

DATE ISSUED: September 23, 2004 REPORT NO. 04-207

ATTENTION: Land Use and Housing Committee  
Agenda of September 29, 2004

SUBJECT: Scripps Miramar Ranch Public Facilities Financing Plan and Facilities  
Benefit Assessment

REFERENCE: "Scripps Miramar Ranch Public Facilities Financing Plan and Facilities  
Benefit Assessment, Fiscal Year 2005," September 2004 Draft

#### SUMMARY

Issues – Should the Council: 1) adopt the Scripps Miramar Ranch Public Facilities Financing Plan (PFFP) for Fiscal Year 2005; 2) adopt a Resolution of Intention to designate an area of benefit for a Facilities Benefit Assessments (FBA) in Scripps Miramar Ranch; 3) adopt a Resolution of Designation; and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Scripps Miramar Ranch?

Manager's Recommendation – Adopt the four resolutions.

Planning Commission Recommendation – None.

Community Planning Group Recommendation – The Scripps Ranch Planning Group will vote on the draft Scripps Miramar Ranch Public Facilities Financing Plan on September 23, 2004. The Land Use and Housing Committee will be apprised of the planning group's vote prior to the LU&H meeting.

Environmental Impact – None by this action.

Fiscal Impact – Approval of this Public Facilities Financing Plan and Facilities Benefit Assessment will continue to assure the provision of required public facilities.

Code Enforcement Impact – None by this action.

Business Impact Statement – The Facilities Benefit Assessments in Scripps Miramar

Ranch are 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. This review will serve as the basis for the FY 2005 Capital Improvement Program as it pertains to programming projects funded by Facilities Benefit Assessments (FBA), Development Impact Fees (DIF), and Special Park Fees (SPF) in the Scripps Miramar Ranch community planning area over the next six years. The last review of the Scripps Miramar Ranch Public Facilities Financing Plan and Facilities Benefit Assessment was the FY 2003 Plan approved by Council Resolution R-297542 on January 14, 2003. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the FY 2003 plan.

## DISCUSSION

The community of Scripps Miramar Ranch is over 95% built-out. This Public Facilities Financing Plan details those few remaining public facilities that will be needed through the ultimate build-out of the Scripps Miramar Ranch area, which is presently estimated to occur in 2010. The goal of the FBA is to ensure that funds will be available in sufficient amounts to provide those remaining community facilities when needed.

The proposed Scripps Miramar Ranch Public Facilities Financing Plan for FY 2005 identifies a total remaining project need estimated at \$291,850,992, which includes \$279,228,619 worth of Water Department funded projects. Park projects totaling \$4,841,000 are funded by the Scripps Ranch Special Park Fees, and funding in the amount of \$1,031,055 comes from other sources such as developers. The balance of funding, \$6,750,318, or 3% of the total projects, comes from the FBA.

The following significant changes have occurred since the last plan update:

1. Three new projects have been added to the financing plan, 34-14, 34-52 and 34-72. The first two projects are related to the construction of a new middle school in Scripps Ranch. The City and the various planning and civic organizations in Scripps Ranch have agreed to contribute a total of \$1,290,000 in FBA funds toward the construction of various off-site traffic improvements on City-owned property near the school. Another \$1,850,000 in Special Park Fees will help fund the recreational joint use facilities and amenities at the new school. Project 34-72 is a feasibility study to be conducted in Fiscal Year 2006. This study will determine if a Direct Access Ramp (DAR) to the I-15 Managed Lanes can be built on that section of the I-15 serving the Scripps Ranch community.
2. Three median projects have been deleted from the plan. The three medians (34-17, 18, 19) were planned for Spring Canyon Rd. The City's Traffic Engineering department determined the medians were no longer necessary and the community planning group agreed.

The proposed Scripps Miramar Ranch FBA assessments for FY 2005 are as follows:

Single-family dwelling unit	\$4,541
Multi-family dwelling unit	\$3,179
Commercial Acre	\$89,641
Industrial Acre	\$54,039
Institutional Acre	\$30,925

These assessments are the rates currently in effect for FY 2005.

Council has previously directed (R-297542, January 14,2003) that the Facilities Benefit Assessment rates are appropriate Development Impact Fees for all properties in the Scripps Miramar Ranch community that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2005 Assessments also be adopted as Development Impact Fees for Scripps Miramar Ranch (see Attachment 1).

The proposed Facilities Benefit Assessment is based on current costs of facilities to be funded under this program, increased by an inflation factor of 4% 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 needed.

The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into a special interest earning fund for Scripps Miramar Ranch. The Council receives an annual 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 Capital Improvement Program budget.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public meeting, 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. A letter advising of today's meeting was mailed to all property owners as shown on the last assessment roll, or otherwise known to staff.

## 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 ensure 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 new development's share of the identified facilities.

Respectfully submitted,

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S. Gail Goldberg, AICP  
Planning Director

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Approved: George Loveland  
Assistant City Manager

GOLDBERG/AA

Attachments:      1. Development Impact Fee Analysis  
                         2. Draft FY 2005 Scripps Miramar Ranch Public Facilities Financing Plan,  
                              September 2004

Note: The size of the attachment precludes general distribution; a copy is available for review in the Office of the City Clerk.

**DEVELOPMENT IMPACT FEE ANALYSIS  
(Scripps Miramar Ranch Financing Plan)**

- 1) What is the purpose of the Impact Fee? – The proposed Impact Fees are to ensure that development provides its fair share of funding for community public facilities.
- 2) What is the use to which the fee is to be applied? – The Impact Fees will be used to finance the remaining transportation and park facilities. A list of the public facilities projects begins on page 21 of the Scripps Miramar Ranch Public Facilities Financing Plan.
- 3) What is the reasonable relationship between the fee’s use and the type of development project on which the fee is imposed? - The Impact Fees will be used to provide for a fair share contribution for community infrastructure projects needed to serve both residential and non-residential development based on the increased intensity of their development. Credit will be given for any existing development.
- 4) What is the reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed?
  - Transportation Projects: Both residential development and non-residential development utilize the community’s transportation system which requires various street projects, traffic signal interconnect systems, landscaping and medians.
  - Park and Recreation Projects: Residential development utilizes the community’s parks and improvements are necessary based on the population build-out and the General Plan guidelines to maintain the existing level of service.