

ASSESSMENT ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**Carmel Mountain Ranch
Maintenance Assessment District**

Annual Update for Fiscal Year 2005

under the provisions of the

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

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

**BOYLE ENGINEERING CORPORATION
7807 Convoy Court, Suite 200
San Diego, CA 92111
(858) 268-8080**

May 2004

CITY OF SAN DIEGO

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Michael Zucchet District 2	Donna Frye District 6
Toni Atkins District 3	Jim Madaffer District 7
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City Engineer

Frank Belock

Assessment Engineer

Boyle Engineering Corporation

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Assessment Engineer's Report Carmel Mountain Ranch 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 "Landscape 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 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"), in connection with the proceedings for the CARMEL MOUNTAIN RANCH 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 _____, 2004.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: Carmel Mountain Ranch
 Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2004	FY 2005 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	3,366	3,366	--
Total Estimated Assessment:	\$273,848	\$282,960	--
Total Number of EBUs:	12,014.82	12,013.82	--
Assessment per EBU:	\$22.79	\$23.55 ⁽³⁾	\$23.55 ⁽³⁾

⁽¹⁾ FY 2005 is the City's Fiscal Year 2005, which begins July 1, 2004 and ends June 30, 2005. 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 set forth in this Assessment Engineer's Report.

⁽³⁾ Fiscal Year 2004 maximum authorized annual assessment increased by cost indexing factor of 3.35%.

Proposition 218 Compliance: The District, originally established in October 1985, was re-engineered in Fiscal Year 1999 for compliance with Proposition 218. By a ballot proceeding, majority property owners (56.4% of the weighted vote) approved Fiscal Year 1999 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is required for Fiscal Year 2005.

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

Background

The Carmel Mountain Ranch Maintenance Assessment District (District) generally includes the area bounded by Interstate 15 on the west, Camino del Norte to the north, and the City of San Diego/City of Poway boundary to the east and south. The District was established in October 1985 (see Resolutions Numbers R-261867 through R-261871) by area developers to provide for maintenance of certain paved and landscaped medians and streetscapes within its boundaries. Continued maintenance of these improvements is an important factor in the implementation and preservation of the "Community Environment, Conservation and Design Element" of the Carmel Mountain Ranch Community Plan, which "establishes a community identity through a consistent focus on topographic character and landscaping."

The improvements comprising the District consist of landscaped and paved medians, landscaped parkways and a limited number of landscaped slopes. The purpose of the District is to provide for the maintenance of these improvements. In Fiscal Year 1989 the District improvements were completed triggering the initial levy of District assessments.

The District was re-engineered in Fiscal Year 1999 for compliance with Proposition 218. The City of San Diego (City) retained Boyle Engineering Corporation (Boyle) and Lintvedt, McColl & Associates to prepare an Assessment Engineer's Report for the District. By a mail ballot proceeding, property owners approved the re-engineering with 56.4% of weighted votes supporting the proposed assessments.

The Assessment Engineer's Report, preliminarily accepted by Resolution Number R-290071 on May 11, 1998, proposed Fiscal Year 1999 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing of the maximum authorized assessments.

District Proceedings for Fiscal Year 2005

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 "Landscape 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 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 2005. The Fiscal Year 2005 assessments proposed within this Assessment Engineer's Report represent a 3.35% increase over the previous year's assessments. This increase is under the authority of annual cost indexing provisions approved by property owners. 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 levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map & 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.

Project Description

The project to be funded by the proposed assessments is the maintenance of approximately 185,054 square feet of landscaped street medians, 223,401 square feet of paved street medians, 790,176 square feet of landscaped right-of-ways and adjacent areas, 143,159 linear feet

of curbs and gutters, 124,417 square feet of slope areas and 103 decorative median light fixtures. The approximate locations of these improvements are depicted in Exhibit A.

Maintenance activities include, but are not limited to, tree and shrub pruning, irrigation, maintenance and repair of irrigation systems, fertilization, pest control, fungicide or other special treatment, weed control, plant replacement, litter control, gutter sweeping, and cleaning and inspection of light fixtures.

The engineering drawings for the improvements to be maintained by the District are on file at Map Records in the City Engineer's office and are incorporated herein by reference. The specifications for the maintenance to be performed are contained in City Contract Number L3398/01, which is incorporated herein by reference. The specifications are on file with the City Clerk and the Park and Recreation Department and 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 (18.6¢ per square foot of landscaped median and 1.34¢ per square foot of hardscaped median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are considered to be a "general benefit" to the District. All other maintenance, operation, and administrative costs, which exceed the City's contribution to the public at large, are "special benefits" to the District.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2005 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 1999, 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 1999 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 2000 was the first year authorized for such indexing. It has been determined that an increase of assessments, as authorized by the cost indexing provisions, is required for Fiscal Year 2005.

Method of Apportionment

Estimated Benefit of Improvements

The Transportation Element of the City's General Plan and the general policy recommendations found in the Carmel Mountain Ranch Community Plan establish several goals for the community's transportation system. The improvements being maintained by this District are consistent with the plans' goals for safety and pleasing aesthetics.

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 for inter-community and intra-community trips and thus serve all parcels within the community. All parcels within the District

benefit from the enhancement of these streets and the enhanced community image provided by the improvements being maintained by the District.

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 to a parcel, in relationship to the total EBUs of all the parcels in the District.

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

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

Each of these factors are discussed below.

Land Use Factor

Since the improvements to be maintained 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 by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. 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 – Detached Single Family	SFD	1.0 per dwelling unit
Residential – Condominium (Attached)	CND	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Commercial – Office & Retail	COM	45.0 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
Hospital/Medical Facility	HMF	30.0 per acre
Hotel	HTL	15.0 per acre
Industrial	IND	15.0 per acre
Library	LIB	40.0 per acre
Open Space (designated)	OSP	0 per acre
Park – Developed	PKD	5.0 per acre
Post Office	PST	15.0 per acre
Recreational Facility	REC	3.0 per acre
Street/Roadway	STR	0 per acre
Undevelopable	UND	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.

While those traveling streets and roadways enjoy the

improvements maintained by the District during their travel, the actual benefit of this enjoyment accrues to the lands at the origins and destinations of their trips, not to the lands of the streets and roadways, themselves. Accordingly, parcels in the Street/Roadway category receive no benefit and have 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.

Zoning regulations allow some Commercial uses in areas of the District that are zoned Industrial. In those areas, parcels were categorized by their apparent *usage*, rather than strictly by their zoning designation.

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 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, 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 improvements maintained by the district, Benefit Factors will generally vary from one district to another, based on the specific character and nature of the applicable land uses and improvements maintained.

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

Land Use/Zoning	Public Safety (max. 0.3)	Aesthetics (max. 0.7)	Composite Benefit Factor (max. 1.0)
Residential – All	0.3	0.7	1.0
Commercial – Office & Retail	0.3	0.5	0.8
Educational	0.3	0.3	0.6
Fire/Police Station	0.3	0.5	0.8
Golf Course	0.3	0.1	0.4
Hospital/Medical Facility	0.3	0.3	0.6
Hotel	0.3	0.5	0.8
Industrial	0.3	0.3	0.6
Library	0.3	0.3	0.6
Open Space (designated)	0.3	0.1	0.4
Park – Developed	0.3	0.1	0.4
Post Office	0.3	0.5	0.8
Recreational Facility	0.3	0.3	0.6
Street/Roadway	0.3	0.1	0.4
Undevelopable	0.3	0.1	0.4
Utility Facility	0.3	0.1	0.4

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 landscaped and hardscaped roadway medians and rights-of-way maintained 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 landscaped and hardscaped 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.

Lands in the Open Space, Street/Roadway, 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.

Location Factor

The Location Factor considers the location of the parcels to be assessed relative to the location of District improvements. Since all parcels in this District may make use of any of the District Improvements in the trips generated by their uses, all parcels in the District are being assigned the same Location Factor of 1.

TABLE 3: Location Factors by Zone

Zone	Location Factor	
	FY 2005	Max. Authorized
Zone 1 (ALL)	1.00	1.00

Equivalent Benefit Units (EBUs)

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

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

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 2005 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 2005 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

David R. Spencer, EIT

CA 109078

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 _____, 2004.

Charles G. Abdelnour, 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 _____, 2004.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS 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 _____, 2004.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A

CARMEL MOUNTAIN RANCH LANDSCAPE MAINTENANCE DISTRICT BOUNDARY MAP EXHIBIT A



NOT TO SCALE

LEGEND

- LANDSCAPE MAINTENANCE DISTRICT BOUNDARY
- ▨ AREAS MAINTAINED BY DISTRICT

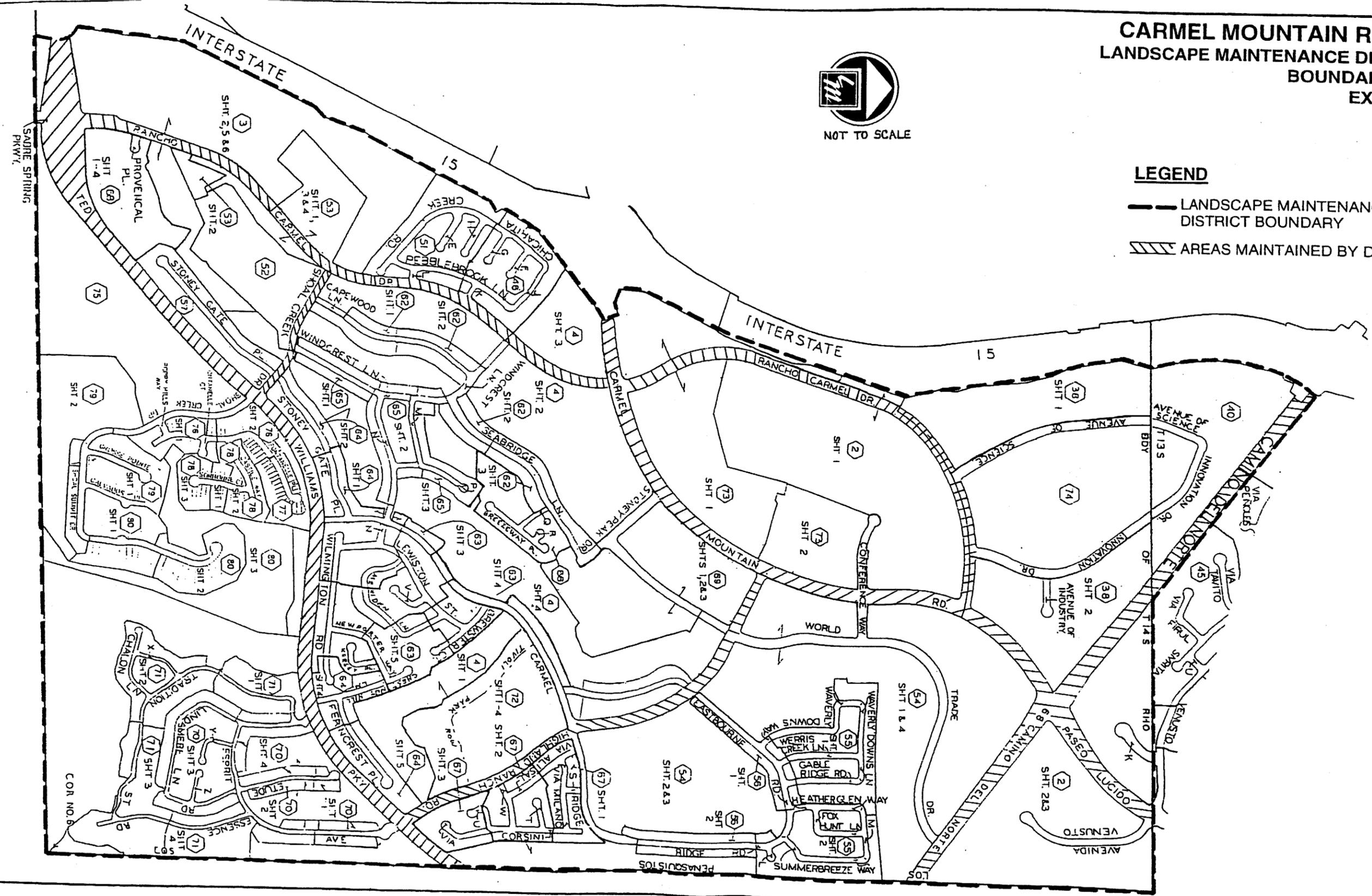


EXHIBIT B

**EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves
Carmel Mountain Ranch Maintenance Assessment District**

	FY 2003 ESTIMATE	FY 2004 ESTIMATE	FY 2005 PROPOSED
BEGINNING BALANCE AND RESERVE			
Beginning Balance	\$ 127,010	\$ 159,621	\$ 174,208
Prior Year Encumbrances	\$ 16,252	\$ -	\$ -
TOTAL BALANCE	\$ 143,262	\$ 159,621	\$ 174,208
REVENUE			
Assessments	\$ 251,182	\$ 273,818	\$ 282,960
Interest	\$ 5,802	\$ 4,871	\$ 5,114
Environmental Growth Fund	\$ (8,500)	\$ -	\$ -
Gas Tax Fund	\$ 36,214	\$ 36,214	\$ 37,414
General Fund	\$ -	\$ -	\$ -
Miscellaneous	\$ 3,669	\$ -	\$ -
TOTAL REVENUE	\$ 288,367	\$ 314,903	\$ 325,488
TOTAL BALANCE AND REVENUE	\$ 431,629	\$ 474,524	\$ 499,696
EXPENSE			
CAPITAL IMPROVEMENTS PROGRAM	\$ -	\$ -	\$ -
OPERATING EXPENSE			
Personnel	\$ 23,610	\$ 29,394	\$ 31,937
Contractual	\$ 168,932	\$ 180,000	\$ 190,000
Incidental	\$ 41,125	\$ 41,092	\$ 110,113
Utilities	\$ 38,341	\$ 49,830	\$ 57,353
TOTAL OPERATING EXPENSE	\$ 272,008	\$ 300,316	\$ 389,403
TOTAL EXPENSE	\$ 272,008	\$ 300,316	\$ 389,403
RESERVE			
Contingency Reserve	\$ -	\$ -	\$ 110,293
TOTAL RESERVE	\$ -	\$ -	\$ 110,293
BALANCE	\$ 159,621	\$ 174,208	\$ -
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 431,629	\$ 474,524	\$ 499,696

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.