



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: June 6, 2007 REPORT NO. 07-108
ATTENTION: Land Use and Housing Committee
Agenda of June 13, 2007
SUBJECT: Rancho Bernardo Public Facilities Financing Plan
REFERENCE: Rancho Bernardo Public Facilities Financing Plan - Fiscal Year 2008

REQUESTED ACTION:

Should the Council: 1) Adopt the Rancho Bernardo Public Facilities Financing Plan for FY 2008; 2) Rescind the existing Development Impact Fees; and 3) Approve the establishment of new Development Impact Fees for all property within the Rancho Bernardo Community.

STAFF RECOMMENDATION:

Approve the Rancho Bernardo Public Facilities Financing Plan – FY 2008, rescind the existing Development Impact Fees and establish new Development Impact Fees for the Rancho Bernardo Community.

SUMMARY:

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 existing Public Facilities Financing Plan, adopted June 1990 (R-276010).

A significant change in the financing strategy for Rancho Bernardo is taking place with this financing plan update. The financing and cash flow methodology for the Planned Urbanizing community of Rancho Bernardo is changing due to the elimination of the Rancho Bernardo Special Park Fee (SPF). Park projects were funded primarily through the Special Park Fee. The authority to collect the separate SPF is no longer in the Municipal Code, and therefore, all new park projects, or cost increases to existing park projects, will now be included in the DIF. Any new residential projects will now pay an all inclusive DIF, instead of a DIF and a separate SPF.

The draft FY 2008 Rancho Bernardo Public Facilities Financing Plan describes the public facilities that will be needed for the Rancho Bernardo Community as it develops according to the existing Community Plan. Rancho Bernardo is a planned urbanizing community, with most of the community facilities and infrastructure already in place. The remaining needed facilities are in the categories of transportation, park improvements, library and fire. The proposed fees reflect the current costs of the facilities identified in the Rancho Bernardo Community Plan and

are necessary to maintain existing levels of service in the community. A summary of the proposed impact fees for Rancho Bernardo is as follows:

<u>Residential Units</u>		<u>Commercial and Industrial</u>	
Transportation	\$1,379 per unit	Transportation	\$197 per trip
Park & Recreation	\$ 747 per unit	Fire	\$12 per 1,000 SF of gross bldg area
Library	\$ 579 per unit		
Fire	\$ 12 per unit		
TOTAL FEE	\$2,717 per unit		

The total impact fee for residential development will increase from \$1,255 to \$2,717 per dwelling unit, primarily due to the adjusted scope changes and new project needs and increased costs for transportation and park and recreation facilities.

The estimated cost for eligible transportation facilities has increased from \$910,000 to \$61,610,694. The transportation fee of \$197 per trip reflects project cost increases and the addition of 7 new transportation projects.

The estimated cost for park facilities increased from \$1,150,000 to \$12,374,486, resulting in a park fee of \$747. This increase is a reflection of increased costs for land and construction and the addition of 5 new park projects, in order to meet population based park needs within the community.

A library fee of \$579 has been added to cover the community's share of the Rancho Bernardo Library expansion. A fire fee has been added for modifications to the existing fire station, in order to maintain the current level of service. That fee is \$12/1,000 square feet.

Projected cost for all projects is \$111,358,353. Eligible project costs in the amount of \$84,532,643 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 with new development 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 identified facilities.

FISCAL CONSIDERATION:

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

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Rancho Bernardo Public Facilities Financing Plan is scheduled for the Land Use & Housing Committee meeting on June 13, 2007.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

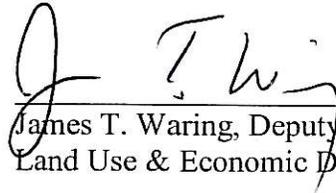
The Rancho Bernardo Community Planning Group unanimously approved the Rancho Bernardo Public Facilities Financing Plan on May 17, 2007, by a vote of 19-0-0, with the condition that a 10-acre park be included in the Financing Plan at the current Avenida Venusto School site, owned and under control of the Poway Unified School District. The park project is currently excluded from the Plan because a Community Plan amendment is required for use as such.

KEY STAKEHOLDERS and PROJECTED IMPACTS (if applicable):

Developers of new projects or redevelopment to intensify the use on existing sites will be subject to proposed higher impact fees.



William Anderson, FAICP, Director
City Planning & Community Investment



James T. Waring, Deputy Chief
Land Use & Economic Development

WARING/ANDERSON/ELL

Attachment: 1. Draft Rancho Bernardo Public Facilities Financing Plan – May 2007

Note: Due to the size of the attachment, only a limited distribution was made. These attachments are available on the City's website: www.sandiego.gov/planning/facilities/financing/index.shtml and a copy is available for review in the office of the City Clerk.