

DATE ISSUED: June 9, 2005 REPORT NO. 05-139

ATTENTION: Land, Use and Housing Committee
Agenda of June 15, 2005

SUBJECT: Mission Valley Public Facilities Financing Plan

REFERENCE: Mission Valley Public Facilities Financing Plan - Fiscal Year 2006

SUMMARY

Issues: Should the Council: 1) approve a Public Facilities Financing Plan for FY 2006 for the Mission Valley Community; 2) rescind the existing Development Impact Fees; and 3) approve the establishment of new development impact fees for all property within the Mission Valley Community?

Manager's Recommendation: Approve the Mission Valley Public Facilities Financing Plan, rescind the existing Development Impact Fees and establish new Development Impact Fees for the Mission Valley Community.

Community Planning Group Recommendation – The Mission Valley Community Planning Group did not vote for plan approval at the June 9, 2005 meeting to allow more time for review; voting will take place on July 6, 2005.

Environmental Impact: This activity is not a “project” and is therefore not subject to CEQA.

Fiscal Impact: Adoption of this financing plan amendment 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 amendment amends the current Mission Valley Public Facilities Financing Plan adopted February 8, 1988.

DISCUSSION

Public Facilities Financing Plan

The Mission Valley Public Facilities Financing Plan amends the list of public facilities that will be needed for the Mission Valley Community as it develops according to the Community Plan. Since Mission Valley is an urbanized community, most of the community facilities and infrastructure are already in place.

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

Residential Units

Transportation	\$1,757	per unit
Park & Recreation	9,109	per unit
Library	432	per unit
Fire	323	per unit
TOTAL FEE	\$11,621	per unit

Commercial and Industrial

Transportation	\$251	per trip
Fire	\$323	per 1,000 square feet

The total impact fee for residential development will increase from \$2,307 to \$11,621 per dwelling unit, due primarily to the need for population-based parks. The actual cost for the library increased from \$3.5 million to \$6.5 million, resulting in a fee increase from \$233 to \$432 per unit. The estimated cost for transportation facilities, \$22.8 million to \$145.3 million, resulted in a fee increase from \$1,001 to \$1,757 per trip for residential units and \$143 to \$251 per trip for non-residential projects. The estimated cost for fire facilities, \$1.1 million to \$12.8 million, resulted in a fee increase from \$140 to \$323 per trip for residential units and \$65 to \$323 per trip for non-residential projects.

Projected costs for all projects are \$798.9 million. Eligible projects in the amount of \$300.7 million 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 Amendment and Development Impact Fee Amendment. 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: Ellen Oppenheim
Deputy City Manager

GOLDBERG/CMG/VLB

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

Attachment: Mission Valley Facilities Financing Plan – Fiscal Year 2006