

DATE ISSUED: September 24, 2003 REPORT NO. 03-195

ATTENTION: Committee on Land Use and Housing  
Agenda of October 1, 2003

SUBJECT: Serra Mesa Public Facilities Financing Plan

REFERENCE: Serra Mesa Public Facilities Financing Plan Fiscal Year 2004

#### SUMMARY

Issues: Should the Council: 1) approve a Public Facilities Financing Plan for FY 2004 for the Serra Mesa Community; 2) rescind the existing Development Impact Fees; and 3) approve the establishment of new development impact fees for all property within the Serra Mesa Community?

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

Planning Committee's Recommendations: On May 15, 2003, the Serra Mesa Planning Group voted 10-0-0 in favor of the Financing Plan.

Environmental Impact: None.

Fiscal Impact: Adoption of this financing plan will continue to provide new development's share of funding for the required public facilities.

#### BACKGROUND

Development Impact Fees (DIF) 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 facilities summary list for the Serra Mesa Community adopted in 1987.

## DISCUSSION

### Public Facilities Financing Plan

The draft Serra Mesa Public Facilities Financing Plan describes the public facilities that will be needed for the Serra Mesa Community as it develops according to the Community Plan. Since Serra Mesa is an urbanized community, most of the community facilities and infrastructure are already in place. A majority of the remaining needed facilities are in the categories of transportation, library, parks and fire improvements.

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

#### Residential Units

Transportation	\$1582	per unit
Park & Recreation	3951	per unit
Library	396	per unit
Fire	587	per unit
TOTAL FEE	\$6516	per unit

#### Commercial and Industrial

Transportation	\$226	per trip
Fire	\$587	per 1,000 square feet

The total impact fee for residential development will increase from \$1526 to \$6516 per dwelling unit, primarily due to the adjusted needs and costs for library and park and recreation facilities. The estimated cost for transportation facilities has increased from \$2,550,000 to \$21,082,000, resulting in a fee increase from \$175 to \$1582 per trip. This increase is a result of updated cost estimates and expanded scope of some transportation projects. The estimated cost for park facilities increased from \$5,000,000 to \$49,154,775 of which \$31,752,575 is eligible for DIF funding. This results in a fee increase from \$1084 to \$3951. This increase is a more accurate reflection of acreage requirements and costs to meet population based park needs within the community. The library fee increased from \$256 to \$396, based on an estimate of \$3,184,500 to build Serra Mesa's share of one new facility. The estimated cost for fire facilities increased from \$1,900,000 to \$5,279,821, resulting in a fee increase from \$11 to \$587.

Projected costs for all projects are \$119,023,417. Eligible projects in the amount of \$61,298,896 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 and new development is only expected to provide their pro-rata share for 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 Improvements Program Budgets.

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/CMG/VLB

Attachment: 1. Draft Serra Mesa 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.