for the public, Board members, and staff, and eliminates the need to re-notice a date change on an annual basis.

These amendments will be reflected in all future annual Board meeting calendars adopted by the District. Staff will incorporate these changes into each year's calendar as a standing practice, subject to any future Board action to modify the schedule.

RECOMMENDATION
Staff recommends the Board approve permanent amendments to the annual Board of Directors meeting calendar, including the cancellation of the July regular meeting each year and the consolidation of the November and December regular meetings into a single meeting on the second Thursday of December each year, effective immediately, and direct staff to reflect these amendments in all future annual meeting calendars and provide appropriate public notice in accordance with Brown Act requirements.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Equipment Lease Agreement with Lupine Legacy Foundation

BACKGROUND

The District is constructing a new aquatics center to serve as a major public recreation facility for Chico and the surrounding community. During construction, staff identified a funding gap for certain equipment and facility components needed to complete and operate the facility.

The Lupine Legacy Foundation, a private philanthropic foundation, has offered to help fund this equipment. District Counsel has prepared a proposal under which Lupine Legacy would purchase the needed equipment and lease it to the District for use at the aquatics center, structured to comply with the legal requirements for public-agency lease financings described below.

DISCUSSION

1. District's Authority to Enter Into the Proposed Transaction

The District is organized and operates under the Recreation and Park District Law, Public Resources Code section 5780 et seq. The District's borrowing authority and debt limitations are derived primarily from that law and from the Government Code borrowing statutes it incorporates. Consistent with the general statutory authority of public agencies to lease property, and subject to the constitutional debt limit discussed below, the District has authority to enter into a financing lease of the type proposed by Lupine Legacy. The transaction would need to be approved by the Board of Directors by resolution.

2. Constitutional Debt Limit and the Lease Financing Exception

Article XVI, section 18 of the California Constitution generally prohibits a local public agency from incurring indebtedness exceeding revenues available for that year without voter approval. California courts have recognized several exceptions to this constitutional debt limit. The exception relevant here is the lease exception, commonly called the "Offner-Dean lease exception," under which a lease financing is not treated as constitutional "debt" if the public agency's obligation to make lease payments in a given fiscal year is contingent upon the agency having beneficial use and occupancy of the leased property during that year.

A qualifying lease generally must satisfy the following requirements:

1. **Leasable property.** The leased property must be a leasable asset, such as a building, plant, or equipment.

2. **Fair rental value.** Rent in each fiscal year must not exceed the fair rental value of the leased property.
3. **No acceleration.** If the lessee fails to pay rent when due, the lessor may not accelerate future rent.
4. **Abatement.** If effective use and occupancy of the leased property is unavailable, rent must be abated to the extent and during the period use and occupancy is unavailable.

3. The Proposed Structure

The proposal is structured to satisfy each of these requirements: Lupine Legacy would purchase and own specific, identifiable equipment for the aquatics center, and the District would lease that equipment for its beneficial use, with rent based on fair rental value, no acceleration of future rent upon default, and abatement if an asset is not available for the District's use. Because Lupine Legacy, not the District, would own the equipment during the lease term, and the District's payments would be rent rather than repayment of an advance of funds, the transaction is not treated as a loan for constitutional debt-limit purposes.

District Counsel has conducted a thorough review of the legal basis and prepared the attached proposal with these requirements in mind.

FISCAL IMPACT

Under the proposal, Lupine Legacy would own the equipment directly. The District would instead incur an ongoing annual lease obligation, subject to abatement as described above, which would need to be budgeted as an operating expense of the District for the duration of the lease term.

RECOMMENDATION

Staff recommends that the Board of Directors review and discuss the Lupine Legacy Foundation proposal and, if supportive, authorize the General Manager to execute the lease and related documents prepared by District Counsel.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

SacValleyLaw LLP

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Gridley, CA 95948

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**Certified Specialist in Estate Planning, Trust & Probate Law.*

Mailing address for both locations:

P. O. Box 908
Gridley, CA 95948

July 7, 2026

Carly Leinheiser
Bromberger Law PLLC
Via email at carly@brombergerlaw.com

Re: Proposed Equipment Acquisition and Lease Structure for CARD Aquatics Center

Dear Ms. Leinheiser:

It was a pleasure to speak with you last week. Chico Area Recreation and Park District ("CARD") is currently developing its new aquatics center, a major public recreation facility intended to serve residents of Chico and the surrounding community. As construction proceeds, CARD has identified a need for funding assistance for certain equipment and facility components necessary for the completion, operation, and long-term functionality of the aquatics center.

CARD appreciates Lupine Legacy Foundation's interest in supporting this important community project. To structure that support in a manner that is consistent with CARD's public-agency obligations, CARD proposes that Lupine Legacy Foundation purchase certain identified aquatics-center assets and lease those assets to CARD under a lease arrangement designed to comply with the requirements commonly associated with the Offner-Dean lease exception.

Proposed Structure

CARD proposes that Lupine Legacy Foundation purchase the assets identified on the cost schedule below. The assets have been selected because they are necessary or useful for the operation of the aquatics center and would serve CARD's public recreation purposes. After acquisition, Lupine Legacy Foundation would lease the assets to CARD. CARD would make annual lease payments for each item based on the fair market rental value for the given asset as shown on the cost schedule below. The proposed lease term would be fifteen years from the start date of the use of the respective asset.

Cost Schedule and Annual Lease Rate

Asset	Stated Cost	Notes	Proposed Annual Lease Payment
Solar array	$2,600,000	Includes solar rebate	$173,000.00
Slide Tower	$1,100,000		$73,000.00
Scoreboard	$150,000		$10,000.00
HVAC	$1,000,000		$60,000.00
Shade Structures	$850,000		$56,000.00
Filtration	$1,000,000		$68,000.00
Misc. Equipment	$300,000	Tables, chairs, benches, desks, etc.	$20,000.00
Total	**$7,000,000**		**$460,000.00**

Offner-Dean Lease Requirements

The proposed transaction would be structured as a true lease of identified assets, rather than as a loan or other borrowing arrangement. To accomplish that, the lease would need to satisfy the core requirements of the Offner-Dean lease exception, including the following:

1. Identified Leased Property. The lease would apply to specific, identifiable assets purchased by Lupine Legacy Foundation and leased to CARD.

2. Public Purpose. The leased assets would be used by CARD for the aquatics center and related public recreation purposes.

3. Use and Occupancy. CARD's lease payments would be made in exchange for CARD's beneficial use and possession of the leased assets.

4. Fair Rental Value. The annual lease payments would not exceed the fair rental value of the leased assets. CARD and Lupine Legacy Foundation may need to rely on an appropriate valuation, appraisal, cost schedule, useful-life analysis, or other fair-rental-value support to confirm that the proposed rent is reasonable.

5. Abatement. CARD's obligation to pay rent would be subject to abatement if CARD does not have beneficial use of the leased assets. For example, if an asset is not delivered, installed, accepted, operational, or available for CARD's use, lease payments for that asset would not commence or would be abated until the asset is available for use.

6. No Acceleration of Future Rent. The lease would not permit Lupine Legacy Foundation to accelerate all future rent in the event of a default. Remedies would be limited to appropriate lease remedies, such as recovery of accrued unpaid rent, termination of CARD's right to use the leased assets, or repossession of leased assets where legally and practically available.

7. No Loan Characterization. The transaction would not be structured as a repayment obligation for money advanced to CARD. Lupine Legacy Foundation would purchase and own the leased assets during the lease term, and CARD's payments would be rent for CARD's use of those assets.

Ownership and Acquisition of Assets

CARD proposes that Lupine Legacy Foundation purchase the assets directly or through a mutually acceptable acquisition process. CARD would assist in identifying the required assets, specifications, vendors, delivery requirements, installation requirements, and acceptance standards.

Because CARD is a public agency, the acquisition process would need to be coordinated with applicable public contracting, procurement, grant, and project requirements. The final structure should ensure that Lupine Legacy Foundation's acquisition of the assets does not inadvertently circumvent any procurement requirements applicable to CARD.

During the lease term, Lupine Legacy Foundation would retain ownership of the leased assets. CARD would have the right to possess and use the assets for aquatics-center purposes, subject to the lease terms.

At the end of the lease term, the parties could consider one of the following options:

1. CARD purchases the assets for their then fair market value;
2. Lupine Legacy Foundation donates the assets to CARD, if legally permissible at that time;
3. CARD continues leasing the assets under mutually agreed terms; or
4. Lupine Legacy Foundation retains ownership and the parties determine disposition of the assets.

Any end-of-term transfer should be structured carefully so that the lease remains a true lease and is not characterized as a disguised installment purchase or loan.

Commencement of Lease Payments

Lease payments for each asset would commence only when that asset has been delivered, installed if applicable, accepted, operational, and made available for CARD's beneficial use.
If an asset is purchased before the aquatics center is ready for operation, the parties should determine whether CARD has actual beneficial use of that asset before rent begins. Assets that cannot yet be used because the facility is incomplete should not generate lease payments until they are available for CARD's use.

Maintenance, Insurance, and Risk of Loss

The lease would address responsibility for maintenance, repair, insurance, and replacement of the leased assets. CARD anticipates that it would maintain and operate the leased assets in accordance with manufacturer specifications, applicable warranties, and ordinary public-agency standards.

The lease would also need to address casualty, damage, theft, loss, or destruction of the leased assets. If an asset is lost, destroyed, damaged, or unavailable for use, CARD's rent obligation for that asset would be abated to the extent required by the lease and applicable law.

Benefits of Proposed Structure

This structure would allow Lupine Legacy Foundation to provide meaningful support for the aquatics center while preserving a legally defensible distinction between a charitable funding arrangement and a loan. The structure would also create a direct relationship between Lupine Legacy Foundation's support and identifiable assets that will be used in the aquatics center for public recreation purposes. For CARD, the proposed arrangement would provide access to needed assets while allowing annual payments to be treated as lease payments for current use of those assets. For Lupine Legacy Foundation, the structure would provide a transparent schedule of assets acquired, costs incurred, and lease payments received.

Sincerely,

SacValleyLaw LLP

JACKSON GLICK

RESOLUTION 26-08 OF THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT

Authorizing The General Manager To Execute A Financing Lease Agreement With Lupine Legacy For Infrastructure Equipment At The Chico Aquatic Center

WHEREAS, the Chico Area Recreation and Park District ("District") is a California recreation and park district organized and operating pursuant to the Recreation and Park District Law (Public Resources Code §5780 et seq.); and

WHEREAS, the District is engaged in the development of the Chico Aquatic Center, a public recreation facility to serve the residents of Chico and the surrounding region; and

WHEREAS, the District has determined that a lease agreement with Lupine Legacy Foundation ("Lupine Legacy") for infrastructure equipment to be used at the Chico Aquatic Center is necessary to support the continued development and operation of the facility; and

WHEREAS, the District has general statutory authority under the Recreation and Park District Law and applicable Government Code borrowing statutes to enter into a lease agreement of this type, subject to the constitutional limitations on the incurrence of indebtedness described below; and

WHEREAS, Article XVI, Section 18 of the California Constitution generally prohibits a local public agency from incurring indebtedness exceeding the revenues available to it in a given fiscal year without voter approval, subject to certain exceptions recognized by California courts, including the exception for lease financings commonly known as the "Offner-Dean lease exception," under which a lease is not treated as constitutional "debt" if the public agency's obligation to make lease payments in a given fiscal year is contingent upon the agency having beneficial use and occupancy of the leased property during that year; and

WHEREAS, the proposed lease agreement with Lupine Legacy is structured to satisfy the requirements of the lease exception described above, in that: (i) the District's rent obligation will be payable solely in consideration of the District's beneficial use and occupancy of the leased equipment; (ii) annual rent will not exceed the fair rental value of the leased equipment; (iii) the lease will provide for abatement of rent to the extent and during any period the District does not have use and occupancy of the leased equipment; and (iv) the lease will not permit Lupine Legacy to accelerate future rent upon a default; and

WHEREAS, District staff and legal counsel have conducted a review of fair market lease rates on comparable equipment where such information was available. Where such information was not available staff determined fair market lease rates based on a 15-year life span using the acquisition cost of the item. An analysis of this information supports the determination that the proposed rent does not exceed the fair rental value of the leased equipment; and

WHEREAS, District staff and legal counsel have considered the applicability of Government Code section 5852.1, relating to good faith cost disclosures prior to the authorization of certain debt financings with a term greater than thirteen months, and Government Code section 8855, relating to reports of proposed and final debt issuance to the California Debt and Investment Advisory Commission ("CDIAC"); and

WHEREAS, the District intends the Lease to constitute a true lease of identified equipment and related project assets for the District's beneficial use, and not a loan or other borrowing of money; and

WHEREAS, notwithstanding the District's intended characterization of the Lease as a true lease, the Board has received and considered the financial terms of the Lease, including the stated cost of the leased assets, the proposed annual lease payments, the proposed lease term, and the total scheduled lease payments, as set forth in the staff report and attached lease schedule; and

WHEREAS, the Board authorizes District staff and legal counsel to make any filings with CDIAC, provide any good faith cost disclosures, or take any related compliance actions that District staff and legal counsel determine are required or prudent in connection with the Lease, without waiving the District's position that the Lease is a true lease and not an unauthorized borrowing;

WHEREAS, District staff have determined that the acquisition and lease of the equipment described herein is exempt from the California Environmental Quality Act and falls within the scope of the environmental review previously certified for the Chico Aquatic Center project; and

WHEREAS, the Board of Directors has reviewed the proposed financing lease agreement and determined that it is in the best interest of the District and the community it serves.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Chico Area Recreation and Park District as follows:

1. The Board of Directors hereby finds and determines that the recitals set forth above are true and correct, and that the proposed lease agreement with Lupine Legacy is structured to satisfy the requirements of the lease exception to the constitutional debt limit described in the recitals above, such that the District's obligations under the lease do not constitute "debt" within the meaning of Article XVI, Section 18 of the California Constitution.
2. The Board of Directors hereby approves the financing lease agreement between the District and Lupine Legacy for infrastructure equipment to be used at the Chico Aquatic Center, providing for annual lease payments not to exceed $460,000 and an aggregate lease payment obligation not to exceed $7,000,000 over the term of the lease, under the terms and conditions set forth in the agreement attached hereto as Exhibit A.
3. The General Manager is hereby authorized and directed to execute the lease agreement and any related documents on behalf of the District, in a form approved by legal counsel and consistent with the terms described in the staff report accompanying this Resolution and Section 2 above.
4. The General Manager and District staff are further authorized and directed to make any filings or disclosures required in connection with the lease agreement, including under Government Code Sections 5852.1 and 8855, to the extent applicable, as determined by District Counsel.

5. The General Manager is further authorized to take all other actions and execute all other documents necessary or appropriate to carry out the purposes of this Resolution.
6. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Chico Area Recreation and Park District on the 23rd day of July 2026 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

ATTEST:

____
Michael McGinnis, Chair
Board of Directors

____
Holli Drobny
Clerk of the Board of Directors

Exhibit A

EQUIPMENT LEASE

THIS EQUIPMENT LEASE (this “Lease”) is made as of the ____ day of _________, 2026, by and between, the LUPINE LEGACY FOUNDATION, a Delaware nonprofit corporation (“Lessor”) and CHICO AREA RECREATION AND PARK DISTRICT, a Parks and Recreation District formed and existing under authority of the California Public Resources Code (Section 5780, et seq.) (“Lessee”).

A. Lessor is or may become the owner of record of the following personal property that is to be installed at the Lessee’s aquatic center facility located at 13365 Garner Lane, in Chico (the “Aquatics Center) which is the subject of this Lease (the “Equipment”):

   Solar array
   Slide Tower
   Scoreboard
   HVAC
   Shade Structures
   Filtration Equipment

B. Lessee is in the process of constructing the Aquatics Center in which the Equipment will be installed.
C. Lessor wishes to memorialize terms for a lease of the items of Equipment that Lessor acquires to Lessee for the purpose of operating the water park at the Aquatics Center.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. No Warranties by Lessor or Any Assignee of Lessor.

   LESSEE ACKNOWLEDGES THAT LESSEE HAS SELECTED BOTH: (A) THE EQUIPMENT LISTED IN THIS LEASE; AND (B) THE SUPPLIER NAMED IN THIS LEASE FROM WHOM LESSOR IS TO PURCHASE THE EQUIPMENT. IN THIS RESPECT, LESSEE ACKNOWLEDGES THAT LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE AGENT OF THAT MANUFACTURER. LESSEE FURTHER ACKNOWLEDGES THAT LESSOR HAS NOT MADE, AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, OR ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: (1) AS TO THE FITNESS, DESIGN, OR CONDITION OF THE EQUIPMENT; (2) AS TO THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; (3) AS TO THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE MATERIALS IN THE EQUIPMENT, OR WORKMANSHIP IN THE EQUIPMENT; (4) AS TO

ANY LATENT DEFECTS IN THE EQUIPMENT; (5) AS TO ANY PATENT INFRINGEMENT; AND (6) AS TO THE COMPLIANCE OF THE EQUIPMENT WITH ANY REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION, OR CONTRACT PERTAINING THERETO. LESSEE FURTHER ACKNOWLEDGES THAT LESSEE IS LEASING THE EQUIPMENT FROM LESSOR IN AN "AS IS" CONDITION. IT IS AGREED THAT LESSOR SHALL HAVE NO OBLIGATION TO INSTALL, ERECT, TEST, ADJUST, REPAIR, OR SERVICE THE EQUIPMENT.

Notwithstanding the foregoing, Lessee shall have no obligation to pay rent for any item of Equipment unless and until that item has been delivered, installed if applicable, accepted by Lessee, operational, legally available for Lessee's use, and made available for Lessee's beneficial use and possession.

If the Equipment is not properly installed, does not operate as represented or warranted by the manufacturer or the supplier or is unsatisfactory for any reason, LESSEE shall make a claim on account thereof solely against the supplier or manufacturer and shall, nevertheless, pay LESSOR all rent payable hereunder only to the extent Lessee has beneficial use and possession of the applicable item of Equipment and the rent has not abated under this Lease. As between LESSEE and LESSOR, and only in those instances where the manufacturer of the Equipment has provided any warranty or guarantee of any nature whatsoever applicable to the Equipment, LESSOR hereby assigns to LESSEE whatever assignable interest LESSOR may have in such warranty or guarantee. The aforesaid assignment shall not in any way be deemed to limit, negate, or otherwise affect the disclaimer of warranties contained in the preceding paragraph, and LESSOR shall not incur any duties arising out of any manufacturer's warranties or guarantees. Further, LESSOR shall not incur any liability whatsoever arising out of any breach of any manufacturer's warranties or guarantees applicable to the Equipment.

2. No Oral Agreement, Guarantee, Promise, Condition, Representation, or Warranty, Nor Any Oral Modification Hereof Shall Be Binding.

   ALL PRIOR CONVERSATION, AGREEMENT, OR REPRESENTATIONS RELATED TO THIS LEASE OR TO THE Equipment ARE INTEGRATED HEREIN. NONE OF THE TERMS OF THIS LEASE SHALL BE CHANGED OR MODIFIED EXCEPT IN WRITING EXECUTED BY THE LESSOR AND THE LESSEE.

3. Supplier Not an Agent.

   LESSEE UNDERSTANDS AND AGREES THAT NEITHER SUPPLIER, NOR ANY SALESMAN OR OTHER AGENT OF SUPPLIER, IS AN AGENT OF LESSOR. NO SALESMAN OR AGENT OF SUPPLIER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE AND NO REPRESENTATION AS TO EQUIPMENT OR ANY OTHER MATTER BY SUPPLIER SHALL IN ANY WAY AFFECT LESSEE'S DUTY TO PAY RENT AND PERFORM ITS OTHER OBLIGATIONS AS SET FORTH IN THIS LEASE, EXCEPT TO THE EXTENT RENT IS NOT YET PAYABLE OR HAS ABATED UNDER THE EXPRESS TERMS OF THIS LEASE.

4. No Acceleration.

   This Lease is intended to be a lease for LESSEE's current use and possession of the Equipment. LESSOR shall have no right to accelerate future rent. Upon any default, LESSOR's monetary recovery shall be limited to accrued and unpaid rent, if any, and other amounts then due under this Lease, together with any remedies expressly permitted under this Lease and applicable law.

5. Ordering Equipment.

   LESSOR and LESSEE acknowledge that the Equipment has been ordered by LESSEE from supplier. LESSEE agrees to arrange for delivery of Equipment so that it can be accepted by LESSEE.

6. Delivery and Inspection.

   LESSEE will assume all responsibility for delivery and acceptance of the Equipment.

7. Term.

   The term of this Lease commences upon the date on which the Aquatics Center opens to the public and the applicable item of Equipment has been accepted by LESSEE as provided in this Lease, and will continue for a period of FIFTEEN (15) YEARS from that date.

8. Rent.

   During the term of this Lease, LESSEE agrees to pay annually at the following rates:

Asset	Annual Rent Payment
Solar array	$173,000
Slide Tower	$93,000
Scoreboard	$10,000
HVAC	$60,000
Shade Structures	$56,000
Filtration	$68,000
Total	**$460,000**

9. Rent Abatement.

   If, at any time during the term of this Lease, any item of the Equipment becomes unusable, LESSEE's obligation to pay rent for that piece of equipment shall abate and not continue until LESSEE recovers the use of that piece of Equipment. In the event of rent abatement, the annual rent shall be prorated based on the period of loss of use.

   Rent shall also abate for any item of Equipment that has not been delivered, installed if applicable, accepted, operational, legally available for Lessee's use, or otherwise available for Lessee's beneficial use and possession. Abatement shall apply only to the affected item of Equipment unless the loss of that item materially prevents Lessee's use of other leased Equipment.

10. Title of Equipment upon End of Lease Term.

During the term of this Lease, title to the Equipment shall remain with Lessor, subject only to Lessee's leasehold rights under this Lease. At the end of the Lease term, the parties may agree in writing to one of the following, subject to applicable law and any required approvals: (a) Lessee may purchase the Equipment for its then fair market value; (b) Lessor may donate the Equipment to Lessee if legally permissible; (c) the parties may extend or renew the Lease on mutually acceptable terms; or (d) Lessor may retain ownership and possession of the Equipment.

11. Use.

LESSEE COVENANTS AND REPRESENTS TO LESSOR THAT THE EQUIPMENT WILL BE USED EXCLUSIVELY IN CONNECTION WITH THE OPERATION OF THE AQUATICS CENTER WHICH IS A PUBLIC FACILITY. LESSEE FURTHER COVENANTS THAT THE EQUIPMENT SHALL AT ALL TIMES BE USED FOR PUBLIC BENEFIT PURPOSES ONLY.

12. Repairs; Use; Alterations.

LESSEE, at LESSEE's expense, shall keep Equipment in good working condition and shall repair and furnish all labor, parts, mechanisms, and devices required therefor. LESSEE shall use Equipment in a careful and lawful manner. LESSEE shall not make any alterations, additions, or improvements to Equipment without LESSOR's prior written consent. All additions, repairs, replacement parts, accessories, or improvements made to Equipment shall not be removed without LESSOR's prior written consent.

13. Loss or Damage.

LESSEE shall bear the entire risk of loss, theft, destruction, or damage of Equipment or any portion thereof from any cause whatsoever. However, the total or partial destruction of any Equipment, in the event such destruction renders the Equipment unusable, or total or partial loss of use or possession thereof by LESSEE, shall relieve LESSEE from the duty to pay the rent herein provided for the affected item of Equipment during the period of non-use. It shall be LESSEE's obligation to pursue any claim or replacement of such piece of equipment at their own discretion and at its own expense. In the event the Equipment is repaired or replaced through the LESSEE's insurance, LESSEE's rent obligation shall continue from the point the respective piece of equipment again enters public use.

14. Insurance.

LESSEE shall, at LESSEE's own expense, insure the Equipment at all times against fire, theft, and extended coverage insurance, and such policies shall be payable to LESSOR as LESSOR's interest may appear. This insurance shall be reasonably satisfactory to LESSOR as to form, amount, and insurer, and shall provide for at least ten (10) days written notice of cancellation to LESSOR. Such insurance policies or certificates thereof shall be delivered by LESSEE to LESSOR. In addition, LESSEE shall, at LESSEE's own expense, carry occurrence type public liability insurance with respect to the Equipment and the use thereof in such amounts and with such insurers as are reasonably satisfactory to LESSOR, and such insurance policies shall also name LESSOR as an insured thereunder. Lessee may satisfy its insurance obligations through self-insurance, a joint powers insurance authority, risk pool, commercial insurance, or any combination thereof, provided the coverage is reasonably consistent with Lessee’s ordinary public-agency risk management practices and the governing law.

15. Indemnity.

LESSEE assumes the risk of liability arising from or pertaining to the possession, operation, or use of the Equipment. LESSEE does hereby agree to indemnify, hold safe and harmless against, and defend LESSOR from, any and all claims, costs, expenses, damages, and liabilities arising from or pertaining to the use, possession, or operation of the Equipment to the extent permitted by California law, and except to the extent caused by the negligence, willful misconduct, or unlawful conduct of Lessor or any person acting on Lessor’s behalf. Nothing in this section shall waive any immunity, defense, claims-presentation requirement, or limitation available to Lessee under California law.

16. Assignment; Offset.

Without LESSOR's prior written consent, LESSEE shall not: (a) assign, transfer, pledge, hypothecate, or otherwise dispose of this Lease, the Equipment, or any interest therein; or (b) sublet or lend Equipment or permit it to be used by anyone other than LESSEE or LESSEE's employees, agents, contractors, invitees, program participants, or members of the public in connection with Lessee’s operation of the Aquatics Center.

17. Default.

If LESSEE fails to pay when due any rent payment or other amount required herein to be paid by LESSEE, and such failure continues for thirty (30) days after written notice from LESSOR, or if LESSEE materially breaches this Lease and fails to cure the breach within thirty (30) days after written notice from LESSOR, or such longer period as is reasonably necessary if the breach cannot reasonably be cured within thirty (30) days and Lessee commences and diligently pursues cure, LESSOR shall have the right to exercise any remedy available at law or in equity, including but not limited to seeking damages or specific performance and/or obtaining an injunction, provided that LESSOR shall have no right to accelerate future rent or recover damages measured by rent for future periods in which Lessee has not had beneficial use and possession of the Equipment. Lessor’s monetary remedies shall be limited to accrued unpaid rent and other amounts then due, together with any other non-accelerated remedies available under this Lease and applicable law.

18. Ownership; Personal Property.

The Equipment is, and shall at all times during the term of this lease, remain the property of LESSOR, and LESSEE shall have no right, title, or interest in or to the Equipment except as expressly set forth in this Lease. The Equipment is, and shall at all times remain, personal property notwithstanding that Equipment or any part of the Equipment may now be or hereafter become in any manner affixed or attached to real property or any building thereon. The parties acknowledge that some items of Equipment may be installed in or affixed to the Aquatics Center. Any removal of Equipment shall be conducted in a manner that complies with applicable law and does not unreasonably damage Lessee’s real property or interfere with public safety.

19. Public Agency Conditions.

Lessee's obligations under this Lease are subject to all required public-agency approvals, including approval by Lessee's governing board if required. Nothing in this Lease shall be construed as a pledge of Lessee's taxing power, a pledge of Lessee's general fund, or a waiver of any legal requirement applicable to Lessee as a California public agency. No officer, board member, employee, agent, or representative of Lessee shall have personal liability under this Lease.

20. Notices.

Except as otherwise provided hereunder; any notice or communication to Lessor, Lessee or any permitted assignee shall be in writing and be mailed by certified mail, postage prepaid. Notices or communications shall be addressed to Lessor at:

> Attn. ___________________
>
> Lupine Legacy Foundation
>
> _______________________________
>
> _______________________________

Notices or communications shall be addressed to Lessee at:

> Attn. General Manager,
Chico Area Recreation District,
545 Vallombrosa Avenue, Chico, CA 95926

or such other address or addresses as Lessor or Lessee shall from time-to-time designate, or to such agent of Lessor or Lessee as it may from time-to-time designate, by notice in writing to the other party. Any notice mailed in the manner above set forth shall be deemed to have been received unless returned to the sender by the post office.

21. Severability.

In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

22. Integration.

This instrument constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Lessor, Lessee and, if required by any Lender, by Lender.

23. Amendments

This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

24. Governing Law

This Lease shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LESSEE:

CHICO AREA RECREATION AND PARK DISTRICT

By: ....
Name: Annabel Grimm
Its: General Manager

LESSOR:

LUPINE LEGACY FOUNDATION

By: ....
Name:
Its:

RESOLUTION 26-09 OF THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT

APPROVING THE APPLICATION FOR THE
COMMUNITY RESILIENCE CENTERS PROGRAM ROUND 2

WHEREAS, the District is the Lead Applicant for the Community Resilience Centers Program Round 2,

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of CARD hereby:

1. Approves the filing of an application for Community Resilience Centers Program Round 2 for the Chico Area Community Resilience Center
2. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
3. Appoints the General Manager as agent of the applicant to conduct all negotiations and execute and submit all documents, including, but not limited to, applications, contracts, amendments, payment requests, and compliance with all applicable current state and federal laws which may be necessary for the completion of the aforementioned project.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Chico Area Recreation and Park District on the 23rd day of July 2026 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

ATTEST:

______________________	______________________
Michael McGinnis, Chair	Holli Drobny
Board of Directors	Clerk of the Board of Directors

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Garner Lane Frontage Improvements — Revised Intergovernmental Cooperative Agreement with the City of Chico

BACKGROUND

The District is currently constructing the Chico Aquatic Center at 13365 Garner Lane. As the project applicant and property owner, CARD is responsible under the Chico Municipal Code (CMC) for constructing the public frontage improvements required along its Garner Lane frontage, including curb, gutter, sidewalk, storm drainage, and related street improvements.

Separately, the adjacent Courtesy Motors site is subject to Development Agreement 18-01 with the City, which permits Courtesy Motors to defer construction of its own Garner Lane frontage improvements for up to twenty (20) years, with the underlying obligation to complete those improvements remaining in place. The City of Chico separately owns and is responsible for its own portion of work within the corridor, including a planned roundabout at Garner Lane and Esplanade.

Rather than allow the Courtesy Motors frontage to remain deferred and unimproved for years while the District constructs only its own portion in connection with the Aquatic Center, District staff proposed to the City and to Courtesy Motors that all three parties' frontage obligations be delivered as a single coordinated project. The District's existing Aquatic Center contractor, Slater & Son (with subcontractor Franklin Construction, Inc.), is already mobilized on site, providing an immediate and cost-effective opportunity to construct the full corridor at once rather than as disconnected projects with separate mobilization, traffic control, design, and environmental review efforts.

City staff and Courtesy Motors agreed to this approach. The City has prepared (1) an amendment to Development Agreement 18-01 converting Courtesy Motors' deferred construction obligation into a reimbursement obligation for its proportional share of actual costs, and (2) revisions to the Intergovernmental Cooperative Agreement between the City and the District, establishing the District's proportional cost share and reimbursement terms for the District's portion of the coordinated work. The City will fund the project up front and will be reimbursed by the District and Courtesy Motors for their respective shares as construction proceeds.

At the July 14 City Council meeting, the Council unanimously voted to approve the proposed plan.

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AGREEMENT REVISIONS
In addition to the Garner Lane improvements other revisions to the Intergovernmental Cooperative Agreement include:

- Transfers of neighborhood parks and greenways were revised to reflect transfers that occurred since 2020.
- The addition of the Chico Observatory to the cooperative programming section.
- Conditions that trigger the Esplanade frontage improvements.
- The section identifying the transfer of Community Park Impact Funds was revised to current practice and the requirement for the City to hold a reserve in its fund was removed.

DISCUSSION
Staff believes the coordinated approach represents sound public policy and prudent stewardship of District resources, for the following reasons:

- Efficiency and economies of scale. Constructing the entire Garner Lane corridor as one project — using a single mobilization, a single traffic control plan, and a single construction contract — is substantially more efficient than three separate projects delivered at different times by different parties. Bidding and constructing the full scope at once achieves meaningfully lower unit pricing than would be available to any single party constructing its frontage alone and allows the work to be completed in today's dollars rather than inflated future construction costs.

- The District's existing contractor and construction schedule. Because Slater & Son is already mobilized and on site, adding the frontage scope to the existing contract avoids the cost, delay, and administrative burden of procuring a separate contractor and mobilization for a stand-alone frontage project.

- Public benefit. The project will deliver a single, complete public street improvement serving the District's Aquatic Center, the Courtesy Motors site, and the broader community — including a coordinated center turn lane serving safe ingress and egress to both properties, and improved conditions for pedestrians, bicyclists, transit users, and vehicles along the corridor, consistent with the City's Complete Streets and circulation objectives. Completing the corridor now, rather than leaving it partially improved for up to twenty years under Courtesy Motors' separate deferral, also avoids repeated future construction disruption to the community.

- Cost savings to the District and the public. Because the project is being delivered as one coordinated effort rather than as separate projects constructed independently and at different times, staff estimates the coordinated approach will save the participating parties, in aggregate, nearly $5 million compared to the City's original estimate of what it would cost to deliver these same improvements as separate, sequentially phased projects. These savings result primarily from a single mobilization and traffic control effort, reduced unit pricing from constructing the full scope at once, and avoidance of

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cost escalation associated with delaying Courtesy Motors' portion of the work for up to twenty years. The District’s own proportional share of project costs is reduced nearly $3M, benefiting the District's Aquatic Center project budget.

- No change to CARD's underlying obligation. The proposed Intergovernmental Cooperative Agreement does not create any new obligation for CARD beyond what the District is already required to construct under the CMC as a condition of the Aquatic Center project. It changes only the timing, delivery method, and cost efficiency of meeting that existing obligation.

Staff notes that the City has separately processed a corresponding amendment to the Courtesy Motors Development Agreement and has previously completed CEQA review for the corridor under the Courtesy Automotive Center Mitigated Negative Declaration (2017) and the CARD Aquatic Center Notice of Exemption (2024); no further project-level environmental review is required for this coordinated construction approach.

FISCAL IMPACT

The City's current preliminary schedule of costs (Attachment B to the revised Intergovernmental Cooperative Agreement) estimates the total coordinated project cost at approximately $2.8 million, to be initially funded by the City and shared among the City, the District, and Courtesy Motors based on each party's proportional linear frontage, with final amounts based on actual costs incurred. The District’s proportional share will be reimbursed to the City under the payment terms in the agreement (repayment within ten years of the City's notice of completion, with interest accruing at the LAIF average quarterly yield, and no prepayment penalty).

The Garner Lane frontage design and construction documents will be provided by the City and the associated change order to the Slater & Son contract will formalize construction cost for this scope, consistent with the unit pricing and quantities set out in Attachment B.

Supplemental appropriations are not anticipated at this time, though staff will notify the Board promptly if final costs vary materially from the current estimate.

RECOMMENDATION

District staff recommend that the Board of Directors take the following actions:

- Approve the revised Intergovernmental Cooperative Agreement between the City of Chico and the Chico Area Recreation and Park District, establishing the District’s proportional share and reimbursement terms for the coordinated Garner Lane frontage improvements;

- Approve the associated change order to CARD's Aquatic Center construction contract with Slater & Son, General Contractor, adding the Garner Lane frontage improvement scope of work to that contract; and

- Authorize the General Manager, or designee, to execute the agreement, the change order, and any other documents necessary to carry out the coordinated project, subject to final approval as to form by District legal counsel.

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City Council Agenda Report **Meeting Date: 7/14/2026**

TO: **City Council**

FROM: Brendan Ottoboni, Director of Public Works – Engineering

RE: Garner Lane Development Coordination

REPORT IN BRIEF:

This item authorizes amendments to the Chico Area Recreation and Park District (CARD) Intergovernmental Cooperative Agreement and the Courtesy Motors Development Agreement to facilitate completion of the Garner Lane frontage improvements in coordination with the CARD Aquatic Center project. The proposed amendments allow the City to coordinate and advance construction of the improvements as one comprehensive public infrastructure project, while preserving CARD's and Courtesy Motors responsibility to reimburse the City for their respective shares of the work. Completing the improvements now supports timely delivery of the Aquatic Center frontage improvements, advances the City's Complete Streets and circulation objectives, and avoids leaving Garner Lane in a partially improved condition for the remainder of Courtesy Motors Development Agreement deferral period.

RECOMMENDATION:

The Director of Public Works – Engineering recommends adoption of the following:

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO APPROVING AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT 18-01 BETWEEN THE CITY OF CHICO AND JP REAL ESTATE INVESTMENTS, LLC (COURTESY MOTORS) - *Uncodified*

INTERGOVERNMENTAL COOPERATIVE AGREEMENT AMENDMENT NO. 1 BETWEEN THE CITY OF CHICO AND CHICO AREA RECREATION AND PARK DISTRICT (CARD)

FISCAL IMPACT: **Budgeted:** Yes **Supplemental Required:** No

The Garner Lane frontage improvements will be initially funded by the City as part of a coordinated public infrastructure project. Pursuant to the proposed agreement amendments, CARD and Courtesy Motors will reimburse the City for their respective proportional shares of the actual project costs.

DISCUSSION:

This agenda item represents a coordinated public infrastructure effort between the City of Chico, Chico Area Recreation and Park District (CARD), and Courtesy Motors to complete needed frontage improvements along Garner Lane in conjunction with active development of the CARD Aquatic Center project. As a condition of all new developments, the owner of the project is responsible for completing the frontage improvements associated with their parcel, including, but not limited to items such as half roadway width, curb and gutter, sidewalk, storm drainage, landscaping and other utility work, in accordance with the Chico Municipal Code.

The proposed action advances a practical and community focused solution which would complete the Garner Lane frontage improvements now, as one coordinated project, rather than leaving the corridor partially improved for years under separate development obligations. This approach supports timely delivery of the Aquatic Center frontage improvement, improves access and circulation along Garner Lane, and creates a more complete public street improvement for residents, businesses, and future users of the corridor.

The project is also consistent with the City's 2030 General Plan Circulation Element, which emphasizes Complete Streets, multimodal connectivity, and safe and convenient travel for all users. By completing needed public frontage improvements along Garner Lane, the City is advancing a corridor improvement that better serves vehicles, pedestrians, bicyclists, and transit users while also reducing future construction disruption and preserving the financial responsibilities of the benefiting parties.

Chico Area Recreation District

CARD is underway with construction of the Aquatic Center, a significant public recreation project that will serve residents throughout Chico and the surrounding region. As the project applicant and owner, CARD is responsible for constructing the public frontage improvements required to serve the Aquatic Center site.

Public frontage improvements are essential to the project. They are necessary to provide safe access, circulation, and connectivity to a major public recreation facility. The Aquatic Center will generate regular public use of the Garner Lane corridor, including vehicle trips, pedestrian activity, bicycle access, and other circulation needs associated with this community serving facility.

CARD also has an existing contractor in place for the Aquatic Center project. This creates an immediate opportunity to deliver the required frontage improvements in coordination with the larger construction effort, rather than treating the frontage work as a separate and delayed public improvement obligation.

Courtesy Motors

Courtesy Motors is subject to an existing Development Agreement that requires construction of public frontage improvements along its property frontage, including the frontage along Garner Lane. The agreement allows those improvements to be deferred for a 20-year period; however, the obligation to complete the improvements remains in place.

The proposed Development Agreement amendment would address how Courtesy Motors deferred Garner Lane frontage obligation will be satisfied if the improvements are constructed now through this partnership with CARD and the City. Rather than requiring Courtesy Motors to construct the improvements separately at a later date, the amendment would convert that obligation into a reimbursement obligation to the City from Courtesy Motors for their proportional share of actual project costs. This allows the work to be completed in today's dollars, and at reduced unit pricing due to the economy of scale associated with doing the entire roadway at one time.

The amendment would not relieve Courtesy Motors of its responsibility for public frontage improvements. It would preserve the underlying frontage improvement obligation while changing the method of performance from future construction to reimbursement. This allows the improvements to be completed as part of the coordinated Garner Lane project while preserving Courtesy Motors' responsibility for its proportional share of the cost.

City Coordination and Delivery Approach

The City's role is to coordinate the public improvement work, advance the necessary funding, and ensure the improvements are designed, inspected, constructed, and accepted in accordance with City standards. By aligning CARD's active construction schedule with Courtesy Motors deferred frontage obligation, the City can facilitate a more complete corridor improvement at the time the improvements are most needed.

Under the proposed structure, City would provide the entire project funding of approximately $2.8 million and CARD's contractor for the Aquatic Center would perform the Garner Lane frontage work. The scope of work includes unimproved areas along both sides of the corridor, ending approximately 150 feet from Caltrans right-of-way, at an agreed lump sum price. The City would advance the necessary funding, and CARD and Courtesy Motors would reimburse the City for their respective shares of the actual project costs through amendments to the CARD Intergovernmental Cooperative Agreement and the Courtesy Motors Development Agreement. The funding is a combination of Fire Victims Trust (Fund 011), Gas Tax (Fund 307), and Public Infrastructure Replacement (Fund 943). As reimbursement is made from each respective party, those funds will be allocated back into these appropriate funding sources.

CARD Intergovernmental Cooperative Agreement Amendment

The amendment to the CARD Intergovernmental Cooperative Agreement would establish the framework for completing CARD's required Garner Lane frontage improvements in coordination with the Aquatic Center project. The amendment would identify CARD's proportional share of the project costs and establish CARD's obligation to reimburse the City under the agreed repayment terms.

Courtesy Motors Development Agreement Amendment

The amendment to the Courtesy Motors Development Agreement would address Courtesy Motors existing deferred frontage improvement obligation along Garner Lane. Since the City is proposing to complete Courtesy Motors side of the Garner Lane frontage now, the Development Agreement must be amended to reflect that Courtesy's obligation will be satisfied through reimbursement to the City rather than through separate future construction by Courtesy Motors.

Next Steps and Recommendation

The proposed amendments should be in place before work proceeds to ensure the funding, reimbursement, and construction responsibilities of each party are clearly documented.

Staff recommends approval to allow the project to move forward while preserving the City's ability to recover the appropriate costs from CARD and Courtesy Motors, respectively.

ENVIRONMENTAL REVIEW:

The proposed amendment to the Development Agreement is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3) as it does not propose any construction, demolition, or other activity that has the potential for causing a significant effect on the environment. Environmental review of the Garner Lane Reconstruction Project was previously conducted in association with two separate development projects along the corridor: the Courtesy Automotive Center Initial Study and Mitigated Negative Declaration (State Clearinghouse No. 2017012053), finalized on January 23, 2017, and the CARD Chico Aquatic Center Notice of Exemption dated February 14, 2024. Therefore, no further project level environmental review is required to comply with the California Environmental Quality Act (CEQA).

ATTACHMENTS:

ATTACHMENT A – ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO APPROVING AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT 18-01 BETWEEN THE CITY OF CHICO AND JP REAL ESTATE INVESTMENTS, LLC (COURTESY MOTORS) - *Uncodified*

ATTACHMENT B – DEVELOPMENT AGREEMENT AMENDMENT NO. 1 BETWEEN CITY OF CHICO/JP REAL ESTATE INVESTMENTS, LLC (DA18-01) (REDLINE VERSION)

ATTACHMENT C – INTERGOVERNMENTAL COOPERATIVE AGREEMENT AMENDMENT NO. 1 BETWEEN THE CITY OF CHICO AND CHICO AREA RECREATION AND PARK DISTRICT (CARD) (REDLINE VERSION)

ORDINANCE NO. ______
(Uncodified)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO APPROVING AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT 18-01 BETWEEN THE CITY OF CHICO AND JP REAL ESTATE INVESTMENTS, LLC (COURTESY MOTORS)

WHEREAS, JP Real Estate Investments, LLC ("Courtesy Motors") has requested to the City to amend the Development Agreement between the City of Chico and Courtesy Motors; and

WHEREAS, the proposed DA Amendment No. 1 would affect only Courtesy Motors existing obligations relating to the timing and method of satisfying the deferred City Standard Public Improvements along the Garner Lane frontage, including reimbursement to the City for Courtesy Motors proportionate share of actual costs if such improvements are constructed by or on behalf of the City, and does not alter the term, permitted uses, density or intensity of use, provisions for reservation or dedication of land, conditions, terms, restrictions or requirements relating to subsequent discretionary actions, or any conditions or covenants relating to the use of the Courtesy Motors site; and

WHEREAS, the second sentence of Section 1.7 of the Development Agreement provides for Courtesy Motors and City to amend such ministerial provisions of the Development Agreement by mutual consent and without the necessity of noticed public hearings; and

WHEREAS, in connection with its approval of DA Amendment No. 1, this Council finds that the development provided for is consistent with the City's General Plan, is in the best interests of the City, and will promote the public interest and welfare.

BE IT ORDAINED by the Council of the City of Chico as follows:

1. With regard to DA Amendment No. 1, this Council, in exercising its independent judgment, finds as summarized in the Preamble.
2. That DA Amendment No. 1, as set forth in Exhibit "A" hereto, is hereby approved.
3. The City Manager is authorized and directed to execute Amendment No. 1 of the Development Agreement on behalf of the City of Chico.
4. Within 10 days after DA Amendment No. 1 has been fully executed, the Clerk is authorized

and directed to cause it to be recorded in the Office of the Butte County Recorder.

THE FOREGOING ORDINANCE WAS ADOPTED at a meeting of the City Council of the City of Chico held on ___________________________ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

DISQUALIFIED:

ATTEST:

____
Deborah R. Presson
City Clerk

APPROVED AS TO FORM:

Ryan Jones (Jun 30, 2026 15:58:44 PDT)
____
Ryan R. Jones, City Attorney*

*Pursuant to The Charter of the City of Chico, Section 906(E)

Attachment A - Ordinance_Courtesy Motors DA Amd No. 1_FINAL

Final Audit Report 2026-06-30

Created:	2026-06-30
By:	Robyn Ryan (robyn.ryan@chicoca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAjQ2nSnpicLtaLZt5chQGO1FALNoKMPGs

"Attachment A - Ordinance_Courtesy Motors DA Amd No. 1_FINAL" History

- Document created by Robyn Ryan (robyn.ryan@chicoca.gov)
  2026-06-30 - 10:36:23 PM GMT

- Document emailed to Ryan Jones (rrj@jones-mayer.com) for signature
  2026-06-30 - 10:36:27 PM GMT

- Email viewed by Ryan Jones (rrj@jones-mayer.com)
  2026-06-30 - 10:58:32 PM GMT

- Document e-signed by Ryan Jones (rrj@jones-mayer.com)
  Signature Date: 2026-06-30 - 10:58:44 PM GMT - Time Source: server - Signature Appearance Selected: MOBILE_DRAW

- Agreement completed.
  2026-06-30 - 10:58:44 PM GMT

Exempt from payment of
recording fees pursuant to
§6103 and §27383 of the
California Government Code.

After recording, return to:
City Manager
City of Chico
P. O. Box 3420
Chico, CA 95927-3420

AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT
CITY OF CHICO/JP REAL ESTATE INVESTMENTS, LLC
(DA18-01)

THIS AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT (DA18-01) ("Amendment~~Agreement~~") is made this _____ day of _____, 202~~1~~6, between the CITY OF CHICO, a municipal corporation, ("the City"), and JP REAL ESTATE INVESTMENTS, LLC, a California Limited Liability Company, ("Courtesy"), pursuant to the authority of Sections 65864 through 65869.5 of the California Government Code and Chapter 19.32 of the Chico Municipal Code.

WHEREAS, the City and JP REAL ESTATE INVESTMENTS, LLC entered into a Development Agreement which was recorded on April 16, 2021, as document 2021-0017529 of the Butte County Recorder's Office (the "Development Agreement"); and

WHEREAS, the parties now desire to make certain amendments to the Development Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 3.2 of the Development Agreement is amended to read as follows:

SECTION 3.2 Deferral of City Standard Public Improvements. Courtesy has the option to defer installing any or all portions of the City Standard Public Improvements subject to meeting the provisions set forth in this section (the "Deferred Improvements").

3.2.1 City, in coordination with Chico Area Recreation District (CARD) and Courtesy, has funded improvements on Garner Lane. Courtesy agrees to reimburse the City for their proportional share of the costs, estimated at $1.19 million (2026 dollars). This includes all construction, inspection and contingency amounts. In addition, interest (utilizing the State of California Local Agency Investment Fund (LAIF)) charges associated with this funding advance) will be accured each year. Actual reimbursement amount will be based on actual costs along the Courtesy property frontage. Courtesy shall reimburse the City no later than twenty (20) years from the effective date of the original Ordinance (April 16, 2021).

3.2.2 Courtesy shall provide the City, and the City's authorized agents, contractors, and representatives, reasonable permission to enter upon the Property as necessary to complete minor construction work required to connect the Garner Lane improvements to existing or proposed improvements on the Property.

~~3.2.1 Courtesy shall agree to construct all Deferred Improvements along Garner Lane and Esplanade to be complete and accepted no later than twenty (20) years from the effective date of the Ordinance.~~

~~3.2.2~~3.2.3 The Parties agree that the construction of the Deferred Improvements along Garner Lane and Esplanade is deferred, and Courtesy shall construct the County Standard Public Improvements ("Interim Improvements") until such time as either of the Trigger Events are reached, but, in no case, shall this deferral exceed 20 years from the adoption date of the Ordinance.

IN WITNESS THEREOF, the parties have duly signed this Amendment as of the date first written above.

JP Real Estate Investments, LLC
A California Limited Liability Company

____

By: _________________________*

CITY OF CHICO,
A Municipal Corporation

____

By: , City Manager* ##

Pursuant to Council Action on ________

APPROVED AS TO FORM AND CONTENT:

____

By: Ryan R. Jones, City Attorney**

*** Pursuant to Chico Charter sec. 906.D*

Approved pursuant to City of Chico City Council Ordinance No. ______
Adopted _______________

* Signatures to be acknowledged

INTERGOVERNMENTAL COOPERATIVE AGREEMENT BETWEEN
CITY OF CHICO
AND
THE CHICO AREA RECREATION AND PARK DISTRICT

This Intergovernmental Cooperative Agreement ("Agreement") is executed on the date last set forth below opposite the PARTIES' signatures by and between the City of Chico, a municipal corporation under the laws of the State of California ("CITY"), and Chico Area Recreation and Park District, a California recreation and park district ("CARD"), and is based upon the following facts:

WITNESSETH

WHEREAS, on or about July 15, 2009, CITY and CARD entered into a written Memorandum of Intergovernmental Cooperation, Coordination, and Understanding (the "Memorandum") stating, among other things, their intent to work together to improve the provision of recreation and park services and facilities in CITY by increasing efficiency and economies of scale and service delivery and maximizing utilization of all available resources, and;

WHEREAS, as provided in the Memorandum the CITY and CARD ("the Parties") agreed to and worked together to deliver the following recreation and park services to Chico:

A. **Cooperative Planning for Neighborhood and Community Parks.** The Parties incorporated mutual land use and financing priorities into each of its respective Master and General Plans.

B. **Park Development Fees.** The Parties agreed to cooperate financially on specific park projects and worked together to update both Parties' respective Nexus Analyses regarding park development impact (DIF) fees.

C. **Transfer of Neighborhood Parks/Greenways.** Between 2009 and 20~~12~~2226, the Parties executed the appropriate resolutions, agreements, covenants and deeds to transfer ownership and maintenance responsibility of neighborhood parks and greenways as follows:

1. Baroni Neighborhood Park on Baroni Drive and the corresponding Lighting and Landscape District formed to fund the maintenance and operations of the park was transferred from CITY to CARD.

2. Two of the three CITY undeveloped future park sites at Ceres Avenue and Alamo/Henshaw Avenues were transferred to CARD. Development of a park on the third vacant parcel at Notre Dame/20th Street is no longer feasible, so ownership

remained with the CITY.

3. CITY transferred Humboldt Neighborhood Park (skateboard) at 286 Humboldt Avenue ~~was~~ to CARD.

4. Little Chico Creek Greenway along Humboldt Avenue between Fir Street and Forest Avenue was transferred from CARD to CITY.

5. The City transferred maintenance and operation of Husa Ranch/Nob Hill, Hartley, Hancock, and Emerson Neighborhood Parks to CARD and assign, to the greatest extent possible, the sources of revenue, including a CITY maintenance district and/or a lighting and landscape district.

6. Little Chico Creek Greenway along 2051 and 2177 Humboldt Road was transferred from City to CARD. Site of future Chico Bike Park.

~~5.~~7. Depot Park, 431 Cedar Street from City to CARD

D. **Veterans Memorial Park (formally Wildwood Park).** In July 2011, the Parties executed the definitive documents for CARD to gradually assume financial responsibility for the operation and maintenance of ~~CITY Wildwood~~ Veterans Memorial Park over a 10-year period. ~~, with t~~The park ~~to be~~ was deeded to CARD in 2021.

E. **Cooperative Programming.** The Parties executed Addendum No. 1 and No. 2 to the Memorandum for CARD to provide lifeguard services at Sycamore Pool in the One Mile Recreation Area in Bidwell Park from April 1, 2016 to March 31, 2019.

In January 2016 CARD began managing the Chico Creek Nature Center in Bidwell Park for the same named non-profit organization, and on September 30, 2019, the City executed a new Lease Agreement directly with CARD to operate the Center.

Similarly, in June 2024 CARD assumed management of the Chico Community Observatory in Upper Bidwell Park from a small organization that lost its non-profit status. The five-year lease commenced on July 1, 2025, and may extend for two additional five-year periods.

F. **Cooperative Development.** CITY and CARD agreed to pursue cooperative development of facilities that could enhance economic development, such as sports and aquatic complexes; and

WHEREAS, the Parties desire to continue to partner and work together to improve recreation and park services and facilities in Chico through efficiency and maximation of resources.

NOW THEREFORE, in consideration of the mutual benefits and interests, the PARTIES hereby agree to execute this Agreement to achieve the following goals:

A. CARD to continue to focus primarily on providing recreation programs and the operation and maintenance of neighborhood parks, community parks, specific special purpose parks, and other facilities it deems appropriate.

B. CITY to continue to focus primarily on the operation and management of Bidwell Park and other specific purpose parks, open spaces, greenways, and other facilities as it deems appropriate.

C. CARD to continue to provide lifeguard services at CITY Sycamore Pool in Bidwell Park under the same terms and conditions in Addendum No.3 to the Memorandum until terminated by both PARTIES.

D. To continue to provide cooperative programming opportunities at CITY and CARD parks and facilities.

To further clarify each Parties' roles in developing and maintaining future neighborhood parks.~~s~~

~~D.~~E.

~~E.~~F. CARD Aquatic Center Development – Off-Site Improvement Responsibilities

To facilitate the development of a new aquatic center at 13365 Garner Lane (the "Aquatic Center"), CARD and CITY agree to the following terms regarding off-site improvement requirements.

~~To ensure efficient and effective development of the property located at 13365 Garner Lane for a new Aquatic Center, CARD and CITY agree on the following terms related to off-site development requirements:~~

1. Project Background and ~~Initial~~ Responsibilities.

   ~~I~~CARD has requested amendments to, and deferrals of, certain off-site improvement requirements applicable to the Aquatic Center in light of funding constraints during the initial phase of construction. The terms set forth in this Section accommodate those constraints while preserving the long-term completion of all required improvements. If CARD fails to meet any timeline or obligation set forth in this Section, CITY may withhold any future Development Impact Fee (DIF) transfer or allocation otherwise due to CARD under this Agreement until CITY has been fully reimbursed for any costs CITY has incurred on CARD's behalf, together with any accrued interest.

Nothing in this Section shall relieve CARD of its ultimate financial responsibility for the off-site improvements required of CARD's project under the Chico Municipal Code (CMC), except as expressly modified herein.

~~n connection with the development of the 13365 Garner Lane property, CARD has requested amendments and/or deferrals to certain off-site improvement requirements. Due to funding constraints with the initial site development, CARD and CITY agree on the terms below to alleviate those constraints, while ensuring long-term project requirements are met. The CITY reserves the right to withhold future DIF allocations to CARD if CARD fails to meet the timelines or obligations described in this section until the CITY has recovered all incurred costs.~~.

2. Garner Lane Frontage Improvements.

CARD has requested that CITY serve as the lead agency for the design of the Garner Lane frontage improvements required of CARD under the CMC, in order to coordinate CARD's improvements with the deferred frontage improvements required of the adjacent Pajouh Automotive Center across Garner Lane. A unified project enables the construction of a single center turn lane serving both properties, providing safe and efficient ingress and egress.

~~CARD has requested that the CITY act as the lead agency in the design and construction of frontage improvements along Garner Lane required of CARD by the Chico Municipal Code (CMC). This request is based on project delivery challenges and the opportunity to coordinate construction with adjacent deferred improvements across Garner Lane at the Courtesy Motors site. A unified project approach would allow for the construction of a center turn lane serving CARD and Courtesy Motors for safe and efficient ingress and egress to these properties.~~

Accordingly, the PARTIES agree as follows:

- CITY shall serve as the lead agency for delivery of the Garner Lane frontage improvements, including without limitation preliminary design, environmental review, ~~and~~ final design and construction inspection and management services.
- In connection with construction of the Aquatic Center, CARD shall complete the Garner Lane improvements required of CARD, the deferred Garner Lane frontage improvements required of the Pajouh Automotive Center site, and any improvements required of CITY in the same project area, all as identified in the final approved design. See ATTACHMENT A for a DRAFT layout of individual responsibilities.
- CITY shall fund the design and construction of the Garner Lane improvements described above. The estimated total cost as of the Effective Date is approximately $2,800,000 (See ATTACHMENT B for preliminary schedule of costs); the actual cost

may be greater or less based on final design, and construction contingencies.

- CARD shall reimburse CITY for CARD's proportional share of all actual costs incurred by CITY for the construction of the Garner Lane frontage improvements attributable to the Aquatic Center site. CARD's proportional share shall be determined based on the linear frontage of the Aquatic Center site relative to the total linear frontage of the unified project, and shall be documented in writing by CITY and provided to CARD prior to invoicing. See ATTACHMENT A.
- CARD shall reimburse CITY in full no later than ten (10) years following CITY's notice of completion of the Garner Lane improvements. The unpaid balance shall accrue simple interest at the average quarterly yield of the State of California Local Agency Investment Fund (LAIF), adjusted quarterly. CARD may prepay all or any portion of the balance at any time without penalty.
- Contractor from CARD shall pull a CITY encroachment permit prior to the start of construction, including insurance requirements for the contractor performing the work.
- CITY will perform construction inspection and management services typical of a CITY capital project, including, but not limited to material submittal review and approvals, Requests for Information (RFI's), processing monthly pay estimates (to be forward to CARD for processing payment timely once fully signed by contractor and CITY), contract change orders, etc. These costs will be included as part of the overall project costs for each party to pay their proportional share, as shown in ATTACHMENT B.

~~The parties agree to the following:~~

- ~~The CITY shall serve as the lead agency for project delivery, including but not limited to: preliminary design, environmental review, final design, and construction.~~
- ~~CARD shall reimburse the CITY for all actual costs incurred for the design and construction of frontage improvements covering CARD's half of Garner Lane (from the back of sidewalk to the centerline of the roadway).~~
- ~~Reimbursable costs include, but are not limited to: staff time, design, environmental review, curb, gutter, sidewalk, storm drainage, roadway structural section, and other associated improvements.~~
- ~~At the time of this Agreement, the estimated reimbursement from CARD to the CITY is $[Insert Estimated Amount].~~

3. Esplanade Frontage Improvements.

CARD's frontage improvements along Esplanade are deferred during the initial phase of the Aquatic Center project because no public access to the Aquatic Center will be provided from Esplanade in that phase. The deferred improvements consist of those required of the Aquatic Center frontage under the CMC, including curb, gutter, sidewalk, landscaped parkway strip, storm drainage, sewer main extension to property limits per CMC requirements, roadway structural section, dedicated turn lane(s), and any associated right-of-way dedications (collectively, the "Esplanade Improvements").

CARD's obligation to construct the Esplanade Improvements along the entire Esplanade frontage of the Aquatic Center site shall be triggered upon the earliest to occur of any of the following:

- Commencement of development of the adjacent parcel at 0 Esplanade (APN 006-400-079);
- Commencement of any future phase of development on any remaining portion of the Aquatic Center parcel;
- The opening of public access to Esplanade from either parcel covered by this Section; or
- The tenth (10th) anniversary of the date the certificate of occupancy is issued for the Aquatic Center.

CARD shall bear all costs of designing and constructing the Esplanade Improvements. CARD shall prepare improvement plans at its sole cost and expense and submit them to CITY for review and approval prior to commencement of construction.
~~CARD requests a deferral of frontage improvements along Esplanade during the initial phase of the Aquatic Center project, as no public access will be provided from Esplanade at that time. The required improvements include the CARD-side (east half) of Esplanade and consist of:~~

~~Curb, gutter, sidewalk, landscaped parkway strip, roadway structural section, dedicated turn lane(s), and any required right-of-way dedications.~~

~~Any of the following conditions shall trigger CARD's obligation to construct these frontage improvements for the entire length of the property limits on Esplanade:~~

- ~~Development of the adjacent parcel at 0 Esplanade (APN 006-400-079).~~
- ~~Development of any remaining portion of the Aquatic Center parcel as part of a future phase.~~
- ~~Opening of public access onto Esplanade from either parcel included in this Agreement.~~
- ~~Ten (10) years from the date of issuance of the certificate of occupancy for the Aquatic Center facility.~~
- ~~Written determination by the Director of Public Works – Engineering, with a minimum of six (6) months' notice to CARD.~~

~~All costs associated with Esplanade improvements shall be borne solely by CARD. Improvement plans must be prepared by CARD and submitted to the CITY for review and approval prior to construction.~~

4. **Right-of-Way Dedication for Roundabout.**

CARD shall dedicate, at no cost to the CITY, ~~all~~ the necessary right-of-way required for the construction of a roundabout at the intersection of Garner Lane and Esplanade. Such dedication shall be based on plats and legal descriptions prepared by the CITY.

~~F.~~A. ~~To further clarify each Parties' roles in developing and maintaining future neighborhood parks~~

SECTION 1 ~~SECTION 1~~ GENERAL PROVISIONS

1. Compliance with Laws, Rules, Regulations

PARTIES shall comply with all laws and regulations governing the use of public funds.

2. Term; Termination

The term of this Agreement shall be from July 1, 2020, until terminated by either PARTY with a written 60-day notice to the other PARTY.

3. Dispute Resolution

In the event of a dispute between the PARTIES regarding the provisions and conditions under this Agreement, the City Manager and the CARD General Manager, or their designated representatives, shall review such dispute and options for resolution. Any resolution by the City Manager and the General Manager may be subject to approval by the Chico City Council and the CARD Board of Directors.

If any controversy or claim arising out of or relating to this Agreement or the alleged breach of such Agreement cannot be resolved by the PARTIES, the dispute may be submitted to mediation and if still not resolved, shall be submitted to binding arbitration on such terms and conditions as the PARTIES shall agree in writing, and the judgment or award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

4. Severability

This Agreement shall be administered and interpreted under the laws of the State of California. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it conflicts with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

5. Entire Agreement

This Agreement constitutes the entire agreement between CITY and CARD concerning the subject matter hereof and supersedes all prior discussions, negotiations and agreements, whether oral or written, with the exception of the Memorandum and Addendum, which are incorporated herein by reference. In the event that there is a conflict between the terms of this Agreement and the Memorandum and Addendum, the terms of this Agreement shall prevail. Any amendment or modification to this Agreement, including an oral modification supported by new considerations, must be reduced to writing and signed by authorized representatives of both PARTIES before it will be effective.

6. Notices

Any notices required to be given pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service or, alternatively, by personal delivery or overnight courier service addressed to the parties as follows:

To CITY: City Manager
City of Chico
411 Main Street
Chico, CA 95928

To CARD: Chico Area Recreation and Park District
General Manager
545 Vallombrosa Ave
Chico, CA 95926

7. Amendments

This Agreement may be modified or amended only in writing duly authorized and executed by both PARTIES hereto. It may not be amended or modified by oral agreement or understanding between the PARTIES unless the same shall be reduced to writing duly approved and executed by both PARTIES.

8. Parties Bound

The covenants and conditions contained herein shall apply to and bind the legal representatives, successors, and assigns of all of the PARTIES hereto, and all of the PARTIES hereto shall be jointly and severally liable hereunder.

SECTION 2 DEVELOPMENT IMPACT FUNDS (DIF) TRANSFER

Pursuant to C~~hico Municipal Code~~MC Section 3.85.545, CITY collects development impact fees (DIF) for acquisition and/or development of community park facilities. This Agreement is entered to increase efficiencies in the process of transferring Community Park DIF funds from CITY to CARD in a systematic, consistent approach to facilitate the development, construction, and expansion of community parks within the City limits of the City of Chico or Chico's sphere of influence in accordance with the CITY'S and CARD's General and Master Plans (the "Cooperative Purposes").

1. ~~Phased~~ Transfer of Community Park Development Impact Funds (DIF)

To more efficiently and economically develop and construct community parks, PARTIES~~Initial payments of the current balance will be~~ phased DIF ~~in~~fund balance transfer over two years ~~(4 transfers).~~ ~~B~~beginning with the measurement date of January 1, 2021~~, CITY will transfer one-quarter of the Disbursement Amount every six monthsPARTIES agree to process timely DIF fund transfers from CITY to CARD as follows:.~~ ~~Beginning~~ As of January 1, 2023, CITY began ~~will begin making~~ ~~transfer~~transferring the total Disbursement Amount ~~payments~~ to CARD ~~of the total Disbursement Amount~~ as of the applicable measurement date. PARTIES agree to the following:

a. CITY will continue to collect ~~the~~ Community Park DIFs and place them in a CITY Community Park Fund.

b. Measurement dates shall be January 1 and June 30 of each year. The transfer payment date from CITY to CARD will be within 31 days after the applicable measurement date.

~~b.~~c. Each year, 2% of the CITY Community Park Fund gross receipts will be allocated to the CITY Nexus capital project and 1% will be allocated to the CITY Private Development - Engineering Fund operating costs.

~~c.~~d. CITY also maintains the Bidwell Park and Land Acquisition DIF Fund (BPLA Fund) utilized to purchase land adjacent to Bidwell Park. The fund has a deficit fund balance which is being repaid by DIF actual receipts which vary annually depending upon construction activity.

~~d.a. Measurement dates shall be January 1 and June 30 of each year. The transfer payment date from CITY to CARD will be within 31 days after the applicable measurement date.~~

e. ~~For purposes of defining what~~To specify the DIF amounts may be transferred to CARD, any BPLA Fund deficit will be netted against the CITY Community Park Fund balance. ~~Upon repayment of the deficit amount in the BPLA, the CITY will retain a reserve of $500,000 in the CITY Community Park Fund as needed.~~ The net amount in the CITY Community Park Fund as of the applicable measurement date, shall be named the "Disbursement Amount" to transfer to CARD from CITY. For example, if at the measurement date the CITY Community Park Fund has a fund balance of $6,000,000 and the BPLA Fund has a fund deficit of $1,000,000, then the Disbursement Amount to be transferred to CARD would be $~~4~~5,0~~5~~00,000. ~~(($6,000,000 CITY Community Park Fund - ($1,000,000 Bidwell Park and Land Acquisition Fund + $500,000 CITY Community Park~~

~~Fund Reserve)).Upon repayment of the deficit amount in the BPLA, the CITY will retain a reserve of $500,000 in the CITY Community Park Fund as needed.~~

e.

f. The Disbursement Amount net of the Bidwell Park and Land Acquisition Fund and Community Park Fund will discontinue once the Bidwell Park and Land Acquisition Fund no longer has a deficit fund balance.

~~g. Initial payments of the current balance will be phased in over two years (4 transfers). Beginning with the measurement date of January 1, 2021, CITY will transfer one quarter of the Disbursement Amount every six months. For example, if the Disbursement Amount 1s $4,500,000 the first payment would be one-quarter of$4,500,000 or $1,125,000.~~

~~2. Full Transfer of DIF Funds~~

~~a. Beginning January 1, 2023, CITY will begin making transfer payments to CARD of the total Disbursement Amount as of the applicable measurement date. For example, if the Disbursement Amount is $800,000, the full $800,000 will be transferred to CARD.~~

~~b.~~g. CARD will place transferred funds into a restricted interest-bearing fund (CARD Community Park Fund) utilized for community park development and construction. Funds shall not be used for operational costs. Operational costs are defined as regular recurring direct costs of operating and maintaining services of parks and recreation including, but not limited to, salaries and benefits, utilities, insurance and office supplies.

~~c.~~h. The CARD Community Park Fund shall not be available for operational borrowings or used as security for general debt issuances by CARD unless the debt is specifically related to community park development and construction.

~~d.~~i. CARD shall be responsible for applicable reporting under the California Government Code to CITY, Butte County and State of California. These reports, including any other reports CITY' s City Council (Council) might request, must be sent to CITY by October 31 of each year for the fiscal year ending June 30. CITY will incorporate CARD's report into its applicable California Government Code reporting.

~~3.~~2. Audit Requirements

a. Under Generally Acceptable Accounting Principles (GAAP), CARD is required to have an annual audit of its accounting records. Discrepancies reflecting the improper use of DIF funds in accordance with this agreement must be reflected in the audit report. The audit report will be provided to CITY upon timely completion of the audit.

b. CITY may require a compliance audit of the CARD Community Park Fund. This audit will be paid for at CITY's expense, unless the audit reveals a violation of this Agreement or misappropriation of the DIFs transferred to CARD. If the Auditor finds a violation has occurred, then CARD shall pay for the audit.

~~b.~~

~~c.~~ Funds maintained in the CARD Community Park Fund shall revert to CITY if CARD fails to appropriate funds in accordance with this Agreement and the CITY's General Plan or CARD's Master Plan related to community park development.

~~d.~~ Un~~t~~filed or untimely reports regarding CARD's Community Park Fund may result in further ~~r~~

c. action by CITY Council including, but not limited to, suspension of transfers until reports are filed on time.

SECTION 3. DEVELOPMENT AND MAINTENANCE OF NEIGHBORHOOD PARKS

The Quimby Act (Government Code Section 66477) authorizes the CITY to require the dedication of land for park facilities incident to and as a condition of the approval of a tentative map or tentative parcel map for certain subdivisions. Chico Municipal Code Section 18.31 entitled "Dedication of Land for Park Facilities" establishes the requirements and standards for parkland dedications in accordance with the Quimby Act, and the CITY'S and CARD's General and Master Plans. When a neighborhood park is required as a condition of approval of a subdivision within the Chico city limits PARTIES agree to develop a mechanism to facilitate the following:

1. CITY to continue to collect the Neighborhood Park DIFs and place them m a CITY Neighborhood Park Fund.

2. If the neighborhood park is not to be constructed by the developer and if approved by the City Council, CITY will transfer available Neighborhood Park DIFs to CARD by executing a separate Reimbursement Agreement and other necessary agreements and documents to ensure the development of the neighborhood park by CARD.

3. Prior to and as a condition to the final approval of the subdivision maps, CARD ~~to~~ shall review and approve the proposed park design, ~~and~~ required amenities, and the cost to develop the park ~~prior to disbursement of funds and construction~~. The amenities included in a neighborhood park in ~~general,~~general consist of two playground structures, a court, turf area, irrigation, landscaping and other park amenities such as benches, tables, water fountain, etc. per the current adopted nexus. If future additions are desired, a change to the nexus scope of improvements and associated cost estimates shall be done by the agency requesting such changes.

4. CARD to form a Landscape and Lighting District (LLD) or other appropriate funding vehicle for the maintenance and/or development of the neighborhood park prior to and as a condition to the final approval of the subdivision maps.

5. Following the construction of a neighborhood park by the developer, once~~and~~ accepted~~ance of neighborhood park by the developer~~ by both PARTIES, CITY will transfer the dedicated park to CARD through any necessary deeds, agreements, covenants or other documents.

   If the developer constructs ~~improvements~~the park, CITY will reimburse any applicable park facility fee credits to the developer after completion of the park, through a reimbursement agreement between CITY and developer.

SECTION 4. EVENTS OF DEFAULT

1. Failure of CARD to develop or use the Community Park or Neighborhood Park Funds for any purpose other than that of a community or neighborhood park;

2. Failure of CARD to develop or maintain a community or neighborhood park provided under this Agreement;

3. Failure by CITY or CARD to perform or observe any covenant or condition set forth in this Agreement for a period of sixty (60) days after written notice has been provided to either Party. Except, if any failure by either PARTY to perform or observe any covenant or condition of this Agreement requires more than sixty (60) days to remedy, CITY or CARD shall not be deemed in default of this Agreement if corrective action is instituted within such sixty (60) day period and thereafter diligently pursued until the failure is corrected; or

4. Failure of CITY or CARD to timely cure any default of this Agreement following service of notice of default and expiration of the cure period provided herein.

SECTION 5. REMEDY UPON DEFAULT

Upon the occurrence of any Event of Default, and if CITY is not in default of any provision of this Agreement, CITY's remedies shall be as follows:

1. CITY shall be entitled to specifically enforce the conditions of this Agreement in an action filed in Butte County Superior Court or in any other Court of competent jurisdiction;

2. As an alternative to specific performance, at CITY's option, within 90 days after service of CITY's written demand, CARD shall repay to CITY, as liquidated damages for such default, the full amount of all funds which have been disbursed to CARD pursuant to this Agreement but not utilized for the Cooperative Purposes, plus interest thereon, calculated at the Federal Discount Rate in effect at the Federal Reserve Bank of San Francisco as of the date of such default, plus three percent, but in no event greater than 7.5% per annum, from the date of such default to the date of payment of such amount in full by CARD to CITY;

3. In providing for payment of liquidated damages in the amount set forth herein, CITY and CARD have agreed that it would be impracticable or extremely difficult to fix the actual amount of damages to CITY and the public interest which would result from CARD's default in the performance of the covenants and conditions of this Agreement and, by reason thereof, equity and the public interest would best be served by repayment of the Reimbursement Funds to CITY together with a reasonable amount of interest thereon; and

4. CITY may commence foreclosure proceedings for the reversion of any park subject to a reversionary right in favor of the CITY or assert and exercise any and all rights and remedies provided for herein and take other actions as otherwise may be provided by law.

5. All rights and remedies set forth herein are cumulative and the exercise of one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other rights or remedies for the same default or any other default.

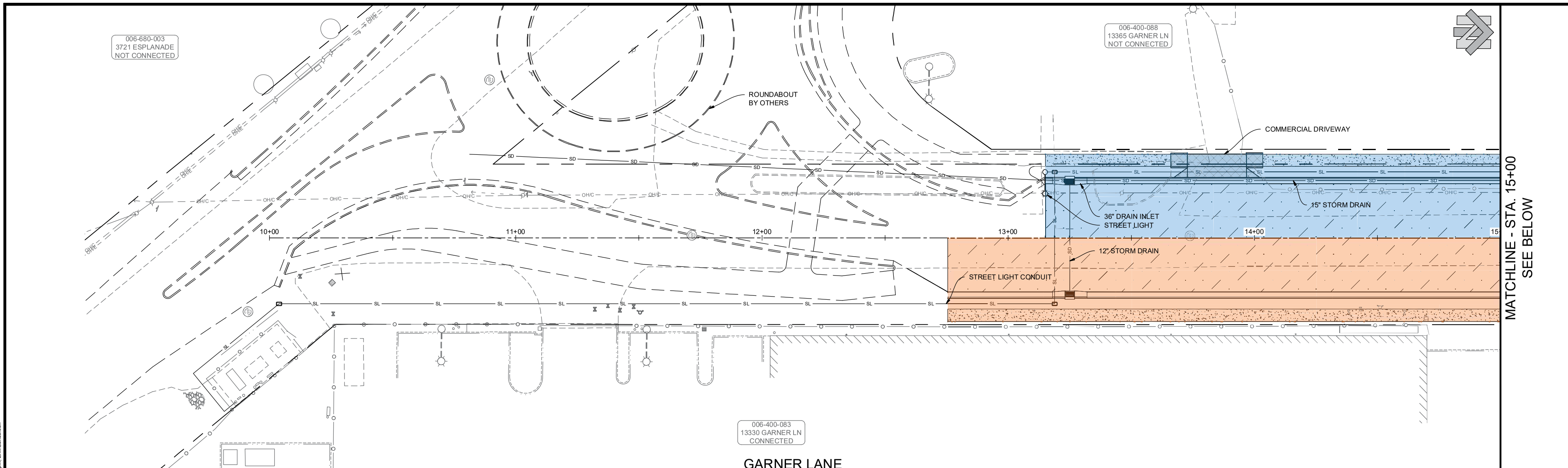
IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement the date first set forth above.

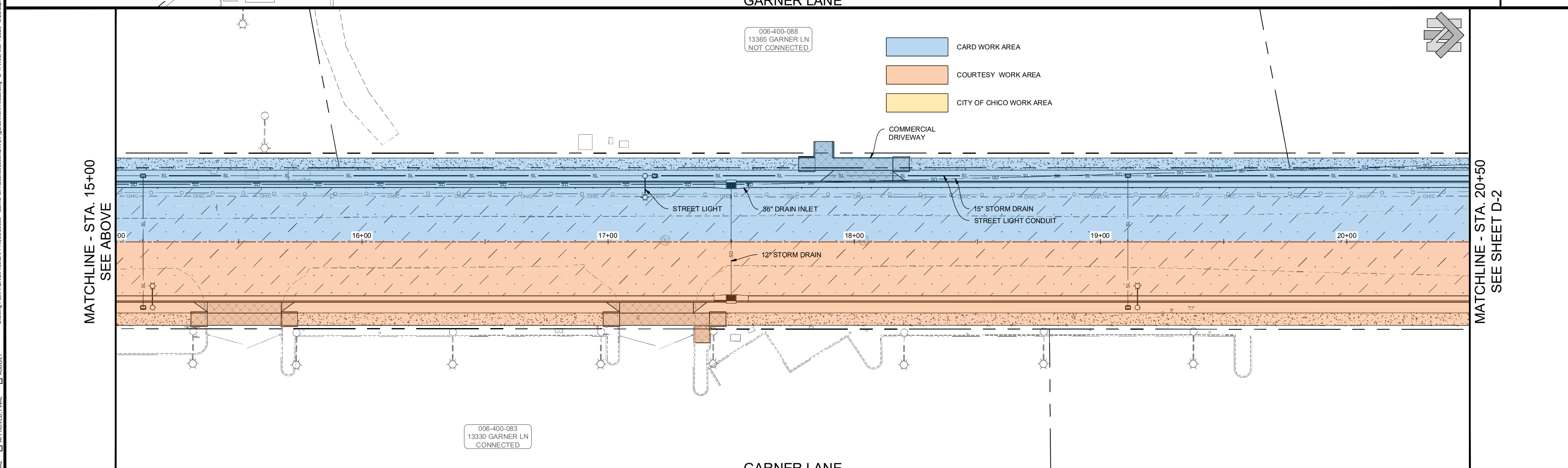
CITY: CARD:

*Authorized pursuant to Chico Municipal Code Section 3.20.060, and City Council approval on ~~9~~X/~~15~~XX/XXXX~~2020~~.

ATTACHMENT A

SCHEDULE OF LIMITS OF WORK AND RESPONSIBILITIES FOR EACH PARTY





ORIGINAL SCALE IN INCHES - IF THIS BAR IS NOT 6 INCHES ADJUST SCALE ACCORDINGLY

REV	DATE	DESCRIPTION	BY
1	3/2/2026	35% DESIGN	ETG

REVISIONS

APPROVED: BMO
CHECKED: BPP
DESIGNED: ETG
DRAWN: ETG
DATE: 3/2/2026
PLAN CHECK

GARNER LANE RECONSTRUCTION

GARNER LANE BETWEEN ESPLANADE AND STATE ROUTE 99

WORK AREAS
STA. 10+00 TO STA. 20+50

CONSULTANT

DRAFT

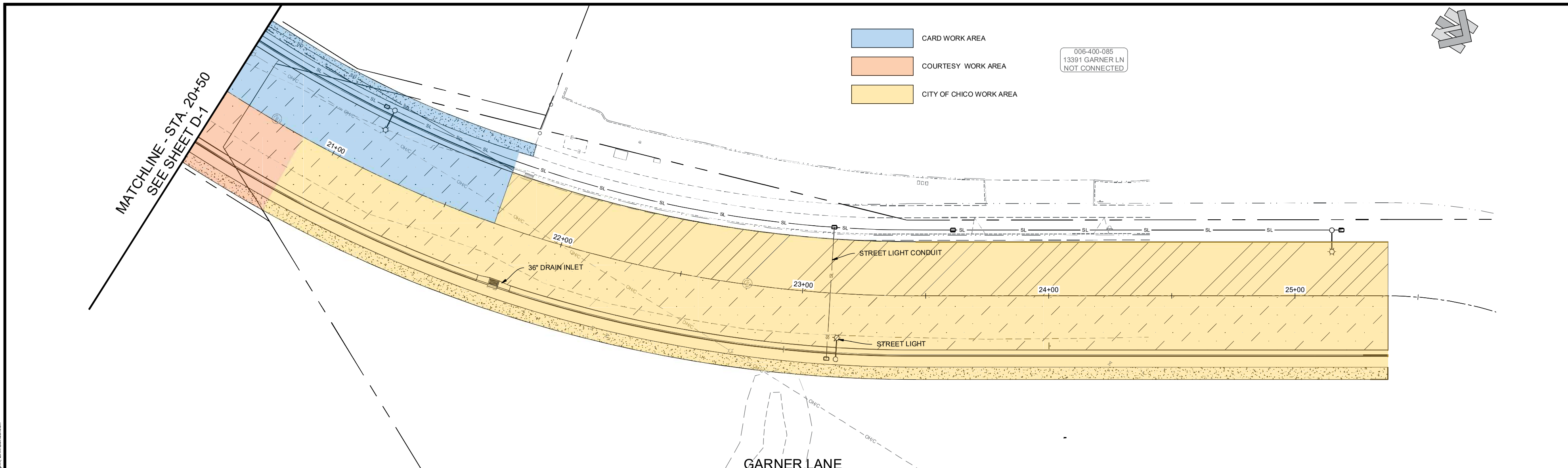
SEAL

CITY OF CHICO
PUBLIC WORKS DEPARTMENT

PROJECT NUMBER: 50693
DRAWING NUMBER: WA-1
HORZ. SCALE 1" = 20'
VERT. SCALE N/A
SHEET 1 OF 2

PLAN STATUS: ☒ CONCEPTUAL ☐ APPROVED, FINAL ☐ ASBUILT

Drawing Path: I:\ENGFiles\CAPPROJS\50693 - Garner Ln Reconstruction\DWG\Figures\Work Areas.dwg - D-1, Wed, Mar 4 2026 - 2:25:50pm, Erik.Gundersen



REV	DATE	DESCRIPTION	BY
1	3/2/2026	35% DESIGN	ETG

0 1 2 3 4 5 6
ORIGINAL SCALE IN INCHES - IF THIS BAR IS NOT 6 INCHES ADJUST SCALE ACCORDINGLY

REVISIONS

APPROVED: BMO
CHECKED: BPP
DESIGNED: ETG
DRAWN: ETG
DATE: 3/2/2026
PLAN CHECK

GARNER LANE RECONSTRUCTION
GARNER LANE BETWEEN ESPLANADE AND STATE ROUTE 99

WORK AREAS
STA. 20+50 TO STA. 25+37.80

CONSULTANT

DRAFT
SEAL

CITY OF CHICO
INC. 1872

CITY OF CHICO
PUBLIC WORKS DEPARTMENT

PROJECT NUMBER	DRAWING NUMBER
50693	WA-2
HORZ. SCALE 1" = 20' VERT. SCALE N/A	SHEET 2 OF 2

PLAN STATUS: ☒ CONCEPTUAL ☐ APPROVED, FINAL ☐ ASBUILT

Drawing Path: I:\ENG\Files\CAPPROJS\50693 - Garner Ln Reconstruction\DWG\Figures\Work Areas.dwg - D-2, Wed, Mar 4 2026 - 2:25:57pm, Erik.Gundersen

ATTACHMENT B

SCHEDULE OF ESTIMATED COSTS FOR EACH PARTY

(PROPORTIONAL SHARE OF COSTS WILL BE BASED ON ACTUAL COSTS OF PROJECT)

Base Bid	Item Description	Quantity	Unit	Unit Price	Total			City Quantity	City Total	CARD Quantity	CARD Total	Courtesy Quantity	Courtesy Total
01	Mobilization	1	LS	$ 41,000.00	$ 41,000.00	$ 1.00	TRUE	0	$ -	0.5	$ 20,500.00	0.5	$ 20,500.00
02	Portable Changeable Message Sign	2	EA	$ 15,000.00	$ 30,000.00	$ 2.00	TRUE	0	$ -	1	$ 15,000.00	1	$ 15,000.00
03	Temporary Traffic Control	1	LS	$ 232,000.00	$ 232,000.00	$ 1.00	TRUE	0	$ -	0.5	$ 116,000.00	0.5	$ 116,000.00
04	Construction Surveys	1	LS	$ 22,000.00	$ 22,000.00	$ 1.00	TRUE	0	$ -	0.5	$ 11,000.00	0.5	$ 11,000.00
05	Job Site Management	1	LS	$ 8,000.00	$ 8,000.00	$ 1.00	TRUE	0	$ -	0.5	$ 4,000.00	0.5	$ 4,000.00
06	Contractor Supplied Biologist	1	LS	$ 3,500.00	$ 3,500.00	$ 1.00	TRUE	0.33	$ 1,166.67	0.33	$ 1,166.67	0.33	$ 1,166.67
07	Clearing & Grubbing	1	LS	$ 80,000.00	$ 80,000.00	$ 1.00	TRUE	0	$ -	0.5	$ 40,000.00	0.5	$ 40,000.00
08	Storm Water Pollution Prevention Plan	1	LS	$ 6,000.00	$ 6,000.00	$ 1.00	TRUE	0	$ -	0.5	$ 3,000.00	0.5	$ 3,000.00
09	Remove Mailbox	1	EA	$ 50.00	$ 50.00	$ 1.00	TRUE	0	$ -	1	$ 50.00	0	$ -
10	Remove Asphalt Dike	262	LF	$ 5.00	$ 1,310.00	$ 262.00	TRUE	0	$ -	262	$ 1,310.00	0	$ -
11	Remove Tree Or Stump	63	EA	$ 1,450.00	$ 91,350.00	$ 63.00	TRUE	3	$ 4,350.00	60	$ 87,000.00	0	$ -
12	Remove Chain Link Fence	658	LF	$ 5.00	$ 3,290.00	$ 658.00	TRUE	0	$ -	658	$ 3,290.00	0	$ -
13	Remove Gate Post	1	EA	$ 150.00	$ 150.00	$ 1.00	TRUE	0	$ -	1	$ 150.00	0	$ -
14	Reset Road Side Sign	2	EA	$ 450.00	$ 900.00	$ 2.00	TRUE	1	$ 450.00	1	$ 450.00	0	$ -
15	Remove Concrete Flatwork	58	SF	$ 4.00	$ 232.00	$ 58.00	TRUE	0	$ -	0	$ -	58	$ 232.00
16	Remove Asphalt Pavement	4100	SF	$ 3.00	$ 12,300.00	$ 4,100.00	TRUE	90	$ 270.00	2870	$ 8,610.00	1140	$ 3,420.00
17	Obliterate Marking	122	LF	$ 10.00	$ 1,220.00	$ 122.00	TRUE	0	$ -	61	$ 610.00	61	$ 610.00
18	Cold Plane Asphalt Pavement (3-Inch)	8090	SF	$ 0.40	$ 3,236.00	$ 8,090.00	TRUE	8090	$ 3,236.00	0	$ -	0	$ -
19	PCC Sidewalk (Std S-1)	9920	SF	$ 22.00	$ 218,240.00	$ 9,920.00	TRUE	2460	$ 54,120.00	4040	$ 88,880.00	3420	$ 75,240.00
20	Commercial Driveway (Std S-5A)	1327	SF	$ 25.00	$ 33,175.00	$ 1,327.00	TRUE	0	$ -	565	$ 14,125.00	762	$ 19,050.00
21	Vertical Curb & Gutter (Std S-2)	2129	LF	$ 60.00	$ 127,740.00	$ 2,129.00	TRUE	487	$ 29,220.00	852	$ 51,120.00	790	$ 47,400.00
22	Full Depth Reclamation (Cement)	5110	SY	$ 29.00	$ 148,190.00	$ 5,110.00	TRUE	1180	$ 34,220.00	2090	$ 60,610.00	1840	$ 53,360.00
23	Roadway Excavation	127	CY	$ 257.00	$ 32,639.00	$ 127.00	TRUE	40.98	$ 10,531.86	45.25	$ 11,629.25	40.77	$ 10,477.89
24	Cement (Full Depth Reclamation)	205	TN	$ 225.00	$ 46,125.00	$ 205.00	TRUE	47	$ 10,575.00	84	$ 18,900.00	74	$ 16,650.00
25	Hot Mix Asphalt (Type A)	1525	TN	$ 174.00	$ 265,350.00	$ 1,525.00	TRUE	462	$ 80,388.00	566	$ 98,484.00	497	$ 86,478.00
26	Class 2 Aggregate Base	93.97	CY	$ 206.00	$ 19,357.82	$ 93.97	TRUE	7.95	$ 1,637.70	45.25	$ 9,321.50	40.77	$ 8,398.62
27	36" Drain Inlet Box (Std S-7)	4	EA	$ 7,600.00	$ 30,400.00	$ 4.00	TRUE	0	$ -	2	$ 15,200.00	2	$ 15,200.00
28	48" Manhole (Std S-10)	2	EA	$ 30,000.00	$ 60,000.00	$ 2.00	TRUE	0	$ -	1	$ 30,000.00	1	$ 30,000.00
29	72" Manhole (Std S-10)	1	EA	$ 42,250.00	$ 42,250.00	$ 1.00	TRUE	0	$ -	0.5	$ 21,125.00	0.5	$ 21,125.00
30	12" Storm Drain Pipe	86	LF	$ 384.00	$ 33,024.00	$ 86.00	TRUE	0	$ -	43	$ 16,512.00	43	$ 16,512.00
31	15" Storm Drain Pipe	856	LF	$ 142.00	$ 121,552.00	$ 856.00	TRUE	0	$ -	428	$ 60,776.00	428	$ 60,776.00
32	18" Storm Drain Pipe	174.2	LF	$ 195.00	$ 33,969.00	$ 174.20	TRUE	0	$ -	87.1	$ 16,984.50	87.1	$ 16,984.50
33	48" Storm Drain Pipe	86.4	LF	$ 263.00	$ 22,723.20	$ 86.40	TRUE	0	$ -	43.2	$ 11,361.60	43.2	$ 11,361.60
34	Class 3 Permeable Material	378	CY	$ 263.00	$ 99,414.00	$ 378.00	TRUE	0	$ -	189	$ 49,707.00	189	$ 49,707.00
35	Yellow, Solid (Detail 29)	526	LF	$ 5.50	$ 2,893.00	$ 526.00	TRUE	202	$ 1,111.00	162	$ 891.00	162	$ 891.00
36	Yellow, Solid/Broken (Detail 32)	2244	LF	$ 4.50	$ 10,098.00	$ 2,244.00	TRUE	774	$ 3,483.00	735	$ 3,307.50	735	$ 3,307.50
37	White, Solid (Detail 39)	4600	LF	$ 1.25	$ 5,750.00	$ 4,600.00	TRUE	1960	$ 2,450.00	1320	$ 1,650.00	1320	$ 1,650.00
38	Pavement Marking (White)	366	SF	$ 16.00	$ 5,856.00	$ 366.00	TRUE	150	$ 2,400.00	108	$ 1,728.00	108	$ 1,728.00
39	Relocate Roadside Sign (One Post)	3	EA	$ 500.00	$ 1,500.00	$ 3.00	TRUE	2	$ 1,000.00	1	$ 500.00	0	$ -
40	Irrigation & Landscaping	9330	SF	$ 36.00	$ 335,880.00	$ 9,330.00	TRUE	2270	$ 81,720.00	3490	$ 125,640.00	3570	$ 128,520.00
41	Calwater Water Meter	2	LS	$ 16,000.00	$ 32,000.00	$ 2.00	TRUE	1	$ 16,000.00	0	$ -	1	$ 16,000.00
42	Adjust Water Valve To Grade	8	EA	$ 3,000.00	$ 24,000.00	$ 8.00	TRUE	2	$ 6,000.00		$ -	6	$ 18,000.00
43	Adjust Manhole To Grade	5	EA	$ 3,000.00	$ 15,000.00	$ 5.00	TRUE	2	$ 6,000.00	1.5	$ 4,500.00	1.5	$ 4,500.00
44	Adjust Drain Inlet To Grade	1	EA	$ 5,100.00	$ 5,100.00	$ 1.00	TRUE	1	$ 5,100.00	0	$ -	0	$ -
45	Street Light (Std SL-1)	7	EA	$ 17,200.00	$ 120,400.00	$ 7.00	TRUE	3	$ 51,600.00	2	$ 34,400.00	2	$ 34,400.00
46	Street Light Conduit	1791	LF	$ 46.00	$ 82,386.00	$ 1,791.00	TRUE	597	$ 27,462.00	597	$ 27,462.00	597	$ 27,462.00
47	Street Light Pull Box	9	EA	$ 735.00	$ 6,615.00	$ 9.00	TRUE	3	$ 2,205.00	3	$ 2,205.00	3	$ 2,205.00
	Franklin Construction, Inc. Total				**$ 2,518,165.02**				**$ 436,696.23**		**$ 1,089,156.02**		**$ 992,312.78**
Slater & Son- General Contractor													
01	Subcontractor - Markup, Insurance, & Bonds	7	%	$ 2,518,165.02	$ 176,271.55			0.33	$ 58,757.18	0.33	$ 57,960.63	0.33	$ 57,960.63
02	General Conditions - Labor	1	LS	$ 157,950.00	$ 157,950.00			0.33	$ 52,650.00	0.33	$ 52,650.00	0.33	$ 52,650.00
03	SWPPP Install & Maintenance - Labor	1	LS	$ 9,828.00	$ 9,828.00			0.33	$ 3,276.00	0.33	$ 3,276.00	0.33	$ 3,276.00
04	SWPPP Material - Materials	1	LS	$ 6,435.00	$ 6,435.00			0.33	$ 2,145.00	0.33	$ 2,145.00	0.33	$ 2,145.00
	Slater & Son Grand Total				**$ 2,868,649.57**				**$ 553,524.41**		**$ 1,205,187.65**		**$ 1,108,344.41**
Construction Administration													
1	Construction Management and Inspection	1	LS	$ 250,000.00	$ 250,000.00			0.33	$ 83,333.33	0.33	$ 83,333.33	0.33	$ 83,333.33
	Sum Total								**$ 636,857.74**		**$ 1,288,520.98**		**$ 1,191,677.74**
	Percentage of Total								20.43%		41.34%		38.23%

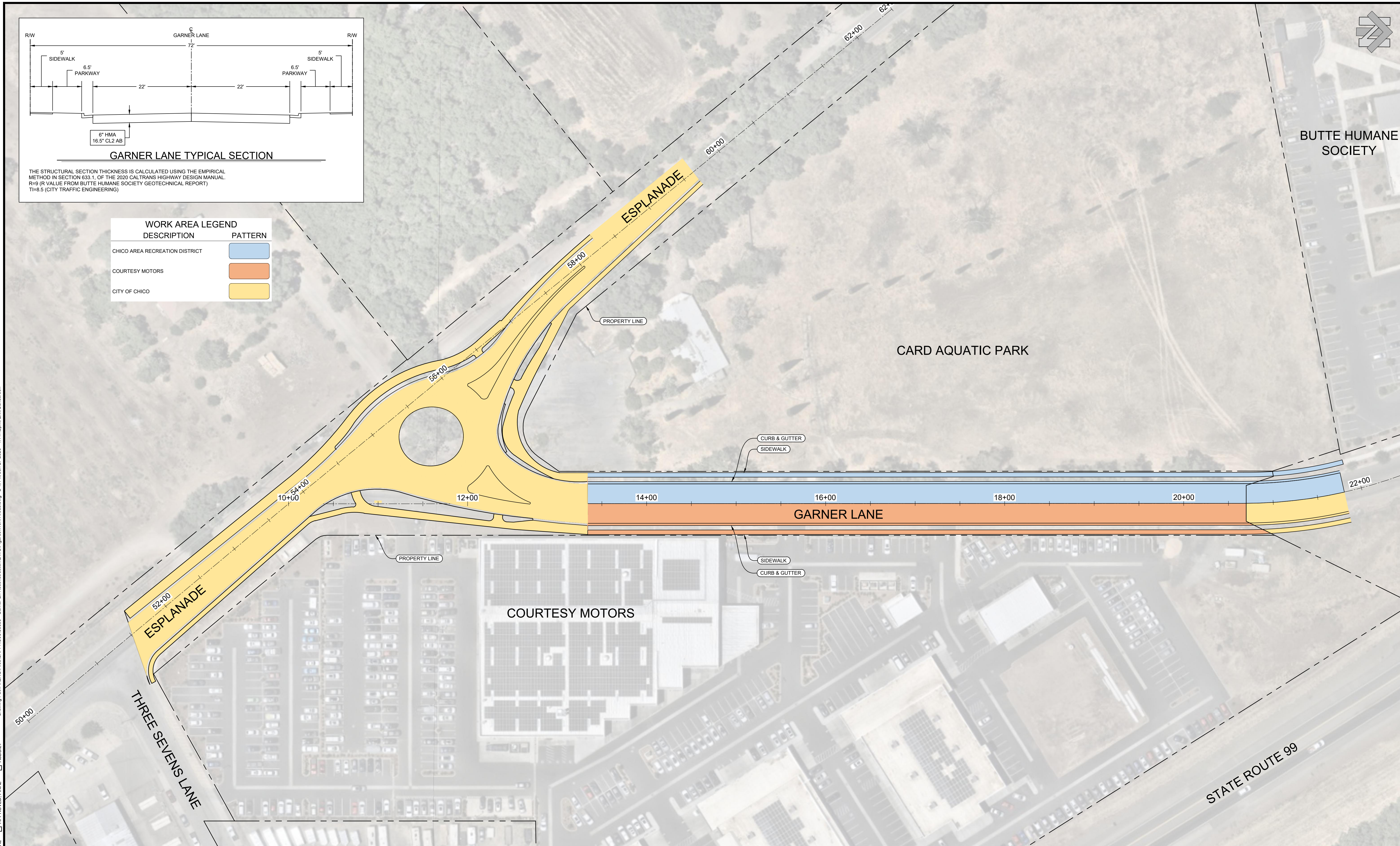
Project Name: Garner Lane Reconstruction | Date:

Project Number: 50693 | Estimated By: ETG

BID SCHEDULE A

Item	Bid Item Section	Bid Item Code	Description	City Quantity	CARD Quantity	Courtesy Quantity	Total Quantity	Unit	Unit Price	City Total	CARD Total	Courtesy Total	Total	Notes
Storm Drain														
24	77		STORM DRAIN SYSTEM	48%	28%	24%	1	LS	$ 850,000.00	$ 408,000.00	$ 238,000.00	$ 204,000.00	$ 850,000.00	Estimated quantity based on percentage increase of impervious area for each project.
25	77		LOW IMPACT DESIGN	48%	28%	24%	1	LS	$ 400,000.00	$ 192,000.00	$ 112,000.00	$ 96,000.00	$ 400,000.00	Estimated quantity based on percentage increase of impervious area for each project.
									Bid Schedule A - Storm Drain Subtotal:	**$ 600,000.00**	**$ 350,000.00**	**$ 300,000.00**	**$ 1,250,000.00**	
Pavement Delineation & Signage														
26	84		PAVEMENT DELINEATION AND SIGNAGE (GARNER)		50%	50%	1	LS	$ 50,000.00	$ -	$ 25,000.00	$ 25,000.00	$ 50,000.00	Estimated quantity based on the area of each project.
27	84		PAVEMENT DELINEATION AND SIGNAGE (ROUNDABOUT)	100%			1	LS	$ 150,000.00	$ 150,000.00	$ -	$ -	$ 150,000.00	Estimated quantity based on the area of each project.
									Bid Schedule A - Pavement Delineation & Signage Subtotal:	**$ 150,000.00**	**$ 25,000.00**	**$ 25,000.00**	**$ 200,000.00**	
Landscaping and Irrigation														
28	20		IRRIGATION AND LANDSCAPING (GARNER)		4250	3750	8000	SF	$ 31.00	$ -	$ 131,750.00	$ 116,250.00	$ 248,000.00	Estimated quantity based on the area of each project.
29	20		IRRIGATION AND LANDSCAPING (ROUNDABOUT)	10000			10000	SF	$ 31.00	$ 310,000.00	$ -	$ -	$ 310,000.00	Estimated quantity based on the area of each project.
30			CALWATER WATER METER	33%	33%	33%	1	LS	$ 75,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 75,000.00	Cost share between City, Courtesy and CARD for water meter for landscape system.
31			PG&E ELECTRICAL PEDESTAL	33%	33%	33%	1	LS	$ 75,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 75,000.00	Cost share between City, Courtesy and CARD for electricity for landscape system.
									Bid Schedule A - Landscaping and Irrigation Subtotal:	**$ 310,000.00**	**$ 131,750.00**	**$ 116,250.00**	**$ 558,000.00**	
Utilities														
32	78	780258A	ADJUST MANHOLE TO GRADE (STD. DETAIL S-13)	3	2	2	6	EA	$ 3,500.00	$ 10,500.00	$ 5,250.00	$ 5,250.00	$ 21,000.00	Estimated quantity based on the area of each project.
33	78	770001A	ADJUST WATER VALVE CAN TO GRADE (STD. DETAIL S-13)	3		5	8	EA	$ 3,500.00	$ 10,500.00	$ -	$ 17,500.00	$ 28,000.00	Estimated quantity based on the area of each project.
34	77		PG&E UTILITY RELOCATION	100%			1	LS	$ 275,000.00	$ 275,000.00	$ -	$ -	$ 275,000.00	The city is responsible for 100%. PG&E relocation is within roundabout area.
35	77		AT&T UTILITY RELOCATION		100%		1	LS	$ 750,000.00	$ -	$ 750,000.00	$ -	$ 750,000.00	CARD is responsible for 100%. AT&T relocation is along CARD frontage.
									Bid Schedule A - Utilities Subtotal:	**$ 296,000.00**	**$ 755,250.00**	**$ 22,750.00**	**$ 1,074,000.00**	
Sanitary Sewer														
36	77	770130A	48" MANHOLE (STD. DETAIL S-10)	2			2	EA	$ 7,500.00	$ 15,000.00	$ -	$ -	$ 15,000.00	The city is responsible for 100%, sanitary sewer is City utility and within roundabout.
37	77	770153A	8" PVC SEWER PIPE	475			475	EA	$ 200.00	$ 95,000.00	$ -	$ -	$ 95,000.00	The city is responsible for 100%, sanitary sewer is City utility and within roundabout.
									Bid Schedule A - Sanitary Sewer Subtotal:	**$ 110,000.00**	**$ -**	**$ -**	**$ 110,000.00**	
Street Lighting														
38	77	770090	LIGHTING (CITY STREET GARNER)		50%	50%	1	LS	$ 150,000.00	$ -	$ 75,000.00	$ 75,000.00	$ 150,000.00	Cost share between Courtesy and CARD. Street lighting is a shared system with streetlights alternating sides of the road.
39	77	770090	LIGHTING (CITY STREET ROUNDABOUT)	100%			1	LS	$ 250,000.00	$ 250,000.00	$ -	$ -	$ 250,000.00	The city is responsible for 100% of lighting within the roundabout.
									Bid Schedule A - Street Lighting Subtotal:	**$ 250,000.00**	**$ 75,000.00**	**$ 75,000.00**	**$ 400,000.00**	

Base Bid	City Total	CARD Total	Courtesy Total	
Schedule A Subtotal:	$ 3,959,805.00	$ 2,417,320.00	$ 1,192,650.00	$ 7,569,775
Contingency (10%):	$ 395,980.50	$ 241,732.00	$ 119,265.00	$ 756,978
Construction Engineering (10%):	$ 395,980.50	$ 241,732.00	$ 119,265.00	$ 756,978
Base Bid Total Cost:	$ 4,751,766	$ 2,900,784	$ 1,431,180	$ 9,083,730



Drawing Path: I:\ENG\Files\CAPPROJS\50693 - Garner Ln Reconstruction\DWG\Figures\Work Areas.dwg - L-1, Fri, Jun 27 2025 - 4:41:42pm, Erik Gundersen

PLAN STATUS: ☒ CONCEPTUAL ☐ APPROVED, FINAL ☐ ASBUILT

0 1 2 3 4 5 6
ORIGINAL SCALE IN INCHES - IF THIS BAR IS NOT 6 INCHES ADJUST SCALE ACCORDINGLY

REV	DATE	DESCRIPTION	BY

REVISIONS

APPROVED:	BMO
CHECKED:	ETG
DESIGNED:	ETG
DRAWN:	ETG
DATE:	MAY 2025

PLAN CHECK

GARNER LANE RECONSTRUCTION

ESPLANADE AND GARNER LANE

CITY OF CHICO, COURTESY MOTORS AND CARD WORK AREAS

CONSULTANT

SEAL

CITY OF CHICO
INC. 1872

CITY OF CHICO
PUBLIC WORKS DEPARTMENT

PROJECT NUMBER	DRAWING NUMBER
50693	L-1
HORZ. SCALE 1" = 50'	SHEET 1 OF 1
VERT. SCALE N/A	

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Erin Morrissey, Recreation Director
SUBJECT: Recreation Update – July

PROGRAM AND STAFF DEVELOPMENT UPDATES

CARD Legends — Staff Recognition

Our district-wide staff recognition program, CARD Legends, is on a roll — nominations have now surpassed 710 in the system, a huge leap forward as staff, supervisors, and community members keep the momentum going all July long, celebrating full-time, part-time, and seasonal team members who go above and beyond. Know someone who deserves the spotlight? Nominate them today at www.ChicoRec.gov/legends.

Hiring & Recruitment Support

The Aquatics division is making a splash with the addition of Rachel Hedman, who joined as our new Aquatics Specialist on July 14! Rachel brings ten years of aquatics experience, most recently as Aquatics Coordinator for Associated Students at CSU, Chico, and will start at the CARD office before diving into her role at the Aquatics Center. To set her up for success, a comprehensive onboarding guide was created covering expectations, timelines, and first-90-day check-ins. Meanwhile, the Program & Staff Development team kept the recreation teams hiring cycles moving full speed across the district- reviewing applications, designing, and facilitating group interviews that place applicants in realistic, job-like scenarios, and guiding each candidate through next steps.

Youth Sports Transition to Sports Leadership

A major organizational milestone is underway: Youth Sports oversight is formally transitioning to the Sports Leadership team, which has to date been focused solely on Adult Sports leagues. A recurring monthly meeting has been established between Sports Leadership and the current Youth Sports Supervisor, built around a structured agenda covering field and gym space optimization, program updates and participation numbers, and transition alignment. A seven-month roadmap is guiding this work toward full completion by January 2027.

Systems & Operational Foundations

The Program & Staff Development team continued strengthening the systems and operational foundations that keep CARD's' recreation team running smoothly. The focus remains on stabilizing core processes and streamlining workflows, so staff have the capacity and tools they need to deliver high-quality programs to our community. This month's efforts included digging

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into results from the CARD Adult Soccer participant survey (108 responses collected June 25–July 12) to help shape smart program adjustments ahead of the fall 2026 season.

ADULT SPORTS PROGRAM

Volleyball

The Summer Volleyball season is underway and continues to see strong participation. League play takes place on Mondays, Wednesdays, and Thursdays, with two courts operating each evening from 6:00 p.m. to 10:00 p.m. at the Fieldhouse. Volleyball remains one of our most popular programs, and we continue to explore opportunities to expand and enhance the program to meet participant demand.

Softball / Soccer

Summer Softball and Soccer leagues began this week. Prior to the season, Staff held multiple mandatory manager meetings to review CARD's behavior management protocols, clarify team manager roles and responsibilities, and communicate other league information. These meetings help ensure a positive and consistent experience for participants throughout the season. Staff continue to implement strategies to further stabilize outdoor adult sports offerings, including additional staffing, enhanced training, and consistent application of behavior management guidelines to ensure a safe and fun environment for all.

CARD offered a comparable number of available slots compared to previous seasons, and registration numbers were in line with previous seasons as well — soccer filled quickly, reaching 92% capacity, while softball reached 62%. Following the mandatory managers meetings, final enrollment landed at 70% and 38%, respectively.

Staff received a strong response to the recent soccer participant survey and are synthesizing and theming the data gathered. This information will inform continued growth and sustainability planning

Staffing

As our summer sports programs get underway, we have been actively onboarding and training 12 new staff members. Combined with our experienced returning staff, we are well-positioned to provide a successful and enjoyable summer season for our participants

AQUATICS

Swim Lessons — Meeting Community Demand

Using enrollment data from 2025, the team added 8 additional classes per session this summer, directly responding to sessions that were consistently over capacity or carrying long waitlists last year. Private and Private Adaptive lessons - both of which filled every session in 2025 with waitlists- received additional sessions to increase availability, and Level 3 (Stingray) and Level 4 (Dolphin) classes were adjusted based on where demand was strongest. The result is a swim lesson program that's more responsive to what Chico families need and better positioned to serve even more swimmers as demand continues to grow.

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Movies in the Pool — A Community Favorite Returns
On Saturday, July 11, CARD hosted Movies in the Pool: Shark Tale at Pleasant Valley Pool — and it was exactly the kind of event that makes summer in Chico special. From 7 to 10 p.m., families floated, swam, and relaxed together as the sun went down and the movie lit up the pool deck. For just $5 a person (free for kids two and under), the community got a full night of low-cost, high-fun entertainment — proof that some of the most memorable summer experiences don't have to come with a big price tag.

Events like this one are a reminder of why CARD's aquatics programming matters beyond the pool lanes: on a hot summer night, PV Pool became a gathering place where neighbors connected, kids made memories, and the whole community got a break from the heat together. With staffing strong and swim lesson capacity expanded, Aquatics is well-positioned to keep bringing moments like this to Chico all season long.

Looking Ahead: Preparing for the Aquatics Center Opening
With this summer's staffing and program successes as a foundation, the team's focus is now turning toward getting Aquatics ready for the new Center's opening. A key piece of that work is taking a close look at extending PV Pool programming, so our strongest, most experienced staff can pick up additional hours before transitioning over to the Aquatics Center — helping retain top talent while giving them a smooth, well-supported runway into the new facility.

This planning is also being used to stress-test everything from staffing coverage to program scheduling, so that when the doors open, Day 1 runs as smoothly as a facility that's been operating for years. The goal is to walk into the new Aquatics Center with a seasoned, confident team already in rhythm, and a program lineup ready to serve the community from the very first splash.

SENIOR PROGRAMMING
CARD continued its new senior social dance series with the second Let's Dance, Seniors! event held on June 28 at Lakeside Pavilion. The event welcomed 44 participants for an afternoon of live music by Soul Posse, line dancing, and social connection in a fun and welcoming atmosphere.

While attendance was smaller than the inaugural event, participant feedback was overwhelmingly positive, with attendees sharing appreciation for the opportunity to connect with friends, enjoy live entertainment, and participate in an activity designed specifically for older adults. CARD looks forward to concluding the summer series with its final Let's Dance, Seniors! event on August 2.

Community partners, Provincial Senior Living & Happy at Home sponsored our sold-out July Senior Luncheon. Moving forward, we want to ensure we can accommodate the demand for our local community, so we are increasing the capacity to 75 based on the redemption rates at previous events. We look forward to next month's event on August 11 sponsored by Rockport Healthcare Services.

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CONTRACT INSTRUCTORS AND SUMMER PROGRAMMING

CARD's Creekside location continues to be a hub of summer activity, welcoming participants to a variety of specialty camps, including Hogwarts Camp and Enchanted Garden Camp. Lakeside Pavilion has also been filled with energy as it hosts several popular camps, including Cheer Camp, Tie-Dye Camp and the ever popular "I heart Stuffies".

Fall class information is being submitted by contract instructors and is continuously being updated and published on the website and registration platform. Simultaneously, we have begun preparations for the upcoming Ice Rink season as summer programming winds down, ensuring a smooth transition into the next phase of seasonal operations

YOUTH COMMUNITY PROGRAMMING

After School Programs

The ASP Team is quietly working through the off season, focusing on recruitment, and hosting weekly interviews to rebuild and expand the team. Simultaneously, we are making broad updates across all our communication, recognition and coordination systems that will allow us to continue our growth through the partnership with CUSD in the 26/27 school year.

Inclusion Programs

The Inclusion team wrapped up a successful end of the year for ASP and jumped right into summer planning. Over the summer months, the Inclusion team will serve 25 participants with 1:1 aides with the help of 21 inclusion team members. In the second week of July, the Inclusion team hosted CARD's first ever Inclusive Summer Camp, open to participants aged 7-25 with high support needs. We hosted 11 campers at Lakeside Pavilion, and some said it was the most fun they'd had at camps. The families were very appreciative and supportive of this camp, and we are looking forward to another one at the end of July. The Inclusion team is also working on hiring more inclusion leaders to start the Fall 2026 semester.

Summer Camps

Our CARD Summer Camp season is progressing, and our enrollment has rebounded to full at several of camps for the second half of the summer. Camp structural changes have made our staffing and enrollment more flexible and allowed us to accommodate enrollment nearly doubling between June and July. As we look to the end of the season, we are evaluating our offerings and trying new ways of structuring camps to adjust to the needs of the community in future seasons.

Nature Education

July marks the halfway point of our summer camp season. Camp Chico Creek campers continue to enjoy a variety of hands-on activities and guest presentations that enhance each week's theme. During Water Week, FishBio taught campers about the importance of clean water, demonstrated water quality testing, and led a creek bug hunt. For Bugs & Insects Week, the Honey Bee Discovery Center introduced campers to the world of bees through an interactive presentation, outdoor game, honey tasting, and a close-up look at a live observation hive.

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Later this month, campers will enjoy Reptile Week, featuring a presentation from our own Animal Care staff with opportunities to safely touch and hold select reptiles. We will wrap up the month with Soil Week, welcoming Dr. Garrett Liles from CSU, Chico Soil Science. Campers will participate in hands-on activities exploring different soil types, comparing how soils react with water, and creating their own soil samples to test. Our Saturday Nature Tots program continues to see positive participation and engagement, providing young children and their caregivers with meaningful opportunities to connect with nature. Additionally, the Living Animal Museum recently welcomed a new garter snake to its collection, providing another opportunity for visitors and program participants to learn about California's native wildlife.

YOUTH SPORTS

We are officially at the halfway point of our summer season! It has been a fantastic summer so far, and while we're enjoying every minute of camp, we're also excited to begin preparing for our fall programs.

Junior Giants: We are entering the final two weeks of our Junior Giants season! This summer, we welcomed 471 participants and 129 volunteers, making it another incredible season. Despite the heat, our players, families, and volunteers have continued to bring great energy each week. A huge thank you to Scottie, Kambria, Rocio, and Sam for leading another successful Junior Giants season!

Little Sports Camp: We are heading into Week 6 of Little Sports Camp and continue to have a blast! This summer, we expanded the program to offer both half-day and full-day options for all 10 weeks, giving even more families the opportunity to participate. Campers have enjoyed a variety of sports, games, and themed activities while building confidence, friendships, and teamwork.

Sports Camp: Our Sports Camp program provides 10 weeks of camp for ages 7–11, featuring basketball, volleyball, soccer, baseball, tennis, pickleball, and flag football. Held at Community Park, campers have countless opportunities to develop their skills, stay active, and make new friends. Camper favorites Sean Whitt and Baylee Martinez have created exciting weekly activities that keep campers engaged and having fun all summer long.

Sports Camp Pro: Sports Camp Pro offers 6 weeks of camp for ages 11–14, featuring basketball, volleyball, soccer, and flag football. Also held at Community Park, the program is led by Kambria Lucas, who does an outstanding job creating fun, engaging, and challenging activities. Her camps provide athletes with opportunities to improve their skills while building confidence and a lifelong love for sports.

Toddler Camp: We are excited to have our new Toddler Class Leader, Alyssa Watkins, leading all of our Toddler Camps this summer. This role has been a great fit as Alyssa transitions from sports programming into the toddler classroom environment. Campers have enjoyed themed weeks including sports, cooking, baking, water play, and more. We look forward to continuing to create memorable experiences for our youngest participants throughout the remainder of the summer.

Non-Camp Programs: In addition to our camps and Junior Giants league, we are offering eight weeks of CSI programming in Volleyball (Grades 3–8) and Basketball (Grades 3–5), along with Youth and Adult Tennis Lessons. These programs provide additional opportunities for participants of all ages to stay active, develop new skills, and enjoy recreation throughout the summer.

YOUTH FALL PROGRAMS

Instructional Programs: We are excited to launch an expanded lineup of instructional programs this fall! Our ShortE, Little Sports, and CSI programs have grown significantly, with classes now offered Monday through Saturday to provide more flexibility for families. We are also bringing back Flag Football instructional programs and will be offering Futsal, Volleyball, and Basketball clinics throughout the weekends.

Leagues: Our popular Flag Football (Grades 2–8) and Volleyball (Grades 4–12) leagues are back this fall! Registration is now open, and we will begin hiring seasonal staff at the end of July as we prepare for another exciting league season.

Tennis: We are continuing to expand our Youth and Adult Tennis programs by adding another Tennis Instructor to our team. As interest in our tennis programs continues to grow, we look forward to offering even more lesson opportunities and continuing to expand our tennis programming.

Community Programs: We are excited to bring back several of our favorite community programs this fall! Chapman Kids Club will return on Tuesdays and Thursdays, serving up to 30 Chapman Elementary students throughout the school year. We are also expanding our Cooking Club for charter and homeschool students to include a new Baking Club. Our amazing Community Program Assistant, Ashley Nunez, has been hard at work planning fun and delicious activities for participants to enjoy.

Toddler Programs: We are thrilled to have our new Toddler Class Leader, Alyssa Watkins, leading all of our toddler programs. She has been hard at work preparing Stellar Start PLAYschool for the upcoming school year and creating an engaging environment for our youngest learners. We are also expanding our Budding Buddies program with additional evening and weekend class options, giving even more families the opportunity to participate.

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CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Scott Schumann, Assistant General Manager
SUBJECT: Parks and Facilities Update – July

Capital Project Updates

Master Planning Process

The CARD Master Plan was last published in 2018 and is due for update. Staff conducted 3 input sessions which were well attended, with input continuing to be gathered online through the month of January 2026. Additional data analysis has been conducted in collaboration with the Chico State Data Hub. A final stake holder session occurred in June of 2026 with representatives from the District Board, City of Chico, Chico Builders Association, Explore Butte County, Butte College, Chico State, Butte County Association of Governments, and Enloe Hospital. A draft master plan will be presented to the Board in the coming weeks.

Hooker Oak ADA

This project is currently underway with improvements to ADA parking and path of travel. Asphalt slope grades on the margins of the project are being addressed to ensure compliance.

Chico Bike Park

Project completion and opening is projected for the late fall of 2026. Access via the south end of the parking lot is under consideration with the Creekside Community Housing Improvement Program (CHIP).

Chico Aquatic Center

All three pools are under construction with slabs complete and Myrtha pool assembly taking place. Footings for the slide tower are in place. Staff have spent time with operations and maintenance resources in the process of preparing for handover. The project is on track with the projected substantial completion for Fall of 2026. Additional elements added to the project (i.e., Solar PV and Frontage Improvements) may extend the final completion into early 2027 based on lead times and working conditions.

District-Wide Irrigation

This project continues to progress on schedule. Staff are seeing positive results where the controller conversion has occurred resulting in less staff hours managing irrigation clocks and improved irrigation practices resulting in responsive watering times based on evapotranspiration data.

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Park Improvements and Maintenance

DeGarmo Park Turf Restoration

Annual efforts to restore turf in high use areas of the DeGarmo soccer fields are currently underway with progress on revitalizing goalie boxes and key areas of play. Significant vandalism to the irrigation heads occurred in the previous weeks requiring multiple days of staff time repair irrigation heads broken overnight.

Veterans Memorial Park

The annual flag retirement ceremony took place at Veteran's Memorial park in collaboration with the local Veterans of Foreign Wars (VFW) and Scouts of America on June 14th. Flags which are unable to be ceremonially burned elsewhere were buried onsite with interpretive signage for the community to appreciate. Additional flags remain and staff are working to complete additional burials in the coming weeks.

Skatepark Renaming Process

The final design for the Schneider Skatepark signage has been fabricated with anticipated completion and installation later this summer.

Tree Work

Additional tree work has occurred on large trees across the district including the CARD Center and trees along the DeGarmo Park/Shasta Elementary Property Line. The latter was done in collaboration with CUSD to remove end weight and reduce the hazard on both sides of the property line.

Project Crew Update

The project crew has been focused on several additional maintenance and improvement tasks across the District. Specifically, work on office renovations at the CARD Center, converting unused space to workstations and a staff breakroom, and improvements to the volleyball courts at Community Park both projects continue with good progress.

PV Pool and Chapman Splash Pad

Splash pad operations continue to keep the attention of staff to ensure smooth and consistent operations. Recent improvements to the turf area along the mechanical room sidewalk have been completed including new drain rock and pavers to improve drainage and reduce standing water in turf areas

Nature Center

Improvements to the Nature Center have been completed including the Burrowing Owl enclosure. In addition, the Nature Center parking lot has been proposed and accepted as part of the City of Chico South Park Drive Paving Project. Paving of the Nature Center lot will tentatively begin in August, 2026

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Preparation for 2027 Sites

Staff have been diligent in reviewing and submitting comments for future or current construction projects on park sites planned to come to CARD in 2026/2027. These sites include Hicks Lane Park, Chico Bike Park, Oak Valley Park, and Otaki Park. Oak Valley is current in the establishment period with anticipated handover in the Fall of 2026.

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CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: July 23, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: General Manager Update – July

Big Chico Creek Water Quality Testing Update

On July 15, 2026, preliminary water quality testing results indicated that all five swimming holes in use and under regular monitoring by the District had exceeded the safety thresholds established under the District's water quality guidelines. In accordance with established protocol, District staff have implemented a shift away from creek swimming and toward alternative water-based programming for camp participants. The District does not anticipate a return to creek swimming for the remainder of the summer season; however, daily testing at all five sites will continue so that conditions may be reassessed on an ongoing basis.

Consistent with the District's commitment to transparency, a public communication has been issued to camp families and the District's website has been updated to reflect current conditions. This communication advises that water quality conditions at Big Chico Creek do not presently meet the District's established safety thresholds, that camp swimming activities have accordingly shifted to non-creek alternatives out of an abundance of caution. Underlying testing data remains available to the public via the District's testing spreadsheet, and the District's water quality guidelines are likewise available upon request. While this outcome is not the one the District had hoped for, staff have confidence that the decision to suspend creek swimming activities reflects the appropriate and responsible application of the District's protocols.

The District's partner agencies have responded favorably to this action. Butte County Public Health, represented by Dr. Jarett Beaudoin, acknowledged the update and noted that this type of precautionary measure reflects the intended purpose of the testing program, particularly in light of a current national outbreak of cyclosporiasis that has heightened concern among parents and healthcare providers. Dr. Beaudoin further indicated an interest in correlating the recent increase in bacteria levels with temperature and creek flow rate data and noted that the City of Chico had already discussed elevated E. coli levels at a meeting earlier that week.

This matter demonstrates the water quality monitoring program functioning as intended: testing identified a condition requiring action, District staff responded promptly and in accordance with established guidelines, and the District's partner agencies at the county and city level remain engaged and supportive of the approach taken.

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Master Plan Workshop
On July 1, 2026, the staff convened a master planning workshop with city, county, and community leaders to inform the District's ongoing master plan update in advance of the City of Chico's forthcoming nexus study. Attendees included representatives from the City of Chico, the Butte County Association of Governments, Explore Butte County, Enloe Medical Center, Butte College, Chico Velo, and local business and real estate stakeholders. Following an overview of community input gathered to date, four partners — Nichole Farley of Explore Butte County, Brendan Vieg, Brendan Ottoboni, and Ivan Garcia of the Butte County Association of Governments — presented on anticipated growth and challenges facing the Chico area over the next five to seven years, offering valuable perspective to consider.

A facilitated discussion followed, in which attendees worked with District staff to identify priority projects for the master plan. Two priorities emerged with particular clarity: development of a multi-use recreation center and the addition of new sports fields to meet growing demand. A structured survey tool was used to capture attendee input during the session, and that same survey has since been distributed to invitees who were unable to attend or to access it live, so the plan can reflect as broad a range of community input as possible.

The workshop was a productive and well-received step in the District's planning process, with partners engaging actively and expressing appreciation for the opportunity to contribute. District staff will incorporate the workshop discussion and survey results into the draft master plan and work with the Board to finalize it later this summer, sharing final outcomes with stakeholders once the plan is complete.

Concessions
With the Aquatics Center and Bike Park set to open later this year, concessions will become a significantly larger component of District operations than we have managed previously. Given that large-scale concessions fall outside our core expertise, staff is actively working to identify local business partners to manage food and beverage operations at each location.

At the Bike Park, Ramble West has been identified as the provider, based on their established relationship with Velo and the project donor, and their unique experience managing food truck vendors. A local coffee vendor has also been referred to us to provide morning food and beverage service at this location.

For the Aquatics Center, staff has held two meetings with Kona Ice to discuss potential management of concession operations. Kona Ice brings significant experience with large-scale concessions and already partners with the District at community events. They also have established partnerships with local Little Leagues and other youth sports organizations for concessions, making them a strong candidate given their familiarity with our community.

In selecting partners, the District is prioritizing local businesses with strong, trustworthy reputations that align with our values and mission. Further updates will be provided to the Board as these partnerships develop.

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Notable Meetings

- 6/29 – Outdoor Sports Manager Meeting
- 6/30 – Outdoor Sports Manager Meeting
- 7/1 – Master Planning Workshop
- 7/2 – Butte College/CARD Aquatics
- 7/4 – 4th of July Parade
- 7/7 – Chico City Council Meeting
- 7/8 – Chamber Check In
- 7/8 – Community Resilience Center Grant Meeting
- 7/9 – Chico Tourism Committee
- 7/10 – CSDA Virtual Tour Filming
- 7/10 – Baroni Park LLD Discussion w/ Legal
- 7/14 – Quality Assurance Testing at Bike Park
- 7/14 – City Council Meeting re: Garner Lane Improvements
- 7/15 – Chamber Executive Committee Meeting
- 7/15 – Meeting with Kasey Reynolds
- 7/15 – Rotary Team Meeting
- 7/16 – Local 39 Meeting
- 7/23 – SEIU Meeting

Upcoming Community Events

August 8th – Movies in the Pool: Luca
August 15th – Ice Cream Social

News Stories

- Sycamore Pool Cleanup Nears Completion as Chico Prepares for Busy Summer
- Construction continues at Chico Bike Park - Oroville Mercury-Register
- Downtown Chico's July 4 parade brings jets, bands and free fun - Action News Now
- City of Chico begins daily water testing at Bidwell Park's Sycamore Pool - KRCR
- CARD puts on third annual July 4th Parade for | News | actionnewsnow.com
- Chico's Fourth of July parade honors 4 student grand marshals | Video - Action News Now

Contracts over $20,000

- None

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