

Assessment Notice

All property owners in the Point San Pedro Road Median Landscaping Assessment District, which includes all of Peacock Gap, recently received an Assessment Notice from the City of San Rafael informing us that we have the option to prepay the bonded (construction) portion of this project. The average prepayment cost per parcel is \$448.48. If you elect to prepay, your annual cost going forward will be just for the annual maintenance, which will be around \$30 per year. If you elect not to prepay, your annual cost will be around \$75 (roughly \$45 for the bonded portion and \$30 for the annual maintenance). ***If you elect not to prepay, simply ignore the letter.***

The \$448.48 was derived in the following way: it is the maximum borrowing authority of the assessment district (\$1,750,000) divided by the number of equivalent benefit units (3,902) within the assessment district. The \$448.48 represents each property owner's share of the capital cost to improve the medians. Commercial property owners like Dutra or the Loch Lomond Marina will pay more because they have more equivalent benefit units connected with their commercial parcels.

Some have asked whether the \$448.48 payment is tax deductible. Preliminary research indicates that IRS regulations provide that payments for the capital improvement cost of an assessment district are not tax deductible – whether they are paid in one lump sum, or whether they are included as installments on a property tax statement. However, the payments for the annual maintenance cost of an assessment district are tax deductible. Always ask for advice from your professional tax advisor, however, on this or any other tax-related matter.

Property owners should view the assessment like a mortgage. You can avoid the mortgage if you pay the assessment in full at this time, but not later than July 22, 2011. If you elect to take on the mortgage, you will pay approximately \$45 per year for the next 30 years to redeem the mortgage (or for as long as you own your home). The \$45 payment will be added to your annual property tax bill. Note that the annual maintenance assessment will be added to your annual property tax bill whether you prepay the bonded portion or not.

The City must notify the County of Marin, before the County's creation of the yearly property tax bills later this year, how much each property owner owes for the Landscaping Assessment District – whether the individual property owner has prepaid the bonded portion or not. Some will ask, "Why do I have only six days to make the payment?" That question needs to be put to the author of the assessment notice – Nader Mansourian, Public Works Director for the City of San Rafael. His phone number is 485-3355.

[Q&A](#) - Additional information from the Medians Committee is now available.

Information for this article was contributed by members of the [Point San Pedro Road Median Beautification Committee](#), in the interest of answering questions that have arisen since receipt of the Assessment Notice. This article is not intended as advice to individuals regarding specific financial decisions. Consult the City of San Rafael and your own tax and financial professionals for further questions or clarifications.