

DATE ISSUED: January 16, 2002 REPORT NO. 02-010

ATTENTION: Honorable Mayor and City Council
Docket of January 22, 2002

SUBJECT: Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment

REFERENCE: "Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2002," December 2001 Draft

SUMMARY

Issues - Should the Council: 1) adopt the Carmel Valley Public Facilities Financing Plan (PFFP) for Fiscal Year 2002? 2) adopt a Resolution of Intention to designate two areas of benefit for Facilities Benefit Assessments (FBA) in Carmel Valley? 3) adopt a Resolution of Designation? and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Carmel Valley?

Manager's Recommendation - Adopt the four resolutions.

Planning Commission Recommendation - None.

Community Planning Group Recommendation - At the May 8, 2001, meeting, the Carmel Valley Community Planning Board reviewed and approved an April 2001 draft financing plan along with the recommendations reflected in Attachment 3. The Board also recommended that the descriptions of Projects 21-44 and 21A-4 be revised to omit a specific project location. The December 2001 Draft incorporates revisions approved by the Planning Board.

Environmental Impact - The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 73-06-003C and Mitigation, Monitoring, and Reporting Program for the Carmel Valley Community Plan, which covers this action. The City Council shall review and consider the previously certified EIR prior to adoption of the Resolution of Intention.

Fiscal Impact - Approval of this Public Facilities Financing Plan (PFFP) and Facilities

Benefit Assessment will continue to provide a funding source for the public facilities identified in the community plan.

Code Enforcement Impact - None by this action.

Business Impact Statement - The assessments in the Carmel Valley Community have been increased only by the anticipated rate of inflation and should therefore have little unanticipated impact on business.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in the Carmel Valley community over the next twelve year period. The most recent review of the Carmel Valley Public Facilities Financing Plan and Facilities Benefit Assessment was approved by Council on November 14, 2000, by Resolution R-294136. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates that Fiscal Year 2001 plan.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Carmel Valley area which is presently estimated to be by the year 2008 in Carmel Valley North and 2011 in Carmel Valley South. Carmel Valley is a partially developed community, with many of the community facilities in place. This plan calls for the addition of the following projects: Project 21-47 (Linear Park - SDG&E Easement), as proposed by the Planning Board, to provide for the undergrounding of overhead transmission lines and a pedestrian parkway and trail system; Project 21-48 (Torrey Highlands Park Off-Leash Area for Dogs); and Project 21A-29 (East Ocean Air Drive) to provide access to the proposed Carmel Valley Community Park South.

The Carmel Valley Planning Board has proposed the addition of a Library to Community Park Concourse Connection@ on Townsgate Drive in Neighborhood 9. This concept was based on acquisition of a site upon which there are vested rights for multi-family development. Also proposed by the Board was the relocation of the planned Northwest Area Police Station.

Since the project was first proposed, the Solana Beach School District has entered into negotiations with the owner of the multi-family site for use as an elementary school. In view of this, various alternative concepts have been studied for location of a concourse and the police station. Primarily, these included: 1) developing a concourse on the remaining multi-family site and moving the police station to the employment center on El Camino Real, and 2) co-locating a

concourse at the police station site with parking undergrounded. The financing plan will identify the location of the police station in future updates once the land use decisions are made.

The revised Financing Plan for development in Carmel Valley North identifies total remaining project needs estimated at \$109,663,000. The funding sources for these projects are broken down as follows:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$65,837,000	Assessments (FBA)	60.2%
\$14,214,000	Sorrento Hills	13.0%
\$7,790,000	Carmel Valley South	7.1%
\$348,000	CALTRANS	.3%
\$2,110,000	Pacific Highlands Ranch	1.9%
\$380,000	Del Mar Mesa	.3%
\$17,262,000	TRANSNET	15.8%
\$1,500,000	TRANSNET Bonds	1.4%

The Financing Plan for development in Carmel Valley South identifies total remaining project needs estimated at \$125,744,000. The funding sources for these projects are broken down as follows:

<u>Amount</u>	<u>Funding Source</u>	<u>Percentage of Total</u>
\$33,884,000	Assessments (FBA)	26.9%
\$22,699,000	Subdividers	18.1%
\$30,237,000	Carmel Valley North	24.1%
\$432,000	Del Mar Mesa	.3%
\$17,261,000	Sorrento Hills	13.7%
\$2,110,000	Pacific Highlands Ranch	1.7%
\$359,000	CALTRANS	.3%
\$17,262,000	TRANSNET	13.7%
\$1,500,000	TRANSNET Bonds	1.2%

The proposed assessments for Fiscal Year 2002 are as follows:

	<u>North</u>	<u>South</u>
Single-family dwelling unit	\$15,662	\$15,662
Multi-family dwelling unit	\$10,963	\$10,963
Commercial Acre	\$58,104	\$58,104
	<u>North</u>	<u>South</u>
Industrial Acre	\$54,033	\$54,033
Institutional Acre	\$55,913	\$55,913

The proposed assessment for Fiscal Year 2002 is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 5 percent to the year of construction. It also takes into account cash on hand using a 5 percent interest rate. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Carmel Valley that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2002 Assessments also be adopted as Development Impact Fees for Carmel Valley. The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into special interest earning accounts for Carmel Valley. Annually the Council receives a status report on the program and authorizes the appropriation of funds for construction of facilities which are programmed for the next fiscal year in the Capital Improvements Program budget.

The Carmel Valley Transportation Phasing Plan, which has limited development in the community until certain transportation improvements were assured, was declared satisfied on July 23, 1998. It continues to be included as an appendix to the PFFP for informational purposes.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public hearing, mailed notice will be given to all property owners within the proposed area of designation of the date of the hearing and their right to file a protest with the City Clerk prior to the start of the hearing. Notice will also be given by publication of the Resolution of Intention in the City's official newspaper. Unless overruled by a four-fifths vote of the Council, written protests by owners of more than one-half of the area of the property proposed to be included within the Area of Benefit shall cause the proceedings to be abandoned. A letter advising of today's meeting was mailed to all property owners as shown on the last assessment roll, or otherwise known to staff.

ALTERNATIVES

Do not approve the proposed Public Facilities Financing Plan and Facilities Benefit Assessment or the setting of Development Impact Fees. This is not recommended because the new fees will

insure that new development contributes its proportional share for new facilities identified in the community plan. In the absence of these fees, alternative sources would have to be identified to fund the share of the identified facilities attributable to new development.

Respectfully submitted,

S. Gail Goldberg, AICP
Planning Director

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/GH

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments: 1. Draft FY 2002 Carmel Valley Public Facilities Financing Plan, December 2001
2. Letter dated May 8, 2001, from the Carmel Valley Planning Board