



America's Finest City

THE CITY OF SAN DIEGO



# **Assessment Engineer's Report**

## **MISSION HILLS HISTORIC STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT**

**Annual Update for Fiscal Year 2014**

**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**

**EFS Engineering, Inc.**

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**May 2013**

# CITY OF SAN DIEGO

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Andrea Tevlin

## City Engineer

James Nagelvoort

## Assessment Engineer

EFS Engineering, Inc.

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## EXHIBITS

Exhibit A: Boundary Map

Exhibit B: Estimated Annual Expense, Revenues & Reserves

Exhibit C: Assessment Roll

# Assessment Engineer's Report Mission Hills Historic Street Lighting 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 "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 MISSION HILLS HISTORIC STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), EFS ENGINEERING, 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 \_\_\_\_\_, 2013.

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



## Executive Summary

**Project:** Mission Hills Historic Street Lighting  
 Maintenance Assessment District

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

	<b>FY 2013</b>	<b>FY 2014 <sup>(1)</sup></b>	<b>Maximum <sup>(2)</sup> Authorized</b>
<b>Total Parcels Assessed:</b>	726	726	--
<b>Total Estimated Assessment:</b>	\$20,266	\$20,254	--
<b>Total Number of EBUs:</b>	718.64	718.24	--
<b>Assessment per EBU:</b>	\$28.20	\$28.20	\$29.76 <sup>(4)</sup>

<sup>(1)</sup> FY 2014 is the City's Fiscal Year 2014, which begins July 1, 2013 and ends June 30, 2014. 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.

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

<sup>(3)</sup> Assessments for "Capital Payback Period" used to finance the initial procurement and installation of lighting fixtures, and other incidental costs associated with District formation.

<sup>(4)</sup> Maintenance assessment (levied after completion of the "Capital Payback Period") for on-going operations, maintenance and repair of District facilities. Prior fiscal year's maximum authorized annual assessment increased by cost-indexing factor of 1.55%.

**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.



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## Background

Property owners in the Mission Hills neighborhood of the Uptown community planning area have petitioned the City of San Diego (City) to form a maintenance assessment district to fund the procurement, installation, operations and maintenance of decorative (“acorn” style) lighting in an area currently scheduled for utility undergrounding. The undergrounding project (“Block 2E Utility Undergrounding”) is generally shown in **Figure 1**.

The City retained AECOM USA, Inc. to prepare an Assessment Engineer’s Report for the formation of the Mission Hills Historic Street Lighting Maintenance Assessment District (District). The purpose of the District is to fund the initial construction and on-going operations, maintenance and repair of the identified decorative lighting improvements located within the District. The Assessment Engineer’s Report was approved and assessments confirmed in Fiscal Year 2010.

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## District Proceedings for Fiscal Year 2014

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 2014. The Fiscal Year 2014 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.

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## District Boundary

The District is located in the Mission Hills neighborhood of the Uptown Community, and generally includes those properties which front the improved lighting corridor. The District boundary is different than the utility undergrounding project boundary in that the latter relates specifically to conversion of electrical services to individual properties.

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**.

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## Project Description

The project to be funded by the proposed assessments is the procurement, installation, operations and maintenance of the identified decorative (“acorn” style) lighting located within the District. The District improvements are generally located as shown in **Figure 1**. For additional detail as to location and type of improvements and services, please refer to the engineering plans, maps, sketches, specifications, and other materials on file with the City Park and Recreation Department.

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## Separation of General and Special Benefits

The proceeds from the assessment will be used to fund enhanced improvements, services and activities within the District that, in absence of the assessment, otherwise would not be provided at an enhanced level or frequency of service. The District will continue to receive the same level of general services provided to the public at large under City-funded and administered programs, as determined annually, for maintenance of public facilities and improvements (e.g., street trees, sidewalks, street lights, etc.), including street sweeping and graffiti removal on public property.



The identified lighting improvements provide benefit to the parcels located within the District. These benefits are “special benefits” (beyond the “general benefits” provided to the public at large) because installation and maintenance of enhanced, decorative (“acorn” style) lighting improvements is not normally provided by the City.

For purposes of capital construction, the City will credit the District an amount equivalent to the cost of standard “cobra” style streetlights which would have been installed as part of the utility undergrounding project. This credit has been included in the District’s estimated multi-year capital budget.

Consistent with City policy for the public at large, 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 reflective of the “general benefit” level of service provided by the City to the public at large. All other capital, maintenance, operations, and administration costs associated with the District, in excess of the City’s contribution, are for the “special benefits” funded by the District.

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## Cost Estimate

### Estimated Costs

Estimated budgets for the multi-year “Capital Payback Period” and “Annual Maintenance” period are included as **Exhibit B**, and generally described as follows:

***Capital Payback Period:*** A multi-year period commencing with the City’s Fiscal Year 2010 (July 1, 2009 – June 30, 2010). Assessments levied during this period (estimated at 2 years) will be used to finance the initial procurement and installation of lighting fixtures, and other incidental costs associated with District formation.

***Annual Maintenance Period:*** Subsequent fiscal years following completion of the Capital Payback Period. Assessments levied during this period will be used for on-going operations, maintenance and repair of District facilities. These maintenance assessments are subject to annual increase based on cost-indexing provisions set forth in this Assessment Engineer’s Report.





Assessments authorized and collected as part of these proceedings may be used for future balloting and re-engineering efforts, as may be required from time to time.

### **Annual Cost-Indexing**

With the passage of Proposition 218, any proposed increase in District assessments must be approved by affected property owners via a mail ballot and public hearing process, similar to these proceedings. A weighted simple majority of ballots received (weighted according to each parcel's proportionate assessment) 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 assessment engineer's report, balloting, and the public hearing process can potentially exceed the total amount of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to a factor not-to-exceed the San Diego Consumer Price Index for Urban Consumers (SDCPI-U) allows for minor increases in normal maintenance and operating costs, without incurring the costs of ballot proceedings required by Proposition 218. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 2014 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. The annual change in second half SDCPI-U values, as compiled by the U.S. Bureau of Labor Statistics (see [www.bls.gov](http://www.bls.gov)), for the prior year period was from 253.368 to 257.285 (a 1.55% increase). In accordance with the approved cost-indexing provisions, the maximum authorized assessment rates contained within this Assessment Engineer's Report have been increased by 1.55%.

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## **Method of Apportionment**

### **Estimated Benefit of Improvements**

The *Uptown Community Plan* (Community Plan) and the general policy recommendations found in the City's *Progress Guide &*



*General Plan* (General Plan) establish several goals, objectives, and guidelines for the planned development of the community. The Community Plan makes specific reference to the following noteworthy objectives and recommendations:

- “Preservation of community character and historical, architectural and cultural resources.” (p. 12)
- “Improve the pedestrian and vehicular quality of the streetscape through the design of new development, public improvements, landscaping and coordinated street plantings.” (p. 78)
- “Street furniture, coordinated signage and lighting, planters, kiosks, public art, and plant material should be incorporated whenever possible to add to the vitality of the streetscape.” (p. 82)
- “Street trees, lighting, bollards and/or sidewalk textures should be provided along major streets to create a pleasing pedestrian environment, in addition to providing a separation between pedestrian circulation and vehicular movement.” (p. 82)
- “Enrich the pedestrian quality of all areas by increasing sidewalk widths when appropriate, identifying street tree themes, providing cohesive street furniture, unifying signage, increasing lighting, varying pavement materials and providing nodal points at strategic locations.” (p. 82)

The proposed decorative lighting improvements are consistent with these objectives and recommendations. The City’s General Plan and Community Plan support the establishment of community-based improvement and maintenance districts, such as this District, to fund installation and maintenance of enhanced improvements/services.

The proposed improvements/services are generally located in the public rights-of-way along the various transportation corridors within the District. These transportation corridors serve as the primary access routes for inter-community and intra-community trips. Parcels within the District benefit from the improvements/services in terms of enhanced aesthetics, community image and public safety.

### **Apportionment Methodology**

The total cost for maintenance of the identified improvements/services will be assessed proportionally to the parcels in the District based on Equivalent Benefit Units (EBUs). 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:

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

### Equivalent Benefit Units (EBUs)

EBUs for each parcel have been determined as a function of parcel area (or number of residential units) and two factors – a Land Use Factor and a Benefit Factor – related as shown in the following equation:

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

Parcels determined to receive no benefit from the maintenance of District improvements/services have been assigned zero (0) EBUs.

### Land Use Factor

Since the proposed District improvements/services are primarily associated with the Transportation Element of City's General Plan and 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 address 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.

Trip generation rates provide the required nexus and basis for assigning relative proportionality of potential benefit to the various land use/zoning classifications (as defined by the City's Municipal Code) within the District. 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 <sup>(1)</sup></b>
Residential – Single Family (detached)	SFD	1.0 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	40.0 per acre
Open Space (designated)	OSP	0 per acre
Street/Roadway	STR	0 per acre
Undevelopable	UND	0 per acre
Vacant (developable)	VAC	2.0 per acre

<sup>(1)</sup> Proportional to trip generation rates contained in the City of San Diego *Trip Generation Manual* (May 2003).

Designated open space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is often permitted, these activities are allowed only to the extent they are 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 and development), the trip generation rate is zero. Therefore, the designated open space itself receives no benefit from District improvements/services and has been assigned a Land Use Factor of zero.

While those traveling the streets and roadways visually enjoy the enhanced improvements/services being maintained by the District, the actual benefit accrues to the lands at the origins and destinations of their trips, not to the lands of the streets and roadways, themselves. Accordingly, the Streets/Roadways category receives no benefit and has been assigned a Land Use Factor of zero.

***Benefit Factor***

The Land Use Factor described above establishes a proportionality of relative intensity of use (or potential use) for the various parcels of land within the District. It does not address the relationship of this use to the specific improvements/services 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 the improvements/services in a district may include some or all of the following: public safety, view corridors and aesthetics, enhancement of community identity, drainage corridors, and recreational potential. The subcomponents used for this District are: aesthetics/community image and public safety.

As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements/services 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/services being maintained. For a given land use, the overall Benefit Factor is equal to the sum of the subcomponent values. If a land use category receives no benefit from a subcomponent, then a value of zero is assigned to that subcomponent. A composite Benefit Factor of 1.0 indicates that full benefit is received. A value less than 1.0 indicates that less than full benefit is received.

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>Aesthetics/ Community Image (Max. 0.8)</b>	<b>Public Safety (Max. 0.2)</b>	<b>Composite Benefit Factor (Max. 1.0)</b>
Residential – All	0.8	0.2	1.0
Commercial – Office & Retail	0.4	0.2	0.6
Open Space (designated)	0.0	0.2	0.0
Street/Roadway	0.0	0.2	0.0
Undevelopable	0.0	0.2	0.0
Vacant (developable)	0.4	0.2	0.6

***Aesthetics/Community Image.*** The District improvements provide enhanced aesthetics/community image. The degree of benefit received from this aspect of the District improvements varies among the land use categories. Generally, by nature of their use, Residential lands receive the greatest benefit from aesthetic



enhancement of the transportation corridors. Lands in the Commercial and Vacant categories are considered to receive a lesser degree of benefit from these enhancements based on the non-continuous or temporal nature of these uses. Lands in the Open Space, Street/Roadway, and Undevelopable categories are considered to receive no significant benefit from the aesthetic elements of the District improvements/services, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

**Public Safety.** All land uses are considered to receive the maximum available benefit from the public safety aspect of the District improvements/services. 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.

### Unit Assessment Rates

The Unit Assessment Rate (annual assessment per EBU) is based on the Total Annual Program Costs and Total Estimated EBUs, as shown in the following equation:

$$\text{Unit Assessment Rate} = \text{Total Annual Program Costs} / \text{Total Estimated EBUs}$$

### Sample Calculations

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

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



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

- **1 Single-Family Residence**  
EBUs = 1 unit x 1.00 x 1.00 = 1.00 EBUs
- **10-unit Apartment Complex**  
EBUs = 10 units x 0.70 x 1.00 = 7.00 EBUs
- **½-acre Commercial Property**  
EBUs = 0.50 acres x 40.00 x 0.60 = 12.00 EBUs

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

Total Assessment = Total EBUs x Unit Assessment Rate
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Based on the above formula, the EBUs, unit assessment rate, and total assessment calculated for each property, can be found in the Assessment Roll (**Exhibit C**).



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## Summary Results

The District Boundary is presented in **Exhibit A**.

An estimate of the costs of the improvements provided by the District is included as **Exhibit B** to this report.

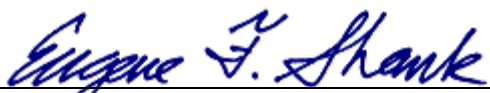
The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EBUs and Fiscal Year 2014 District assessment for each parcel were calculated and are shown in the Assessment Roll (**Exhibit C**).

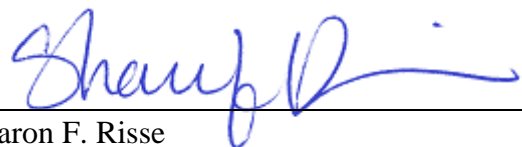
Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2014 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

EFS ENGINEERING, INC.



  
Eugene F. Shank, PE C 52792

  
Sharon F. Risse





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 \_\_\_\_\_, 2013.

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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 \_\_\_\_\_, 2013.

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

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# **EXHIBIT A**

# **EXHIBIT B**

# **EXHIBIT C**

**ASSESSMENT ENGINEER'S REPORT  
ASSESSMENT ROLL**

The undersigned, pursuant to the "Maintenance Assessment Districts Ordinance" (Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), the "Landscaping and Lighting Act of 1972" (Part 2, Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (Article XIID of the California Constitution), and the "Proposition 218 Omnibus Implementation Act" (California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), does hereby submit the following:

1. Pursuant to the provisions of Assessment Law and the Resolution of Intention, we have assessed the costs and expenses of the works of improvement (maintenance) to be performed in the Assessment District upon the parcels of land in the Assessment District benefited thereby in direct proportion and relation to the estimated benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Boundary Map & Assessment Diagram on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego. A copy of the Boundary Map is included in the Assessment Engineer's Report as **Exhibit A**.
2. The Assessment Diagram included in this report shows the Assessment District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within the Assessment District, the same as existed at the time of the passage of the Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon the Assessment Diagram and in the Assessment Roll (**Exhibit C**).
3. By virtue of the authority contained in said Assessment Law, and by further direction and order of the legislative body, we hereby make the following assessment to cover the costs and expenses of the works of improvement (maintenance) for the Assessment District based on the costs and expenses as set forth in the Assessment Engineer's Report.

For particulars as to the individual assessments and their descriptions, reference is made to the Assessment Roll (**Exhibit C**) attached hereto.

DATED: May 3, 2013

EFS ENGINEERING, INC.



By: Eugene F. Shank  
Eugene F. Shank, PE C 52792

By: Sharon F. Risse  
Sharon F. Risse