



America's Finest City

THE CITY OF SAN DIEGO



Assessment Engineer's Report

PACIFIC HIGHLANDS RANCH MAINTENANCE ASSESSMENT DISTRICT

Annual Update for Fiscal Year 2010

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

AECOM

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May 2009

CITY OF SAN DIEGO

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Table of Contents

Assessment Engineer's Report	
Pacific Highlands Ranch Maintenance Assessment District	
Preamble.....	1
Executive Summary	2
Background	3
District Proceedings for Fiscal Year 2010.....	3
Bond Declaration	4
District Boundary.....	4
Project Description	4
Separation of General and Special Benefits.....	5
Cost Estimate.....	6
Estimated Costs	6
Annual Cost-Indexing.....	6
Method of Apportionment.....	7
Estimated Benefit of the Improvements	7
Apportionment Methodology	8
Summary Results	10

EXHIBITS

Exhibit A: Boundary Map

Exhibit B: Estimated Annual Expense, Revenues & Reserves

Exhibit C: Assessment Roll

Assessment Engineer’s Report

Pacific Highlands 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 “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 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 PACIFIC HIGHLANDS RANCH MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as “District”), AECOM USA, INC., 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 _____, 2009.

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

Executive Summary

Project: Pacific Highlands Ranch
 Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2009	FY 2010 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	1,591	1,592	--
Total Estimated Assessment:	\$124,616	\$0	--
Total Number of EBUs:	2,469.88	2,311.88	--
<i>Zone 1</i>	746.25	746.25	--
<i>Zone 2</i>	693.07	708.07	--
<i>Zone 3</i>	544.50	544.50	--
<i>Zone 4</i>	486.06	313.06	--
Assessment per EBU:			
<i>Zone 1</i>	\$41.40	\$0.00	\$238.30 ⁽³⁾
<i>Zone 2</i>	\$54.37	\$0.00	\$254.77 ⁽³⁾
<i>Zone 3</i>	\$54.37	\$0.00	\$302.93 ⁽³⁾
<i>Zone 4</i>	\$54.37	\$0.00	\$376.45 ⁽³⁾

⁽¹⁾ FY 2010 is the City's Fiscal Year 2010, which begins July 1, 2009 and ends June 30, 2010. 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 fiscal year's maximum authorized annual assessment increased by cost-indexing factor of 6.16%.

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

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

Background

The Pacific Highlands Ranch Maintenance Assessment District (District) was established in Fiscal Year 2006, and is generally located in Subarea III of the North City Future Urbanizing Area, east of the Carmel Valley Community Planning Area. The general purpose of the District is to provide for the maintenance of specific landscaping, lighting and appurtenant facilities within the boundaries of the District. The original Engineer's Report (prepared by Harris & Associates, dated August 23, 2005) set forth Fiscal Year 2006 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost-indexing of the maximum authorized assessments. Portions of the original Engineer's Report have been included in this annual update report.

District Proceedings for Fiscal Year 2010

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 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 "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 2010. The Fiscal Year 2010 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 XIII D 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 District is generally located in Subarea III of the North City Future Urbanizing Area, east of the Carmel Valley Community Planning Area. For benefit apportionment purposes, the District has been divided into four zones. 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.

Project Description

The project to be funded by the proposed assessments is the maintenance of landscaping improvements and the operation, maintenance and servicing of specified lighting and other appurtenant facilities within the boundaries of the District. The original Assessment Engineer's Report describes the improvements as follows:

The improvements are the construction, operation, maintenance, rehabilitation and servicing of landscaping, lighting, and appurtenant facilities. The District will fund costs in connection with the District improvements including, but not limited to, personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these facilities. The facilities are described as follows:

Landscaping and Appurtenant Facilities

Landscaping improvements include but are not limited to: Landscaping, planting, shrubbery, trees, irrigation systems, hardscapes, fixtures, sidewalk maintenance resulting from landscape growth and appurtenant facilities, in public rights-of-way, medians, parkways and dedicated easements within the proposed boundaries of said Assessment District.

Lighting and Appurtenant Facilities

Street lighting improvements include but are not limited to: Poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide lighting in public rights-of-way and dedicated easements within the proposed

boundaries of said Assessment District.

The public lighting system shall be maintained to provide adequate illumination. Power for streetlights shall be furnished and it shall be adequate for the intended purpose. Rates for power shall be those authorized by the California Public Utilities Commission.

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the landscaping, public lighting facilities and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping, public lighting facilities or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping improvements, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; and the removal of trimmings, rubbish, debris and other solid waste; the cleaning, sandblasting, and painting of street lights and other improvements to remove graffiti.

Servicing means the furnishing of water for the irrigation of the landscaping and the maintenance of any of the public lighting facilities, landscaped improvements or appurtenant facilities, and the furnishing of electric current or energy, gas or other illuminating agent for the public lighting facilities, or for the lighting or operation of landscaping or appurtenant facilities.

Specifically the improvements include:

1. Landscape improvements in the medians and certain rights of way along and within Carmel Valley Road, Del Mar Heights Road and Village Loop Road. (A portion of the median in Carmel Valley Road and Del Mar Heights Road has been reserved for future travel or transit lanes in the future. If the medians are reduced in size, then the associated budgets for the maintenance of those medians will likewise be reduced to reflect the actual area of median being maintained.)
2. Decorative poles on cobra-head streetlights within Carmel Valley Road, Del Mar Heights Road, from Old Carmel Valley Road to Carmel Valley Road, and Village Loop Road.
3. Decorative acorn streetlights within local public residential streets.

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 (32.20¢ per square foot of landscaped median and 12.84¢ per square foot of hardscaped median). The City will also contribute for lighting maintenance and energy costs an amount equivalent to that used for City minimum required streetlights (see City Council Policy 200-18 for lighting standards). 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 2010 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) plus 3%, as approved by the District property owners in Fiscal Year 2006, 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 2006 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U plus 3%. 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 original Assessment Engineer's Report describes the benefit of District improvements as follows:

Street Lighting. Proper maintenance and operation of the decorative streetlights benefit all properties within the District by adding to the community character and aesthetics. All development areas taking direct access off of the roadways with decorative cobra-head streetlights receive special benefit from the improved aesthetics of the community within the boundaries of the District.

Properties taking direct access off of local public roadways with decorative acorn light fixtures receive an additional special benefit.

City of San Diego's Council Policy 200-18, Street Lighting, specifies the standard level of street lighting that will be provided by the City. This standard level of street lighting is considered the general benefit portion of the street lighting, as this is available to all properties within the City that have street lighting. Higher levels of street lighting, additional to this standard level, and ornamental streetlights are considered special benefits.

Cobra-head streetlights are the City standard for roadways, therefore on the arterial roads and Village Loop Road only the additional cost of maintaining the decorative poles is assessed as special benefit and all other maintenance is considered general benefit and is not assessed to the District. With the decorative acorn streetlights in some of the local public roadways, only the energy costs for the standard level of lighting is being paid for by the City as their general benefit contribution.

Street Landscaping. Trees, landscaping, hardscaping and appurtenant facilities, if well maintained, provide beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property value.

All development areas taking direct access off of the arterial roadways (Carmel Valley Road and Del Mar Heights Road) special benefit from the improved aesthetics of the community within the boundaries of the District. Properties taking direct access off of Village Loop Road receive an additional special benefit.

Landscaping along the major thoroughfares provides only incidental benefits to motorists traveling to, from or through the District, which are nominal, intangible and are not quantifiable. However, consistent with City policy for the public at large, the City will provide the District with an annual contribution from the Gas Tax Fund for median maintenance. This contribution varies from year to year and will be applied during the annual assessment setting proceedings.

Apportionment Methodology

The total cost for maintenance of District improvements will be assessed to the various parcels in the District 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. The single-family residential parcel has been selected as the basic unit for calculation of assessments; therefore, the single-family residential parcel is defined as one EBU.

A methodology has been developed to relate all other land uses to the single-family residential land use based on trip generation rates. Trip generation rates provide a means to compare the different land uses to each other by virtue of the level of activity that is associated with each land use type. Trip generation is represented by the Average Daily Trips (ADT) associated with the various land uses within the District. The ADT have been based on the *City of San Diego Trip Generation Manual* (dated May 2003). Table 1 shows the various land uses within this District and the associated EBU Rates

TABLE 1: EBU Rates by Land Use Factors

Land Use	Code	Trip 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
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
Hotel	HTL	15.0 per Acre
House of Worship	CRH	2.8 per Acre
Industrial	IND	15.0 per Acre
Library	LIB	40.0 per Acre
Park - Developed	PKD	5.0 per Acre
Park - Undeveloped	PKV	0.5 per Acre
Recreational Facility	REC	3.0 per Acre
Open Space	OSP	0.0 per Acre
Vacant	VAC	0.0 per Acre

Excluded from the assessment are public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts, and parkways. These types of parcels are designated as EXE in the assessment roll.

EBUs for each parcel have been determined based on an EBU Rate applicable to the subject land use, as shown in the following equation:

$EBUs = (Acres \text{ or } Units) \times EBU \text{ Rate}$
--

The total assessment for a given parcel is equal to the parcel's total EBUs multiplied by the Unit Assessment Rate, as shown in the following equation:

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

The Fiscal Year 2010 and maximum Unit Assessment Rates are shown in Table 2.

TABLE 2: FY 2010 & Maximum Unit Assessment Rates

Zone	FY 2010 ⁽¹⁾	Maximum Authorized ⁽²⁾⁽³⁾
Zone 1	\$0.00 / EBU	\$238.30 / EBU
Zone 2	\$0.00 / EBU	\$254.77 / EBU
Zone 3	\$0.00 / EBU	\$302.93 / EBU
Zone 4	\$0.00 / EBU	\$376.45 / EBU

⁽¹⁾ FY 2010 is the City's Fiscal Year 2010, which begins July 1, 2009 and ends June 30, 2010.

⁽²⁾ Prior fiscal year's maximum authorized annual assessment increased by cost-indexing factor of 6.16%.

⁽³⁾ Subject to cost-indexing provisions as set forth in this Assessment Engineer's Report.

Based on the above formula, the EBUs (and corresponding assessment) 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 2010 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 2010 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

AECOM USA, INC.

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 _____, 2009.

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 _____, 2009.

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

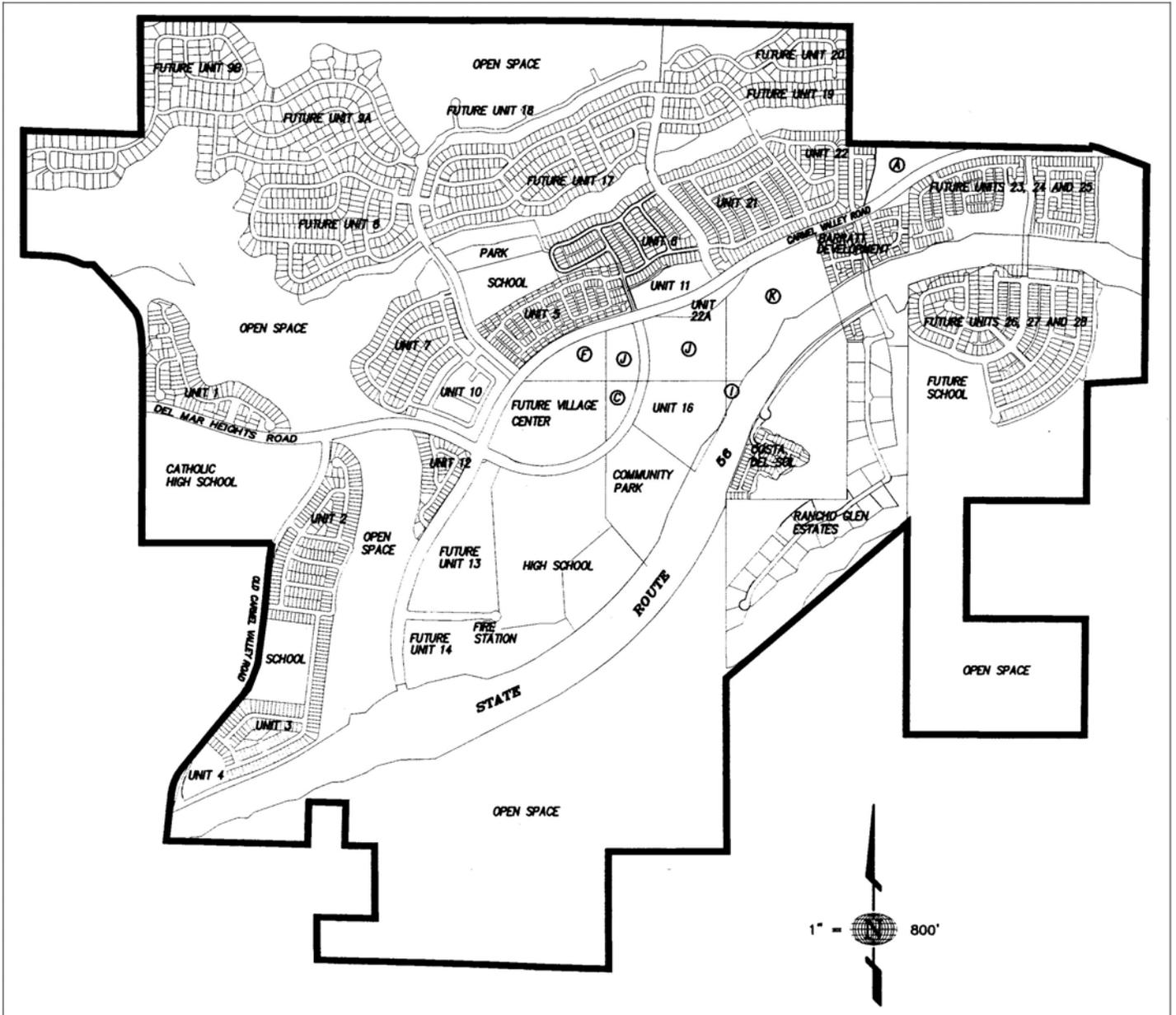
I, _____, as CITY ENGINEER of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram was recorded in my office on the ____ day of _____, 2009.

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

EXHIBIT A

EXHIBIT A

Pacific Highlands Ranch Boundary Map



SOURCE: Engineer's Report for Pacific Highlands Ranch (dated August 23, 2005).

EXHIBIT B

EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves

Pacific Highlands Ranch - Fund 70279

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 BUDGET
BALANCE FROM PRIOR YEAR	\$ 71,417	\$ 103,936	\$ 230,128
REVENUE			
Assessments	\$ 124,074	\$ 124,616	\$ -
Interest	\$ 2,200	\$ 2,000	\$ 2,500
Environmental Growth Fund	\$ -	\$ -	\$ -
Gas Tax Fund	\$ 8,795	\$ 74,124	\$ 74,752
General Fund	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 135,069	\$ 200,740	\$ 77,252
TOTAL BALANCE AND REVENUE	\$ 206,486	\$ 304,676	\$ 307,380
EXPENSE			
OPERATING EXPENSE			
Personnel	\$ 13,682	\$ 14,026	\$ 13,650
Contractual	\$ 55,885	\$ 109,402	\$ 140,000
Incidental	\$ 15,136	\$ 17,446	\$ 18,089
Utilities	\$ 6,442	\$ 17,382	\$ 22,651
Outlay Fixtures (Special Street Light Poles)	\$ -	\$ 10,000	\$ 10,000
TOTAL OPERATING EXPENSE	\$ 91,145	\$ 168,256	\$ 204,390
RESERVE			
Contingency Reserve	\$ 113,160	\$ 136,420	\$ 102,990
TOTAL RESERVE	\$ 113,160	\$ 136,420	\$ 102,990
BALANCE	\$ 2,181	\$ 0	\$ -
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 204,305	\$ 304,676	\$ 307,380

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.