



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: October 13, 2005 REPORT NO. 05-207

ATTENTION: Land Use and Housing Committee
Agenda of October 19, 2005

SUBJECT: Black Mountain Ranch Public Facilities Financing Plan and Facilities
Benefit Assessment

REFERENCE: “Black Mountain Ranch Public Facilities Financing Plan and Facilities
Benefit Assessment, Fiscal Year 2006, September 2005 Draft”

SUMMARY

Issues - Should the Council: 1) adopt the Black Mountain Ranch Public Facilities Financing Plan (PFFP) for Fiscal Year 2006; 2) adopt a Resolution of Intention to designate an area of benefit for Facilities Benefit Assessments (FBA) in Black Mountain Ranch; 3) adopt a Resolution of Designation; and 4) approve the setting of Development Impact Fees (DIF) consistent with the FBA in Black Mountain Ranch?

Manager’s Recommendation - Adopt the four resolutions.

Planning Commission Recommendation - None.

Community Planning Group Recommendation - No recognized community planning group has been established.

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

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

Code Enforcement Impact - None by this action.

Business Impact Statement - The Facilities Benefit Assessments in Black Mountain Ranch have been increased to accommodate increasing public facilities costs and scheduling requirements.

BACKGROUND

This is the third update of the Black Mountain Ranch Public Facilities Financing Plan and Facilities Benefit Assessment. Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments. This review will serve as the basis for the Capital Improvement Program as it pertains to programming projects funded by Facilities Benefit Assessments (FBA) funds in the Black Mountain Ranch Specific Plan area over the next nine years. The most recent review of the Black Mountain Ranch Public Facilities Financing Plan and FBA was approved by Council on January 14, 2003, by Resolution R-297551. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the FY 2003 plan.

The Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the Black Mountain Ranch community. Full community development is presently estimated to be Fiscal Year 2014. Although there has been some development in the community, the majority of the development has not occurred, and a significant amount of the necessary public facilities are yet to be constructed. The facilities needed are in the park, library, transportation, fire, water, and sewer transmission lines categories. As the projected population of Black Mountain Ranch does not, in some cases, meet community plan guidelines for individual facility requirements, these facilities will be shared with adjacent communities. The goal of the FBA is to ensure that funds will be available in sufficient amounts to provide community facilities when needed.

DISCUSSION

The revised Financing Plan for development in Black Mountain Ranch identifies total project needs estimated at \$795,463,867. Funding for these projects comes from a variety of sources including:

<u>AMOUNT</u>	<u>FUNDING SOURCE</u>	<u>PERCENTAGE OF TOTAL</u>
\$212,611,590	Black Mountain Ranch FBA	26.7%
\$129,798,641	Other FBAs	16.3%
\$ 57,304,728	Subdivider/Developers	7.2%
\$395,748,908	Other*	49.8%
\$795,463,867	TOTALS	100.0%

*Other funding includes Caltrans, SANDAG, Highway Bridge Replacement/Repair Funds (HBRR), State/Federal Freeway Construction Funding, and funding from other communities outside of Black Mountain Ranch.

The following changes have occurred since the last plan update:

1. Five new projects have been added to the plan. The projects are:

- T-29.3 El Camino Real - EIS/EIR Support - \$300,000
- T-32.2 Via De La Valle – Retaining Wall for Bike Path - \$100,000
- T-47.2 Camino San Bernardo - \$2,572,555
- T-60 El Camino Real – Extension of right turn lane - \$600,000
- T-61 SR-56 - Auxiliary lane at Carmel Creek Rd - \$1,000,000

The last three projects on the list were added to the financing plan as a result of revisions to the Transportation Phasing Plan, which are discussed later in this report. Due to the shared nature of the projects, T-60 will be funded by the Black Mountain Ranch FBA and T-61 will be funded by the Torrey Highlands FBA.

2. There have been significant increases in the cost of construction of many of the projects included in the Financing Plan (Only the BMR-FBA increases shown):

T-5	Camino Del Sur – San Dieguito Rd to Bing Crosby Rd	
	\$9,996,959	
T-10	Camino Del Sur Widening – San Dieguito Rd to Carmel Vly Rd	\$3,327,991
T-12	Camino Del Sur Wildlife Crossing Widening	\$4,809,840
T-25	Carmel Valley Rd – Black Mtn Rd to Camino Crisalida	\$5,800,000
T-32.1	Via De La Valle Widening – West El Camino Real to San Andres	\$6,820,748
T-47.1	Paseo Del Sur – Camino Del Sur to Camino San Bernardo	\$6,277,946
T-54.2	SR-56 Widening Interstate 5 to Interstate 15	\$4,535,340
P-1	Community Park	\$3,500,000
P-2	Community Recreation Building	\$3,243,432
F-2	North Fire Station - #48	\$3,164,500
L-1	Branch Library	\$1,859,406

These changes result in a proposed increase of 32.3% in the FBA assessment over the FY 2006 level in the currently approved financing plan.

The proposed assessments for Fiscal Year 2006 in Black Mountain Ranch are as follows:

Single-family dwelling unit (AR-1-1 zone)	\$ 44,650
Multi-family dwelling unit	\$ 31,255
Hotel (per room)	\$ 20,447
Commercial (per 1,000 sq ft)	\$ 14,780
Golf Course (per course)	\$ 901,064
Institutional (per acre)	\$ 147,783
Employment Center (per 1,000 sq ft)	\$ 7,691
Office (per 1,000 sq ft)	\$ 11,233

The proposed assessment for Fiscal Year 2006 is based on estimated costs of facilities to be funded by this program, increased by an inflation factor of 7% for Fiscal Year 2007, and a factor of 4% for Fiscal Years 2008-2014. 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 provide 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 the Black Mountain Ranch Community.

The Black Mountain Ranch Transportation Phasing Plan was revised to reflect the current status of I-15 corridor transportation improvements and the desire of adjacent communities to expedite transportation connections through Subarea 1.

Due to increased Caltrans activity along the I-15 corridor, improvements in the PFFP have been constructed or are planned to be constructed much sooner than the original Transportation Phasing Plan contemplated as initially drafted in the mid-1990's. The Transportation Phasing Plan modifications reflect this reality by showing I-15 improvements as occurring earlier in relationship to Subarea 1 development.

The original Transportation Phasing Plan created breaks in the street system in the early phases of Subarea I development with the intention of limiting traffic movement east to the I-15 corridor. Communities in the I-15 corridor that originally supported this limitation have come to realize that these breaks also prevent traffic from development in the I-15 corridor from going west. They have more recently supported a more interconnected system of streets that permits traffic to flow east and west through Subarea 1. The revised Transportation Phasing Plan provides for the earlier completion of interconnected streets through Subarea 1.

Council has previously directed that the same assessment rates are appropriate Development Impact Fees for all properties in Black Mountain Ranch that have never been assessed or otherwise agreed to pay Facilities Benefit Assessments. Therefore, it is recommended that the above proposed Fiscal Year 2006 Assessments also be adopted as Development Impact Fees for Black Mountain Ranch (see Attachment 1). The Facilities Benefit Assessment will be collected at the building permit issuance stage of development and deposited into a special, interest earning fund for Black Mountain Ranch. 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 Capital Improvements Program budget.

The proposed Fiscal Year 2006 PFFP proposes an increase in the assessments above the programmed inflation rate. As such, State Law requires a Public Meeting be noticed and held prior to the Public Hearing. The Public Meeting will be held together with the Council meeting declaring the intention to designate the Black Mountain Ranch Community as an area of benefit and setting a time for the Public Hearing. Prior to the Public Hearing, a second notice will be mailed 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.

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 the share of the identified facilities attributable to new development.

Respectfully submitted,

S. Gail Goldberg, AICP
Planning Director

Approved: Ellen Oppenheim
Deputy City Manager

GOLDBERG/AA

- Attachments:
1. Development Impact Fee Analysis
 2. Draft FY 2006 Black Mountain Ranch Public Facilities Financing Plan, September 2005.

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

**BLACK MOUNTAIN RANCH PUBLIC FACILITIES FINANCING PLAN
(Development Impact Fee Analysis)**

- 1) What is the purpose of the Impact Fee? – The proposed Impact Fees are to ensure that redevelopment provides its fair share 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 transportation, park, fire, library, sewer and open space facilities. A list of the public facilities projects begins on page 30 of the Black Mountain 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 communities’ transportation system which requires various street projects, traffic signal interconnect systems, landscaping and medians.
 - Park and Recreation Projects: Residential development utilizes the communities’ parks and improvements are necessary based on the population build-out and the General Plan standards to maintain the existing levels of service.
 - Fire Projects: Both residential and non-residential development utilizes fire department services and a new station is necessary based on the population build-out to maintain the existing levels of service.
 - Library Projects: Residential development utilizes the community libraries and expansions are necessary based on the population build-out and the General Plan standards to maintain the existing levels of service.
 - Water and Sewer Lines: Both residential and non-residential development utilizes water and sewer lines and new or expanded lines are necessary based on the population build-out to maintain the existing levels of service.