America's Finest City

THE CITY OF SAN DIEGO

Assessment Engineer's Report

PEÑASQUITOS EAST MAINTENANCE ASSESSMENT DISTRICT

Annual Update for Fiscal Year 2009

under the provisions of the

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

and

Landscaping & Lighting Act of 1972 of the California Streets & Highways Code

Prepared For

City of San Diego, California

Prepared By

Boyle Engineering Corporation
7807 Convoy Court, Suite 200
San Diego, CA 92111
(858) 268-8080

June 2008

CITY OF SAN DIEGO

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Andrea Tevlin

City Engineer

Afshin Oskoui

Assessment Engineer

Boyle Engineering Corporation

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Assessment Engineer's Report
Peñasquitos East
Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscaping and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIIID 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"), in connection with the proceedings for the PEÑASQUITOS EAST MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____ , ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE _____ DAY OF _____, 2008.

_____

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

Executive Summary

Project: Peñasquitos East
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2008	FY 2009 [1]	Maximum [2] Authorized
Total Parcels Assessed:	10,296	10,295	--
Total Estimated Assessment:	$213,698	$213,698	--
Total Number of EBUs:	14,007.02	14,007.02	--
Assessment per EBU:	$15.25	$15.25	$16.06 [3]

(1) FY 2009 is the City's Fiscal Year 2009, which begins July 1, 2008 and ends June 30, 2009. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBUs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.
(2) Maximum authorized annual amounts subject to cost-indexing provisions as set forth in this Assessment Engineer's Report.
(3) Prior year's maximum authorized annual assessment increased by cost-indexing factor of 2.25%.

Proposition 218 Compliance: The District, originally established in July 1983, was re-engineered in Fiscal Year 1998 for compliance with Proposition 218. By a ballot proceeding, majority property owners (74.82% of the weighted vote) approved Fiscal Year 1998 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost-indexing.

Annual Cost-Indexing: The maximum authorized assessment rate has been increased based on approved annual cost-indexing provisions.

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

Background

The Peñasquitos East Maintenance Assessment District (District) was established by Resolution Number R-258817 of the Council of the City of San Diego (City) on July 5, 1983. The original Assessment Engineer's Report is on file in the City Clerk's office. The District was formed to fund maintenance and operations costs, including incidental expenses, for landscaped street medians and rights-of-way within the boundaries of the District. In general, maintenance consists of the following activities: irrigation; fertilization; removal of weeds, trash, and litter; pruning of trees and shrubs; replacement of dead and diseased trees and shrubs; repair of equipment and facilities; and weed abatement.

The District was re-engineered in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, property owners approved the re-engineering with 74.82% of weighted votes supporting the proposed assessments. Over 37.8% of property owners responded to the mail ballot. The Assessment Engineer's Report, preliminarily accepted by Resolution Number R-288816 on June 8, 1997, proposed Fiscal Year 1998 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost-indexing of the maximum authorized assessments. The Assessment Engineer's Report was approved and assessments confirmed by Resolution Number R-289043 on August 5, 1997.

As part of the Fiscal Year 2007 proceedings, two areas were identified for detachment from the District. These areas are included in two newly formed assessment districts (i.e., Black Mountain Ranch South and Torrey Highlands) and do not receive benefit from the District improvements and/or services.

District Proceedings for Fiscal Year 2009

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscaping and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIIID 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 2009. The Fiscal Year 2009 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 XIIID 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 levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

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 are made a part of this report. The Boundary Map and Assessment Diagram for the District are available for public inspection during normal business hours. A reduced copy of the Boundary Map is included as Exhibit A hereto.

Project Description

The project to be funded by the proposed assessments includes providing maintenance and operating costs for the following:

Improved Bus Stops: each bus stop consisting of two benches on a concrete slab with a trash container. Maintenance activities include weekly litter removal, monthly weeding and general maintenance.

Public Rights-of-Way: maintenance activities include monthly weeding and sweeping of the gutters, weekly litter pickup, trimming of native plants, and/or homeowner installed landscaping within the right-of-way along the sidewalk or street, as required.

Roadway Medians: maintenance activities include weeding, litter pickup, sweeping of gutters along median and, if median is landscaped, trimming and maintaining the landscaping.

Sunridge Vista Park (mini-park): maintenance activities include landscape maintenance, vandalism repair, and graffiti removal.

Open Space: maintenance includes but is not limited to tree trimming, litter pick up, and exotic plant removal. Brush management of City-owned open space in accordance with the Municipal Code §142.0412 is performed by the City's General Fund.

Lighted Community Entrance Signs: maintenance activities include replacement of light bulbs, cleaning, vandalism repair, graffiti removal, painting, and electric costs.

The improvements and services 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.

Separation of General and Special Benefits

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (31.89¢ per square foot of landscaped median and 13.04¢ per square foot of hardscaped median) and from the Environmental Growth Fund for open space maintenance ($40.05 per acre). The City will also reimburse the District for contractual maintenance performed on library grounds ($4,627 per acre). These cost allocations, reviewed and adjusted annually by the City, are considered to be "general benefits" administered by the District. All other maintenance, operations, and administration costs associated with the District, which exceed the City's contribution to the public at large, are accordingly considered to be "special benefits" funded by the District.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2009 annual expenses, revenues, reserves, and

assessments (provided by the City) 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. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 1998, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 1998 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. The maximum authorized assessment rates contained within this Assessment Engineer's Report have been indexed in accordance with these cost-indexing provisions.

Method of Apportionment

Estimated Benefit of the Improvements

The improvements provided by this District are associated with the maintenance of street rights-of-way, street medians, and open space.

Street Rights-of-Way and Medians

The major and arterial streets within the District are the backbone

of the street network within the community. They serve as the primary access routes in and out of the community, cross-community trips and thus serve all parcels within the community. All parcels benefit from the enhancement of these streets and the enhanced community image provided by the improvements being maintained by this District.

The Transportation Element of the City's General Plan and the General Policy Recommendations found in the Rancho Peñasquitos Community Plan establish several goals for the community's streets. The improvements being maintained by this District are consistent with the Plans' goals for safety and pleasing aesthetics. The installation of these improvements was often funded by developers as conditions of development. The maintenance for these enhanced assets, since installation, has been funded though the District. The General Plan also supports the establishment of community landscape improvement and maintenance districts, such as this District, to accomplish these goals.

Open Space

Dedication of open space is also consistent with the General and Community Plans' goals. Open space provides benefit through controlling urban form, providing for outdoor recreation, preserving natural resources, providing for the public health and safety, and serving as drainage corridors and view corridors. Open space also produces lower development density which benefits community residents by reducing traffic congestion, noise levels, and storm water runoff pollutants. These open space areas, generally dedicated to the public during the development process, require ongoing management and maintenance to maintain their functionality, aesthetics, and continued contribution to the quality of life in the community.

Apportionment Methodology

The total cost for maintenance of the improvements funded by the District will be assessed to the various parcels in proportion to the estimated Equivalent Benefit Units (EBUs) assigned a parcel in relationship to the total EBUs for all parcels within the District.

EBUs for each parcel have been determined as a function of two factors, a Land Use Factor and a Benefit Factor related as shown in the following equation.

EBUs = (Acres or Units) x Land Use Factor x Benefit Factor

Each of these factors is discussed below.

Land Use Factor

Since the improvements to be maintained or provided by the District are primarily associated with the Transportation Element of the General and Community Plans, trip generation rates for various land use categories (as previously established by the City's Transportation Planning Section) have been used as the primary basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of landscape improvements maintained or provided by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. The special benefits of open spaces maintained or provided by the District are linked to trip generation primarily by their contribution of aesthetics and view corridors which break the monotony of travel. Thus, trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code.

Land use/zoning classifications have been grouped with averaged trip generation rates assigned to establish the Land Use Factors as shown in Table 1.

TABLE 1: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Residential – Single Family (detached)	SFD	1.0 per dwelling unit
Residential – Condominium	CND	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Residential – Duplex	DUP	0.7 per dwelling unit
Agricultural	AGR	0.02 per acre
Commercial – Office & Retail	COM	45.0 per acre
House of Worship	CRH	2.8 per acre
Educational – Primary & Secondary	EPS	5.0 per acre
Fire/Police Station	FPS	15.0 per acre
Golf Course	GLF	0.8 per acre
Hotel	HTL	15.0 per acre
Library	LIB	40.0 per acre
Open Space (designated)	OSP	0.0 per acre
Park – Developed	PKD	5.0 per acre
Park – Undeveloped	PKU	0.5 per acre
Post Office	PST	15.0 per acre
Recreational Facility	REC	3.0 per acre
Street/Roadway	STR	0.0 per acre
Undevelopable	UND	0.0 per acre
Utility Facility	UTL	3.0 per acre

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is sometimes permitted, these activities are usually allowed only to the limited extent consistent with the primary purpose of natural preservation. Since this land is essentially "unused" in the customary terms of land use (which relate to human use, not use by nature), the trip generation rate is zero. Therefore, the designated Open Space receives no benefit from the Transportation Element and has been assigned a Land Use Factor of zero.

The Utility Facility category applies to utility infrastructure facilities, such as water tanks, pump stations, electric power transformer stations, etc. Utility company administrative offices are not included in this category.

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements to be provided or maintained by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements considered may include some or all of the following: public safety, view corridors and aesthetics, and recreational potential. As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements maintained or provided by the district, Benefit Factors will generally vary from one district to another, based on the specific details of the applicable land uses and improvements provided.

The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various land use/zoning categories within this District are shown in Table 2.

TABLE 2: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (max. 0.3)	Aesthetics (max. 0.6)	Recreation (max. 0.1)	Composite Benefit Factor (max. 1.0)
Residential – All	0.3	0.6	0.1	1.0
Agricultural	0.3	0.0	0.0	0.3
Commercial – Office & Retail	0.3	0.3	0.0	0.6
House of Worship	0.3	0.3	0.0	0.6
Educational – Primary & Secondary	0.3	0.3	0.0	0.6
Fire/Police Station	0.3	0.3	0.0	0.6
Golf Course	0.3	0.0	0.0	0.3
Hotel	0.3	0.3	0.1	0.7
Library	0.3	0.3	0.0	0.6
Open Space (designated)	0.3	0.0	0.0	0.3
Park – Developed	0.3	0.0	0.0	0.3
Park – Undeveloped	0.3	0.0	0.0	0.3
Post Office	0.3	0.3	0.0	0.6
Recreational Facility	0.3	0.3	0.1	0.7
Street/Roadway	0.3	0.0	0.0	0.3
Undevelopable	0.3	0.0	0.0	0.3
Utility Facility	0.3	0.0	0.0	0.3

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements. Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of open spaces and landscaped roadway medians and rights-of-way maintained or provided by the District varies among land use categories. Generally, by nature of their use, residential lands receive the greatest benefit from the reduced traffic congestion, reduced noise levels, greater separation from traffic and generally more tranquil environment provided by open spaces and landscaped roadway medians and rights-of-way. Commercial and institutional uses, on the other hand, often thrive on higher densities, greater traffic access, and a higher level of activity in the vicinity of their enterprises. These uses, accordingly, receive a lesser degree of benefit from the general insulation and separation

provided by the aesthetic elements of District improvements.

Generally commercial and business districts require large areas of flat land and are constructed in the larger valley or mesa areas, which typically include less designated open space. On the other hand, residential neighborhoods can be sculpted into the areas of irregular terrain common to San Diego, which generally incorporate a greater amount of open space adjacent to the community's residential land use parcels. The proximity of open space to residential parcels creates a greater benefit to residential land use parcels.

Lands in the Agricultural, Open Space, and Utility Facility categories are considered to receive no significant benefit from the aesthetic elements of District improvements, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value. Lands in the Golf Course and Park categories are considered to receive no significant benefit from the aesthetic elements of District improvements, as the aesthetic values of these lands are themselves so high that they are little enhanced by those of other lands in their vicinity.

Recreation. Lands in all Residential categories and the Hotel category are considered to receive the maximum available benefit from the recreation elements of District improvements, through the regular enjoyment of these elements by their residents and guests. Lands in all other categories are considered to receive, at most, only incidental enjoyment of these elements, and are therefore considered to receive no significant benefit from these elements of District improvements.

Equivalent Benefit Units (EBUs)

As described above, the number of Equivalent Benefit Units (EBUs) assigned to each parcel in the District has been calculated, based on the preceding factors, as follows:

EBUs = (Acres or Units) x Land Use Factor x Benefit Factor

Based on the above formula, the EBUs calculated for each property, can be found in the Assessment Roll (Exhibit C).

Summary Results

The District Boundary is presented in Exhibit A.

An estimate of the costs of the improvements 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 EBUs and Fiscal Year 2009 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 2009 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE C 52792

Carolyn R. Crull

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 _____, 2008.

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

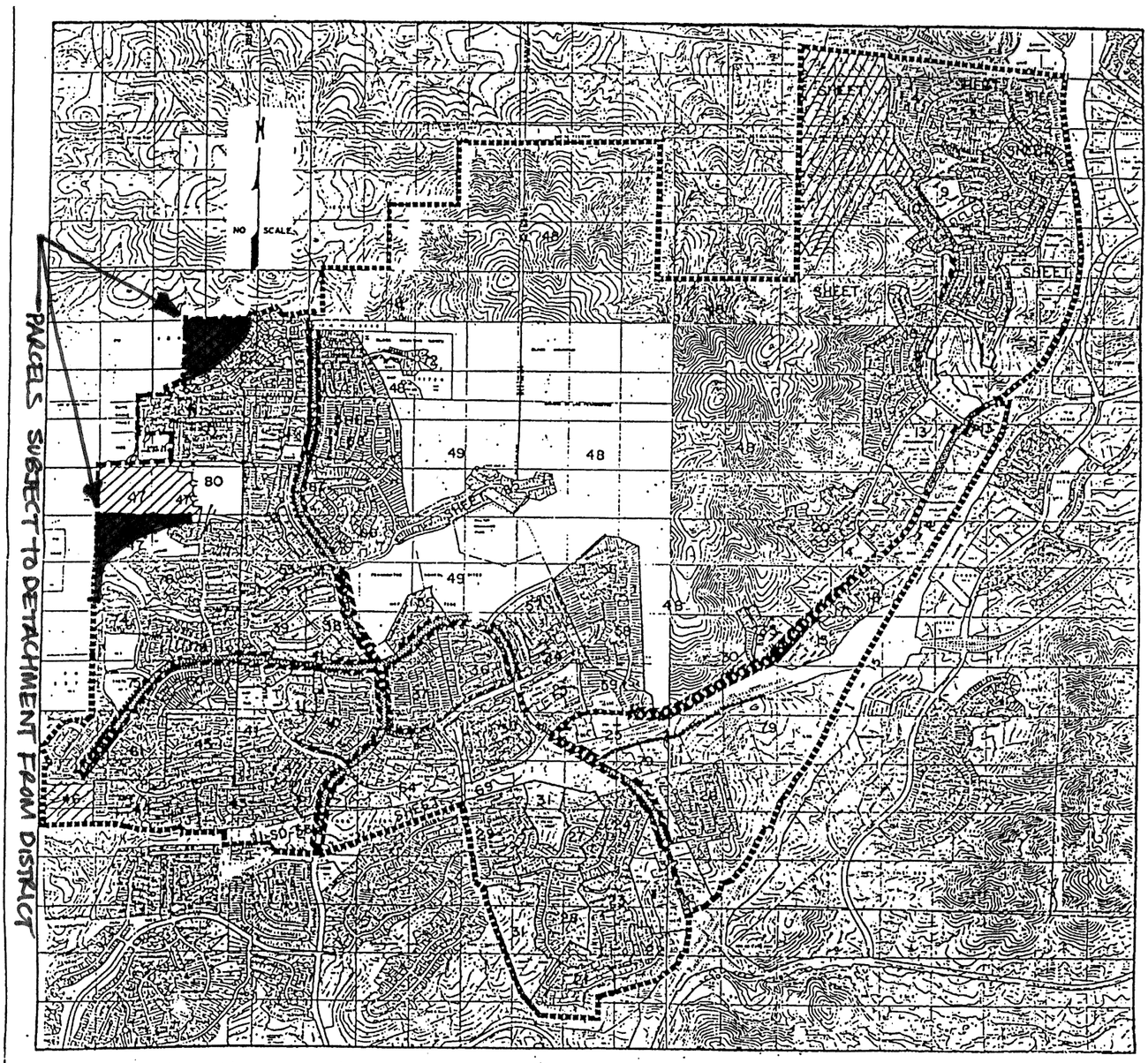
I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2008.

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

I, _____, as CITY ENGINEER of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram was recorded in my office on the _____ day of _____, 2008.

_____
Afshin Oskoui, CITY ENGINEER
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A



NOTES:

1. EACH LOT OR PARCEL HAS BEEN IDENTIFIED BY THE COUNTY ASSESSOR'S PARCEL NUMBER ON THIS MAP AND THE ASSESSMENT ROLL CONTAINED IN THE ENGINEER'S REPORT.
2. FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF THE LOTS OR PARCELS SHOWN ON THIS ASSESSMENT DIAGRAM, REFER TO THE COUNTY ASSESSOR'S MAPS, WHICH SHALL GOVERN WITH RESPECT TO ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

CITY OF SAN DIEGO

W.O. 133197

DATE: 2/'95
BOUNDRY REVISED 6/97

PENASQUITOS EAST

LANDSCAPE MAINTENANCE DISTRICT

SHEET 1 OF 80

PENASQUITOS EAST
Maintenance Assessment District

EXHIBIT A

EXHIBIT B

EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves

Penasquitos East - Fund 70225

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 BUDGET
BALANCE FROM PRIOR YEAR	$ 187,682	$ 197,887	$ 219,917
REVENUE			
Assessments	$ 213,537	$ 213,698	$ 213,698
Interest	$ 2,000	$ 5,100	$ 6,300
Environmental Growth Fund	$ 3,028	$ 3,478	$ 3,484
Gas Tax Fund	$ 67,973	$ 74,040	$ 74,896
General Fund	$ 5,165	$ 5,165	$ 5,321
Miscellaneous	$ -	$ -	$ -
TOTAL REVENUE	$ 291,703	$ 301,481	$ 303,699
TOTAL BALANCE AND REVENUE	$ 479,385	$ 499,368	$ 523,616
EXPENSE			
CAPITAL IMPROVEMENTS PROGRAM	$ -	$ -	$ -
OPERATING EXPENSE			
Personnel	$ 43,511	$ 45,608	$ 46,747
Contractual	$ 201,399	$ 214,343	$ 178,741
Incidental	$ 39,349	$ 34,858	$ 36,544
Utilities	$ 34,355	$ 37,930	$ 41,402
TOTAL OPERATING EXPENSE	$ 318,614	$ 332,739	$ 303,434
TOTAL EXPENSES	$ 318,614	$ 332,739	$ 303,434
RESERVE			
Contingency Reserve	$ 148,810	$ 166,629	$ 220,182
TOTAL RESERVE	$ 148,810	$ 166,629	$ 220,182
BALANCE	$ 11,961	$ (0)	$ (0)
TOTAL EXPENSE, RESERVE AND BALANCE	$ 479,385	$ 499,368	$ 523,616

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.