

DATE ISSUED: May 20, 2003 REPORT NO. 03-104

ATTENTION: Land Use and Housing Committee
Agenda of May 21, 2003

SUBJECT: Rancho Penasquitos Public Facilities Financing Plan and Facilities Benefit Assessment, Fiscal Year 2004

REFERENCE: "Rancho Penasquitos Public Facilities Financing Plan and Facilities Benefit Assessment," May 2003 Draft

SUMMARY

Issue(s) – Should the Council: 1) Adopt the Rancho Penasquitos Public Facilities Financing Plan (PFFP) for Fiscal Year 2004; 2) Adopt a Resolution of Intention to designate an area of benefit for a Facilities Benefit Assessment (FBA) in the Rancho Penasquitos Community Planning Area; 3) Adopt a Resolution of Designation; and 4) Approve the setting of Development Impact Fees (DIF) consistent with the FBA in Rancho Penasquitos?

Manager's Recommendation – Adopt the four resolutions.

Community Planning Group Recommendation – The Rancho Penasquitos FBA Subcommittee has voted to recommend approval of the draft Rancho Penasquitos PFFP. The Rancho Penasquitos Planning Board (RPPB) will vote on the draft Rancho Penasquitos PFFP at their scheduled meeting on June 4, 2003.

The Rancho Penasquitos Planning Board has approved an allocation of \$500,000 in FBA funds towards the proposed Rancho Penasquitos Skate Park. This project is not included in the PFFP at this time, pending approval of an amendment to the Rancho Penasquitos Community Plan to include the project. The Rancho Penasquitos PFFP will be amended concurrently with the Community Plan to include the Rancho Penasquitos Skate Park.

Fiscal Impact – Approval of this revised Public Facilities Financing Plan and Facilities Benefit Assessment will continue to provide a funding source for the public facilities identified in the Rancho Penasquitos Community Plan.

Environmental Impact – None by this action.

Code Enforcement Impact – None by this action.

Business Impact Statement – The FBA in Rancho Penasquitos is being increased by the anticipated rate of inflation only, and should therefore, have minimal business or economic impact.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments (FBA). This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in Rancho Penasquitos over the next seven year period.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Rancho Penasquitos area, which is presently estimated to be the year 2010. Since Rancho Penasquitos is a partially developed community, many of the community facilities and infrastructure are already in place. The remaining needed facilities are in the Transportation and Park and Recreation categories.

This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the Fiscal Year 1999 Plan. Six project changes are proposed, and those changes are outlined as follows:

New Projects

RP-17D, Canyonside Drainage – This project will improve the drainage at the Canyonside Community Center and increase usability of the ballfields.

RP-39, ADA Requirements at Various Parks – This project will provide for ADA upgrades at Canyonside Community Park and six neighborhood parks.

RP-40, Flashing Beacons – This project will provide ten flashing beacons to increase traffic control at selected intersections in the community.

Deleted Projects

Projects RP-6A, Paseo Valdear, 3500 Feet North of Carmel Mountain Road to Montana Mirador Terminus and RP-6B, Paseo Valdear, Western Terminus to Avenida – The City has purchased this land for the MHPA program.

RP-37 – Carmel Mountain Road Pipeline (Also known as Del Mar Heights Road Pipeline) – This project has been deleted by the Water Department.

The Proposed Public Facilities Financing Plan and Facilities Benefit Assessment identifies remaining outstanding projects totaling \$255,555,302. The funding sources for these projects are broken down as follows:

<u>FBA</u>	<u>Subdivider</u>	<u>Other Sources</u>
\$12,785,889 (5.0%)	\$26,340,164 (10.3%)	\$216,429,249 (84.7%)

The proposed assessments for Fiscal Year 2004 in Rancho Penasquitos are as follows:

Single Family Dwelling Unit	\$ 16,634
Multi-Family Dwelling Unit	\$ 11,644
Commercial Rate per Acre	\$ 99,805

<u>Use</u>	<u>Proposed Development</u>
Residential	471 Dwelling Units
Commercial/Industrial	1.67 Acres

The proposed FBA is based on current estimated costs of facilities to be funded under this program, increased by an inflation factor of 5% to the year of construction, as supported by the San Diego Consumer Price Index and the Los Angeles/San Diego Construction Cost Index. The costs of the facilities are then apportioned equitably among the undeveloped parcels within the Area of Benefit. The objective of the FBA program is to insure that sufficient funds will be available to construct community facilities as the community develops.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all under developed properties in Rancho Penasquitos that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2004 assessments also be adopted as Development Impact Fees for Rancho Penasquitos.

The FBA will be collected when building permits are issued. Funds are deposited into a special interest-earning fund for Rancho Penasquitos. 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 annual Capital Improvements Budget.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public hearing, mailed notices will be sent to all assessed 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.

ALTERNATIVE

1. Do not approve the proposed Rancho Penasquitos 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 new facilities identified in the Rancho Penasquitos Community Plan. In the absence of these assessments, 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/JLC

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 Rancho Penasquitos Public Facilities Financing Plan, Fiscal Year 2004

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.