



America's Finest City

THE CITY OF SAN DIEGO



Assessment Engineer's Report

BAY TERRACES – PARKSIDE MAINTENANCE ASSESSMENT DISTRICT

Annual Update for Fiscal Year 2015

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

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June 2014

CITY OF SAN DIEGO

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Assessment Engineer's Report

Bay Terraces – Parkside

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 BAY TERRACES – PARKSIDE 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 _____, 2014.

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



Executive Summary

Project: Bay Terraces – Parkside
 Maintenance Assessment District

Apportionment Methods: Equivalent Benefit Unit (EBU)

	FY 2014	FY 2015 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	319	319	--
Total Estimated Assessment:	\$39,601	\$40,279	--
Total Number of EBUs:	329.35	329.35	--
Unit Assessment Rate:	\$120.24	\$122.30	\$122.31 ⁽³⁾

⁽¹⁾ FY 2015 is the City's Fiscal Year 2015, which begins July 1, 2014 and ends June 30, 2015. 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 assessment 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 1.71%.

District History: The District was established in December 1982, and re-engineered in Fiscal Year 2003 to permit an increase in assessments and 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 Bay Terraces – Parkside Maintenance Assessment District (District), formerly known as “Bay Terraces Zone 1,” was established in December 1982. The general purpose of the assessments is to provide for the maintenance of dedicated open space areas.

The City of San Diego (City) retained Boyle Engineering Corporation to prepare an Assessment Engineer’s Report for the reformation of the District in May 2002. The purpose of the reformation was to allow for an increase in the overall assessment (with additional provisions for annual cost-indexing) in accordance with Proposition 218 requirements. The effort also involved modification of the apportionment methodology and determination of benefiting parcels.

District Proceedings for Fiscal Year 2015

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 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”).

The purpose of the proposed proceedings and this Assessment Engineer’s Report is to update the District budget and assessments for Fiscal Year 2015. The Fiscal Year 2015 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 District is located just north of Highway 54 in the Paradise Hills community of the City. The Boundary Map & Assessment Diagram for the District is on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego and by reference is made a part of this report. The Boundary Map & Assessment Diagram is available for public inspection during normal business hours. The District boundary is depicted in **Exhibit A**.

Project Description

The project to be funded by the proposed assessments is the maintenance of open space, including an irrigated greenbelt adjacent to Parkside Neighborhood Park. Maps of the improvements maintained by the District are on file at Maps and Records in the Development Services Department and are incorporated herein. 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

The identified improvements/services provide benefits to the parcels located within the District. Some of these benefits are “special benefits,” benefits that are above and beyond the City’s standard level of service, and exclusive of those “general benefits” provided to the public at large or properties located outside the District. Under Assessment Law, only “special benefits” are assessable. As such, isolation and quantification of the “special benefits” associated with the improvements/services are paramount, and illustrated in the following equations:

$\text{Special Benefits} = \text{Total Benefits} - \text{General Benefits}$



$$\text{General Benefits} = \text{City Standard} + \text{External Benefits}$$

$$\text{Special Benefits} = \text{Total Benefits} - [\text{City Standard} + \text{External Benefits}]$$

In these equations, “Total Benefits” refers to the cost of providing the total benefits of the improvements/services; “City Standard” represents the cost of providing the City’s standard level of service; and “External Benefits” refers to the cost of those additional benefits accruing to the public at large or properties located outside the District. In order to isolate the “Special Benefits,” it is necessary to quantify the amount of “General Benefits” associated with the improvements/services.

City Standard

As a “general benefit” (not funded by assessments), the District will continue to receive the standard level of service provided to the public at large under City-funded and administered programs for maintenance and servicing of public facilities and improvements (e.g., medians, open space, street lights, street trees, sidewalks, parks, etc.), including street sweeping and graffiti removal on public property. Consistent with City policy for the public at large, the City will provide the District with standard service levels and annual contributions from the Environmental Growth Fund for open space maintenance (\$68.32 per acre). The City will also reimburse the District for contractual maintenance performed on general fund (population-based) parks (\$6,505 per acre). These levels of service and cost allocations, reviewed and adjusted annually by the City, are “general benefits” administered by the District.

External Benefits

Assessment Law prohibits levying assessments to pay for “general benefits” conferred to the public at large or properties located outside the District. Based on a review of the spatial limits of the District and the proposed improvements/services, it has been determined that the maintenance and servicing of the improvements has the potential to confer benefits to others outside the District.



It is estimated as much as 4.8% of the total benefit (in excess of the City standard) may accrue to the public at large or properties located outside the District (with an estimated 0.0% accruing directly to properties located outside the District, and the remaining 4.8% accruing to the general public as indirect/incidental beneficiaries passing through the District or utilizing District-provided amenities). The estimated costs associated with these “general benefits” have been quantified and will not be funded by assessments.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2015 annual expenses, revenues, reserves, and assessments (provided by the City) for the District are included as **Exhibit B** hereto.

Annual Cost-Indexing

With the passage of Proposition 218, any proposed increase in assessments must be approved by property owners via a mail ballot and public hearing process, similar to these proceedings. A 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 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 a factor equal to 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 2003 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), for the prior year period was from 257.285 to 261.679 (a 1.71% 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 1.71%.

Method of Apportionment

Estimated Benefit of the Improvements

Dedication of open space is consistent with the goals contained in the City's General Plan. Open space provides benefit through preserving natural resources, controlling urban form, providing for outdoor recreation, providing for the public health and safety, and serving as drainage corridors and view corridors. Open space also produces lower development density, which benefits the community's residents by not further increasing traffic congestion, noise levels, and storm-water runoff pollutants. These open space assets, generally dedicated to the public during the development process, require ongoing management and maintenance to maintain their functionality, aesthetics, and continued contribution to the quality of life in the community. All parcels within the District benefit from these enhanced open space areas being maintained by the District.

The maintenance for these enhanced assets, since installation, has been funded through the District. The City's General Plan also supports the establishment of community landscape improvement and maintenance districts, such as this District, to serve these maintenance needs.

Apportionment Methodology

The total cost for maintenance of the District improvements will be assessed to the various parcels within 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.

EBUs for each parcel in the District 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. Parcels determined to receive no benefit from maintenance of District improvements have been assigned zero (0) EBUs. The EBUs calculated for each property in the District can be found in the Assessment Roll (**Exhibit C**).

Land Use Factor

Since the improvements to be maintained by 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 the open space areas maintained by the District are linked to trip generation primarily by the public safety, aesthetic, and recreational enhancements enjoyed by travelers through the District. Trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code.

Land use/zoning classifications have been grouped with averaged trip generation rates assigned to establish the Land Use Factors as shown in **Table 1**.



TABLE 1: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Residential – Detached Single Family	SFD	1.0 per dwelling unit
Educational – Primary & Secondary	EPS	5.0 per acre
Open Space (designated)	OSP	0.0 per acre
Park – Undeveloped	PKU	0.5 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.

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. These are the components used for this District: public safety, aesthetics, and recreation.

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.

For a given land use, the composite 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 decimal fraction 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 the District are as shown in **Table 2**.

TABLE 2: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (Max. 0.2)	Aesthetics (Max. 0.4)	Recreation (Max. 0.4)	Composite Benefit Factor (Max. 1.0)
All Residential	0.2	0.4	0.4	1.0
Educational – Primary & Secondary	0.2	0.2	0.0	0.4
Open Space (designated)	0.2	0.0	0.0	0.2
Park – Undeveloped	0.2	0.0	0.0	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 the open space areas 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 open spaces. 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 and 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.

Recreation. Lands in all Residential categories are considered to receive the maximum available benefit from the recreation elements of District improvements, through the regular enjoyment of these elements by their residents. Lands in all other categories are considered to receive no significant enjoyment or benefit from these elements of District improvements.

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
- **5-acre Park without Recreation Center**
EBUs = 5.00 acres x 0.50 x 0.20 = 0.50 EBUs
- **2-acre Elementary School**
EBUs = 2.00 acres x 5.00 x 0.40 = 4.00 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:

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

The EBUs calculated for each property in the District can be found in the Assessment Roll (**Exhibit C**).



Summary Results

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

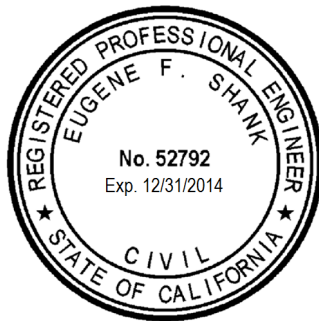
An estimate of the costs of the improvements provided by the District is included as **Exhibit B** to this report.

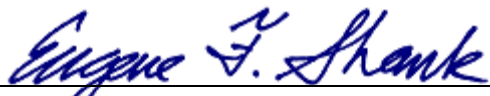
The assessment methodology utilized is as described in the text of this report. Based on this methodology, the Fiscal Year 2015 District assessment for each parcel was calculated and is shown in the Assessment Roll (**Exhibit C**).

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 2015 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 _____, 2014.

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 _____, 2014.

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

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 XIII D 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 in accordance with the approved apportionment methodology. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram and Boundary Map on file in the Maintenance Assessment Districts section of the Park and Recreation Department of the City of San Diego. The District boundary is depicted 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: June 13, 2014

EFS ENGINEERING, INC.



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

By: Sharon F. Risse
Sharon F. Risse