

DATE ISSUED: July 11, 2002

REPORT NO. 02-161

ATTENTION: Land Use and Housing Committee
Agenda of July 17, 2002

SUBJECT: Kearny Mesa Public Facilities Financing Plan

REFERENCE: "Kearny Mesa Public Facilities Financing Plan - Fiscal Year 2003"

SUMMARY

Issues - Should the Council: 1) approve a Public Facilities Financing Plan for FY 2003 for the Kearny Mesa Community; 2) rescind the existing Development Impact Fees; and 3) approve the establishment of new development fees for all property within the Kearny Mesa Community?

Manager's Recommendation - Approve the Kearny Mesa Public Facilities Financing Plan for FY 2003, rescind the existing Development Impact Fees, and establish new Development Impact Fees for the Kearny Mesa Community.

Community Group Recommendation – At its July 19, 2002, meeting, the Kearny Mesa Community Planning Group did not approve the public facilities financing plan, primarily due to concerns with the cost of meeting currently adopted population based park standards in the community. The group voted 14-0-0 to forward its concerns to the City in time for the Land Use and Housing Committee meeting.

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 eac

community. This plan updates the original facilities needs list for the Kearny Mesa community that was originally adopted in 1987, revised in October 1992, and amended in January 1996. This fee reflects the addition of residential units into the Community and the park and library requirements that result from the increased residential development.

DISCUSSION

Public Facilities Financing Plan

The draft Kearny Mesa Public Facilities Financing Plan describes the public facilities that will be needed for the Kearny Mesa community. Since Kearny Mesa 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 Kearny Mesa Community Plan and are necessary to maintain existing levels of service in the community. A comparative summary of the proposed impact fees for Kearny Mesa is as follows:

<u>Residential Dwelling Units</u>	<u>Proposed</u>	<u>Existing</u>
Transportation	\$ 427 per unit	\$ 175 per unit
Library	416 per unit	256 per unit
Park	6,627 per unit	1,087 per unit
Fire	66 per unit	30 per unit
TOTAL FEE	\$7,536 per unit	\$ 1,545 per unit
<u>Commercial and Industrial</u>		
Transportation	\$61 per trip	\$25 per trip
Fire	\$66 per 1,000 sq. ft.	\$30 per 1,000 sq. ft.

The total impact fee for residential development will increase from \$1,545 to \$7,536 per dwelling unit, primarily due to the adjusted needs for transportation, library, and park facilities. The estimated cost for transportation facilities has increased from \$14,666,000 to \$36,715,659 resulting in a fee increase from \$175 to \$427 per trip. This increase is a result of updated cost estimates and expanded scope of some transportation projects.

In order to provide adequate library facilities, and based on an estimate of \$5,153,000 to build a new 15,000 square foot facility, the library fee increased from \$256 to \$416. The estimated cost for park facilities increased from \$10,800,000 to \$20,790,400, resulting in a fee increase from \$1,084 to \$6,627. This increase is a more accurate reflection of acreage requirements to meet population based park needs within the community due to the increased residential development.

Projected costs of \$65,043,809 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 that will benefit both the existing community and future development, development is only required to provide its pro-rata share of the cost of DIF eligible projects. Those portions of project costs attributable to existing development will need to be identified by future City Council actions in

conjunction with the adoption of Annual Capital Improvements Program Budgets.

The Kearny Mesa Community Planning Group did not approve the Public Facilities Financing Plan at their meeting on June 19, 2002, based on the following issues:

1. Neighborhood Park (Project P1): The Community Group (CPG) respectfully disagrees with the population based park standards as they are being applied to Kearny Mesa high density infill development, i.e., a 17.92 acre park. The CPG agrees that some passive park area should be required near the new attached housing in Spectrum. They suggest 3 to 5 acres as a maximum requirement as Hickman Field and the YMCA will serve other residents' needs.

The draft Strategic Framework Element and Action Plan acknowledges the need for population based park standards to be tailored to each community. Should the Council adopt the Strategic Framework Element, staff will begin the process to review existing General Plan Standards. Until such time, the financing plan reflects the current general plan park standards based on a projected 3,294 residential units in the Kearny Mesa community. Staff recommends that the purchase and development of 17.92 acres of parks to meet general plan park standards remain in the DIF cost basis.

2. Two-lane collector street from Mercury Court/Convoy Terrace (Project T8): The Community Group feels the project should be 100% developer funded, and therefore not included in the DIF basis.

Staff agrees; the financing plan has been revised to reflect 100% subdivider funding and removal from the DIF cost basis.

3. Construction of sidewalks on Convoy Court from I-805 to its easterly terminus (Project T13): The Community Group believes individual property owners are responsible for the sidewalks as they apply for building or tenant improvement permits.

Staff agrees; the financing plan has been revised to reflect 100% subdivider funding and removal from the DIF cost basis.

4. Convoy Street Bridge over SR-52 (Project T14): The Community Group contends this is not a Kearny Mesa project and should be funded by either the City or State. However, this project is listed as a necessary improvement on page 55 of the October 1992 Kearny Mesa Community Plan. The location is "at SR-52" with a recommendation to "widen the bridge to 78' in bridge width and provide 5' sidewalks." The State may fund the project when a project study has been completed. Timing and funding sources are unknown at this time.

Staff recommends that the project remain in the DIF basis.

5. SR-52 Bike Path from Convoy Street to Kearny Villa Road (Project T17): The Community Group does not believe this project is part of the Bike Master Plan and should be removed from DIF.

According to page 62 of the San Diego Bicycle Master Plan, an approximate .25 mile gap exists in the existing bikeway network from Convoy Street to Kearny Villa Road. The cost estimate has been reduced from \$68,000 to \$12,500 to provide funding to finance the gap. The financing plan has been revised accordingly to reflect this. Staff recommends that the revised cost should remain in the DIF basis.

6. Median and bike lane on Balboa Avenue from I-805 to Kearny Villa Road (Project T19): The Community Group wants this project removed from the financing plan as they do not want a median on Balboa Avenue.

Because this project remains in the Community Plan, a community plan amendment is required before it can be removed from the financing plan. The cost of this project will remain in the DIF basis.

7. Widen Aero Drive from Kearny Villa Road to Sandrock Road (Project T20) and widen Balboa Avenue for bike lanes between Kearny Villa Road to Ruffin (Project T21): The Community Group suggests further study as to the need for these projects.

Since these projects are identified in the Community Plan, they should also remain in the financing plan until a community plan amendment removes them from the plan.

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
Planning Director
GOLDBERG/CMR

Approved: P. Lamont Ewell
Assistant City Manager

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

Attachment: 1. Draft Kearny Mesa Facilities Financing Plan – FY 2003