

# **ASSESSMENT ENGINEER'S REPORT**

**Prepared for the**

**CITY OF SAN DIEGO**

**Gateway Center East  
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**

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**May 2004**

# **CITY OF SAN DIEGO**

## **Mayor**

Dick Murphy

## **City Council Members**

Scott Peters District 1	Brian Maienschein District 5
Michael Zucchet District 2	Donna Frye District 6
Toni Atkins District 3	Jim Madaffer District 7
Charles Lewis District 4	Ralph Inzunza, Jr. District 8

## **City Manager**

P. Lamont Ewell

## **City Attorney**

Casey Gwinn

## **City Clerk**

Charles G. Abdelnour

## **City Engineer**

Frank Belock

## **Assessment Engineer**

Boyle Engineering Corporation

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## **EXHIBITS**

Exhibit A: Boundary Map

Exhibit B: Estimated Annual Expenses, Revenues, and Reserves

Exhibit C: Assessment Roll

# Assessment Engineer's Report

## Gateway Center East

### Maintenance Assessment District

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#### 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 GATEWAY CENTER 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 \_\_\_\_\_, 2004.

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

## Executive Summary

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

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

	<b>FY 2004</b>	<b>FY 2005 <sup>(1)</sup></b>	<b>Maximum <sup>(2)</sup> Authorized</b>
<b>Total Parcels Assessed:</b>	16	16	--
<b>Total Estimated Assessment:</b>	\$147,884	\$152,841	--
<b>Total Number of EBUs:</b>	569.75	569.75	--
<b>Assessment per EBU:</b>	\$259.56	\$268.26 <sup>(3)</sup>	\$268.26 <sup>(3)</sup>

<sup>(1)</sup> FY 2005 is the City's Fiscal Year 2005, which begins July 1, 2004 and ends June 30, 2005. Total Parcels Assessed and Total Estimated Assessment may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

<sup>(2)</sup> Maximum Authorized annual amounts subject to cost indexing provisions set forth in this Assessment Engineer's Report.

<sup>(3)</sup> FY 2004 maximum authorized annual assessment increased by cost indexing factor of 3.35%.

**Proposition 218 Compliance:** The District, originally formed in May 1987, was re-engineered in Fiscal Year 1998 for compliance with Proposition 218. By a ballot proceeding, majority property owners (77.53% of the weighted vote) approved Fiscal Year 1998 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.

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## Background

The Gateway Center East Maintenance Assessment District (District) was originally established in May 1987 under the provisions of the San Diego Maintenance Assessment District Ordinance. The District encompasses the Gateway Center East Industrial Park.

The general purpose of the District was and still is to provide for the maintenance 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 within the Gateway Center East Industrial Park.

The Park was developed in 1987 by the Southeast Economic Development Corporation as Map 11512. The project included 22 industrial lots which were sold to private entities. A public park was developed within the subdivision boundary as a condition of approval and granted to the City of San Diego (City).

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 77.53% of weighted votes supporting the proposed assessments. Over 94.7% of property owners responded to the mail ballot.

The Assessment Engineer's Report, preliminarily accepted by Resolution Number R-288796 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-289038 on August 5, 1997.

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## 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.

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## **District Boundary**

The District encompasses all of the Gateway Center East Industrial Park. 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 hereto.

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## **Project Description**

The project is the maintenance of approximately 406,000 square feet of landscaped open space slopes, 7,800 square feet of landscaped medians, 8,100 square feet of paved medians and 242,700 square feet of right of way landscaping. Maintenance activities include daily litter control and weekly sweeping.

The engineering drawings for these improvements (drawing number is D-22060) are on file at Map Records in the City Engineer's office and are incorporated herein. The specifications for the maintenance to be performed are contained in City Contract No. C4899/96, which is incorporated herein by reference and is on file with the City Clerk and the Park and Recreation Department. The specifications for the maintenance are available for public inspection during normal business hours.

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## **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 cost allocations are considered to be "general benefit" 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 benefit" funded by the District.

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## **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 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. Fiscal Year 1999 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.

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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 General Plan also supports the establishment of community landscape improvement and maintenance districts, such as this District, to serve these maintenance needs.

### *Street Right-of-Ways and Medians*

The Gateway Center East Landscape Maintenance District is relatively small. All of the streets within the Industrial Park 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 improvements being maintained by this District.

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 improvements being maintained by this District 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 accomplish these goals.

### **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 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 are 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. 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**

<b>Land Use/Zoning</b>	<b>Code</b>	<b>Land Use Factor</b>
Residential – Single Family (detached)	SFD	1.0 per dwelling unit
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 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, 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 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 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>
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Industrial	0.2	0.8	1.0
Park – Developed	0.2	0	0.2

**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 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.

Lands in the Park 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.

**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:

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

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

property owner, which resulted from using the EBU formula and various factors described above, are contained in the Assessment Roll.

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## 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

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Eugene F. Shank, PE

C 52792

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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.

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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.

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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.

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SUPERINTENDENT OF STREETS  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

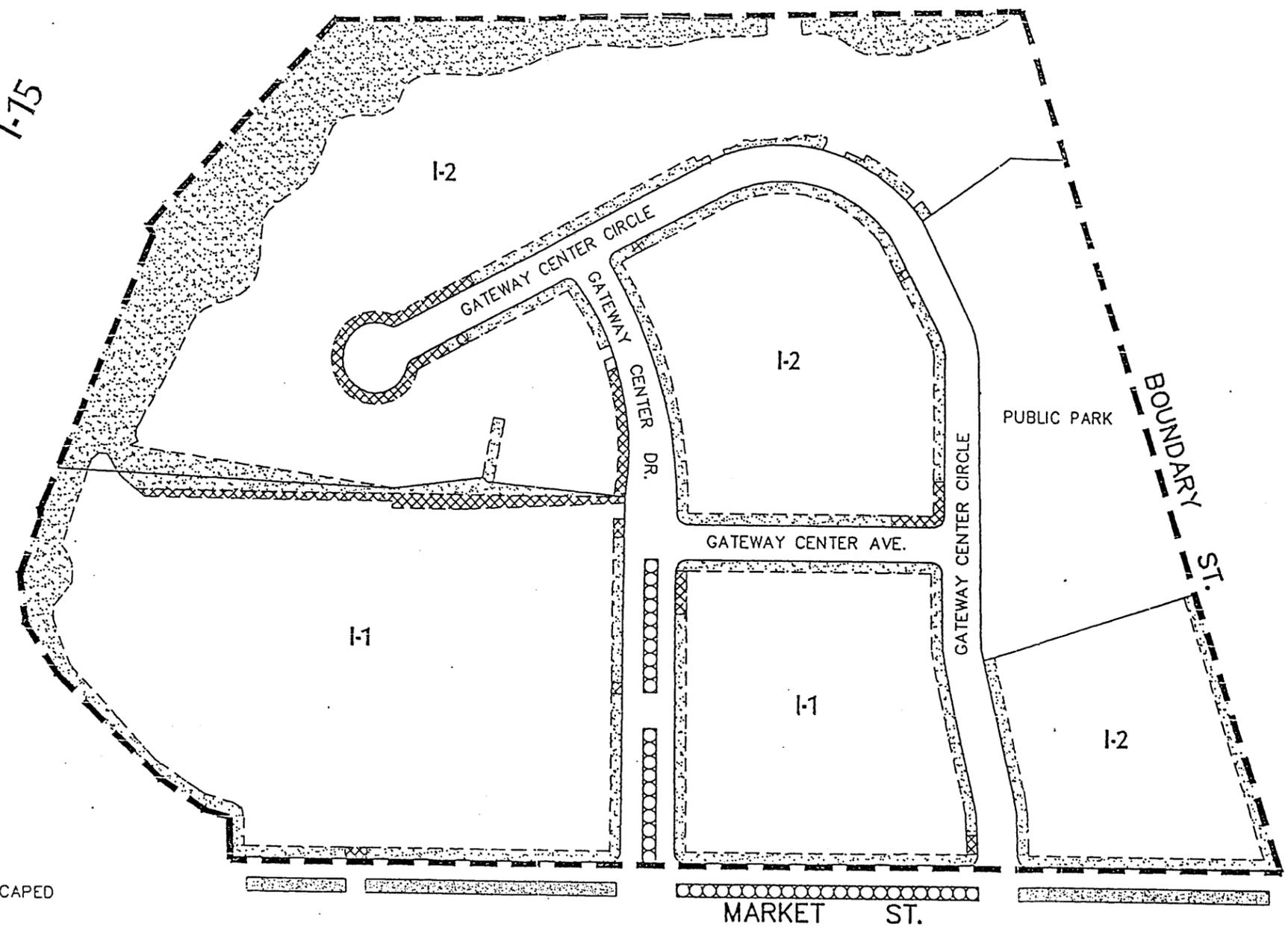
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# **EXHIBIT A**



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**

**EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves**  
**Gateway Center East Maintenance Assessment District**

	FY 2003 ESTIMATE	FY 2004 ESTIMATE	FY 2005 PROPOSED
<b>BEGINNING BALANCE AND RESERVE</b>			
Beginning Balance	\$ 108,918	\$ 113,456	\$ 114,087
Prior Year Encumbrances	\$ 3,120	\$ -	\$ -
<b>TOTAL BALANCE</b>	<b>\$ 112,038</b>	<b>\$ 113,456</b>	<b>\$ 114,087</b>
<b>REVENUE</b>			
Assessments	\$ 148,138	\$ 147,884	\$ 152,841
Interest	\$ 4,348	\$ 3,711	\$ 3,896
Environmental Growth Fund	\$ -	\$ 248	\$ 248
Gas Tax Fund	\$ 1,509	\$ 1,509	\$ 1,560
General Fund	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 153,995</b>	<b>\$ 153,352</b>	<b>\$ 158,545</b>
<b>TOTAL BALANCE AND REVENUE</b>	<b>\$ 266,033</b>	<b>\$ 266,808</b>	<b>\$ 272,632</b>
<b>EXPENSE</b>			
CAPITAL IMPROVEMENTS PROGRAM	\$ -	\$ -	\$ -
OPERATING EXPENSE			
Personnel	\$ 12,170	\$ 14,698	\$ 15,968
Contractual	\$ 90,517	\$ 80,130	\$ 94,500
Incidental	\$ 19,100	\$ 22,523	\$ 21,642
Utilities	\$ 30,790	\$ 35,370	\$ 37,529
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 152,577</b>	<b>\$ 152,721</b>	<b>\$ 169,639</b>
<b>TOTAL EXPENSE</b>	<b>\$ 152,577</b>	<b>\$ 152,721</b>	<b>\$ 169,639</b>
<b>RESERVE</b>			
Contingency Reserve	\$ -	\$ -	\$ 102,993
<b>TOTAL RESERVE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,993</b>
<b>BALANCE</b>	<b>\$ 113,456</b>	<b>\$ 114,087</b>	<b>\$ -</b>
<b>TOTAL EXPENSE, RESERVE AND BALANCE</b>	<b>\$ 266,033</b>	<b>\$ 266,808</b>	<b>\$ 272,632</b>

# **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.