

DATE ISSUED: September 27, 2000

REPORT NO. 00-196

ATTENTION: Honorable Mayor and City Council
Docket of October 3, 2000

SUBJECT: Peninsula Public Facilities Financing Plan

REFERENCE: "Peninsula Public Facilities Financing Plan - Fiscal Year 2001" -
September 2000

SUMMARY

Issues: 1) Should the Council approve a Public Facilities Financing Plan for FY 2001 for the Peninsula Community; 2) rescind the existing Development Impact Fees; and
3) approve the establishment of new development fees for all property within the Peninsula Community?

Manager's Recommendation: Approve the Peninsula Public Facilities Financing Plan - September 2000, rescind the existing Development Impact Fees and establish new Development Impact Fees for the Peninsula Community.

Other Recommendations: None.

Environmental Impact: None.

Fiscal Impact: Adoption of this financing plan will continue to provide a partial funding source for the required public facilities.

BACKGROUND

Development Impact Fees were established in 1987 by the City Council to mitigate the impact of new development in urbanized communities. Fees were based on the facility needs of each community. A need to review and update the existing fees arose as a result of the transference of the Naval Training Center (NTC) to the City of San Diego in the spring of 2000. This plan updates the original facilities needs list for the Peninsula Community that was adopted in 1987.

DISCUSSION

Public Facilities Financing Plan

The draft Peninsula Public Facilities Financing Plan describes the public facilities that will be needed for the Peninsula Community, which includes the Naval Training Center (NTC), as it develops according to the amended Community Plan. The Financing Plan provides a summary for the redevelopment of NTC, listing the park and transportation projects that will be provided by the developer. Since Peninsula is an urbanized community, many of the community facilities and infrastructure are already in place. A majority of the remaining needed facilities are in the

categories of parks, transportation and library improvements.

The proposed fees reflect the current costs of the facilities identified in the Peninsula Community Plan and are necessary to maintain existing levels of service in the community. A summary of the proposed impact fees for Peninsula are as follows:

Residential Units

Transportation	\$1,218.	per unit
Library	509.....	per unit
Park1,316...	per unit
Fire114.....	per unit
TOTAL FEES	\$3,157...	per unit

Commercial and Industrial

Transportation	\$174....	per trip
Fire\$114.....	per 1,000 square feet

The total impact fee for residential development will increase from \$2,510 to \$3,157 per dwelling unit, primarily due to the adjusted needs for library and park and recreation facilities. The estimated cost for transportation facilities has increased from \$27,507,300 to \$36,170,504, resulting in a fee increase from \$138 to \$174 per trip. This increase is a result of updated cost estimates and expanded scope of some transportation projects. In order to improve the level of service for library facilities, the library fee increased from \$130 to \$509, based on an estimate of \$9,115,000 to build a new 25,890 square foot facility. The estimated cost for park facilities decreased from \$25,970,000 to \$23,560,000, resulting in a fee decrease from \$1,350 to \$1,316. This decrease is primarily due to the designation of 46 acres of park and open space by the developer of the NTC redevelopment project that will provide a recreational function for Peninsula residents. Fire services in the Peninsula Community increased from \$1,200,000 to \$2,639,000, resulting in a fee increase from \$25 to \$114 for nonresidential development. This increase is primarily due to a need to improve the level of fire service to meet current standards.

Projected costs of \$71,484,504 will serve as the basis for the development impact fees, which will be collected at the time building permits are issued. Since these costs are for projects which will benefit both the existing community and future development, costs will be shared and new development is expected to provide its pro-rata share of DIF eligible projects. Those portions of project costs not funded by new development through impact fees will need to be identified by future City Council actions in conjunction with the adoption of Annual Capital Improvements Program Budgets.

ALTERNATIVE

Do not approve the proposed Financing Plan and Development Impact Fee Schedule. This is not recommended because the new fees will ensure that new development continues to contribute its fair share for facilities identified in the Community Plan. In the absence of these fees, alternative funding sources would have to be identified to fund new development's share of the identified facilities.

Respectfully submitted,

S. Gail Goldberg, AICP
City Planner... Assistant City Manager
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GOLDBERG/CMR

Approved: George Loveland

Attachment: 1. Draft Peninsula Facilities Financing Plan - September 2000