

DATE ISSUED: November 21, 2002 REPORT NO. 02-284

ATTENTION: Land Use and Housing Committee
Agenda of November 27, 2002

SUBJECT: Black Mountain Ranch Public Facilities Financing Plan and Facilities
Benefit Assessment

REFERENCE: "Black Mountain Ranch Public Facilities Financing Plan and Facilities
Benefit Assessment, Fiscal Year 2003," Fourth Draft dated October 24,
2002

SUMMARY

Issues - Should the Council: 1) adopt the Black Mountain Ranch Public Facilities Financing Plan (PFFP) for Fiscal Year 2003; 2) adopt a Resolution of Intention to designate an area of benefit for Facilities Benefit Assessments (FBA) in Black Mountain Ranch; 3) adopt a Resolution of Designation; and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Black Mountain Ranch?

Manager's Recommendation - Adopt the four resolutions.

Planning Commission Recommendation - None.

Community Planning Group Recommendation - No recognized community planning group has been established.

Environmental Impact - The City of San Diego, as lead agency, has prepared and completed Environmental Impact Report (EIR) No. 95-0353 and Mitigation, Monitoring, and Reporting Program for the Black Mountain Ranch Specific 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 and Facilities Benefit Assessment will continue to provide a funding source for the required public facilities

Code Enforcement Impact - None by this action.

Business Impact Statement - The Facilities Benefit Assessments in Black Mountain Ranch have been increased to accommodate increasing public facilities costs and scheduling requirements.

BACKGROUND

This is the second review of the Black Mountain Ranch Public Facilities Financing Plan and Facilities Benefit Assessment. This review will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in the Black Mountain Ranch specific plan area over the next eleven years. The most recent review of the Black Mountain Ranch Public Facilities Financing Plan and FBA was approved by Council on September 29, 1998, by Resolution R-290768. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the FY 1999 plan.

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Black Mountain Ranch Community. Community Build-out is presently estimated to be Fiscal Year 2013. Black Mountain Ranch is primarily an undeveloped community, with most of its community facilities to be provided in the future. The facilities needed are in the park, library, transportation, fire, water, and sewer transmission lines categories. As the projected population of Black Mountain Ranch does not, in some cases, meet community plan standards for full facility requirements, these facilities will be shared with adjacent communities. The goal of the FBA is to insure that funds will be available in sufficient amounts to provide community facilities when needed.

DISCUSSION

The revised Financing Plan for development in Black Mountain Ranch identifies total project needs estimated at \$676,370,388. Funding for these projects comes from a variety of sources including:

<u>AMOUNT</u>	<u>FUNDING SOURCE</u>	<u>PERCENTAGE OF TOTAL</u>
\$158,360,679	Black Mountain Ranch FBA	23.4%
\$ 50,862,319	Subdivider/Developers	7.5%
\$ 23,831,005	Pacific Highlands Ranch FBA	3.5%
\$ 1,582,000	Del Mar Mesa FBA	0.2%
\$ 49,217,533	Torrey Highlands FBA	7.3%
\$392,516,852	Other	58.1%
\$676,370,388	TOTALS	100.0%

*Other Funding – includes Caltrans, Highway Bridge Replacement/Repair Funds (HBRR), 22nd Agricultural District, Subarea II Property Owners, Verde Del Mar (TM 92-0430), and State/Federal Freeway Construction Funding.

The following changes have occurred since the last plan update:

1. Three new projects have been added to the plan. The projects are: bike interchange lanes at SR-56 and Camino Ruiz and the Carmel Valley Truck Sewer Project.
2. There have been significant increases in the cost of construction of all projects included in the Financing Plan.

The changes listed above, in addition to the inflation factor of 4 percent, resulted in a proposed increase of 53.3 percent in the FBA assessment over the FY 2003 level in the currently approved financing plan.

The proposed assessments for Fiscal Year 2003 in Black Mountain Ranch are as follows:

Single-family dwelling unit (AR-1-1 zone)	\$ 30,000
Multi-family dwelling unit	\$ 21,000
Hotel (per room)	\$ 13,739
Commercial (per 1,000 sq ft)	\$ 9,930
Golf Course (per course)	\$1,210,835
Institutional (per acre)	\$ 99,294
Employment Center (per 1,000 sq ft)	\$ 5,167
Office (per 1,000 sq ft)	\$ 7,547

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Black Mountain Ranch that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the Fiscal Year 2003 Assessments proposed above also be adopted as Development Impact Fees for Black Mountain Ranch.

The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into a special interest earning fund for the Black Mountain Ranch Community. These funds, as previously stated, will be spent within the Black Mountain Ranch Community or as the Community’s fair share for shared facilities wherever they are sited.

The proposed Fiscal Year 2003 PFFP proposes an increase in the assessments above the programmed inflation rate. As such, State Law requires a Public Meeting be noticed and held prior to the Public Hearing. The Public Meeting will be held together with the Council meeting declaring the intention to designate the Black Mountain Ranch Community as an area of benefit and setting a time for the Public Hearing. Prior to the Public Hearing, a second 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.

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 assessments will insure that new development contributes its proportional share for 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/GM

Attachment: Draft FY 2003 Black Mountain Ranch Public Facilities Financing Plan, Fourth Draft, October 24, 2002.

Note: Due to the size of the attachment, only a limited distribution was made and is not available in electronic format. A copy is available for review in the Office of the City Clerk.