



THE CITY OF SAN DIEGO



ANNUAL REPORT

for Fiscal Year 2019

SCRIPPS-MIRAMAR RANCH MAINTENANCE ASSESSMENT DISTRICT

under the provisions of the

**San Diego Maintenance Assessment District Procedural Ordinance
of the San Diego Municipal Code**

Prepared For
City of San Diego, California



Prepared By
EFS Engineering, Inc.
P.O. Box 22370
San Diego, CA 92192-2370
(858) 752-3490

May 2018

CITY OF SAN DIEGO

Mayor

Kevin Faulconer

City Council Members

Barbara Bry
District 1 (Council President Pro Tem)

Lorie Zapf
District 2

Chris Ward
District 3

Myrtle Cole
District 4 (Council President)

Mark Kersey
District 5

Chris Cate
District 6

Scott Sherman
District 7

David Alvarez
District 8

Georgette Gómez
District 9

City Attorney

Mara W. Elliott

Chief Operating Officer

Kris Michell

City Clerk

Elizabeth Maland

Independent Budget Analyst

Andrea Tevlin

City Engineer

James Nagelvoort

Table of Contents

Annual Report for Fiscal Year 2019
Scripps-Miramar Ranch Maintenance Assessment District

Preamble.....	1
Executive Summary	2
Background	3
District Boundary	3
Project Description.....	4
Separation of General and Special Benefits.....	4
Cost Estimate.....	4
Annual Cost-Indexing	5
Method of Apportionment.....	5
Estimated Benefit of Improvements.....	5
Apportionment Methodology	6
Land Use Factor	6
Benefit Factor	8
Location Factor.....	10
Sample Calculations	13
Summary Results.....	14

EXHIBITS

Exhibit A: District Boundary

Exhibit B: Estimated Budget – Revenue & Expense Statement
for Fiscal Year 2019

Exhibit C: Preliminary Assessment Roll for Fiscal Year 2019

Annual Report for Fiscal Year 2019

Scripps-Miramar Ranch

Maintenance Assessment District

Preamble

Pursuant to §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance” (being Division 2, Article 5, Chapter 6 of the *San Diego Municipal Code*) and City of San Diego Council Resolution No. R-310618 passed on July 22, 2016, authorizing the continued levy of assessments for the life of the SCRIPPS-MIRAMAR RANCH MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as “District”), and in accordance with 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 “applicable law”), and in accordance with Resolution No. _____, adopted by the CITY COUNCIL OF THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, and in connection with the annual proceedings for the District, EFS Engineering, Inc., as Assessment Engineer to the City of San Diego, submits herewith this annual report for the District as required by §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance.”

DATE OF FINAL PASSAGE BY THE CITY OF SAN DIEGO,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ON THE
_____ DAY OF _____, 2018.

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

Executive Summary

Project: Scripps-Miramar Ranch
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2018	FY 2019 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	6,875	6,685	--
Total Estimated Assessment:	\$1,007,168	\$1,055,266	--
Total Number of EBUs:	6,151.79	6,151.79	--
<i>Zone 1</i>	833.66	833.66	--
<i>Zone 2</i>	4,564.51	4,564.51	--
<i>Zone 3</i>	753.62	753.62	--
<i>Zone 4</i>	0.00	0.00	--
Assessment per EBU:	\$166.92	\$171.54	\$171.54 ⁽³⁾

⁽¹⁾ FY 2019 is the City's Fiscal Year 2019, which begins July 1, 2018 and ends June 30, 2019. Total Parcels Assessed, Total Estimated Assessment, and assessment apportionment factors may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum authorized assessment rate subject to cost-indexing as approved by property owners at the time of District formation.

⁽³⁾ Prior fiscal year's maximum authorized annual assessment rate increased by cost-indexing factor of 2.76%.

Annual Cost-Indexing: The maximum authorized assessment rates are cost-indexed and will increase (or decrease) annually based on the annual change in the *San Diego Consumer Price Index for Urban Consumers* (SDCPI-U).

Background

The Scripps-Miramar Ranch Maintenance Assessment District (District), originally known as the “Open Space Maintenance District No. 1 (Scripps Miramar),” was established by the City of San Diego (City) on August 5, 1969 by City Council Resolution R-197663. The District was re-formed on August 5, 1997 by City Council Resolution R-289045, and again on July 29, 2002 by City Council Resolution R-296884, primarily for purposes of compliance with Proposition 218 and to permit future cost-indexing. The purpose of the District was, and still is, to fund specifically identified improvements and activities within the boundary of the District.

In conformity with §65.0221 of the “San Diego Maintenance Assessment District Procedural Ordinance,” the City adopted Resolution No. R-310618 on July 22, 2016, approving the annual budget and assessments for Fiscal Year 2017, and authorizing the levy of the assessments for the life of the District, consistent with the benefit findings and assessment apportionment method contained in the approved formational and all subsequently updated Engineer’s Reports (Engineer’s Reports). The Engineer’s Reports are on file with the City Clerk, and incorporated herein by reference.

The District is authorized and administered under the provisions of the “San Diego Maintenance Assessment District Procedural Ordinance.” This annual report has been prepared pursuant to the requirements of §65.0220 of the “San Diego Maintenance Assessment District Procedural Ordinance.”

District Boundary

The District boundary is generally depicted in **Exhibit A**. The District Boundary Map and Assessment Diagram are on file in the Maintenance Assessment Districts section of the Parks and Recreation Department of the City, and, by reference, are made a part of this annual report.

Project Description

The authorized assessments will be used to fund specifically identified improvements and activities within the District. The District improvements and activities generally consist of maintenance and servicing of open space areas (which contain trees and vegetation, walking trails, picnic areas, benches, and drainage facilities), landscaped medians, medians, rights-of-way, and two ponds in the District. The approximate location of the improvements is generally shown in **Figure 1**.

For additional detail as to the location, type of improvements, and activities performed by the District, please refer to the maps, improvement plans, engineering drawings, maintenance specifications, the Engineer's Reports and other associated documents on file with the Maintenance Assessment Districts section of the Parks and Recreation Department of the City. These documents, collectively, are incorporated herein by reference and made part of this annual report.

Separation of General and Special Benefits

The identified improvements and activities provide benefits to the parcels located within the District. These benefits are "special benefits" to the extent that they 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. By law, only "special benefits" are assessable.

The assessments presented in this annual report are based on the cost of improvements and activities determined to provide "special benefits" in accordance with the Engineer's Reports. For additional detail relative to the separation and quantification of general and special benefits for the District, please refer to the Engineer's Reports, on file with the Maintenance Assessment Districts section of the Parks and Recreation Department of the City.

Cost Estimate

The estimated annual budget (Revenue & Expense Statement) for Fiscal Year 2019 (July 1, 2018 to June 30, 2019 period) is included as **Exhibit B**. The "Other Contributions (Non Assessment Source)" revenue contained in the budget includes the value of improvements and activities determined to provide "general benefits." The District budget with full detail is available for public reference in the Maintenance Assessment Districts section of the Parks and Recreation Department of the City.

Annual Cost-Indexing

The maximum authorized assessment set forth in the Engineer's Reports is permitted to increase annually based on the published change in the "San Diego Consumer Price Index for Urban Consumers" (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 276.837 to 284.464 (a 2.76% increase). In accordance with the approved cost-indexing provisions, the maximum authorized assessment rates have been increased by 2.76%.

Method of Apportionment

Estimated Benefit of Improvements

Dedication of open space is consistent with the goals of both the City's General Plan and the Scripps-Miramar Ranch Community 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.

The major and arterial streets within the District are the backbone of the street network within the community. They serve as the primary access routes for inter-community and intra-community trips and thus serve all parcels within the community. All parcels within the District benefit from the enhancement of these streets and the enhanced community image provided by the District improvements and activities.

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 fund enhanced improvements and activities.

Apportionment Methodology

The total cost associated with District improvement and activities will be assessed to the various parcels in 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 have been determined as a function of three factors, a Land Use Factor, a Benefit Factor, and a Location Factor, related as shown in the following equation and discussed below:

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

Each of these factors is discussed below. Parcels determined to receive no benefit from the District improvements and activities have been assigned zero (0) EBUs.

Land Use Factor

Since the District improvements and activities 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 open space and landscape improvements and activities are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. The special benefits of open spaces maintained by the District are linked to trip generation primarily by their contribution of aesthetics and view corridors which break the monotony of travel. 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
Residential – Attached Condominium	CND	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Residential – Duplex	DUP	0.7 per dwelling unit
Agricultural	AGR	0.02 per acre
Commercial – Office & Retail	COM	45.0 per acre
Educational – College & University	ECU	9.0 per acre
Educational – Primary & Secondary	EPS	5.0 per acre
Hotel	HTL	15.0 per acre
House of Worship	CRH	2.8 per acre
Industrial	IND	15.0 per acre
Library	LIB	40.0 per acre
Open Space (designated)	OSP	0.0 per acre
Park – Developed	PKD	5.0 per acre
Park – Undeveloped	PKU	0.5 per acre
Street/Roadway	STR	0.0 per acre
Undevelopable	UND	0.0 per acre
Utility Facility	UTL	3.0 per acre

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is sometimes permitted, these activities are usually allowed only to the limited extent consistent with the primary purpose of natural preservation. Since this land is essentially “unused” in the customary terms of land use (which relate to human use, not use by nature), the trip generation rate is zero. Therefore, the designated Open Space receives no benefit from the Transportation Element and has been assigned a Land Use Factor of zero.

While those traveling streets and roadways enjoy the District improvements and activities during their travel, the actual benefit of this enjoyment 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.

The Utility Facility category applies to utility infrastructure facilities, such as water tanks, pump stations, electric power transformer stations, etc. Utility company administrative offices are not included in this category.

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 District improvements and activities. 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 and activities 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, drainage 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 District improvements and activities, 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 this 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)	Drainage (Max. 0.2)	Recreation (Max. 0.2)	Composite Benefit Factor (Max. 1.0)
All Residential	0.2	0.4	0.2	0.2	1.0
Agricultural	0.2	0.0	0.0	0.0	0.2
Commercial – Office & Retail	0.2	0.2	0.2	0.0	0.6
Educational – College & University	0.2	0.2	0.2	0.1	0.7
Educational – Primary & Secondary	0.2	0.2	0.2	0.0	0.6
Hotel	0.2	0.2	0.2	0.1	0.7
House of Worship	0.2	0.2	0.2	0.0	0.6
Industrial	0.2	0.2	0.2	0.0	0.6
Library	0.2	0.2	0.2	0.0	0.6
Open Space (designated)	0.2	0.0	0.0	0.0	0.2
Park – Developed	0.2	0.0	0.0	0.0	0.2
Park – Undeveloped	0.2	0.0	0.0	0.0	0.2
Street/Roadway	0.2	0.0	0.0	0.0	0.2
Undevelopable	0.2	0.0	0.0	0.0	0.2
Utility Facility	0.2	0.0	0.2	0.0	0.4

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements and activities. 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 open spaces and landscaped/hardscaped roadway medians and rights-of-way 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 and landscaped/hardscaped roadway medians and rights-of-way. Commercial and institutional uses, on the other hand, often thrive on higher densities, greater traffic access, and a higher level of activity in the vicinity of their enterprises. These uses, accordingly, receive a lesser degree of benefit from the general insulation and separation provided by the aesthetic elements of District improvements.

Generally commercial and business districts require large areas of flat land and are constructed in the larger valley or mesa areas,

which typically include less designated open space. On the other hand, residential neighborhoods can be sculpted into the areas of irregular terrain common to San Diego, which generally incorporate a greater amount of open space adjacent to the community's residential land use parcels. The proximity of open space to residential parcels creates a greater benefit to residential land use parcels.

Lands in the Agricultural, Open Space, Street/Roadway, and Parks categories are considered to receive no significant benefit from the aesthetic elements of District improvements and activities, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

Drainage. Lands in the Agricultural, Open Space, and Park categories are considered to receive no significant benefit from the drainage capability elements of District improvements and activities, as the susceptibility of these lands to substantial damage from drainage flows and/or flooding is much less than those of other land uses. Lands in all other categories are considered to receive the maximum available benefit from the drainage elements of District improvements and activities.

Recreation. Lands in all Residential categories are considered to receive the maximum available benefit from the recreation elements of District improvements and activities, through the regular enjoyment of these elements by their residents. Lands in the Educational (College & University) and Hotel categories receive benefit from the recreation elements through the potential enjoyment by their students and guests. The benefit to these lands is considered to be more than incidental, but less than the benefit received by residential land. Lands in all other categories are considered to receive no significant enjoyment or benefit from these elements of District improvements.

Location Factor

The Location Factor considers the location of the properties to be assessed relative to the location of District improvements and activities. The District has been subdivided into four zones. Each zone has been assigned a unique Location Factor. The zones are as follows:

Zone 1: Located in the western portion of the District, Zone 1 contains industrial, retail, and multi-family properties. It is distinctly separated from the improvements and activities maintained by the District. In general, the landscaping located

within Zone 1 is privately owned and maintained.

Zone 2: Located east of Zone 1 and north of Pomerado Road, Zone 2 contains primarily residential properties. This zone contains almost all of the open space areas maintained by the District.

Zone 3: Located south of Pomerado Road, Zone 3 contains primarily residential properties. The property owners in this zone, by way of their Homeowner's Association, are independently responsible for the maintenance of significant privately owned open spaces interlaced throughout the zone, similar in nature and character to the publicly-owned District-maintained open space in Zone 2.

Zone 4: Located south of Pomerado Road, Zone 4 contains Alliant University (formerly United States International University) and other adjacent properties of an institutional nature. The properties within Zone 4 maintain a considerable amount of frontage along Pomerado Road.

For purposes of determining overall Location Factors, the total budget for District improvements and maintenance activities was subdivided into the following components:

- ◆ Pomerado Road Corridor (12% of budget)
- ◆ Improvements located in Zone 1 (2% of budget)
- ◆ Open Space located in Zone 2 (27% of budget)
- ◆ Remaining Improvements (59% of budget)

For each of these components, relative Location Factors were established, reflecting the proximity of parcels and degree of benefit conferred within the applicable zone. For each zone, these factors were then combined into an overall Location Factor, based upon the percentages of the respective maintenance components relative to the total. **Table 3** summarizes the Location Factors for the four zones within the District.

TABLE 3: Location Factors by Zone

Zone	Pomerado Rd Corridor (0.12)	Zone 1 Improvements (0.02)	Zone 2 Open Space (0.27)	Remaining Improvements (0.59)	Overall Location Factor
Zone 1	0.12	0.02	0.00	0.00	0.14
Zone 2	0.12	0.02	0.27	0.59	1.00
Zone 3	0.12	0.02	0.00	0.59	0.73
Zone 4	0.12	0.00	0.00	0.00	0.00 ⁽¹⁾

⁽¹⁾ Parcels within Zone 4 maintain a considerable amount of open space (of like character and nature to District improvements) along the south side of Pomerado Road. Zone 4 parcels have been given a Location Factor of 0.00 (instead of 0.12) with the understanding that the continued maintenance of the Pomerado Road frontage constitutes an “in lieu” contribution to the District.

As indicated in **Table 3**, all zones are estimated to receive benefit from the improvements and activities located along the Pomerado Road corridor. The improvements and activities located within Zone 1 are estimated to provide local benefit to the parcels within the zone, as well as additional benefit to the other residential zones within the District (i.e., Zone 2 and Zone 3). Open space areas in Zone 2 are estimated to benefit only those parcels located within Zone 2. All other remaining improvements and activities (e.g., parks, ponds, etc.) are estimated to provide uniform benefit to the core residential zones within the District (i.e., Zone 2 and Zone 3).

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:

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

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

- **1 Single-Family Residence in Zone 3**
EBUs = 1 unit x 1.00 x 1.00 x 0.73 = 0.73 EBUs
- **1 Condominium in Zone 2**
EBUs = 1 unit x 0.70 x 1.00 x 1.00 = 0.70 EBUs
- **10-unit Apartment Complex in Zone 4**
EBUs = 10 units x 0.70 x 1.00 x 0.00 = 0.00 EBUs
- **½-acre Commercial Property in Zone 1**
EBUs = 0.50 acres x 45.00 x 0.60 x 0.14 = 1.89 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:

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

Based on the above formula, the EBUs calculated for each property, can be found in the Assessment Roll (**Exhibit C**).

Summary Results

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

An estimate of the annual costs of the improvements and activities provided by the District is included as **Exhibit B**.

The assessment methodology utilized is as described in the text of this annual report. Based on this methodology, Fiscal Year 2019 District assessment for each parcel were calculated and are shown in the Preliminary Assessment Roll (**Exhibit C**).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number in the Preliminary Assessment Roll and on the Boundary Map and Assessment Diagram referenced herein.

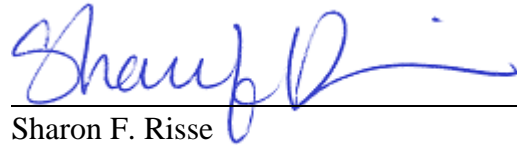
This annual report has been prepared and respectfully submitted by:

EFS ENGINEERING, INC.



Eugene F. Shank, PE

C 52792



Sharon F. Risse

EXHIBIT A

District Boundary

EXHIBIT B

**Estimated Budget – Revenue & Expense Statement
for Fiscal Year 2019**

EXHIBIT C

**Preliminary Assessment Roll
for Fiscal Year 2019**