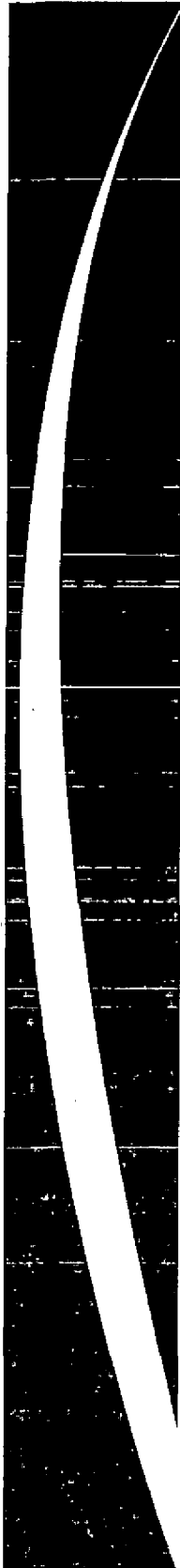


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CITY OF SAN DIEGO

GREATER GOLDEN HILL MAINTENANCE ASSESSMENT DISTRICT

ENGINEER'S REPORT

JUNE, 2008

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

ENGINEER OF WORK:
SCIconultingGroup
4745 MANGELS BLVD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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SUMMARY

PROJECT: GREATER GOLDEN HILL MAINTENANCE ASSESSMENT DISTRICT OVERVIEW:

Benefit assessments are levies on real property to fund services and public improvements that benefit the properties paying the assessments. Benefit assessments are widely used throughout California to fund a wide variety of important services and projects, including landscaping, parks, sidewalks and public safety services. Property owners in many areas of the City of San Diego have come together to propose specific services and improvements to be funded by a benefit assessment for their area. These benefit assessments, which have ultimately been approved in a ballot proceeding by the affected property owners, are currently serving to improve the desirability and economic vitality of specific neighborhoods and areas throughout the City.

Property owners in the Greater Golden Hill area of the City of San Diego similarly organized to propose a benefit assessment to provide a local, ongoing funding source for services and improvements in the area to include cleaning, debris removal and maintenance of public resources. This Engineer's Report described the Greater Golden Hill Maintenance Assessment District (the District) and the services and improvements that would be funded by the assessments. These services and improvements were also described as the Greater Golden Hill Clean, Green and Safe Program.

SERVICES/IMPROVEMENTS FUNDED:

The District funds and provides the following improvements/maintenance services:

- Public Rights of Way and Sidewalk Operations (PROWSO) including:
 - Trash removal
 - Sidewalk sweeping and weeding
 - Sidewalk power washing
 - Landscaping services
 - Daily removal of debris
 - Daily removal of litter
 - Tree maintenance
 - Large item pickup
 - Removal of public health and sanitation hazards
 - Barricading of sidewalks and safety hazards
 - Inspections and reporting of street lights
 - Graffiti removal
 - Canyon beautification
- Special Projects including:

- Trail beautification
- Sidewalk repairs
- Decorations and banner installation
- Administration/Corporate Operations/Outreach including:
 - District management
 - Overseeing of contracts
 - Relations with City and Council office
 - Relations with property owners
 - Insurance
 - Legal and accounting
 - Office related expenses
- Contingency/Incidentals including:
 - City costs including assessment administration, assessment enrollments, budget monitoring, etc.
 - County costs
 - Delinquencies
 - Reserve funds
 - Miscellaneous

OVERSIGHT:

The assessments are overseen by the City of San Diego and are managed by the Greater Golden Hill Community Development Corporation (GGHCDC) which is a private non-profit business organization established in 1991. As part of the oversight of the District's Clean, Green and Safe Program, an independent Management Committee has been set up to oversee the operation of the District. The Management Committee is a partner of the GGHCDC which will administer the District's finances with monthly review and annual audits by the City of San Diego. The Management Committee is a maximum of 15 members comprised of property owners within the Greater Golden Hill community. A resident-manager or commercial tenant designated by a property owner as his/her representative is eligible for nomination. Nominations are solicited from property owners as well as from the Greater Golden Hill Planning Committee, Friends of 32nd Street Canyon, the South Park Action Council and similar Golden Hill community-oriented organizations.

Positions should be allocated as follows:

FIGURE 1 - DISTRICT MANAGEMENT COMMITTEE

<i>Area</i>	<i>Zone 1</i>	<i>Zone 2</i>	<i>Total</i>
Single Family Homes	1 member	3 members	4 members
Condominiums			1 member
Apartments 2 to 4 units	1 member	2 members	3 members
Apartments 5 units or more	1 member	2 members	3 members
Commercial	1 member	1 member	2 members
All other property types			1 member
GGCDC Board member			1 member

LOCATION:

The District is generally described as the Greater Golden Hill area. The location of the District is depicted on the map and Assessment Diagram within this Report.

Apportionment Method: Linear Frontage Feet (LFF)

Single Family Equivalent Benefit Units (SFE) ¹

Benefit Zone 1 and 2

FIGURE 2 - ASSESSMENT SUMMARY

	<i>Zone 1</i>	<i>Zone 2</i>	<i>Totals</i>	
Total Parcels Assessed	340	3306	3,646	
<u>MEASURED QUANTITIES</u>				
LFF	21,671	223,231	244,902	
SFE	1,593	6,273	7,866	
<u>UNIT ASSESSMENT RATES</u>				
\$/LFF	\$1.15631	\$0.43433		
\$/SFE	\$47.2344	\$46.5088		
<u>ESTIMATED ASSESSMENT REVENUE</u>				
LFF Revenue	\$25,058	\$96,956	\$122,014	24%
SFE Revenue	\$75,227	\$291,771	\$366,998	73%
Total Estimated Assessment Budget	\$100,285	\$388,727	\$489,012	98%

¹ Based on residential units, building area and lot area for trip generation factors.

Annual Cost Indexing: The assessments were approved in 2007, and in future years the assessment maximum authorized assessment rate will increase by the annual change in San Diego Area Consumer Price Index, up to 5% per year. The assessments can be levied at any rate, up to the maximum authorized assessment rate. In addition, the assessment for any property may change, up or down, if the total building area for the parcel increases or decreases.

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

INTRODUCTION

In Fiscal Year 2006-07, the City of San Diego was petitioned by property owners in the Greater Golden Hills area asking the City to form a new assessment district to fund the maintenance, improvement and servicing of landscaping, sidewalk sweeping, sidewalk power washing, trash removal and graffiti abatement generally within the area bordered by Juniper street on the north, Balboa Park and I-5 on the west, Martin Luther King Freeway (SR 94) on the south and Escondido Freeway (I-15) and 34th street north of Beech street on the east. The area included the City of San Diego Council Districts 3 and 8. Discretionary funds were available for as needed services of hot spots in both Council District 3 and Council District 8. This assessment district was named the "Greater Golden Hill 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 assessments should be levied and the services and improvements they would fund should be provided.

The City of San Diego conducted formation proceedings for the Greater Golden Hill Maintenance Assessment District (the "District") in 2007. As a result of a favorable weighted majority Proposition 218 balloting procedure, and an affirmative vote of the City Council of the City of San Diego (the "City"), the District was established with funding to begin in Fiscal Year 2007-08.

The purpose of the District was to provide funding for:

- Debris and litter removal
- Enhanced litter containers
- Sidewalk sweeping
- Sidewalks power washing
- Trash removal
- Landscaping services
- Graffiti removal
- Trail and canyon beautification

The District was structured around this priority of improvements and maintenance services.

This Engineer's Report was prepared to provide a framework and requirements for the assessments, to establish the budget for the services that would be funded by the assessments, to summarize the benefits received by property in the District from the services and improvements funded by the assessments and to establish the method of assessment apportionment of the assessment to lots and parcels in the District. This Report and the assessments were 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 XIII D of the California Constitution (the "Article").

The assessments are subject to an annual increase in the maximum authorized assessment rate equal to the annual change in the San Diego Area Consumer Price Index, not to exceed 5% per year.

PLANS & SPECIFICATIONS

The Greater Golden Hill Maintenance Assessment District (the "District") was formed to fund improvements to the appearance, identity, continuity, sense of place, economic vitality, desirability, and aesthetic appeal of property in the District. The District area is located east and south of Balboa Park, south of North Park and North of Sherman Heights. The work and improvements 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:

Installation, maintenance and servicing of public improvements and incidental expenses, including but not limited to landscaping, sprinkler systems, shrubs and trees, sidewalks, gutters, water, street lighting, signage and materials, supplies, utilities and equipment, as applicable, for property within the District, and any incidental costs thereto (collectively, the "Services"). Any plans and specifications for these improvements will be filed with the Project Manager of the City of San Diego City Planning and Community Investment (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, collection and disposal of fallen branches and trees, tree and bush trimming, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, ongoing inspection and repairs and labor, sidewalk and gutter cleaning and sweeping, 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.

"Incidental expenses" include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5 of the Streets and Highways Code; and (g) costs associated with any elections or ballot procedures held for the approval of a new or increased assessment.

FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

FIGURE 3 - ESTIMATE OF COSTS FOR FISCAL YEAR 2008-09

GREATER GOLDEN HILL MAD	FY 07-08 BUDGET	FY 08-09 PROPOSED
BEGINNING BALANCE	\$0	\$371,930
Revenue		
Assessments	\$488,890	\$489,012
Interest	\$0	
TOTAL OPERATING REVENUE	<u>\$488,890</u>	<u>\$489,012</u>
TOTAL REVENUE AND BALANCE		<u>\$860,942</u>
Expense		
Personnel	\$0	\$0
Contractual	\$326,500	\$707,364
Utilities	\$5,000	\$2,100
Incidentals / Administration ¹	\$136,340	\$101,360
Contingency Reserve	\$21,050	\$50,000
TOTAL EXPENSE	<u>\$488,890</u>	<u>\$860,824</u>
BALANCE	<u>\$0</u>	<u>\$118</u>

Notes:

1. Includes 4% City Administration Fee

NOTES ON ESTIMATED COSTS**Public Rights of Way and Sidewalk Operations (PROWSO)****Service Levels****BASIC SERVICE WORK:****BENEFIT ZONE 1****Twice a Week:**

- Sidewalk sweeping and weeding
- Graffiti removal
- Litter removal
- Street light inspections and reports
- Enhanced trash receptacles with regular emptying

As Needed:

- Large bulk item pickup
- Removal of illegal dumping
- Removal of public health and sanitation hazards
- Barricading of sidewalk and safety hazards

Estimated Monthly Cost:	\$5,833	
Annual Cost		\$70,000

BENEFIT ZONE 2**Twice a Month:**

- Sidewalk sweeping and weeding
- Litter removal

As Needed:

- Graffiti removal
- Street light inspections and reports
- Large bulk item pickup
- Removal of illegal dumping
- Removal of public health and sanitation hazards
- Barricading of sidewalk and safety hazards

Estimated Monthly Cost:	\$11,500	
Annual Cost		\$138,000

BASIC LANDSCAPING AND TREE MAINTENANCE:**BENEFIT ZONE 1 AND 2:**As Needed:

- Basic landscaping services
- Tree maintenance services

Estimated Monthly Cost:	\$3,750	
Annual Cost		\$45,000

ENHANCED SERVICE AND MAINTENANCE:**BENEFIT ZONE 1 AND 2:**As Needed:

- Sidewalk power washing
- Infrastructure improvements
- Clock maintenance
- Equipment

Estimated Monthly Cost:	\$28,197	
Annual Cost		\$338,364

CANYON AND TRAIL BEAUTIFICATION:**BENEFIT ZONE 1 AND 2:**

- Trail Beautification As Needed
- Canyon Beautification Quarterly

Estimated Monthly Cost:	\$5,000	
Annual Cost		\$60,000

DECORATIONS AND BANNERS:**BENEFIT ZONE 1:**

- Installation and maintenance of decorations and banners

Estimated Monthly Cost:	\$500	
Annual Cost		\$6,000

OTHER SERVICES:**BENEFIT ZONE 1 AND 2:**

- Newsletter and Web information
- Special events

Estimated Monthly Cost:	\$4,167	
Annual Cost		\$50,000

Total Estimated Annual Improvements and Services Costs \$707,364

Incidentals and Annual Costs

Administration includes the administrative and overhead costs for the Greater Golden Hill Community Development Corporation; City administration costs (budgeted at 4% of assessments) include, but are not limited to, calculating and enrolling assessments with the County Assessor's Office; providing direct management support and advocacy; district budget input and review; analyzing and updating budgets; processing reimbursements; issuing manual billings; providing information technology and communication support; and providing professional support from the City Attorney's Office, City Auditor and Comptroller's Office, and City Purchasing Agent. City administration responsibilities may also include meeting with property owners to explain how assessments are calculated and expended; and responding to numerous other property owner/citizen inquiries each month. Insurance costs for the services to be funded by the assessments are also included in the administration costs.

<i>Itemized Expense</i>	<i>Estimated Annual Cost</i>
▪ Insurance (Gen Liability and D & O)	\$ 1,600
▪ Administrative Personnel	\$ 60,000
▪ Rent	\$ 9,600
▪ Office Supplies	\$ 2,500
▪ Printing/Copying/Postage	\$ 3,000
▪ Audit/Accounting/ Legal	\$ 5,100
▪ Utilities	\$ 2,100
▪ City Administration Fee (4%)	\$ 19,560
▪ Reserves	\$ 50,000
 Total Estimated Incidental Expenses =	 \$ 153,460

Total Estimated Annual Improvements and Services Costs =	\$ 707,364
Total Fiscal Year 2008-09 Expense to Assessments =	\$ 860,824

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 5. 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 improvements 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 provided by the City of San Diego Greater Golden Hill 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.

SERVICE FREQUENCIES BY BENEFIT ZONE

Figure 4 details the levels of services by Benefit Zone.

FIGURE 4 - SERVICES BY BENEFIT ZONE

<i>Service</i>	<i>Frequency of Benefit Zone 1</i>	<i>Frequency of Benefit Zone 2</i>
Public Rights of Way and Sidewalk Operations/Beautification		
a. Basic Landscaping Services	As Needed	As Needed
b. Tree Maintenance	As Needed	As Needed
c. Sidewalk Sweeping	Twice a Week	Twice a Month
d. Graffiti Removal	Twice a Week	As Needed
e. Litter Removal	Twice a Week	Twice a Month
f. Sidewalk Power Washing	As Needed	As Needed
g. Large Bulk Item Pickup	As Needed	As Needed
h. Removal of Illegal Dumping	As Needed	As Needed
i. Barricading of Sidewalk and Safety Hazards	As Needed	As Needed
j. Removal of Public Health and Sanitation Hazards	As Needed	As Needed
k. Street Light Inspections and Reports	Twice a week	As Needed
l. Enhanced Trash Receptacles and Regular Emptying	Twice a week	N/A
m. Decorations and Banner Installation	As Needed	N/A
n. Trail Beautification	As Needed	As Needed
o. Canyon Beautification	Quarterly	Quarterly

GENERAL VERSUS SPECIAL BENEFIT

The proceeds from the District will be used to fund the installation, maintenance and servicing of improvements within the District that, in absence of the District, otherwise would not be provided. Properties in the District directly and specifically benefit from the Services, while properties outside the District do not receive the benefit of the Services funded by the District. Therefore, the assessments provide special benefit to property in the various Districts over and above the general benefits conferred by the general facilities of the City, and the Services funded by the District are determined to be exclusively of distinct and special benefit to properties in the District. The State Legislature has made a similar finding as shown previously: "Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided."

The City provides the District with services, resources and contributions including, but not limited to street sweeping, roadway and stormdrain improvement and maintenance, regular trash removal, graffiti removal, parks maintenance and improvement, street lighting, and security, traffic controls and public signage, street medians, public safety and other public services and improvements. Many of these City Services are considered to be incremental services for which the City could charge additional fees or could choose to provide at a reduced level. These City Services and contributions are considered to be a contribution towards property in the District and any potential general benefits from the Services.

In summary, the Services funded by the District are determined to be of special benefit to properties in the District. Any general benefits from the Services are determined to be minimal and are more than offset by the significant other contributions the City provides to property in the District.

ZONES OF BENEFIT

Services and improvements funded by the assessments will be provided at different levels and frequencies as outlined in Figure 3. Therefore, two zones of benefit, Zone 1 and Zone 2 are established within the District.

ASSESSMENT APPORTIONMENT

In preparing the previous Assessment Engineer's Report for the District, the Engineers concluded that the special benefit to each parcel is proportional to the linear street frontage

of each parcel plus the area of the parcel and/or the square footage of the improvements constructed upon the parcel and the property type. Each property is assigned a single family equivalent benefit factor (SFE). The SFE for each single Family home is 1, and other properties' SFEs are based upon the relative intensity of use (trip factors) in relation to a single family home. SFE benefit units are assigned as outlined in Figure 5.

FIGURE 5 – SFE FACTORS (SINGLE FAMILY EQUIVALENT BENEFIT UNITS)

<u>SFE Factors (Single Family Equivalent Benefit Units)</u>		
	<u>trips</u>	<u>SFE</u>
SFR	10	1.0
MFR SFEs per unit	7	0.7
Condo	7	0.7
Commercial SFEs per Square Foot		0.0032
Vacant Properties, Churches and Parking Lots		1.0

The special benefits derived from the Services funded by the assessments are conferred on property and are not based on a specific property owner's use and/or enjoyment of the Services. However, it is ultimately people who value the special benefits described in this Report. Further, it is ultimately people who control property values by placing a value on the special benefits from the Services. In other words, the benefits conferred to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is an indicator of the relative level of special benefit received by a property. Building size/parcel area, property type and linear frontage are directly correlated with the population density and current or potential usage of property. Therefore, the Services are reasonably related to building size, property type and linear frontage because these factors reflect the relative population density and use of properties.

Since building size/parcel area, property type and linear frontage are good determinants of relative benefit to property, and since the population density in the Greater Golden Hill area (and height of buildings) is average for an urbanized area, a 75/25 split of the assessments based on a property's single family equivalent benefit units (SFE) versus linear frontage is deemed to be reasonable. Therefore, 75% of the assessments are allocated based on SFE and 25% are allocated based on street frontage.

This apportionment of costs recognizes the relationship between the amount of maintenance work required on those parcels with large frontages and/or larger building area as well as the intensity of use as determined by property type relative to smaller frontages, smaller building area, and a lesser intensity of use and therefore levies a proportionally greater assessment on those parcels with a greater frontage or building area

or intensity of use than on parcels with a lesser frontage or area or intensity of use. Recognizing the impacts which those parcels with extensive improvements (and higher occupancy/use) place on the District, undeveloped and vacant parcels area assigned a SFE benefit unit of one.

We find that this apportionment approach reasonably allocates the assessments based on the special benefit received by each parcel. Therefore, assessments have been apportioned to each benefiting parcel within each zone utilizing an assessment apportionment methodology as described above. The assessments and cost of Services are allocated based on the following schedule:

- Twenty-five percent (25%) of the total amount assessed apportioned to each parcel within a zone is based upon linear feet of street frontage; and
- Seventy-five percent (75%) of the total amount assessed spread to each parcel within a zone is based upon the parcel's single family equivalent benefit factor.

This apportionment of costs recognizes the relationship between the amount of maintenance work required on those parcels with large frontages, and therefore levies a proportionally greater assessment on those parcels with a greater frontage than on parcels with a lesser frontage.

Similarly, recognizing the impacts which those parcels with greater intensity of use and extensive improvements place on the district, a portion of the assessment was based upon a SFE benefit unit, since those parcels with a greater intensity of use and extensive improvements receive a greater benefit from the enhanced maintenance services funded by the assessment.

An assessment has been levied upon each publicly owned parcel in the same manner as privately owned property. Each publicly owned parcel, except parks or designated open space area, has been assessed on the same basis as other parcels within the District.

ANNUAL COST INDEXING

The assessments are subject to an annual increase not to exceed 5% per year. The maximum authorized assessment rate is defined as the assessment rate in the first fiscal year the assessments are effective, increased by the lesser of the annual change in the San Diego Area Consumer Price Index, or 5% per year in each subsequent fiscal year.

Such annual cost indexing allows for increases in the assessment rate to account for normal maintenance and operating cost escalation without incurring the costs of additional Proposition 218 ballot proceedings. It should be noted that the assessments in a future year can be levied at any rate below or up to the maximum authorized assessment rate. However, any significant change in the assessment initiated by an increase in service provided or other significant changes to the District that causes the assessments to increase by more than the maximum authorized assessment rate would still require the Proposition 218 proceedings and property owner approval.

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 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 Greater Golden Hill Maintenance Assessment District for the fiscal year 2008-09 is \$860,820.

As required by the Act, Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Greater Golden Hill 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 not to exceed 5% per year. The maximum authorized assessment rate is defined as the initial fiscal year 2007-08 assessment rate increased in future fiscal years by the annual change in San Diego Area Consumer Price Index, up to 5% 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 2008-09. 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 2008-09 for each parcel or lot of land within the said Greater Golden Hill Maintenance Assessment District.

Dated: June 17, 2008

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 _____, 2008.

 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 _____, 2008, 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 _____, 2008.

 Clerk of the City Council

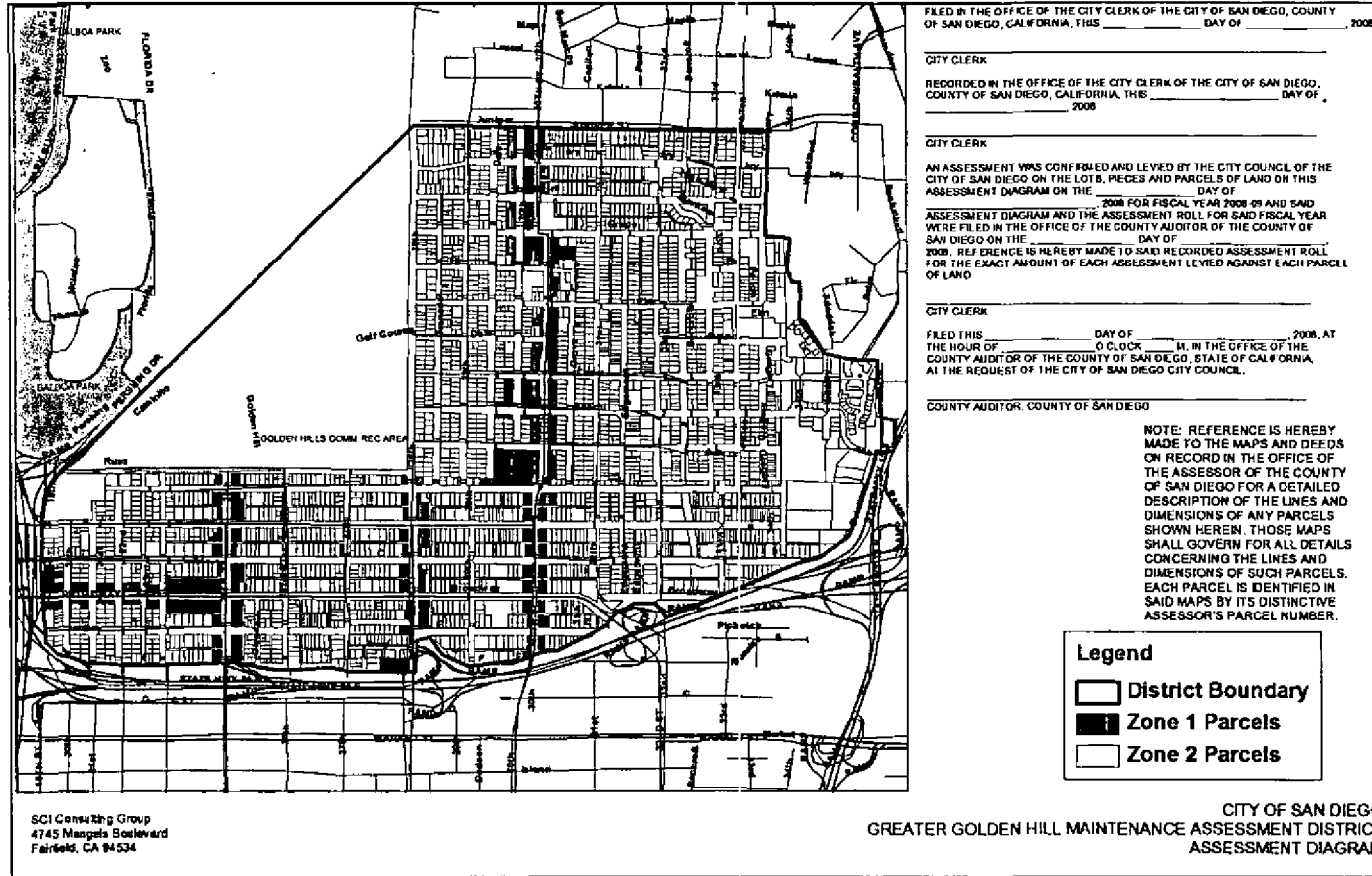
APPEALS AND INTERPRETATIONS

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 Engineer of Work for the PBID or MAD assessments (the "Assessment Engineer"). 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 Assessment Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the Assessment Engineer 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 City of San Diego or its 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 Assessment Engineer or her or his designee, may refer their appeal to the Project Manager of the City of San Diego City Planning and Community Investment Department (the "Project Manager") or his or her designee and the decision of the Project Manager shall be final.

ASSESSMENT DIAGRAM

The boundaries of the Greater Golden Hill Maintenance Assessment District are displayed on the following Assessment Diagram.

FIGURE 6 - ASSESSMENT DIAGRAM



ASSESSMENT ROLL

ASSESSMENT ROLL, FY 2008-09

The Assessment Roll (a listing of all parcels assessed within the Greater Golden Hill Maintenance Assessment District and the amount of the assessment) is 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.