



America's Finest City

THE CITY OF SAN DIEGO



# **Assessment Engineer's Report**

## **STREET LIGHT DISTRICT NO. 1 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**

**EFS Engineering, Inc.**

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**June 2014**

# CITY OF SAN DIEGO

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Kevin Faulconer

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District 2

Todd Gloria  
District 3 (Council President)

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## City Clerk

Elizabeth Maland

## Independent Budget Analyst

Andrea Tevlin

## City Engineer

James Nagelvoort

## Assessment Engineer

EFS Engineering, Inc.

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# Assessment Engineer's Report

## Street Light District No. 1

### 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 STREET LIGHT DISTRICT NO. 1 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.

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



## Executive Summary

**Project:** Street Light District No. 1  
 Maintenance Assessment District

**Apportionment Method:** Linear Frontage Foot (LFF)

	<b>FY 2014</b>	<b>FY 2015 <sup>(1)</sup></b>	<b>Maximum <sup>(2)</sup> Authorized</b>
<b>Number of Sub-Districts:</b>	57	57	--
<b>Total Parcels Assessed:</b>	15,458	15,502	--
<b>Total Estimated Assessment:</b>	\$369,022	\$375,271	--
<b>Total Number of LFF:</b>	835,586	835,430	--
<b>Assessment per LFF:</b>	-- <sup>(3)</sup>	-- <sup>(3)</sup>	-- <sup>(3)</sup>

<sup>(1)</sup> 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 LFF may vary from fiscal prior year values due to parcel changes.

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

<sup>(3)</sup> Unit assessment rate (\$/LFF) varies by Sub-District. Refer to **Table 1** in Assessment Engineer's Report for unit assessment rate by Sub-District.

**District History:** The District was established in July 1970. The District was balloted in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, majority property owners (68.61% of the weighted vote) approved Fiscal Year 1998 assessments, 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



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## Background

The San Diego Street Lighting District No. 1 Maintenance Assessment District (District) was established July 1970. The original Assessment Engineer's Report is on file in the City of San Diego (City) Clerk's office. The District provides funding for the energy and maintenance costs for lighting levels above City standard. New lighting areas may be added to the District by annexation as sub-districts. The District currently consists of fifty-seven (57) sub-districts located throughout the City as generally depicted in **Exhibit A**.

The District was balloted in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, property owners approved the District with 68.61% of weighted votes supporting the proposed assessments. Over 36% of property owners responded to the mail ballot. The Assessment Engineer's Report, preliminarily accepted in Fiscal Year 1998 by Resolution Number R-288824 on June 8, 1997, proposed Fiscal Year 1998 assessments and provisions for annual cost-indexing of the maximum authorized assessments. The Assessment Engineer's Report was approved and assessments confirmed by Resolution Number R-289046 on August 5, 1997.

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## 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.

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## **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 is made a part of this report. The Boundary Map and Assessment Diagram are available for public inspection during normal business hours. The general location of each sub-district is depicted in **Exhibit A**.

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## **Project Description**

The project to be funded by the proposed assessments is the energy and maintenance costs of street lighting facilities above the City standard. The necessary service includes, but is not limited to, supplying electrical energy, replacing lamps and glassware, and providing maintenance to lighting fixtures and poles.

The engineering drawings for the improvements maintained by the District are on file at Maps and Records in the Development Services Department and are incorporated herein. The specifications for maintenance to be performed are contained in City contracts on file with the City Clerk and the Park and Recreation Department. The specifications are available for public inspection during normal business hours.

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## **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 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 levels of service, 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 9.4% 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 9.4% 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.

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## 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 placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer’s report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property



owners in Fiscal Year 1998, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 1998 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. 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 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%.

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## Method of Apportionment

### Estimated Benefit of the Improvements

It is estimated that the special benefit received by each parcel is directly proportional to the linear front footage (LFF) of each parcel fronting the enhanced lighting corridor. Energy and maintenance costs for each sub-district within the District are based on the type, wattage, and the number of lights, lighting fixtures and poles in each sub-district. Prorated shares of the total District major maintenance and repair costs and the incidental costs are also added to individual sub-district costs. For each sub-district, the estimated costs of maintenance and energy were divided by the total LFF within the sub-district to determine a unit assessment rate per LFF. **Table 1** on the following page provides a summary of unit assessment rates by sub-district.



### Sample Calculations

As described above, assessments have been calculated for each parcel based the linear front footage (LFF) of the property along the improvement/service corridor.

$\text{LFF} = \text{Linear Front Footage}$
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Shown below are LFF calculations for various sample parcels.

- **Property with 50-foot frontage**  
LFF = 50.00 LFF
- **Property with 140-foot frontage**  
LFF = 140.00 LFF
- **10-unit Condominium Property with 100-foot frontage**  
LFF (per condo unit) = 100.00 LFF / 10 units = 10.00 LFF

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

$\text{Total Assessment} = \text{Total LFF} \times \text{Unit Assessment Rate}$
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## Summary Results

The general location of each sub-district is presented in **Exhibit A**.

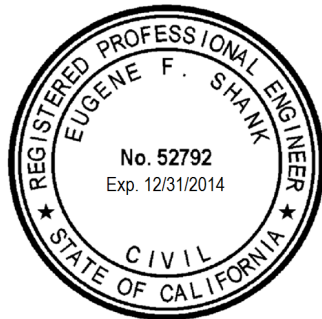
An estimate of the costs of the improvements provided by the District is included as **Exhibit B** to this report.


The assessment methodology utilized is as described in the text of this report. Based on this methodology, the LFF and Fiscal Year 2015 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 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.

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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 \_\_\_\_\_, 2014.

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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 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 general location of each sub-district within the District 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