



America's Finest City

THE CITY OF SAN DIEGO



# **Assessment Engineer's Report**

## **EASTGATE MAINTENANCE ASSESSMENT DISTRICT**

**Annual Update for Fiscal Year 2017**

**under the provisions of the**

**San Diego Maintenance Assessment District Procedural Ordinance  
of the San Diego Municipal Code**

**Prepared For**

**City of San Diego, California**

**Prepared By**

**EFS Engineering, Inc.**

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**(858) 752-3490**

**June 2016**

# CITY OF SAN DIEGO

## Mayor

Kevin Faulconer

## City Council Members

Sherri Lightner  
District 1 (Council President)

Lorie Zapf  
District 2

Todd Gloria  
District 3

Myrtle Cole  
District 4

Mark Kersey  
District 5

Chris Cate  
District 6

Scott Sherman  
District 7

David Alvarez  
District 8

Marti Emerald  
District 9 (Council President Pro Tem)

## City Attorney

Jan Goldsmith

## Chief Operating Officer

Scott Chadwick

## City Clerk

Elizabeth Maland

## Independent Budget Analyst

Andrea Tevlin

## City Engineer

James Nagelvoort

## Assessment Engineer

EFS Engineering, Inc.

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## EXHIBITS

Exhibit A: District Boundary

Exhibit B: Estimated Annual Expenses, Revenues & Reserves

Exhibit C: Assessment Roll

# Assessment Engineer's Report

## Eastgate Maintenance Assessment District

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### Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Procedural Ordinance" (being Division 2, Article 5, Chapter VI of the San Diego Municipal Code), applicable provisions of "Proposition 218" (being Article XIII D of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), and in accordance with the Resolution of Intention, being Resolution No. \_\_\_\_\_, adopted by the CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, in connection with the proceedings for the EASTGATE MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), EFS ENGINEERING, INC., as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by Assessment Law.

PRELIMINARY APPROVAL BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

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Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

FINAL APPROVAL BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

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Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

## Executive Summary

**Project:** Eastgate  
Maintenance Assessment District

**Apportionment Method:** Net Parcel Area (NPA)

	<b>FY 2016</b>	<b>FY 2017 <sup>(1)</sup></b>	<b>Maximum Authorized</b>
<b>Total Parcels Assessed:</b>	35	35	--
<b>Total Estimated Assessment:</b>	\$67,680	\$67,680	--
<i>Zone 1</i>	\$67,680	\$67,680	--
<i>Zone 2</i>	\$0	\$0	--
<i>Zone 3</i>	\$0	\$0	--
<b>Total NPA:</b>	121.09	121.09	--
<i>Zone 1</i>	116.79	116.79	--
<i>Zone 2</i>	3.50	3.50	--
<i>Zone 3</i>	0.80	0.80	--
<b>Assessment per NPA:</b>			
<i>Zone 1</i>	\$579.50	\$579.50	\$1,169.50
<i>Zone 2</i>	\$0.00	\$0.00	\$82.58
<i>Zone 3</i>	\$0.00	\$0.00	\$0.00

<sup>(1)</sup> FY 2017 is the City's Fiscal Year 2017, which begins July 1, 2016 and ends June 30, 2017. Total Parcels Assessed, Total Estimated Assessment, and Total NPA may vary from fiscal prior year values due to parcel changes.

**District History:** The District was established in August 1986.

**Annual Cost-Indexing:** Indexing of assessments is not permitted under the current apportionment methodology.

**Bonds:** No bonds will be issued in connection with this District

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## Background

The Eastgate Maintenance Assessment District (District), formerly known as “Eastgate Technology Park Maintenance Assessment District,” was established in August 1986. The original Assessment Engineer’s Report is on file in the City of San Diego (City) Clerk’s office. The general purpose of the District is to fund defined improvements and activities within the District.

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## District Proceedings for Fiscal Year 2017

This District is authorized and administered under the provisions of the “San Diego Maintenance Assessment District Procedural Ordinance” (being Division 2, Article 5, Chapter VI of the San Diego Municipal Code), applicable provisions of “Proposition 218” (being Article XIID of the California Constitution), and provisions of the “Proposition 218 Omnibus Implementation Act” (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as “Assessment Law”). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Assessment Engineer’s Report is to update the District budget and assessments for Fiscal Year 2017, and authorize the continued levy of assessments for the life of the District. The Fiscal Year 2017 assessments proposed within this Assessment Engineer’s Report are equal to or less than the maximum authorized assessment. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levy of assessments for the life of the District, and collection of the Fiscal Year 2017 proposed assessments.

### Bond Declaration

No bonds will be issued in connection with this District.

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## District Boundary

The Boundary Map and Assessment Diagram for the District are on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego and by reference is made a part of this report. The Boundary Map and Assessment Diagram are available for public inspection during normal business hours. The District boundary is depicted in **Exhibit A**.

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## Project Description

The proposed assessments will be used to fund defined improvements and activities within the District. The activities include maintenance and servicing of landscaped medians, rights-of-way, pedestrian easement areas, monument areas, and a public mini-park within the District.

The engineering drawings for the improvements maintained by the District are on file at Maps and Records in the Development Services Department and are incorporated herein. The improvements and activities provided by the District will be maintained in accordance with specifications and contracts on file with the Park and Recreation Department. These documents are available for public inspection during normal business hours.

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## Separation of General and Special Benefits

The identified improvements and activities provide benefits to the parcels located within the District. Some of these benefits are “special benefits,” benefits that are above and beyond the City’s standard level of service, and exclusive of those “general benefits” provided to the public at large or properties located outside the District. Under Assessment Law, only “special benefits” are assessable. As such, isolation and quantification of the “special benefits” associated with the improvements and activities are paramount, and illustrated in the following equations:

$$\text{Special Benefits} = \text{Total Benefits} - \text{General Benefits}$$

$$\text{General Benefits} = \text{City Standard} + \text{External Benefits}$$

$$\text{Special Benefits} = \text{Total Benefits} - [\text{City Standard} + \text{External Benefits}]$$

In these equations, “Total Benefits” refers to the cost of providing the total benefits of the improvements and activities; “City Standard” represents the cost of providing the City’s standard level of service; and “External Benefits” refers to the cost of those additional benefits accruing to the public at large or properties located outside the District. In order to isolate the “Special Benefits,” it is necessary to quantify the amount of “General Benefits” associated with the improvements and activities.

## City Standard

As a “general benefit” (not funded by assessments), the District will continue to receive the standard level of service provided to the public at large under City-funded and administered programs for maintenance and servicing of public facilities and improvements (e.g., medians, open space, street lights, street trees, sidewalks, parks, etc.), including street sweeping and graffiti removal on public property. Consistent with City policy for the public at large, the City will provide the District with standard service levels and annual contributions from the Gas Tax Fund for median maintenance (28.67¢ per square foot of landscaped median and 6.59¢ per square foot of hardscaped median). These levels of service and cost allocations, reviewed and adjusted annually by the City, are “general benefits” administered by the District.

## External Benefits

Assessment Law prohibits levying assessments to pay for “general benefits” conferred to the public at large or properties located outside the District. Based on a review of the spatial limits of the District and the improvements and activities, it has been determined that the improvements and activities have the potential to confer benefits to others outside the District.

It is estimated as much as 24.2% of the total benefit (in excess of the City standard) may accrue to the public at large or properties located outside the District (with an estimated 15.8% accruing directly to properties located outside the District, and the remaining 8.4% accruing to the general public as indirect/incidental beneficiaries passing through the District or utilizing District-provided amenities). The estimated costs associated with these “general benefits” have been quantified and will not be funded by assessments.

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## Cost Estimate

### Estimated Costs

Estimated Fiscal Year 2017 annual expenses, revenues, reserves, and assessments (provided by the City) for the District are included as **Exhibit B** hereto.

### Annual Cost-Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners



by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. The current maximum authorized assessment established in 1986 is not authorized to be indexed (increased or decreased) without a vote of the affected property owners.

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## Method of Apportionment

### Estimated Benefit of the Improvements

The Transportation Element of the City's General Plan and the general policy recommendations found in the local Community Plan establish several goals for the community's transportation system. The District improvements and activities are consistent with the plans' goals for public safety and pleasing aesthetics.

### Apportionment Methodology

As shown in **Exhibit A**, the District has been divided into three (3) zones for benefit apportionment purposes. The total cost associated with District improvement and activities will be assessed to the various parcels within the District in proportion to the net parcel area (NPA) of each a parcel within a zone in relationship to the total NPA of all the parcels within the zone.

### Sample Calculations

As described above, the net parcel area (NPA) assigned to each parcel in the District has been calculated based on each parcel's net area and the identified apportionment factors, as shown in the following equation:

$$\text{NPA} = (\text{Net Parcel Area}) \times \text{NPA Factor}$$

Shown below are sample NPA calculations for several common land uses found in the District.

- **5-acre Industrial Property**  
NPA = 5.00 acres x 1.00 = 5.00 NPA
- **5-acre Park without Recreation Center**  
NPA = 5.00 acres x 1.00 = 5.00 NPA

The total assessment for each parcel in the District is based on the calculated NPA for the parcel and the applicable unit assessment rate, as shown in the following equation:

$$\text{Total Assessment} = \text{Total NPA} \times \text{Unit Assessment Rate}$$

The NPA calculated for each property can be found in the Assessment Roll (**Exhibit C**).

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## Summary Results

The District boundary is presented in **Exhibit A**.

An estimate of the costs of the improvements and activities provided by the District is included as **Exhibit B** to this report.

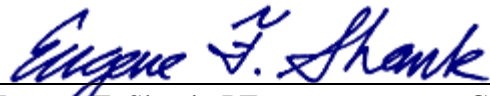
The assessment methodology utilized is as described in the text of this report. Based on this methodology, the NPA and Fiscal Year 2017 District assessment for each parcel were calculated and are shown in the Assessment Roll (**Exhibit C**).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2017 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

EFS ENGINEERING, INC.



  
Eugene F. Shank, PE C 52792

  
Sharon F. Risse

I, \_\_\_\_\_, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the \_\_\_\_ day of \_\_\_\_\_, 2016.

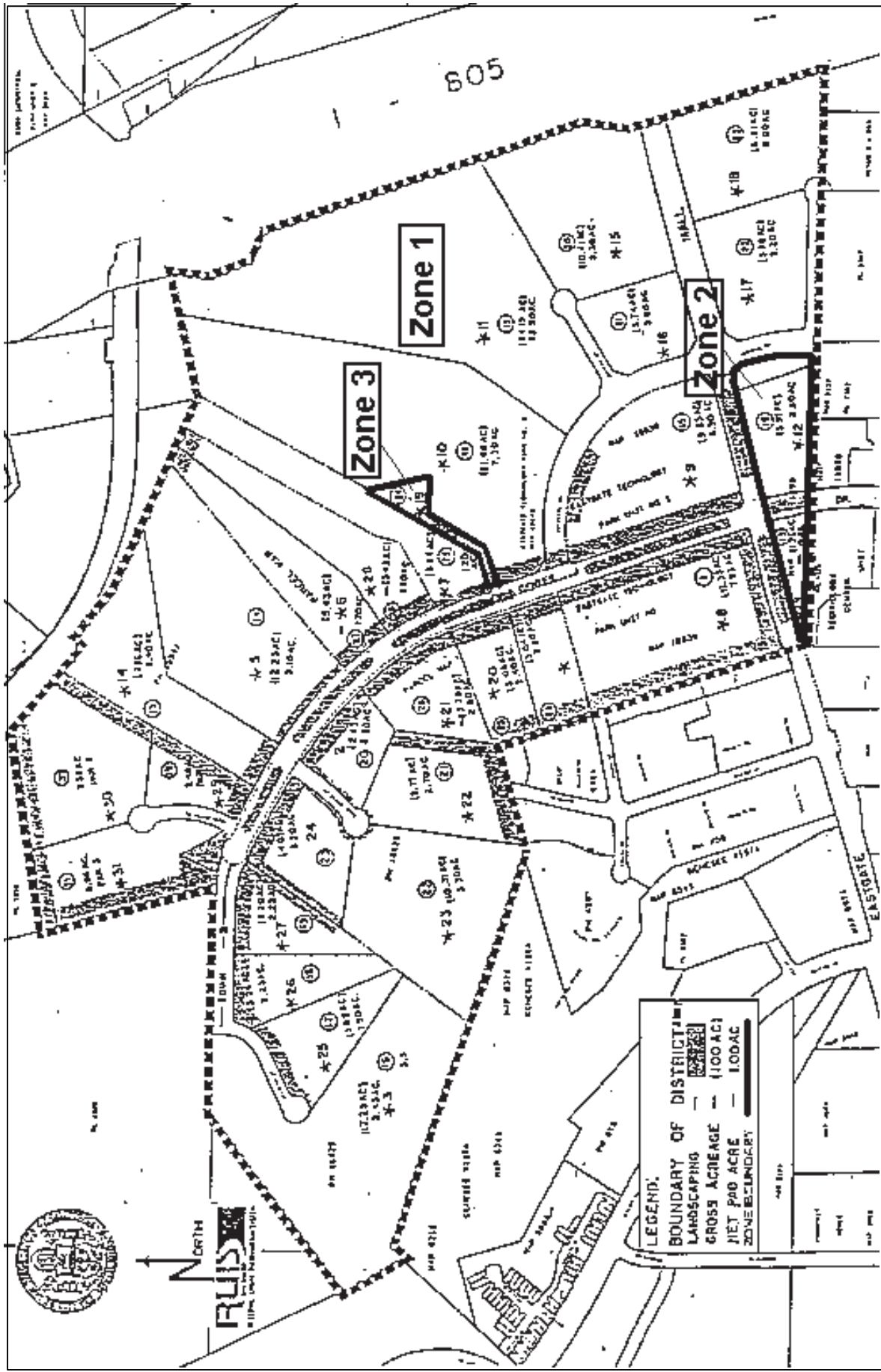
\_\_\_\_\_  
Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

I, \_\_\_\_\_, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

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# **EXHIBIT A**



**EASTGATE**  
Maintenance Assessment District

EXHIBIT A

# **EXHIBIT B**

# EXHIBIT B

Park and Recreation Department - Open Space Division  
 Maintenance Assessment Districts Program  
 Summary of Fiscal Year 2017 (07-01-16 to 06-30-17) Budget

Eastgate Maintenance Assessment District  
 SAP Fund 200044

	FY 2015	FY 2016	FY 2017
	Unaudited Actuals	Estimate	Proposed
<b>District Costs</b>			
<b>Contract Services</b>			
Landscaping Services - Services Based on Quote (512134A,516001)	\$ 60,656.48	\$ 49,964.00	\$ 52,462.00
Landscaping Services - Irrigation Upgrade (512134C)	\$ -	\$ 10,000.00	\$ 15,000.00
Landscaping Services - Tree Trimming, Planting, and Removal Project (512134E)	\$ -	\$ -	\$ 20,000.00
Tree Trimming (512197)	\$ 24,975.00	\$ 25,000.00	\$ 25,000.00
<b>Supplies</b>			
Garden Nursery Stock (511028)	\$ -	\$ 3,000.00	\$ 3,000.00
Electrical Parts and Pipe Fittings (511082,511086)	\$ -	\$ 1,000.00	\$ 1,000.00
City Services - Arborist Services, Irrigation Call Outs, and Signs (512114A, 512114B)	\$ -	\$ 1,000.00	\$ 1,000.00
.15 Full-Time Equivalent/Grounds Maintenance Manager	\$ 17,365.00	\$ 17,049.00	\$ 17,390.00
Special Districts Administration (516024A)	\$ 10,984.00	\$ 10,984.00	\$ 11,204.00
Vehicle Usage and Assignment (516024B)	\$ 1,166.00	\$ 1,224.00	\$ 1,285.00
<b>Utilities</b>			
Water (514100)	\$ 22,941.05	\$ 23,655.00	\$ 29,151.00
Storm Drain Fee (514101)	\$ 620.86	\$ 700.00	\$ 700.00
Electrical (514105)	\$ 471.30	\$ 1,217.00	\$ 551.00
<b>Total District Costs</b>	<b>\$ 139,179.69</b>	<b>\$ 144,793.00</b>	<b>\$ 177,743.00</b>
<b>District Revenues</b>			
Special Assessments (411005 - 412001)	\$ 136,905.92	\$ 67,680.00 <sup>(1)</sup>	\$ 67,679.70 <sup>(2)</sup>
Interest Earned (418001)	\$ 1,251.19	\$ 1,000.00	\$ 400.00
<b>City Contributions</b>			
Gas Tax Fund <sup>(3)</sup>	\$ 5,040.00	\$ 5,122.00	\$ 5,195.00
General Benefit Offset (24.2%)	\$ 47,406.35	\$ 35,554.00	\$ 19,458.00
<b>Total Revenues</b>	<b>\$ 190,603.46</b>	<b>\$ 109,356.00</b>	<b>\$ 92,732.70</b>
<b>District Reserves</b>			
Beginning Fund Balance	\$ 187,888.50	\$ 239,312.27	\$ 203,875.27
Change in Fund Balance	\$ 51,423.77	\$ (35,437.00)	\$ (85,010.30)
<b>Year End Operating Reserves</b>	<b>\$ 239,312.27</b>	<b>\$ 203,875.27</b>	<b>\$ 118,864.97</b>

(1) In Fiscal Year 2016, the annual assessment rate was reduced by \$590.00.

(2) In Fiscal Year 2017, the annual assessment rate was reduced by \$334.50.

(3) City Contributions are subject to change each year pending City Council's approval of new rate per square foot/acreage.



# **EXHIBIT C**

**EXHIBIT C - Assessment Roll (Fiscal Year 2017)**  
**Eastgate Maintenance Assessment District**

Parcel Number	NPA <sup>(1)</sup> (Acres)	Zone	Land Use	NPA <sup>(1)</sup> Factor	Total NPA <sup>(1)</sup>	Unit Cost (\$/EDU)	FY 2017 <sup>(2)</sup> Assessment	Owner Name
343 121 13 00	1.20	1	DIND	1.00	1.20	\$579.50	\$695.40	D W C G Inc
343 121 14 00	3.10	1	DIND	1.00	3.10	\$579.50	\$1,796.44	B M R Towne Centre Court Lp
343 121 16 00	3.40	1	DIND	1.00	3.40	\$579.50	\$1,970.30	City Of San Diego
343 121 20 00	2.20	1	DIND	1.00	2.20	\$579.50	\$1,274.90	B M R Towne Centre Court Lp
343 121 21 00	2.70	1	DIND	1.00	2.70	\$579.50	\$1,564.64	B M R Towne Centre Court Lp
343 121 22 00	3.30	1	DIND	1.00	3.30	\$579.50	\$1,912.34	Tanabe Holding America Inc
343 121 23 00	3.30	1	DIND	1.00	3.30	\$579.50	\$1,912.34	B M R Towne Centre Court Lp
343 121 27 00	1.70	1	DIND	1.00	1.70	\$579.50	\$985.14	Eastgate Investment L L C
343 121 28 00	1.70	1	DIND	1.00	1.70	\$579.50	\$985.14	Eastgate Investment L L C
343 121 33 00	3.60	1	DIND	1.00	3.60	\$579.50	\$2,086.20	Irvine Eastgate Office I Llc
343 121 34 00	3.80	1	DIND	1.00	3.80	\$579.50	\$2,202.10	Irvine Eastgate Office I Llc
343 121 40 00	5.48	1	DIND	1.00	5.48	\$579.50	\$3,175.66	Towne Centre Drive Llc
343 121 41 00	6.40	1	DIND	1.00	6.40	\$579.50	\$3,708.80	Irvine Eastgate Office I Llc
343 122 13 00	0.90	2	DIND	1.00	0.90	\$0.00	\$0.00	H C P Eastgate L L C
343 122 16 00	2.60	2	DIND	1.00	2.60	\$0.00	\$0.00	Kilroy Realty L P
343 122 24 00	0.80	3	PKU	1.00	0.80	\$0.00	\$0.00	City Of San Diego
343 122 26 00	7.48	1	DIND	1.00	7.48	\$579.50	\$4,334.66	A R E S D Region No 39 Llc
343 122 35 00	1.20	1	DIND	1.00	1.20	\$579.50	\$695.40	9514 T C D L L C
343 122 40 00	7.49	1	DIND	1.00	7.49	\$579.50	\$4,340.46	Irvine Eastgate Office I Llc
343 122 41 00	5.82	1	DIND	1.00	5.82	\$579.50	\$3,372.68	Irvine Eastgate Office I Llc
343 122 42 00	3.36	1	DIND	1.00	3.36	\$579.50	\$1,947.12	Irvine Eastgate Office I Llc
343 122 43 00	4.53	1	DIND	1.00	4.53	\$579.50	\$2,625.14	Irvine Eastgate Office I Llc
343 122 45 00	2.82	1	DIND	1.00	2.82	\$579.50	\$1,634.18	Irvine Eastgate Office I Llc
343 122 46 00	2.83	1	DIND	1.00	2.83	\$579.50	\$1,639.98	Irvine Eastgate Office I Llc
343 122 47 00	3.41	1	DIND	1.00	3.41	\$579.50	\$1,976.10	Irvine Eastgate Office I Llc
343 122 48 00	3.44	1	DIND	1.00	3.44	\$579.50	\$1,993.48	Irvine Eastgate Office I Llc
343 122 49 00	3.63	1	DIND	1.00	3.63	\$579.50	\$2,103.58	Irvine Eastgate Office Ii Llc
343 122 50 00	4.62	1	DIND	1.00	4.62	\$579.50	\$2,677.28	Irvine Eastgate Office Ii Llc
343 122 51 00	3.51	1	DIND	1.00	3.51	\$579.50	\$2,034.04	Irvine Eastgate Office Ii Llc
343 122 52 00	3.12	1	DIND	1.00	3.12	\$579.50	\$1,808.04	Irvine Eastgate Office Ii Llc
343 122 60 00	3.34	1	DIND	1.00	3.34	\$579.50	\$1,935.52	Irvine Eastgate Office Ii Llc
343 122 61 00	2.52	1	DIND	1.00	2.52	\$579.50	\$1,460.34	Irvine Eastgate Office Ii Llc
343 122 62 00	4.68	1	DIND	1.00	4.68	\$579.50	\$2,712.06	Irvine Company Llc
343 122 63 00	3.16	1	DIND	1.00	3.16	\$579.50	\$1,831.22	Irvine Eastgate Office Ii Llc
343 122 64 00	3.95	1	DIND	1.00	3.95	\$579.50	\$2,289.02	Irvine Eastgate Office Ii Llc

<b>TOTAL</b>	<b>88.56</b>	-	-	-	<b>121.09</b>	-	<b>\$67,680</b>	
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<sup>(1)</sup> Net Parcel Area (NPA).

<sup>(2)</sup> FY 2017 is the City's Fiscal Year 2017, which begins July 1, 2016 and ends June 30, 2017.