



America's Finest City

THE CITY OF SAN DIEGO



Assessment Engineer's Report

TALMADGE 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

AECOM

CITY OF SAN DIEGO

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Jerry Sanders

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Carl DeMaio
District 5

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District 2 (Council President Pro Tem)

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Elizabeth Maland

Independent Budget Analyst

Andrea Tevlin

City Engineer

Afshin Oskoui

Assessment Engineer

AECOM USA, Inc.

Table of Contents

Assessment Engineer's Report Talmadge 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	5
Estimated Costs.....	5
Annual Cost-Indexing.....	6
Method of Apportionment	7
Estimated Benefit of Improvements	7
Apportionment Methodology	7
Land Use Factor.....	7
Benefit Factor	9
Unit Assessment Rate	10
Summary Results	11

EXHIBITS

Exhibit A: Boundary Map

Exhibit B: Estimated Annual Expenses, Revenues & Reserves

Exhibit C: Assessment Roll

Assessment Engineer's Report

Talmadge 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 TALMADGE 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: Talmadge Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2009	FY 2010 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	1,368	1,368	--
Total Estimated Assessment:	\$142,316	\$128,342	--
<i>Zone 1 (East)</i>	\$94,304	\$80,329	--
<i>Zone 2 (West)</i>	\$48,012	\$48,012	--
Total Number of EBUs:	1,604.27	1,604.27	--
<i>Zone 1 (East)</i>	1,004.12	1,004.12	--
<i>Zone 2 (West)</i>	600.16	600.16	--
Assessment per EBU:			
<i>Zone 1 (East)</i>	\$93.91	\$80.00	\$96.88 ⁽³⁾
<i>Zone 2 (West)</i>	\$80.00	\$80.00	\$96.88 ⁽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 3.16%.

District History: In Fiscal Year 2001, by a ballot proceeding, majority property owners approved the formation of the District, Fiscal Year 2001 and maximum authorized assessments for subsequent years, and provisions for annual cost-indexing.

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 Talmadge Community is generally situated between Fairmount Avenue and Collwood Boulevard, north of Monroe Avenue. The area derives its name from the Talmadge sisters, three famous silent screen movie stars, who dedicated the neighborhood in the mid-1920s. In recent years, members of the community formed the Talmadge Beautification Committee (TBC) to develop a plan and oversee the implementation of various community improvements.

In 1999, TBC gathered community signatures and petitioned the City of San Diego (City) for the formation of the Talmadge Maintenance Assessment District (District). The purpose of the District is to fund installation and maintenance costs associated with existing and proposed ornamental lighting, decorative gates, landscaping, hardscape features (sidewalks, curbs, gutters, etc.), trees and other community-wide improvements.

In 2000, the City retained AECOM USA, Inc. (AECOM), formerly Boyle Engineering Corporation, to prepare an Assessment Engineer's Report for the formation of the Talmadge Maintenance Assessment District. The Assessment Engineer's Report proposed Fiscal Year 2001 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 in Fiscal Year 2001.

District Proceedings for Fiscal Year 2010

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Procedural Ordinance of 1986" (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 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 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 are available for public inspection during normal business hours. A reduced copy of the Boundary Map is included as Exhibit A.

The Boundary Map details the District boundary, zone boundaries, and approximate location of improvements. The District has been divided into two zones for benefit apportionment purposes. Zone 2 (West) comprises the area that currently has ornamental street lighting.

Project Description

The project to be funded by the proposed assessments is the installation and maintenance costs associated with existing and proposed ornamental lighting, decorative gates, landscaping, hardscape features (sidewalks, curbs, gutters, etc.), trees and other community-wide improvements. All improvements to be maintained by the District fall within the dedicated City public rights-of-way. The approximate location of District improvements is shown in Exhibit A.

Certain lighting improvements (located within the District) were previously being maintained by Sub-District #73 (Talmadge Park) of

the Street Light Maintenance Assessment District #1. Maintenance of these specified improvements was transferred to the District as part of the Fiscal Year 2001 proceedings.

The engineering drawings for the improvements to be maintained by the District are on file at Map and Records in the Development Services Department. The Talmadge Beautification Master Plan (dated May 2000) contains additional detail related to proposed District improvements, and is incorporated herein by reference. 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). In addition, the City will 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.

As previously mentioned, the District has been divided into two zones for benefit apportionment purposes. Zone 1 (East) comprises the area that has existing “cobra head” style streetlights, while Zone 2 (West) encompasses that portion of the District that has existing ornamental street lighting.

For many years, it is estimated that the assessments collected in Zone 1 (East) will largely be used to finance the capital costs associated with installation of ornamental street lighting. At no time will assessments collected in Zone 2 (West) be used to finance the capital costs of Zone 1 (East) lighting. Upon completion of street lighting within Zone 1 (East), it is intended that the zone distinction be removed and assessments adjusted (if necessary).

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 2001, 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 2001 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. 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 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 improvements being maintained by this District are consistent with the plans' goals for safety and pleasing aesthetics.

With the exception of the capital costs of street lighting improvements in Zone 1 (East), previously described, all other District improvements are deemed to be community-wide for benefit apportionment purposes.

Apportionment Methodology

The total maintenance assessment for a given parcel is equal to the parcel's total equivalent benefit units (EBUs) multiplied by the unit assessment rate, as shown in the following equation:

$$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Cost Per EBU}$$

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

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

Each of these factors is discussed below.

Land Use Factor

Since the improvements to be maintained by the District are primarily associated with the Transportation Element of the City's General Plan and local Community Plan, 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 the 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 average 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 – Single Family (detached)	SFD	1.0 per dwelling unit
Residential – Condominium	CND	0.7 per dwelling unit
Residential – Duplex	DUP	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
Open Space (designated)	OSP	0.0 per acre
Undevelopable	UND	0.0 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. Similarly, land determined to be Undevelopable receives no benefit and has been assigned a Land Use Factor of zero.

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	0.4	0.7
Educational – Primary & Secondary	0.3	0.4	0.7
Open Space (designated)	0.3	0.0	0.3
Undevelopable	0.3	0.0	0.3
Utility Facility	0.3	0.0	0.3

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 the improvements 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 such improvements. 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, Undevelopable, 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.

Unit Assessment Rate

The unit assessment rate for maintenance (unit cost per EBU) is equal to the total cost divided by the total EBUs:

$\text{Unit Cost Per EBU} = \text{Total Cost} / \text{Total EBUs}$
--

As described above, the total assessment assigned to each parcel has been calculated based on the preceding factors. Based on the above methodology, the apportionment factors, EBUs, unit assessment rates, and total assessment calculated for each parcel can be found in the Assessment Roll (Exhibit C).

Summary Results

The Boundary Map for the District is shown in Exhibit A.

An estimate of the maintenance costs associated with District improvements is shown in Exhibit B.

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

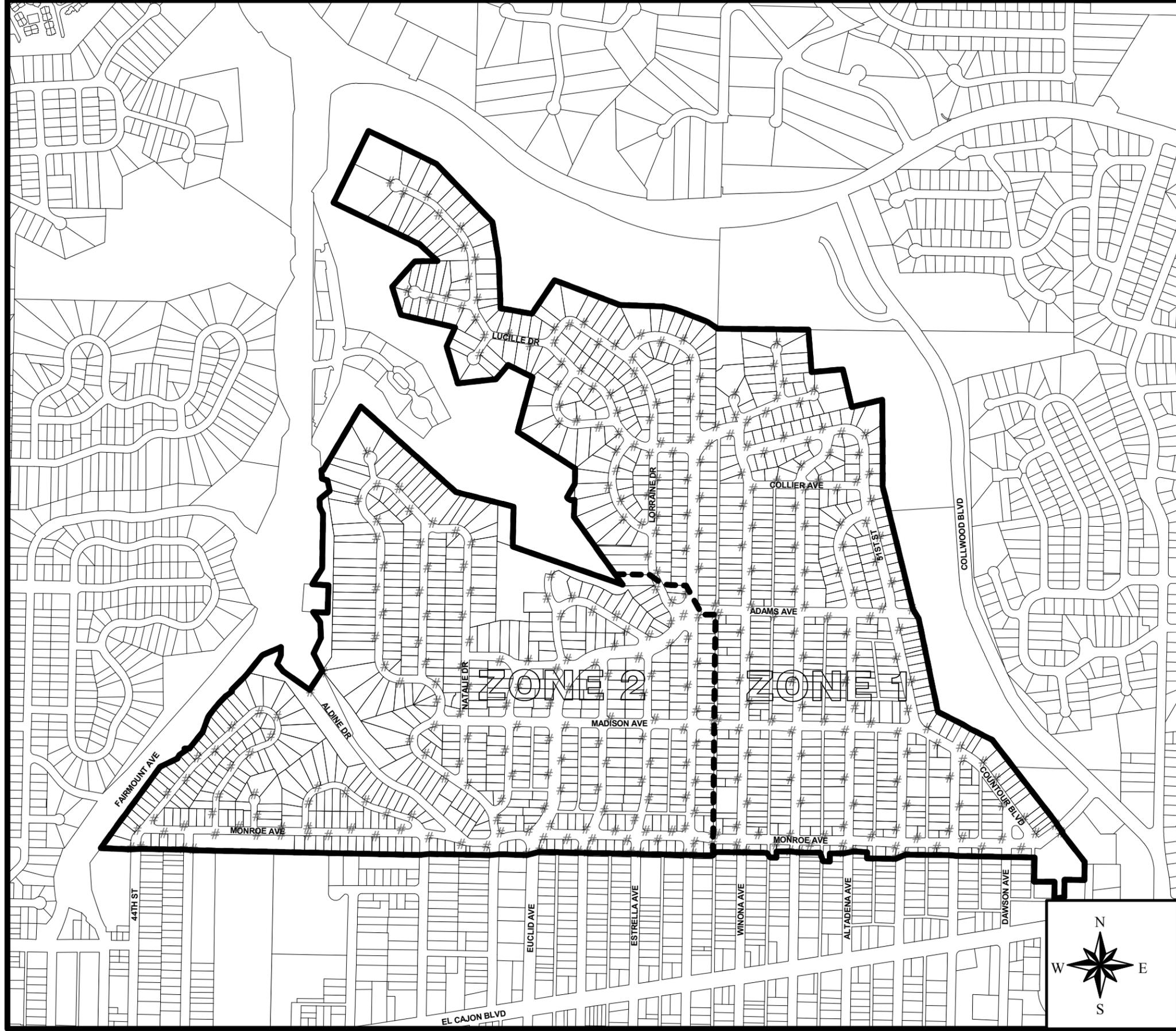
I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the ____ day of _____, 2009.

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



BOUNDARY MAP

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2000.

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

PREPARED BY:
BOYLE ENGINEERING CORPORATION
7807 Conroy Court, Suite 200, San Diego, California 92111 (619) 748-8080



CITY OF
SAN DIEGO

W.O. DATE: MAY 2000 REVS:

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE TALMADGE MAINTENANCE ASSESSMENT DISTRICT, CITY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2000, BY ITS RESOLUTION NO. _____.

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 2000. SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA ON THE ____ DAY OF _____, 2000. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

LEGEND:

- District Boundary
- Zone Boundary
- District Improvements *

* REFERENCE IS MADE TO THE TALMADGE BEAUTIFICATION MASTER PLAN FOR EXACT LOCATION & TYPE OF DISTRICT IMPROVEMENTS.

NOTE:
FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF LOTS OR PARCELS SHOWN ON THIS MAP, REFER TO THE COUNTY ASSESSOR'S MAPS WHICH SHALL GOVERN WITH RESPECT TO ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

TALMADGE MAINTENANCE ASSESSMENT DISTRICT

EXHIBIT B

EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves

Talmadge - Fund 70259

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 BUDGET
BALANCE FROM PRIOR YEAR	\$ 210,222	\$ 280,827	\$ 58,746
REVENUE			
Assessments	\$ 140,140	\$ 142,316	\$ 128,342
Interest	\$ 14,700	\$ 15,000	\$ 1,400
Environmental Growth Fund	\$ -	\$ -	\$ -
Gas Tax Fund	\$ 1,073	\$ 1,062	\$ 1,067
General Fund	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 155,913	\$ 158,378	\$ 130,809
TOTAL BALANCE AND REVENUE	\$ 366,135	\$ 439,205	\$ 189,555
EXPENSE			
CAPITAL IMPROVEMENTS PROGRAM	\$ 90,000	\$ 375,566	\$ 125,000
OPERATING EXPENSE			
Personnel	\$ 7,298	\$ 7,481	\$ 7,280
Contractual	\$ 5,932	\$ 4,755	\$ 4,538
Incidental	\$ 4,455	\$ 4,788	\$ 4,913
Utilities	\$ 10,937	\$ 6,637	\$ 6,811
TOTAL OPERATING EXPENSE	\$ 28,622	\$ 23,661	\$ 23,542
TOTAL EXPENSES	\$ 118,622	\$ 399,227	\$ 148,542
RESERVE			
Contingency Reserve	\$ 247,513	\$ 39,978	\$ 41,013
TOTAL RESERVE	\$ 247,513	\$ 39,978	\$ 41,013
BALANCE	\$ 0	\$ (0)	\$ (0)
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 366,135	\$ 439,205	\$ 189,555

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.