



THE CITY OF SAN DIEGO

CITY OF SAN DIEGO

BARRIO LOGAN

MAINTENANCE ASSESSMENT DISTRICT

ANNUAL UPDATE ENGINEER'S REPORT

JUNE 2015

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972, CALIFORNIA
STREETS & HIGHWAYS CODE AND THE
SAN DIEGO MAINTENANCE ASSESSMENT DISTRICT ORDINANCE
OF THE SAN DIEGO MUNICIPAL CODE

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SECTION I. EXECUTIVE SUMMARY

Project: Barrio Logan Maintenance Assessment District (“District”)

Apportionment Method: Linear Front Foot (“LFF”)
Lot Square Footage (“LSF”)
Building Square Footage (“BSF”)

TABLE 1-SUMMARY INFORMATION

	FY 2015	FY 2016 (1)	Maximum Authorized
Total Parcels Assessed:	318	318	318
Unit Assessment Rates			
\$/LFF	\$5.5400	\$5.5400	\$5.7953
\$/LFF (Single Family Residences)	\$1.8500	\$1.8500	\$1.9353
\$/BSF (Class A) (2)	\$0.1400	\$0.1400	\$0.1465
\$/BSF (Class B) (2)	\$0.0700	\$0.0700	\$0.0732
\$/BSF (Class F) (2)	\$0.0350	\$0.0350	\$0.0366
\$/BSF (Class K) (2)	\$0.2000	\$0.2000	\$0.2092
\$/LSF	\$0.0319	\$0.0319	\$0.0333

1. FY 2016 is the City’s Fiscal Year 2016, which begins July 1, 2015 and ends June 30, 2016.
2. Classifications are further described in Section V.C. of this Engineer’s Report.

District History: The District was established under the Landscaping and Lighting Act of 1972, Proposition 218 and the Maintenance Assessment District Ordinance of San Diego in November 2012 and in compliance with Proposition 218. A property owner ballot proceeding was conducted and a weighted majority (59.8%) of property owners, based on assessment amount, approved the assessments and the annual cost indexing provisions.

Annual Cost Indexing: The assessments are authorized to increase by the annual change in the San Diego Area Consumer Price Index (the SDCPI-U) not to exceed 5% of the previous year’s rate beginning in Fiscal Year 2014.

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

SECTION II. BACKGROUND

A. INTRODUCTION

The Barrio Logan Maintenance Assessment District, formerly known as “Barrio Logan Community Benefit Maintenance Assessment District of 2012” was established by Resolution R-307889 of the City Council on November 27, 2012. The District was formed in compliance with the provisions of Proposition 218. An assessment ballot proceeding was conducted and a weighted majority of property owners, based on assessment amount, were in support of the assessments, services and improvements the assessments fund.

This report constitutes the annual update to the Engineer’s Report for the City of San Diego (“City”) Barrio Logan Maintenance Assessment District for Fiscal Year (“FY”) 2016 which provides updated information regarding the budget and factors that affect the assessment. This report relies on the assessment methodology and benefit analysis from the Engineer’s Report prepared at the time of formation and approved by the property owners. The City Council pursuant to the provisions of the “Maintenance Assessment Districts Ordinance” (San Diego Municipal Code, Article 5, Division 2, Chapter VI, Section 65.0201 and following (the “Ordinance”), “Landscaping and Lighting Act of 1972”, Being Division 15, Part 2 of the Streets and Highways Code of the State of California, beginning with Section 22500 (the “1972 Act”), Article XIID of the Constitution of the State of California (“Article XIID”), the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the “Implementation Act”), and (the Ordinance, 1972 Act, Article XIID and the Implementation Act are referred to collectively as the “Assessment Law”) desires to levy and collect annual assessments against lots and parcels that receive special benefits within the District in the fiscal year commencing July 1, 2015 and ending June 30, 2016 to pay for the improvement, maintenance and servicing of landscaping, sidewalk and gutter sweeping, sidewalk washing, security patrols for special events, trash removal, graffiti abatement, community identification sign, district identity, community enhancement and economic development programs which are currently not provided by the City.

Each lot or parcel within the District is assessed proportionately for only the improvements and services that are determined to provide special benefit to such parcel. For this report, each lot or parcel to be assessed, refers to an individual property assigned its own Assessor’s Parcel Number by the San Diego County (“County”) Assessor’s Office as shown on the last equalized roll of the assessor.

A Public Hearing will be scheduled where public testimony will be heard by the City Council. Following the conclusion of the Public Hearing, the City Council will confirm the Engineer’s Report as submitted or amended and may order the collection of assessments for FY 2016.

SECTION III. PLANS AND SPECIFICATION

A. GENERAL DESCRIPTION OF THE DISTRICT

The District is located within the Barrio Logan Community and consists of all lots, parcels and subdivisions of land as shown on the Boundary Diagram titled “Map of Proposed Boundaries of the City of San Diego Barrio Logan Community Benefit Maintenance Assessment District of 2012” contained within this Report in Section VI.

The District generally includes those parcels that front the following street sections as described in table 2 below.

TABLE 2 - STREET SECTIONS TO BE SERVICED/MAINTAINED

Street Name	From - To	Side of streets
Commercial Street	Logan Ave to Interstate 5	South side only
17 th Street	Commercial St to Logan Ave	Both sides
Logan Avenue	16 th St running eastward to east side of Chicano Park up to southbound I-5 on-ramp and Coronado bridge off-ramp	Both sides
National Avenue	16 th St running eastward to Sampson St, west side of street and including the building currently occupied by Bank of America and adjacent parking lot (Parcel # 538-690-037)	Both sides up to the west side of Sampson St and then including the parcel at the southeast corner of the intersection of Sampson St and National Ave
Newton Avenue	16 th St running eastward to four corners of Sampson St, continuing on the south side of Newton Ave up to the parcel at the southwestern corner of Sicard St and Newton Ave (parcel #538-703-009)	Both sides of Newton Ave from 16 th St to Sampson St, and then the south side of Newton Ave from Sampson St to Sicard St
Main Street	Dead end at far west end of Main St running eastward to Sicard St on both sides, and then only on the south side from Sicard St to Schley St	Both sides of St from dead end on the west end to Sicard St and then South side from Sicard St to Schley St.
16 th Street	Newton Ave to Logan Ave	South side only
Sigsbee Street	Harbor Dr northward to the dead end near Interstate 5	Both sides
Beardsley Street	Harbor Dr northward to Logan Ave	Both sides
Cesar Chavez Parkway	Harbor Dr northward to I-5	Both sides
Evans Street	Main St northward to midblock of National Ave / Logan Ave, including up to parcels 538-560-029 and 538-560-034	Both sides

Street Name	From - To	Side of streets
Sampson Street	Harbor Drive northward to the three corner parcels at the intersection of Sampson St and National Ave (excluding the parcel at the northeast corner of the intersection)	Both sides
Sicard Street	Main St northward to Newton Ave	West side only
Schley Street	Railroad tracks northward to Main St	West side only
Dewey Street	Newton Ave to National Ave	Both sides

B. DESCRIPTION OF IMPROVEMENTS TO BE MAINTAINED AND SERVICES

The District, through the levy of special assessments, provides funding for ongoing maintenance, operation and servicing of landscaping, sidewalk and gutters, trash removal, graffiti abatement and other improvements or appurtenant facilities located within the public rights-of-ways and dedicated easements located within the District. Additionally, the special assessments will also fund cleaning, maintenance and energy costs for a community identification sign(s) and other district identity improvements, security patrols for special events, community enhancement and economic development programs throughout the District Boundaries. The improvements (“Improvements”) maintained and services (“Services”) provided by the District are generally described as follows:

Sidewalk Operations Improvements and Services

- Maintaining of the public rights-of-way through sidewalk and gutter sweeping;
- Sidewalk steam cleaning;
- Tree and vegetation planting, watering, and trimming;
- Graffiti clean-up within 24 hours as necessary;
- Enhanced trash emptying;
- Dealing with homeless and vagrancy issues; and
- Special events maintenance and security.

District Identity Improvements and Services

- Landmark, & Gateway sign development and maintenance;
- Public safety programs and security;
- Community enhancement and economic development Programs including special events and holiday decorations; and
- Branding of Barrio Logan through signage, logo, brochures, advertising and public relations programs.

Program Management/Incidentals/Administration/Contingency Services

- Staff and administration and Insurance costs;
- Office related expenses including rent;
- Financial reporting, accounting and legal costs;
- Project and Contingency Reserves;

- City and County Administration Costs; and
- Reimbursement of formation costs including district management corporation set up costs in first fiscal year assessments only.

The following specialized Improvements and Services will be provided to residential condominium projects only within the District due to their unique parcel status (such as limited street front footage) and multi-family homeowner status:

Residential Condominium Improvements and Services

- Installation, stocking and upkeep of pet waste-distribution stations on the frontages adjacent to the parcels with high concentrations of residential condos;
- Enhancement and beautification of sidewalks on the frontages adjacent to the parcels with high concentrations of residential condos;
- Installation of hanging plants, planters and tree planting and upkeep in the sidewalks surrounding these parcels with high concentrations of residential condos;
- Administrative services related to the delivery of these services, and a portion of the contingency reserve budget.

Plans and specifications for these Improvements to be maintained by the District, with the exception of the gateway entry sign, will be on file with the Project Manager of the City of San Diego City Economic Department Office after the establishment of the non-profit management Entity that will manage the Improvements and Services and by reference are made part of this Report. Specifically for the gateway entry sign, engineering drawings for the improvements to be maintained by the District shall be on file at Map and Records in the Development Services Department upon completion. Improvements and services provided by the District will be maintained in accordance with specifications and contracts shall be on file with the Economic Development Division.

C. DESCRIPTION OF MAINTENANCE AND SERVICES

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any Improvements and appurtenant facilities, including repair, removal or replacement of all or part of any of the Improvements or appurtenant facilities; providing for the life, growth, health and beauty of the Improvements including cultivation, drainage, irrigation, trimming, mowing, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning and sweeping of the sidewalk and gutter, collection and disposal of fallen branches and trees, tree and bush trimming, placement of street furniture, banner installation, security services, including homeless patrolling and reporting of security and safety problems to governmental agencies and the cleaning, sandblasting, painting of walls, painting and wire repair of signage and other improvements to remove or cover graffiti.

Servicing means the furnishing of water and electricity for the irrigation of the Improvements or appurtenant facilities including any decorative lighting and the furnishing of electric current or energy, gas or other illuminating agent for the Improvements. The

lighting improvements shall be serviced to provide adequate illumination. Servicing also allows for the replacement of the Improvements in order to maintain them in proper working order and to provide special benefit to properties within the District.

SECTION IV. ESTIMATE OF COSTS

A. ESTIMATE OF COSTS TABLE

Below are the estimated costs of maintenance and services for the District including incidental costs and expenses, revenue and reserves.

TABLE 3 – ESTIMATE OF COSTS

	FY 2013/14 BUDGET	FY 2014/15 BUDGET	FY 2015/16 PROPOSED
BARRIO LOGAN MAD			
BEGINNING BALANCE	\$266,159	\$260,000	\$300,000
Revenue			
Assessments	\$336,431	\$352,398	\$350,127
General Benefit Portion (Non Assessment Sources)	\$33,841	\$69,180	\$69,456
TOTAL OPERATING REVENUE	<u>\$370,272</u>	<u>\$421,578</u>	<u>\$419,583</u>
 TOTAL REVENUE AND BALANCE	 <u>\$636,431</u>	 <u>\$681,578</u>	 <u>\$719,583</u>
 Expense			
Sidewalk Operations	\$310,000	\$239,052	\$457,144
Sidewalk Operation (Materials and Supplies)	\$90,000	\$45,220	\$55,620
District Identity Programs	\$75,000	\$90,000	\$87,500
Program Management	\$68,000	\$68,000	\$70,025
Incidentals / Administration ¹	\$26,000	\$20,000	\$14,005
Contingency Reserve ²	\$67,431	\$219,306	\$35,289
TOTAL EXPENSE	<u>\$636,431</u>	<u>\$681,578</u>	<u>\$719,583</u>
 BALANCE	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

Notes:

1. Includes City Administration Fee for all fiscal years shown; FY 2013/14 and FY 2014/15 figures include certain overhead contractual amounts which have been re-categorized and shifted to the contractual expense line item for FY 2015/16.
2. The contingency may build a reserve for the District for funding emergency needs or other projects.

SECTION V. METHOD OF APPORTIONMENT

A. GENERAL

The Implementation Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of street lights, traffic signals, landscaping and drainage facilities.

Streets and Highways Code Section 22573 requires that maintenance assessments be levied according to benefit rather than the assessed value.

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

Since assessments are levied based on benefit, more specifically special benefit, they are not a tax and therefore are not governed by Article XIII A of the Constitution of the State of California.

In addition, Article XIII D and the Implementation Act require that a parcel’s assessment may not exceed the reasonable cost for the proportional special benefit conferred to that parcel. Article XIII D and the Implementation Act further provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. They also require that publicly owned properties which specifically benefit from the Improvements be assessed.

This section of the Report explains the special and general benefits that the properties included within the District receive from the maintenance and services that are being proposed and the methodology for apportioning the special benefit to the properties.

B. SPECIAL BENEFIT ANALYSIS

As determined in the formation Engineer’s Report, each of the proposed Improvements and the associated costs and assessments within the District were reviewed, identified and allocated based on special benefit pursuant to the provisions of the Assessment Law. This includes apportioning the assessment based upon the proportional special benefits conferred to parcels located within the boundaries of the District that are over and above general benefits conferred to real property within the District or to the public at large.

Proper maintenance and servicing of landscaping, sidewalk and gutter sweeping, sidewalk washing, security patrols for special events, trash removal, and graffiti abatement provide special benefit to adjacent properties by providing community character, security, safety and vitality. In addition, the Improvements will enhance the ability of property owners to attract and maintain customers as well as increase the viability of commercial development.

SPECIAL BENEFIT

Parcels within the District receive a special benefit resulting from the Services and Improvement provided with the assessments. Specifically the special benefits are summarized as follows:

- Improved cleanliness and maintenance of sidewalks used to access property in the District.
- Enhanced cleanliness and desirability of the area, including removal of litter and debris from sidewalks and other public facilities for the direct advantage of property in the District.
- Protection and improvement of views, scenery and other permanent public facility resources value for property in the District and preservation of public assets maintained by the District.
- Enhanced safety of property in the District and reduced liability risk.
- Improved access to property in the District due to cleaner and safer sidewalks and improved security.
- Improved nighttime visibility for the local access of emergency vehicles.
- Increased deterrence of crime and aid to police and emergency vehicles.
- Improved traffic flow and commerce to properties within the area.

In addition, only parcels that front the streets on which services are provided are included in the District. Therefore, property within the boundaries of the District enjoy a unique and valuable proximity and access to the Improvements which provides a direct and special benefit to the properties that are not enjoyed by the public at large or property outside of the District.

The City currently does not provide any of the proposed Improvements and Services within the District (see Section IIIB). Without the establishment of the District, the Improvements and Services proposed would not be provided and the area would continue to experience poor neighborhood appearance and lack of identity or continuity. Thus, the District provides Improvements and Services over and above what otherwise would be provided and this combined with the proximity of the parcels to the Improvements and Services results in a direct advantage and special benefit to the parcels included within the boundaries of the District.

The Improvements and Services are specifically designed to serve the parcels located within the boundaries of the District, not other properties or the public at large. The public at large and other properties outside the boundaries of the District receive only limited benefits from the Improvements and Services (and in some cases negative benefits to certain property types such as industrial land uses that may experience unwanted extra foot traffic throughout the community because of the proposed services) because of their proximity or lack of direct access to the improvements.

GENERAL BENEFIT

Article XIID and the Implementation Act provides that only special benefits are assessable to properties and the City must separate the general benefits from the special benefits. This is to ensure that property owners subject to a new or increased benefit assessment are not paying for general benefits. The following section of the Report includes the general benefit discussion including how it is calculated for inclusion in the Estimate of Costs (see Section IV) to ensure that it is funded by other sources other than the proposed assessment to properties located within the boundaries of the District.

Because the Improvements are specifically designed to serve the parcels located within the boundaries of the District and the Services would not be provided without the formation of the District, a major portion of the benefit is special and only minimally received by properties located outside of the District or the public at large. However, certain properties at the outskirts and outside of the District boundaries, mainly located on the north eastern section of the District along portions of Logan Ave, National Ave, Newton Ave, Sicard Street and 26th Street (see Section VI District Diagram), may receive some benefit from the Improvements and Services and this portion has been calculated separately and excluded from the apportionment of costs allocated to properties receiving special benefit. These properties include parcels that are either not adjacent to streets being serviced or are not located on the same side of the street being maintained (unlike all the properties located in the District which are directly adjacent to the street side being serviced.) A reduction factor of 50% is applied to these properties since they are not adjacent to areas being Improved and Serviced by the District. Note that the 50% reduction is a conservative estimate based on two factors: 1. Many of these properties are not included on either side of the street being maintained: and, 2. Certain property types located at the outskirts of the District, such as industrial land uses, may experience additional foot traffic within their proximity which may actually be a negative impact on their business making it harder for truck traffic, production and sales.

The general benefit for properties located outside and on the outskirts of the District is calculated based on acreage square footage as follows:

Total square footage of parcels on the outskirts of the District = 686,186

Total square footage of parcels located within the District = 4,181,970

50% relative benefit compared to properties located within the District

General Benefit to outskirt properties = $686,186 / (686,186 + 4,181,970) * .50 = 7.05\%$

The benefit to the public at large and parcels located beyond the outskirts of the District (most of which are currently located within other existing or proposed maintenance districts) is difficult to substantiate or calculate. An argument can be made that since the proposed Improvements and Services and corresponding assessment is to specifically improve the appearance and identity for the Barrio Logan community there is very little, if any general benefit to the public at large. However in order to recognize some general

benefit to the public at large we reviewed both the Census 2000 Profile and 2010 SANDAG Population and Housing Estimates data for the Barrio Logan Community Planning Area as provided by SANDAG, San Diego’s Regional Planning Agency. The data shows that there are 1,028 total workers in the area of which 525 have short commute times or walk to their employment (“Short Commute”). Based on a total population in the area of 4,330 this leaves a non-working population of 3,302 which combined with the 525 Short Commute workers represents 90.69% of the population that seem to predominately remain in the Barrio Logan Area. Due to the unique characteristics of the Barrio Logan area such as lack of attractions or special services to draw the general public into the area and also since portions of the area are somewhat land locked (San Diego Harbor to the southwest and I-5 freeway to the northeast) restricting the flow of traffic and citizens into the area a reduction factor of 66.67% has been applied in order calculate the general benefit to the public at large factor. This results in a general benefit to the Public at Large of 3.10%.

TABLE 4 – GENERAL BENEFIT TO PUBLIC AT LARGE

Working Population within the District¹	Non Working Population²	Total Population	Percentage of Population working and living within the District	Remaining Percentage	Reduction Factor	General Benefit to Public at Large
625 +	3,302 ÷	4,330	90.69%	9.31%	66.67%	3.10%

Data Source: SANDAG as compiled from US Census Bureau's 2000 Census Summary Files 1 and 3 for Barrio Logan Community Planning Area
2010 SANDAG Population and Housing Estimates for the Barrio Logan Community Planning Area.

1. Represents workers who travel less than 20 minutes to work and workers that walked to work
2. Calculated by subtracting working population from total population

Combining both the general benefit to properties located on the outskirts the District (7.05%) and the general benefit to the public at large (3.10%) results in total general benefit of 10.15%. Thus the budget presented in Table 3 reflects a 10.15% General Benefit.

C. ASSESSMENT METHODOLOGY

To establish the special benefit to the individual lots and parcels within the District a formula that spreads the costs of the maintenance based on the special benefit must be established. At the time of formation, the Improvements were reviewed and a formula was established to apportion the maintenance costs based on benefit.

Due to the nature of the Services and Improvements, three factors, as further described below, are used to calculate each parcel’s assessment based on the budgeted services as more thoroughly described below.

Linear Front Footage Factor

The Linear Front Footage (LFF) is a measure of a parcel’s proportionate share of the total LFF length of the public right-of-way for which the District is providing enhanced and increased maintenance, beautification, and other property related Services provided by the District. This is used to allocate the Sidewalk Operation Improvements and Services.

Lot Square Footage Factor

The Lot Square Footage (LSF) is a measure of a parcel’s proportionate area of ownership or stakeholder interest relative to the total area of the District, which is receiving enhanced and increased maintenance, beautification, and other property related Services provided by the District. This is used to allocate the Program Management, Incidentals, Administration, and Contingency Services.

Building Square Footage Factor

The Building Square Footage (BSF) is a measure of a parcel’s proportionate contribution to the intensity of use of the public right-of-way and is used to allocate the District Identity Services costs.

The land use classification for each parcel within the District has been identified and distinguished as follows in Table 5 based on anticipated benefit from the building type and use:

**TABLE 5
CLASSIFICATION OF PARCELS**

Class	Description
Building square footage is factored into the assessment formula for the following property types that will benefit from District Identity Services:	
A	Retail space; restaurant, bar, grocery store, coffee shop, walk in traffic related services
B	Office, higher education, commercial condo, parking structures available to public use
F	Multi-unit housing (for profit)
K	Residential Condo Units
Building square footage is not factored into the assessment formula for the following property types ¹ :	
C	Industrial, warehouse, manufacturing, distribution
D	Institutional (health, schools, tax-exempt), non-profit related
E	Multi-unit housing (non profit)
G	Government building
H	Single family housing units
I	Parking garages (for private use/not available for public parking)
J	Churches

1. These land uses are not deemed to receive special benefit from promotional services of the Barrio Logan area and therefore building square footage is not utilized in calculating the assessment.

Summary of Assessment Rates based on Allocation Factors and Land Use Classifications

Table 6 below provides a summary of the assessment rates based on the major Improvements and Services categories along with the various land used classifications located throughout the District. This is followed by additional discussion of the major Improvements and Services categories.

**TABLE 6
SUMMARY OF ASSESSMENT RATES**

Land Use/Allocation Factor Allocation Factor Type	Sidewalk	District	Program	Residential
	Operations	Identity	Mgmt/Incidentals /Admin/Conting	Condo
	LFF	BSF	LSF	BSF
Building Class: A	\$5.54 / LFF	\$0.140 / BSF	\$0.031856 / LSF	N/A
Building Class: B	\$5.54 / LFF	\$0.070 / BSF	\$0.031856 / LSF	N/A
Building Class: F	\$5.54 / LFF	\$0.035 / BSF	\$0.031856 / LSF	N/A
Building Class: C	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A
Building Class: D	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A
Building Class: E	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A
Building Class: G	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A
Building Class: I	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A
Building Class: J	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A
Single Family Res (H)	\$1.85 LFF ¹	N/A	N/A ¹	N/A
Resid Condo (K)	N/A	N/A	N/A ²	\$0.20 / BSF ²
Chicano Park	\$5.54 / LFF	N/A	\$0.031856 / LSF	N/A

1. Program Management/Incidentals/Administration/Contingency Services are built into the Single Family Resid LFF rate.
2. Program Management/Incidentals/Administration/Contingency Services are built into the Residential Condo BSF rate.

Sidewalk Operations Services Allocation

The cost of Sidewalk operations includes both the labor and materials and is allocated to the parcels based on linear front footage factors. Single-family residential properties in the District will receive service 1.0 - 1.5 times per week as compared to 3.0-4.5 times for week for all other property types (with the exception of residential condominiums) which equates to 1/3 the level of service. Based on the differing levels of service and thus different special benefit levels, the following two rates are applied to the front footage calculated for each parcel - \$1.85 for parcels classified as single family units and \$5.54 for all other property types except residential condominiums which is discussed below.

District Identity Services Allocation

The cost for District Identity Services are allocated to properties within the District based on building square footage size. Upon analyzing the building land uses that receive special benefit from these services (see Table 5 above) it was determined that there are three special benefit factors: Type A land uses (Retail, Restaurant, etc) are deemed to receive the greatest benefit from promotion of the Barrio Logan area and increased traffic flow and therefore received a factor of 4 in order to reflect the highest level of special benefit. The Type B land uses will also receive increased benefit and were assigned a factor of 2. The Type F land uses while still receiving a special benefit but not the same degree of the other land uses were assigned a factor of 1. The base rate is set at \$0.35 per square and then multiplied by the appropriate factor resulting in the following building square foot rates:

**TABLE 7
BUILDING SQUARE FOOT RATES**

Class	Factor	Rate Per Building Square Foot (BSF)
A	4	\$0.140/sq ft
B	2	\$0.070/sq ft
F	1	\$0.035/sq ft

(Note that 25% of the District Identity budget, or approximately \$10,000, is allocated to all parcel types based on lot square footage to account for the increases in rents, sales and services from the enhanced image of the Barrio Logan Community.)

Program Management/Incidentals/Administration/Contingency Services

These costs are necessary to provide the other services required to manage the maintenance program and administer the District. Therefore, these costs along with 25% of the District Identity Services budget are allocated to the parcels located within the District on the lots square footage factor. Based on the total budget required for these services divided by the total parcel square footage a factor of \$0.03185 is utilized for this report.

Residential Condominiums

Residential condominiums located within the boundaries of the District are provided their own unique enhanced services and budget (see Section IIIB above) which is allocated to the units based on the units building square footage. Based on the budget and total building square footage of Residential condominiums a rate of \$0.20 per building square foot is used for this Report. Retail spaces located within a condominium project are assessed based on the retail space's lot size, street frontage, and building square footage.

Single Family Residences

Single family residences defined as up to four (4) units located on a single Assessor's Parcel will be assessed for their linear front footage only at a reduced rate due to lower frequency of Sidewalk Operation services described above. It is assumed that single family

residences will not specially benefit from District Identity Services and therefore are not being assessed for these services.

Chicano Park

Chicano Park, a city park receiving benefit from the Sidewalk Operation services will be assessed on linear front footage and lot square footage only. Similar to single family residences up to four (4) units, it assumed that the park property will not receive a special benefit from District Identity services.

SAMPLE CALCULATIONS

As described above, assessments have been calculated for each parcel based on the LFF of the property along the improvement/service corridor, the LSF and the BSF for land use classifications A through F.

LFF = Linear Front Footage
LSF = Lot Square Footage
BSF = Building Square Footage

Shown below are calculations for various sample parcels.

- **Retail Property (Class A) with 50-foot frontage, 2,400 square feet of building on .10 acres**
LFF = 50.00 LFF *\$5.54/linear foot
LSF= 4,356 LSF*\$0.03185/square foot
BSF= 2,400 BSF*\$0.14/square foot
- **Single Family Residential Property with 32-foot frontage, 1,400 square foot house on .08 acres**
LFF = 32.00 LFF*\$1.85/linear foot
LSF= 3,485 LSF*\$0 (Not assessed based on method of apportionment)
BSF= 1,400 BSF*\$0 (Not assessed based on method of apportionment)

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

$\text{Total Assessment} = \text{Total LFF} \times \text{LFF Assessment Rate} + \text{Total LSF} \times \text{LSF Assessment Rate} + \text{Total BSF (Class A - F)} \times \text{BSF Assessment Rate (Single Family \& Condo subject to above provisions)}$

D. ASSESSMENT RANGE FORMULA

The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring the District to go through the requirements of Proposition 218 in order to get a small increase. This Assessment Range Formula was approved by the property owners at the time the District was formed. If the budget and assessments calculated at that time requires an increase greater than the adjusted Maximum Assessment, then the assessment is considered an increased assessment and would be subject to Proposition 218 balloting.

The maximum authorized assessment established in the FY 2013 formation are authorized to be indexed (increased or decreased) annually, starting in FY 2014, by the factor published in the SDCPI-U not to exceed 5%. In the event that the annual change in SDCPI-U exceeds 5%, a percentage change in excess of 5% can be cumulatively reserved and can be added to the annual change in the SDCPI-U for years in which the SDCPI-U is less than 5%. 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 261.679 to 265.039 (a 1.28% 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 1.28%.

The Maximum Assessment is adjusted annually and is calculated independent of the District's annual budget and proposed annual assessment. Any proposed annual assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year.

SECTION VI. ASSESSMENT DIAGRAM

The parcels within the Barrio Logan Maintenance Assessment District consist of all lots, parcels depicted within the boundaries of the District. The District diagram reflecting the exterior boundaries of the District is on file with the City Clerk.

SECTION VII. ASSESSMENT ROLL

The assessment roll is a listing of the FY 2016 Assessment apportioned to each lot or parcel, as shown on the San Diego County last equalized roll of the assessor and reflective of the Assessor's Parcel Map(s) associated with the equalized roll. A listing of parcels proposed to be assessed within this District is shown on the following table.

CITY OF SAN DIEGO

BARRIO LOGAN MAINTENANCE ASSESSMENT DISTRICT

**ENGINEER'S REPORT
FISCAL YEAR 2016**

This report has been prepared and submitted by:

C. Stephen Bucknam Jr. C 20903

Koppel & Gruber Public Finance

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 _____, 2015.

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 as shown together with the Assessment Diagram incorporated into this report, was approved and confirmed by the City Council of said City on the ____ day of _____, 2015.

Elizabeth Maland, City Clerk
City of San Diego
State of California