



THE CITY OF SAN DIEGO



ANNUAL REPORT for Fiscal Year 2018

EASTGATE MAINTENANCE ASSESSMENT DISTRICT

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.
P.O. Box 22370
San Diego, CA 92192-2370
(858) 752-3490**

June 2017

CITY OF SAN DIEGO

Mayor

Kevin Faulconer

City Council Members

Barbara Bry District 1	Mark Kersey District 5 (Council President Pro Tem)
Lorie Zapf District 2	Chris Cate District 6
Chris Ward District 3	Scott Sherman District 7
Myrtle Cole District 4 (Council President)	David Alvarez District 8
Georgette Gómez District 9	

City Attorney

Mara W. Elliott

Chief Operating Officer

Scott Chadwick

City Clerk

Elizabeth Maland

Independent Budget Analyst

Andrea Tevlin

City Engineer

James Nagelvoort

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for Fiscal Year 2018

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Annual Report for Fiscal Year 2018

Eastgate

Maintenance Assessment District

Preamble

Pursuant to §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance” (being Division 2, Article 5, Chapter 6 of the *San Diego Municipal Code*) and City of San Diego Council Resolution No. R-310618 passed on July 22, 2016, authorizing the continued levy of assessments for the life of the EASTGATE MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as “District”), and in accordance with 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 “applicable law”), and in accordance with Resolution No. _____, adopted by the CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, and in connection with the annual proceedings for the District, EFS Engineering, Inc., as Assessment Engineer to the City of San Diego, submits herewith this annual report for the District as required by §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance.”

DATE OF FINAL PASSAGE BY THE CITY OF SAN DIEGO,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ON THE
_____ DAY OF _____, 2017.

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

Executive Summary

Project: Eastgate
Maintenance Assessment District

Apportionment Method: Net Parcel Area (NPA)

	FY 2017	FY 2018 ⁽¹⁾	Maximum Authorized
Total Parcels Assessed:	35	36	--
Total Estimated Assessment:	\$67,680	\$102,655	--
<i>Zone 1</i>	\$67,680	\$102,438	--
<i>Zone 2</i>	\$0	\$217	--
<i>Zone 3</i>	\$0	\$0	--
Total NPA:	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	--
Assessment per NPA:			
<i>Zone 1</i>	\$579.50	\$877.12	\$1,169.50
<i>Zone 2</i>	\$0.00	\$61.94	\$82.58
<i>Zone 3</i>	\$0.00	\$0.00	\$0.00

⁽¹⁾ FY 2018 is the City's Fiscal Year 2018, which begins July 1, 2017 and ends June 30, 2018. Total Parcels Assessed, Total Estimated Assessment, and assessment apportionment factors may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

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

Background

The Eastgate Maintenance Assessment District (District), originally known as the “Eastgate Technology Park Landscape Maintenance District,” was established by the City of San Diego (City) on February 3, 1986 by City Council Resolution R-264982. The purpose of the District was, and still is, to fund specifically identified improvements and activities within the boundary of the District.

In conformity with §65.0221 of the “San Diego Maintenance Assessment District Procedural Ordinance,” the City adopted Resolution No. R-310618 on July 22, 2016, approving the annual budget and assessments for Fiscal Year 2017, and authorizing the levy of the assessments for the life of the District, consistent with the benefit findings and assessment apportionment method contained in the approved formational and all subsequently updated Engineer’s Reports (Engineer’s Reports). The Engineer’s Reports are on file with the City Clerk, and incorporated herein by reference.

The District is authorized and administered under the provisions of the “San Diego Maintenance Assessment District Procedural Ordinance.” This annual report has been prepared pursuant to the requirements of §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance.”

District Boundary

The District boundary is generally depicted in **Exhibit A**. The District Boundary Map and Assessment Diagram are on file in the Maintenance Assessment Districts section of the Park and Recreation Department of the City, and, by reference, are made a part of this annual report.

Project Description

The authorized assessments will be used to fund specifically identified improvements and activities within the District. The District improvements and activities generally consist of maintenance and servicing of landscaped medians, rights-of-way, pedestrian easement areas, monument areas, and a public mini-park in the District. The approximate location of the improvements is generally shown on **Exhibit A**.

For additional detail as to the location, type of improvements, and activities performed by the District, please refer to the maps, improvement plans, engineering drawings, maintenance specifications,

the Engineer's Reports and other associated documents on file with the Maintenance Assessment Districts section of the Park and Recreation Department of the City. These documents, collectively, are incorporated herein by reference and made part of this annual report.

Separation of General and Special Benefits

The identified improvements and activities provide benefits to the parcels located within the District. These benefits are "special benefits" to the extent that they 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. By law, only "special benefits" are assessable.

The assessments presented in this annual report are based on the cost of improvements and activities determined to provide "special benefits" in accordance with the Engineer's Reports. For additional detail relative to the separation and quantification of general and special benefits for the District, please refer to the Engineer's Reports, on file with the Maintenance Assessment Districts section of the Park and Recreation Department of the City.

Cost Estimate

The estimated annual budget (Revenue & Expense Statement) for Fiscal Year 2018 (July 1, 2017 to June 30, 2018 period) is included as **Exhibit B**. The "Other Contributions (Non Assessment Source)" revenue contained in the budget includes the value of improvements and activities determined to provide "general benefits." The District budget with full detail is available for public reference in the Maintenance Assessment Districts section of the Park and Recreation Department of the City.

Annual Cost-Indexing

The maximum authorized assessment set forth in the Engineer's Reports is not authorized to be indexed without a vote of the affected property owners.

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**).

Summary Results

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

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

The assessment methodology utilized is as described in the text of this annual report. Based on this methodology, Fiscal Year 2018 District assessment for each parcel were calculated and are shown in the Preliminary Assessment Roll (**Exhibit C**).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number in the Preliminary Assessment Roll and on the Boundary Map and Assessment Diagram referenced herein.

This annual report has been prepared and respectfully submitted by:

EFS ENGINEERING, INC.



Eugene F. Shank, PE

C 52792



Sharon F. Risse

EXHIBIT A

District Boundary

EXHIBIT B

**Estimated Budget – Revenue & Expense Statement
for Fiscal Year 2018**

EXHIBIT B

REVENUE AND EXPENSE STATEMENT

Eastgate Maintenance Assessment District Fund 200044

	FY 2016 ACTUALS	FY 2017 ESTIMATE	FY 2018 PROPOSED
BEGINNING FUND BALANCE			
Surplus (or Deficit) from Prior Year	\$ 239,944.75	\$ 231,625.90	\$ 135,518.00
TOTAL BEGINNING FUND BALANCE	\$ 239,944.75	\$ 231,625.90	\$ 135,518.00
REVENUE			
Assessment Revenue	\$ 67,698.88	\$ 67,680.00	\$ 102,655.48
Interest	\$ 1,839.63	\$ 500.00	\$ 100.00
Other Contributions (Non Assessment Source)	\$ 40,676.03	\$ 24,653.00	\$ 30,038.00
TOTAL REVENUE	\$ 110,214.54	\$ 92,833.00	\$ 132,793.48
TOTAL BEGINNING FUND BALANCE & REVENUE	\$ 350,159.29	\$ 324,458.90	\$ 268,311.48
OPERATING EXPENSE			
Landscaping Improvements and Activities ⁽¹⁾	\$ 64,422.55	\$ 133,562.00	\$ 132,628.00
Tree Services	\$ 24,853.84	\$ 25,000.00	\$ 25,000.00
City Services ⁽²⁾	\$ -	\$ 500.00	\$ 500.00
Special Districts Administrative Cost	\$ 29,257.00	\$ 29,879.00	\$ 29,943.25
TOTAL OPERATING EXPENSE	\$ 118,533.39	\$ 188,941.00	\$ 188,071.25
TOTAL EXPENSE	\$ 118,533.39	\$ 188,941.00	\$ 188,071.25
TOTAL ENDING FUND BALANCE	\$ 231,625.90	\$ 135,517.90	\$ 80,240.23
NET ANNUAL REVENUE (OR EXPENSE)	\$ (8,318.85)	\$ (96,108.00)	\$ (55,277.77)

⁽¹⁾ Includes related supplies, and utilities costs

⁽²⁾ City Sign Shop services for sign fabrication.

The District budget with full detail is available for public reference in the Maintenance Assessment Districts section of the Park and Recreation Department of the City of San Diego.

EXHIBIT C

**Preliminary Assessment Roll
for Fiscal Year 2018**

EXHIBIT C - Assessment Roll (Fiscal Year 2018)
Eastgate Maintenance Assessment District

Parcel Number	NPA ⁽¹⁾ (Acres)	Zone	Land Use	NPA ⁽¹⁾ Factor	Total NPA ⁽¹⁾	Unit Cost (\$/EDU)	FY 2018 ⁽²⁾ Assessment	Owner Name
343 121 13 00	1.20	1	DIND	1.00	1.20	\$877.12	\$1,052.54	D W C G Inc
343 121 14 00	3.10	1	DIND	1.00	3.10	\$877.12	\$2,719.06	B M R-Apex Lp
343 121 16 00	3.40	1	DIND	1.00	3.40	\$877.12	\$2,982.20	City Of San Diego
343 121 20 00	2.20	1	DIND	1.00	2.20	\$877.12	\$1,929.66	B M R-Axiom Lp
343 121 21 00	2.70	1	DIND	1.00	2.70	\$877.12	\$2,368.22	B M R-Axiom Lp
343 121 22 00	3.30	1	DIND	1.00	3.30	\$877.12	\$2,894.50	Tanabe Holding America Inc
343 121 23 00	3.30	1	DIND	1.00	3.30	\$877.12	\$2,894.50	B M R-Axiom Lp
343 121 27 00	1.70	1	DIND	1.00	1.70	\$877.12	\$1,491.10	Eastgate Investment L L C
343 121 28 00	1.70	1	DIND	1.00	1.70	\$877.12	\$1,491.10	Eastgate Investment L L C
343 121 34 00	3.80	1	DIND	1.00	3.80	\$877.12	\$3,333.06	Irvine Eastgate Office I Llc
343 121 40 00	5.48	1	DIND	1.00	5.48	\$877.12	\$4,806.62	Towne Centre Drive Llc
343 121 41 00	6.40	1	DIND	1.00	6.40	\$877.12	\$5,613.56	Irvine Eastgate Office I Llc
343 121 44 00	3.60	1	DIND	1.00	3.60	\$877.12	\$3,157.62	Irvine Eastgate Office I Llc
343 121 45 00	0.38	1	STR	0.00	0.00	\$877.12	\$0.00	Irvine Eastgate Office I Llc
343 122 13 00	0.90	2	DIND	1.00	0.90	\$61.94	\$55.74	H C P Eastgate L L C
343 122 16 00	2.60	2	DIND	1.00	2.60	\$61.94	\$161.04	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	\$877.12	\$6,560.86	A R E-S D Region No 39 Llc
343 122 35 00	1.20	1	DIND	1.00	1.20	\$877.12	\$1,052.54	9514 T C D L L C
343 122 40 00	7.49	1	DIND	1.00	7.49	\$877.12	\$6,569.62	Irvine Eastgate Office I Llc
343 122 41 00	5.82	1	DIND	1.00	5.82	\$877.12	\$5,104.84	Irvine Eastgate Office I Llc
343 122 42 00	3.36	1	DIND	1.00	3.36	\$877.12	\$2,947.12	Irvine Eastgate Office I Llc
343 122 43 00	4.53	1	DIND	1.00	4.53	\$877.12	\$3,973.34	Irvine Eastgate Office I Llc
343 122 45 00	2.82	1	DIND	1.00	2.82	\$877.12	\$2,473.48	Irvine Eastgate Office I Llc
343 122 46 00	2.83	1	DIND	1.00	2.83	\$877.12	\$2,482.24	Irvine Eastgate Office I Llc
343 122 47 00	3.41	1	DIND	1.00	3.41	\$877.12	\$2,990.98	Irvine Eastgate Office I Llc
343 122 48 00	3.44	1	DIND	1.00	3.44	\$877.12	\$3,017.28	Irvine Eastgate Office I Llc
343 122 49 00	3.63	1	DIND	1.00	3.63	\$877.12	\$3,183.94	Irvine Eastgate Office Ii Llc
343 122 50 00	4.62	1	DIND	1.00	4.62	\$877.12	\$4,052.28	Irvine Eastgate Office Ii Llc
343 122 51 00	3.51	1	DIND	1.00	3.51	\$877.12	\$3,078.68	Irvine Eastgate Office Ii Llc
343 122 52 00	3.12	1	DIND	1.00	3.12	\$877.12	\$2,736.60	Irvine Eastgate Office Ii Llc
343 122 60 00	3.34	1	DIND	1.00	3.34	\$877.12	\$2,929.58	Irvine Eastgate Office Ii Llc
343 122 61 00	2.52	1	DIND	1.00	2.52	\$877.12	\$2,210.34	Irvine Eastgate Office Ii Llc
343 122 62 00	4.68	1	DIND	1.00	4.68	\$877.12	\$4,104.92	Eastgate Summit Holdings Llc
343 122 63 00	3.16	1	DIND	1.00	3.16	\$877.12	\$2,771.70	Irvine Eastgate Office Ii Llc
343 122 64 00	3.95	1	DIND	1.00	3.95	\$877.12	\$3,464.62	Irvine Eastgate Office Ii Llc
TOTAL	88.94	-	-	-	121.09	-	\$102,655	

⁽¹⁾ Net Parcel Area (NPA).

⁽²⁾ FY 2018 is the City's Fiscal Year 2018, which begins July 1, 2017 and ends June 30, 2018.