

DATE ISSUED: July 30, 2003 REPORT NO. 03-169

ATTENTION: Land Use & Housing Committee
Agenda of August 6, 2003

SUBJECT: Mira Mesa Public Facilities Financing Plan and Facilities Benefit
Assessment - Fiscal Year 2004

REFERENCE: "Mira Mesa Public Facilities Financing Plan and Facilities Benefit
Assessment" - July 2003

SUMMARY

Issue - Should the Council: 1) approve a Public Facilities Financing Plan for FY 2004 for the Mira Mesa Community; 2) adopt a Resolution of Intention to designate an area of benefit for a Facilities Benefit Assessment (FBA) in the Mira Mesa Community Planning Area; 3) adopt a Resolution of Designation; and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in the Mira Mesa Community.

Manager's Recommendation - Approve the Mira Mesa Public Facilities Financing Plan - July 2003; the Resolution of Intention for designation of an area of benefit in Mira Mesa; the Resolution of Designation; and Development Impact Fees for development in Mira Mesa that has not paid an FBA.

Other Recommendations - The Mira Mesa Planning Group, at their meeting of July 21, 2003, reviewed the financing plan and assessments and unanimously recommended approval.

Environmental Impact - None by this action.

Fiscal Impact - Adoption of this Financing Plan and Facilities Benefit Assessment will continue to provide a funding source for the required public facilities.

Business Impact Statement - The assessments in the Mira Mesa Community have been

increased by fifteen percent. This includes the five percent anticipated rate of inflation which would automatically go into effect if no update was done. It is anticipated that this increase should have little economic impact on development in the Mira Mesa Community.

BACKGROUND

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. The proposed FY 2004 Financing Plan incorporates the annual review and will serve as the basis for the FY 2004 Capital Improvement Program as it pertains to programming FBA funds in the Mira Mesa Community through FY 2025. The existing Mira Mesa Public Facilities Financing Plan and FBA was approved by Council on June 11, 2002, by Resolution R-296653. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the FY 2002 plan.

DISCUSSION

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Mira Mesa Community which is presently estimated to be by the year 2025. Mira Mesa is a partially developed community with a portion of the community facilities and infrastructure already in place. The remaining needed facilities are in the transportation and park categories. Changes from the current Financing Plan include: increasing the assessment rates a total of 15 percent due to increases in actual construction costs being experienced throughout the City; anticipated annual inflation; advancing and/or delaying various projects in the plan due to changes in project priorities. Changes are detailed on Pages 1, 2, and 3 of the proposed Facilities Financing Plan.

The revised Financing Plan identifies a total project need of \$193,002,188. Of this amount \$89,007,645 or 46 percent will be provided by subdividers, \$19,439,110 or 10 percent will come from other sources including City, CALTRANS, Metropolitan Transit Development Board (MTDB), Federal Surface Transportation Program (FSTP), or previously collected park fees. The remaining \$84,555,433 or 44 percent will be provided by assessments to be collected at the time building permits are issued.

The proposed assessments for Mira Mesa in FY 2004 are:

Single Family Dwelling Unit	\$ 13,142
Multi-Family Dwelling Unit	9,199
Commercial Acre	81,345
Industrial Acre I2	28,516
“ I4	31,013
“ I5	24,706
“ I6	37,322

Council has previously directed that the same assessment rates are appropriate development impact fees for all underdeveloped properties in the Mira Mesa Community that have never been

assessed or otherwise agreed to pay Facilities Benefits Assessments. Therefore, it is recommended that the above proposed FY 2004 assessments be adopted as Development Impact Fees for Mira Mesa.

The proposed Facilities Benefit Assessment is based on current costs of facilities to be funded under this program, increased by 10 percent as well as by an inflation factor of 5 percent to the year of construction. 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 ensure that funds will be available in sufficient amounts to construct community facilities when scheduled. The FBA will be collected at the building permit issuance stage of development and deposited into a special interest earning fund for Mira Mesa.

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 indicating the date of the hearing and their right to file a protest with the City Clerk. 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 Financing Plan and Facilities Benefit Assessment and Development Impact Fee Schedule. This is not recommended because the new fees ensure that new development contributes its proportional 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/GM

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

Attachment: Draft FY 2004 Mira Mesa Public Facilities Financing Plan - July 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.