

DATE ISSUED: May 5, 2003 REPORT NO. 03-094

ATTENTION: Land Use and Housing Committee
Agenda of May 7, 2003

SUBJECT: Old San Diego Public Facilities Financing Plan

REFERENCE: “Old San Diego Public Facilities Financing Plan – Fiscal Year 2004”

SUMMARY

Issues - Should the Committee: 1) approve the Public Facilities Financing Plan for FY 2004 for the Old San Diego Community; 2) rescind the existing Development Impact Fees; and 3) approve the establishment of new development fees for all property within the Old San Diego community?

Manager’s Recommendations – Approve the Old San Diego Public Facilities Financing Plan – April 2003, rescind the existing Development Impact Fees, and establish the new Development Impact Fees for the Old San Diego community.

Planning Committee’s Recommendations – Unanimously approved the Old San Diego Public Facilities Financing Plan.

Environmental Impact – None. The activity is a financing measure only.

Fiscal Impact – Adoption of this financing plan will continue to provide a partial funding source for 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. This plan updates the original Old San Diego community facilities needs list that was adopted in 1987.

DISCUSSION

Public Facilities Financing Plan

The draft Old San Diego Public Facilities Financing Plan describes the public facilities that will be needed for the Old San Diego community. Since Old San Diego 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 transportation and fire station improvements.

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

Residential Units

Transportation	\$4,305	per dwelling unit
Fire	\$ 277	per dwelling unit
TOTAL FEE	\$4,582	per dwelling unit

Commercial and Industrial

Transportation	\$ 615	per trip
Fire	\$ 277	per 1,000 square feet

The total impact fee for residential development will increase from \$1,110 to \$4,582 per dwelling unit. This increase is primarily due to updated cost estimates, expanded scope of some transportation projects, the adjusted needs for a parking facility and expansion to an existing fire facility. The estimated cost basis for transportation facilities has increased from \$6,510,000 to \$29,182,650, resulting in a fee increase from \$1,040 to \$4,305 per dwelling unit for Residential and \$148 to \$615 per trip for Commercial and Industrial development.

The estimated cost for fire services is \$1,320,000. The estimated cost for fire facilities has increased from \$70 to \$277 per dwelling unit for Residential and \$70 to \$277 for Commercial and Industrial development. The Fire Station portion of the impact fee relates to the cost of providing fire facilities to adequately provide fire protection services to both residential and non-residential development within the community. The fire portion of the residential impact fees are based on an average cost per dwelling unit using 1,000 square feet of gross building area to determine that fee.

Project costs of \$30,502,650 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 with new development expected to provide a 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 Improvement Program Budgets.

On April 9, 2003, the Old San Diego Community Planning Group unanimously approved the draft Old San Diego Facilities Financing 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

Approved: P. Lamont Ewell
Assistant City Manager

GOLDBERG/ELL

Attachment: 1. Draft Old San Diego Public Facilities Financing Plan – April, 2003.

Note: Due to the size of the attachment, only a limited distribution was made. A copy is available for review in the office of the City Clerk.