



THE CITY OF SAN DIEGO



# **ANNUAL REPORT**

## **for Fiscal Year 2027**

# **GATEWAY CENTER EAST 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

**May 2026**

# **CITY OF SAN DIEGO**

## **Mayor**

Todd Gloria

## **City Council Members**

Joe LaCava  
District 1 (Council President)

Jennifer Campbell  
District 2

Stephen Whitburn  
District 3

Henry L. Foster III  
District 4

Marni von Wilpert  
District 5

Kent Lee  
District 6 (Council President Pro Tem)

Raul Campillo  
District 7

Vivian Moreno  
District 8

Sean Elo-Rivera  
District 9

## **City Attorney**

Heather Ferbert

## **City Clerk**

Diana J.S. Fuentes

## **Independent Budget Analyst**

Charles Modica

## **Chief Community Services Officer & City Engineer**

Rania Amen

## **Director, Parks & Recreation Department**

Andy Field

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for Fiscal Year 2027

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# Annual Report for Fiscal Year 2027

## Gateway Center East

### Maintenance Assessment District

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#### 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 GATEWAY CENTER EAST MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as “District”), and in accordance with 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 “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 \_\_\_\_\_, 2026.

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Diana J.S. Fuentes, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

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## Executive Summary

**Project:** Gateway Center East  
Maintenance Assessment District

**Apportionment Method:** Equivalent Benefit Unit (EBU)

	<b>FY 2026</b>	<b>FY 2027 <sup>(1)</sup></b>	<b>Maximum <sup>(2)</sup> Authorized</b>
<b>Total Parcels Assessed:</b>	16	16	--
<b>Total Estimated Assessment:</b>	\$260,626	\$272,021	--
<b>Total Number of EBUs:</b>	569.75	569.75	--
<b>Assessment per EBU:</b>	\$457.44	\$477.44	\$506.43 <sup>(3)</sup>

<sup>(1)</sup> FY 2027 is the City's Fiscal Year 2027, which begins July 1, 2026 and ends June 30, 2027. 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.

<sup>(2)</sup> Maximum authorized assessment rate subject to cost-indexing as approved by property owners at the time of District formation.

<sup>(3)</sup> Prior fiscal year's maximum authorized annual assessment rate increased by cost-indexing factor of 3.86%.

**Annual Cost-Indexing:** The maximum authorized assessment rates are cost-indexed and will increase (or decrease) annually based on the annual change in the *San Diego Consumer Price Index for Urban Consumers* (SDCPI-U).

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## Background

The Gateway Center East Maintenance Assessment District (District), originally known as the “Gateway Center East Landscape Maintenance District,” was established by the City of San Diego (City) on July 28, 1987 by City Council Resolution R-268968. The District was subsequently re-formed on August 5, 1997 by City Council Resolution R-289038 primarily for purposes of compliance with Proposition 218 and to permit future cost-indexing. 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.”

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## 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 Parks and Recreation Department of the City, and, by reference, are made a part of this annual report.

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## 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 open space easements on the slopes facing I-15 and SR 94, landscaped and hardscaped medians, and landscaped parkways along the lot frontages 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 Parks and Recreation Department of the City. These documents, collectively, are incorporated herein by reference and made part of this annual report.

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## 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 Parks and Recreation Department of the City.

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## Cost Estimate

The estimated annual budget (Revenue & Expense Statement) 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 Parks and Recreation Department of the City.

## Annual Cost-Indexing

The maximum authorized assessment set forth in the Engineer's Reports is permitted to increase annually based on the published change in the "San Diego Consumer Price Index for Urban Consumers" (SDCPI-U). The annual change in second half SDCPI-U values, as compiled by the *U.S. Bureau of Labor Statistics* (see [www.bls.gov](http://www.bls.gov)), for the prior year period was from 375.656 to 390.166 (a 3.86% increase). In accordance with the approved cost-indexing provisions, the maximum authorized assessment rate has been increased by 3.86%.

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## Method of Apportionment

### Estimated Benefit of the Improvements

Construction of the improvements within the district was funded by the developer. The maintenance for these enhanced assets, since installation, has been funded through the District. The City's General Plan and Subarea Plan support the establishment of community-based improvement and maintenance districts, such as this District, to fund enhanced improvements and activities.

The Gateway Center East Landscape Maintenance District is relatively small. All of the streets within the Industrial Parks and the frontage on Market Street are maintained by the District. Market Street serves as the primary access route in and out of the industrial park and the other streets provide circulation through the park and thus serve all parcels within the District. All parcels benefit from the enhancement of these streets and the enhanced community image provided by the District improvements and activities.

The Transportation Element of the City's General Plan and the General Policy Recommendations found in the Southeast San Diego Planned District Ordinance establish several goals for the community's streets. The District improvements and activities are consistent with the Plans' goals for safety and pleasing aesthetics. The maintenance for these enhanced assets, since installation, has been funded through the District. The General Plan also supports the establishment of community landscape improvement and maintenance districts, such as this District, to fund enhanced improvements and activities.

### Apportionment Methodology

The total cost associated with District improvement and activities 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 of all the parcels in the District.

EBUs are a function of two factors, a Land Use Factor, and Benefit Factor, related as shown in the following equation:

$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$
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Each of these factors is discussed below.

### Land Use Factor

Since the District improvements and activities 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 and activities are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. 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
Industrial	IND	15.0 per acre
Park – Developed	PKD	5.0 per acre

### 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 District improvements and activities. 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 and activities considered may include some or all of the following: public safety,

view corridors and aesthetics, enhancement of community identity, drainage corridors, 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 District improvements and activities, Benefit Factors will generally vary from one district to another, based on the specific details of the applicable land uses and improvements and activities provided.

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

**TABLE 2: Benefit Factors by Land Use**

<b>Land Use/Zoning</b>	<b>Public Safety (max. 0.2)</b>	<b>Aesthetics (max. 0.8)</b>	<b>Composite Benefit Factor (max. 1.0)</b>
Industrial	0.2	0.8	1.0
Park – Developed	0.2	0.0	0.2

***Public Safety***

All land uses are considered to receive the maximum available benefit from the public safety element of District improvements and activities. 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 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. Industrial, 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 and activities.

Lands in the Park categories are considered to receive no significant benefit from the aesthetic elements of District improvements and activities, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

## Sample Calculations

As described above, the number of Equivalent Benefit Units (EBUs) assigned to each parcel in the District has been calculated based on each parcel's land use and the identified apportionment factors, as shown in the following equation:

$$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$$

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

- **1-acre Industrial Property**  
EBUs = 1.00 acres x 15.00 x 1.00 = 15.00 EBUs
- **5-acre Park with Recreation Center**  
EBUs = 5.00 acres x 5.00 x 0.20 = 5.00 EBUs

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

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

Based on the above formula, the EBUs 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 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, the assessments 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*

Eugene F. Shank, PE

C 52792

*Sharon F. Risse*

Sharon F. Risse

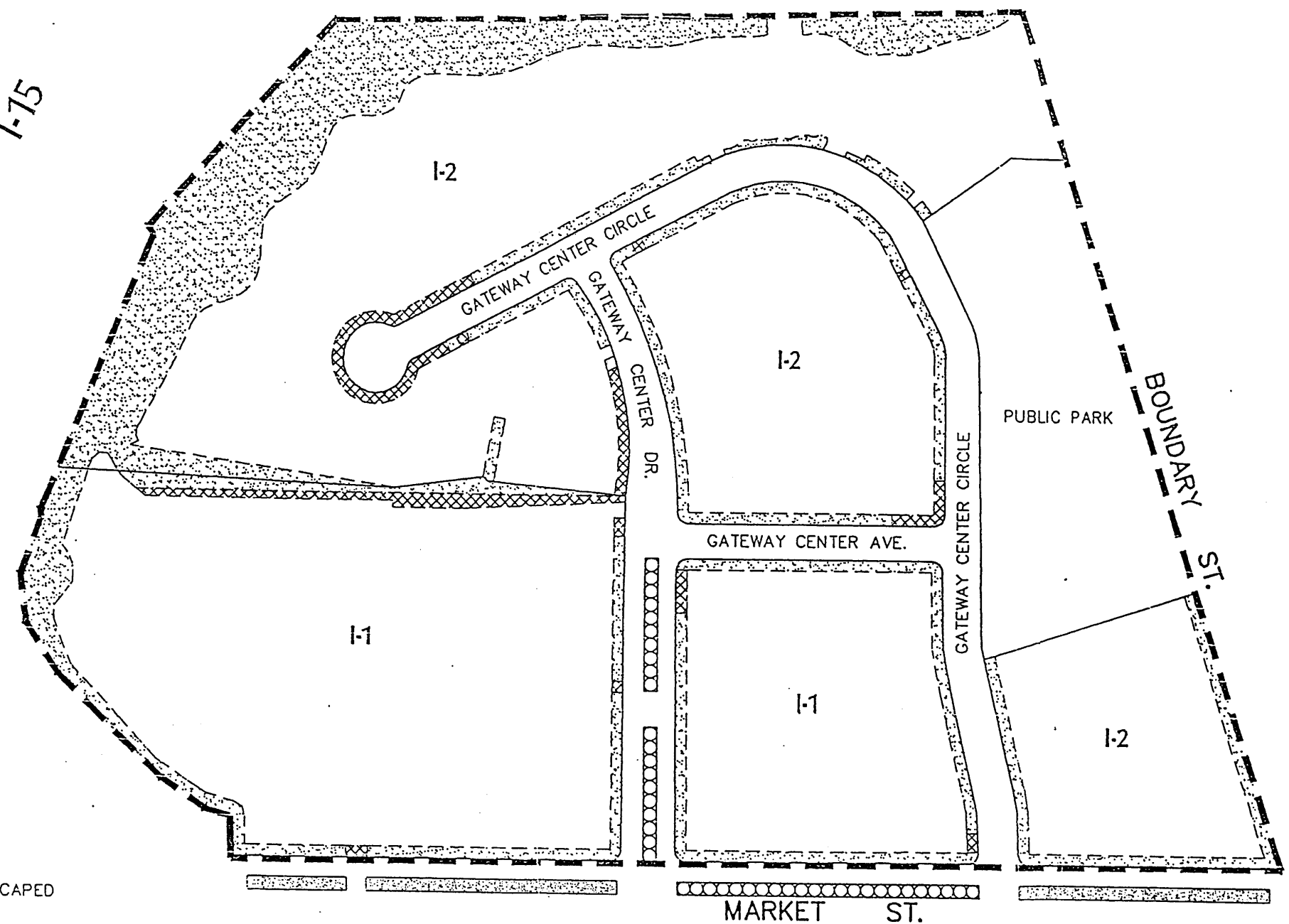
# **EXHIBIT A**

**District Boundary**







SCALE: 1"=200'

I-75



**LEGEND**

-  HARDSCAPE MEDIANS
-  LANDSCAPING EASEMENT
-  LANDSCAPE MEDIANS
-  PROPERTY OWNER LANDSCAPED

**ZONING LEGEND**

- I-1 MINIMUM LOT 10,000 S.F.
- I-2 MINIMUM LOT 40,000 S.F.

GATEWAY CENTER EAST  
 LANDSCAPE MAINTENANCE DISTRICT  
 EXHIBIT A

**GATEWAY CENTER EAST  
 Maintenance Assessment District**

# **EXHIBIT B**

**Estimated Budget – Revenue & Expense Statement  
for Fiscal Year 2027**

## EXHIBIT B

### REVENUE AND EXPENSE STATEMENT

#### Gateway Maintenance Assessment District Fund 200046

	FY 2025 ACTUALS	FY 2026 ESTIMATE	FY 2027 PROPOSED
<b>BEGINNING FUND BALANCE</b>			
Surplus (or Deficit) from Prior Year	\$ 141,036.33	\$ 118,991.45	\$ 94,507.18
<b>TOTAL BEGINNING FUND BALANCE</b>	<b>\$ 141,036.33</b>	<b>\$ 118,991.45</b>	<b>\$ 94,507.18</b>
<b>REVENUE</b>			
Assessment Revenue	\$ 215,541.16	\$ 260,797.00	\$ 272,021.40
Interest	\$ 6,156.21	\$ 1,600.00	\$ 1,600.00
Other Contributions (Non Assessment Source)	\$ 9,570.59	\$ 11,218.73	\$ 11,769.00
<b>TOTAL REVENUE</b>	<b>\$ 231,267.96</b>	<b>\$ 273,615.73</b>	<b>\$ 285,390.40</b>
<b>TOTAL BEGINNING FUND BALANCE &amp; REVENUE</b>	<b>\$ 372,304.29</b>	<b>\$ 392,607.18</b>	<b>\$ 379,897.58</b>
<b>OPERATING EXPENSE</b>			
Landscaping Improvements and Activities <sup>(1)</sup>	\$ 167,396.84	\$ 199,552.00	\$ 212,689.00
Tree Services	\$ 33,013.00	\$ 30,000.00	\$ 30,000.00
Special Districts Administration Cost	\$ 52,903.00	\$ 68,548.00	\$ 71,141.00
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 253,312.84</b>	<b>\$ 298,100.00</b>	<b>\$ 313,830.00</b>
<b>TOTAL EXPENSE</b>	<b>\$ 253,312.84</b>	<b>\$ 298,100.00</b>	<b>\$ 313,830.00</b>
<b>TOTAL ENDING FUND BALANCE</b>	<b>\$ 118,991.45</b>	<b>\$ 94,507.18</b>	<b>\$ 66,067.58</b>
<b>NET ANNUAL REVENUE (OR EXPENSE)</b>	<b>\$ (22,044.88)</b>	<b>\$ (24,484.27)</b>	<b>\$ (28,439.60)</b>

<sup>(1)</sup> Includes related supplies and utility costs.

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

# **EXHIBIT C**

**Preliminary Assessment Roll  
for Fiscal Year 2027**

## EXHIBIT C - Assessment Roll (Fiscal Year 2027)

### Gateway Center East Maintenance Assessment District

Parcel Number	Acres/ Units <sup>(1)</sup>	Land Use <sup>(2)</sup>	Assessment Factors		Total EBUs	Unit Cost (\$/EBU)	FY 2027 <sup>(4)</sup> Assessment	Owner Name
			Land Use <sup>(2)</sup>	Benefit <sup>(3)</sup>				
546 440 06 00	5.71	IND	15.00	1.00	85.65	\$477.44	\$40,892.74	
546 440 07 00	1.08	IND	15.00	1.00	16.20	\$477.44	\$7,734.52	
546 440 08 00	1.06	IND	15.00	1.00	15.90	\$477.44	\$7,591.30	
546 440 09 00	1.01	IND	15.00	1.00	15.15	\$477.44	\$7,233.22	
546 440 10 00	5.60	PKD	5.00	0.20	5.60	\$477.44	\$2,673.66	
546 440 11 00	1.44	IND	15.00	1.00	21.60	\$477.44	\$10,312.70	
546 440 21 00	0.89	IND	15.00	1.00	13.35	\$477.44	\$6,373.82	
546 440 22 00	0.84	IND	15.00	1.00	12.60	\$477.44	\$6,015.74	
546 440 23 00	0.87	IND	15.00	1.00	13.05	\$477.44	\$6,230.58	
546 440 24 00	1.54	IND	15.00	1.00	23.10	\$477.44	\$11,028.86	
546 440 25 00	2.09	IND	15.00	1.00	31.35	\$477.44	\$14,967.74	
546 440 28 00	1.46	IND	15.00	1.00	21.90	\$477.44	\$10,455.94	
546 440 29 00	1.34	IND	15.00	1.00	20.10	\$477.44	\$9,596.54	
546 440 30 00	10.64	IND	15.00	1.00	159.60	\$477.44	\$76,199.42	
546 440 31 00	2.68	IND	15.00	1.00	40.20	\$477.44	\$19,193.08	
546 440 32 00	4.96	IND	15.00	1.00	74.40	\$477.44	\$35,521.54	
<b>TOTAL</b>	-	-	-	-	<b>569.75</b>	-	<b>\$272,021.40</b>	

<sup>(1)</sup> Applicable units (acres or dwelling units) dependent upon Land Use Code.

<sup>(2)</sup> Refer to Assessment Engineer's Report for descriptions of Land Use Code and Land Use Factor.

<sup>(3)</sup> Refer to Assessment Engineer's Report for applicable Benefit Factor.

<sup>(4)</sup> FY 2027 is the City's Fiscal Year 2027, which begins July 1, 2026 and ends June 30, 2027.