



**CITY OF SAN DIEGO**  
**CITY HEIGHTS MAINTENANCE ASSESSMENT DISTRICT**

**ENGINEER'S REPORT**

JULY, 2006

PURSUANT TO THE SAN DIEGO MAINTENANCE ASSESSMENT  
DISTRICT ORDINANCE OF THE SAN DIEGO MUNICIPAL CODE  
AND  
LANDSCAPE AND LIGHTING ACT OF 1972 CALIFORNIA STREETS  
AND HIGHWAY CODE

ENGINEER OF WORK:

**SCIConsultingGroup**

2300 BOYNTON AVENUE, SUITE 201

FAIRFIELD, CALIFORNIA 94533

PHONE 707.426.5016

FAX 707.426.0109

[www.sci-cg.com](http://www.sci-cg.com)

**TABLE OF CONTENTS**

---

**SUMMARY ..... 1**  
    PROJECT: CITY HEIGHTS MAINTENANCE ASSESSMENT DISTRICT ..... 1

**INTRODUCTION ..... 2**

**PLANS & SPECIFICATIONS ..... 3**

**FISCAL YEAR 2006-07 ESTIMATE OF COST AND BUDGET ..... 5**

**METHOD OF APPORTIONMENT ..... 6**  
    DISCUSSION OF BENEFIT ..... 6  
    GENERAL VERSUS SPECIAL BENEFIT ..... 7  
    ZONES OF BENEFIT ..... 7  
    ASSESSMENT APPORTIONMENT ..... 7  
    ANNUAL COST INDEXING ..... 8

**ASSESSMENT ..... 9**

**CERTIFICATES ..... 11**

**APPEALS AND INTERPRETATION ..... 12**

**ASSESSMENT DIAGRAM..... 13**

**APPENDICES..... 14**  
    APPENDIX A – ASSESSMENT ROLL, FY 2006-07 ..... 15

**LIST OF FIGURES**

---

FIGURE 1 - ASSESSMENT SUMMARY ..... 1  
FIGURE 2 - ESTIMATE OF COST FOR FISCAL YEAR 2006-07 ..... 5  
FIGURE 3 - ASSESSMENT DIAGRAM..... 13

## SUMMARY

---

**PROJECT: CITY HEIGHTS MAINTENANCE ASSESSMENT DISTRICT**

**APPORTIONMENT METHOD: LINEAR FRONTAGE FOOT (LFF)**

**Figure 1 - Assessment Summary**

	<b>FY 2006-07 <sup>(1)</sup></b>	<b>Maximum <sup>(2)</sup> Authorized</b>
<b>Total Parcels Assessed:</b>	312	--
<b>Total Estimated Assessment:</b>	\$302,095	\$319,185
<b>Total Estimated LFF:</b>	26,292	--
<b>Assessment per LFF:</b>	\$11.49	\$12.14

<sup>(1)</sup> FY 2005-06 is the City's Fiscal Year 2006, which begins July 1, 2005 and ends June 30, 2006. Total Parcels Assessed, Total Estimated Assessment, and Total Estimated LFF may vary in future years due to parcel changes.

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

**Proposition 218 Compliance:** In fiscal year 2004-05, in a ballot proceeding, in excess of a weighted majority property owners (62.4% of the weighted vote) approved the fiscal year 2004-05 assessments and the provisions for annual cost indexing including the maximum authorized assessments for subsequent years.

**Annual Cost Indexing:** The assessments are authorized to increase by the annual change in the San Diego Area Consumer Price Index (the "SDCPI-U") plus 2%, with such increases to the maximum authorized rate commencing in fiscal year 2005-06. The current maximum authorized rate that can be levied without an assessment ballot proceeding is \$12.1457 per linear front foot.

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

## INTRODUCTION

---

In fiscal year 2004, the City of San Diego was petitioned by property owners in the Mid-City Maintenance Assessment District asking the City to form a new assessment district to fund the maintenance, improvement and servicing of landscaping, sidewalk and gutter sweeping, sidewalk washing, regular security patrols, trash removal and graffiti abatement along portions of University Avenue, 37th Street, Central Avenue, 43rd Street and Fairmont Avenue. This new proposed assessment district was named the "City Heights Maintenance Assessment District" (the "District"). After receiving and reviewing this petition, the City conducted an assessment ballot proceeding that allowed property owners in the District to ultimately decide if the proposed assessments should be levied and the services and improvements they would fund should be provided.

The City Heights Maintenance Assessment District was established in July 2004 after a weighted majority of assessment ballots submitted by property owners in the District were tabulated and found to be in support of the proposed assessments and services and improvements they would fund. When the new City Heights Maintenance Assessment District was established, properties that were previously in the Mid-City Maintenance Assessment District, Sub-District #1 and Sub-District #2 were no longer subject to the Mid-City assessments.

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2006-07 assessments and to summarize the benefits received from the maintenance and improvements by property within the District and the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been made pursuant to provisions of the San Diego Maintenance Assessment District Procedural Ordinance of 1986 (the "Ordinance"), provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "Act") and Article XIID of the California Constitution (the "Article").

The assessments and the annual increase in the maximum authorized assessment rate equal to the annual change in the SDCPI-U plus 2% were authorized by an assessment ballot proceeding conducted in the year 2004, so no additional assessment ballot proceeding is required as long as the assessment rates do not exceed the maximum authorized rates, as adjusted annually by the SDCPI-U plus 2%.

## PLANS & SPECIFICATIONS

---

The portions of University Avenue, Fairmount Avenue and 43rd included in the District are the primary commercial areas for the community of City Heights. The landscaping, surface treatments and maintenance benefit the commercial and residential properties immediately adjacent to them by providing an enhanced image for the business and residential property in the District and by providing the other special benefits to property as described in this Engineer's Report. Properties outside of the District do not receive special benefits from the maintenance services and improvements funded by the assessments and have not been included in the District.

The work and improvements proposed to be undertaken by the District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. Consistent with the Maintenance Assessment District Ordinance of the City of San Diego the services and improvements are generally described as follows:

Maintenance and servicing of public improvements, including but not limited to landscaping, sprinkler systems, shrubs and trees, water, street lighting, and labor, materials, supplies, utilities and equipment, as applicable, for property within the District that is found in the public rights-of-way within the proposed District area, and any incidental costs thereto. Any plans and specifications for these improvements will be filed with the Project Manager of the City of San Diego Community and Economic Development Department (the "Project Manager") and are incorporated herein by reference.

As applied herein, "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, sidewalk and gutter cleaning and sweeping, 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, and painting of walls, and other improvements to remove or cover graffiti.

"Servicing" means the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other

improvements; or water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

## FISCAL YEAR 2006-07 ESTIMATE OF COST AND BUDGET

---

**Figure 2 - Estimate of Cost for Fiscal Year 2006-07**

	FY 04-05	FY 05-06	FY 06-07
CITY HEIGHTS	BUDGET	BUDGET	PROPOSED
BEGINNING BALANCE		\$160,023	
Revenue			
Assessments	\$ 285,935	\$302,095	\$302,095
Developer Agreement		\$20,000	\$20,000
TOTAL OPERATING REVENUE	\$ 285,935	\$322,095	\$322,095
<b>TOTAL REVENUE AND BALANCE</b>	<b>\$285,935</b>	<b>\$482,118</b>	<b>\$322,095</b>
Expense			
Personnel	\$0	\$0	\$0
Contractual	\$187,045	\$418,075	\$264,797
Utilities	\$16,000	\$4,000	\$3,000
Incidentals / Administration <sup>1</sup>	\$42,890	\$29,415	\$39,729
Contingency Reserve	\$40,000	\$30,628	\$14,569
TOTAL EXPENSE	\$285,935	\$482,118	\$322,095
<b>BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Notes:

1. Includes 4% City Administration Fee

## METHOD OF APPORTIONMENT

---

This section of the Engineer's Report includes an explanation of the benefits derived from the maintenance, services and improvements provided by the District and the methodology used to apportion the total assessment to properties within the District.

The District boundary is presented in Figure 3. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District, over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

### DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's setback landscaping or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

*"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."*

Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

*"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the maintenance, services and improvements to be provided with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from services and

improvements such as those proposed by the City of San Diego City Heights Maintenance Assessment District. These types of special benefit are summarized as follows:

- Enhanced visual aesthetics of the commercial business district.
- Increased economic opportunity.
- Creating a sense of community identity and pride.
- Enhanced quality of life and desirability of the area.
- Enhanced safety and utility of property
- Enhanced image for properties in the District
- Specific enhancement of property values.

These benefit factors, when applied to property in the District, specifically increase the utility and value of the land within the District. In addition, the maintenance services funded by the assessments enhance safety and security of customers, residents and guests, which specifically enhances the value of the properties in the District.

#### **GENERAL VERSUS SPECIAL BENEFIT**

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (29.0¢ per square foot of landscaped median and 11.81¢ per square foot of hardscape median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are for any “general benefits” provided by the District. In addition, the City contributes other services to cover any general benefits, such as trash pickup twice per week and gutter sweeping once per month. This level of service is provided from the general fund as general benefit. All other maintenance, operation, and administrative costs funded by the assessments, which exceed the City's contributions, are reasonably determined to be “special benefits” funded by the District.

#### **ZONES OF BENEFIT**

District services are provided uniformly throughout the District boundary areas. Consequently, since all parcels have good access and proximity to the benefits proximity is not considered to be a factor in determining benefit to property in the District. Therefore, no Zones of Benefit with different assessment rates are required.

#### **ASSESSMENT APPORTIONMENT**

The following discussion of Assessment Apportionment is consistent with previous engineer's reports adopted by the City Council for the District.

It is estimated that the benefit received by each parcel is directly proportional to the linear footage of each parcel fronting the improvements. The total linear footage for all the parcels for the District fronting on City Heights has been divided into the estimated cost for the District to determine the assessment per linear front foot for the parcel located within the District.

#### **ANNUAL COST INDEXING**

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U) plus 2%, as approved by the District property owners in Fiscal Year 2004, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of any additional 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 2004 proceedings are indexed (increased or decreased) annually by the factor published in the SDCPI-U plus two percent (2%). Fiscal Year 2005-06 is the first year authorized for such indexing. The maximum authorized assessment for City Heights for fiscal year 2006-07 is \$12.1457 per linear foot. This maximum authorized rate was calculated by applying the CPI change of 3.66% plus 2% to the maximum approved rate of \$11.4951 per linear foot for fiscal year 2005-06. The proposed assessment rate for fiscal year 2006-07 is the same as fiscal year 2005-06, \$11.4951 per linear foot and is less than the maximum assessment rate for fiscal year 2006-07.

## ASSESSMENT

---

**WHEREAS**, the City of San Diego, County of San Diego, California, pursuant to the provisions of the Ordinance, the Act and the Article directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district, to which Resolution and the description of said proposed improvements therein contained, reference is hereby made for further particulars;

**NOW, THEREFORE**, the undersigned, by virtue of the power vested in me under said Ordinance, Act and Article, hereby make the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the assessment district.

The amount to be paid for said improvements and the expense incidental thereto by the City Heights Maintenance Assessment District for the fiscal year 2006-07 is \$322,095.

As required by the Act, Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said City Heights Maintenance Assessment District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessments are subject to an annual adjustment tied to the annual change in the SDCPI-U for the proceeding year, plus 2%. The maximum authorized assessment rate is defined as the initial fiscal year 2004-05 assessment rate increased by the annual change in the SDCPI-U, plus 2% per year. In the event that the assessments are levied at a rate below the maximum authorized assessment rate, the assessments can be increased in future years up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Diego for the fiscal year 2006-07. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Rolls, the amount of the assessment for the fiscal year 2006-07 for each parcel or lot of land within the said City Heights Maintenance Assessment District.

Dated: July \_\_, 2006

Engineer of Work

By \_\_\_\_\_  
John W. Bliss, License No. C052091

**CERTIFICATES**

---

1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the City Council of the City of San Diego.

\_\_\_\_\_  
Engineer of Work, License No. C052091

2. I, the Clerk of the City Council, City of San Diego, County of San Diego, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on \_\_\_\_\_, 2006.

\_\_\_\_\_  
Clerk of the City Council

3. I, the Clerk of the City Council, City of San Diego, County of San Diego, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the City Council on \_\_\_\_\_, 2006, by Resolution No. \_\_\_\_\_.

\_\_\_\_\_  
Clerk of the City Council

4. I, the Clerk of the City Council of the City of San Diego, County of San Diego, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of San Diego, California, on \_\_\_\_\_, 2006.

\_\_\_\_\_  
Clerk of the City Council

## APPEALS AND INTERPRETATION

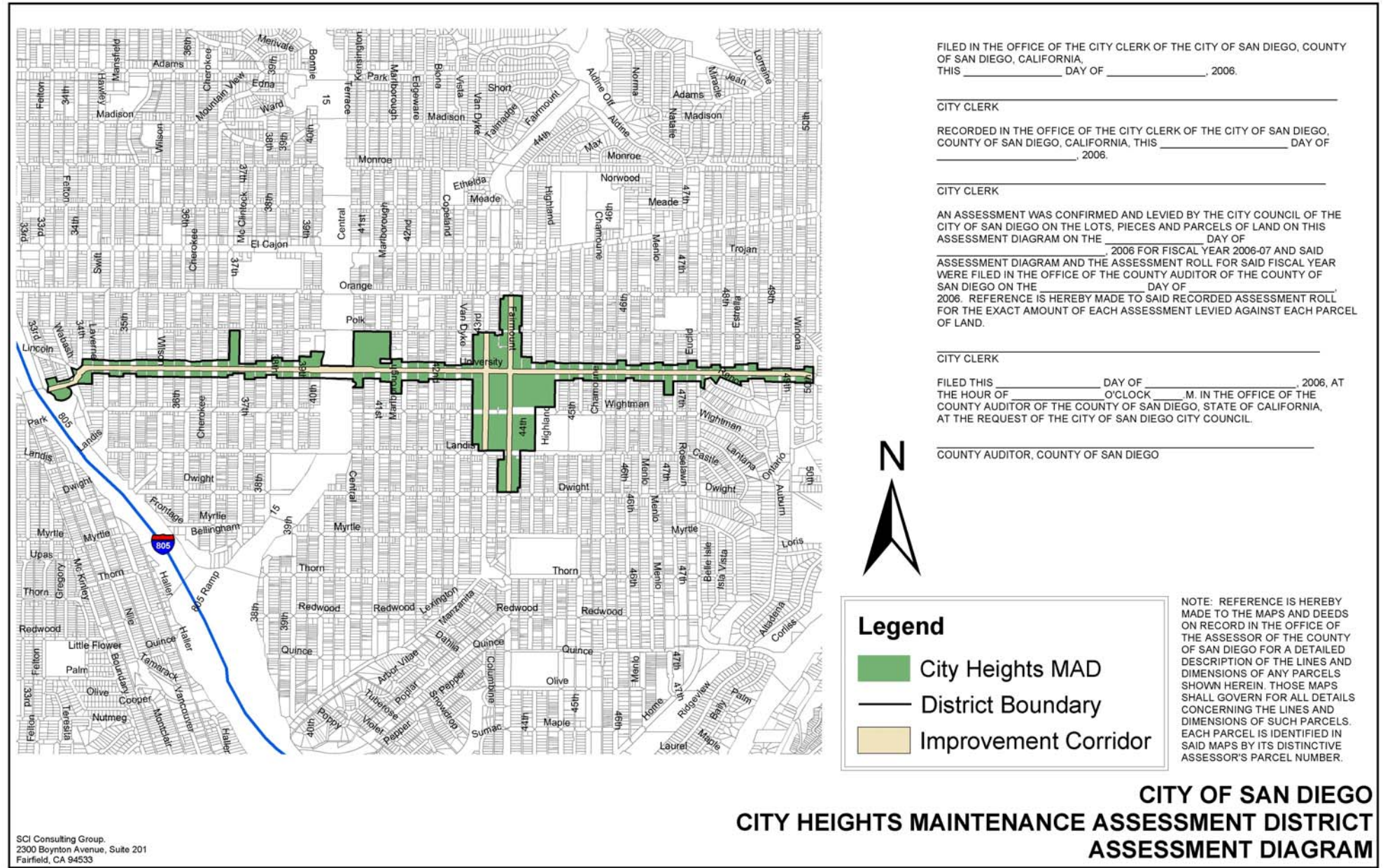
---

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Project Manager of the City of San Diego Community and Economic Development Department (the "Project Manager") or his or her designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Project Manager or his or her designee will promptly review the appeal and any information provided by the property owner. If the Project Manager or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Project Manager or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner, who disagrees with the decision of the Project Manager or her or his designee, may refer their appeal to the City Council of the City of San Diego and the decision of the City Council of the City of San Diego shall be final.

ASSESSMENT DIAGRAM

The boundaries of the City Heights Maintenance Assessment District are displayed on the following Assessment Diagram.

Figure 3 - Assessment Diagram



**APPENDICES**

---

Appendix A – Assessment Roll

**APPENDIX A – ASSESSMENT ROLL, FY 2006-07**

The Assessment Roll (a listing of all parcels assessed within the City Heights Maintenance Assessment District and the amount of the assessment) will be filed with the Project Manager and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.