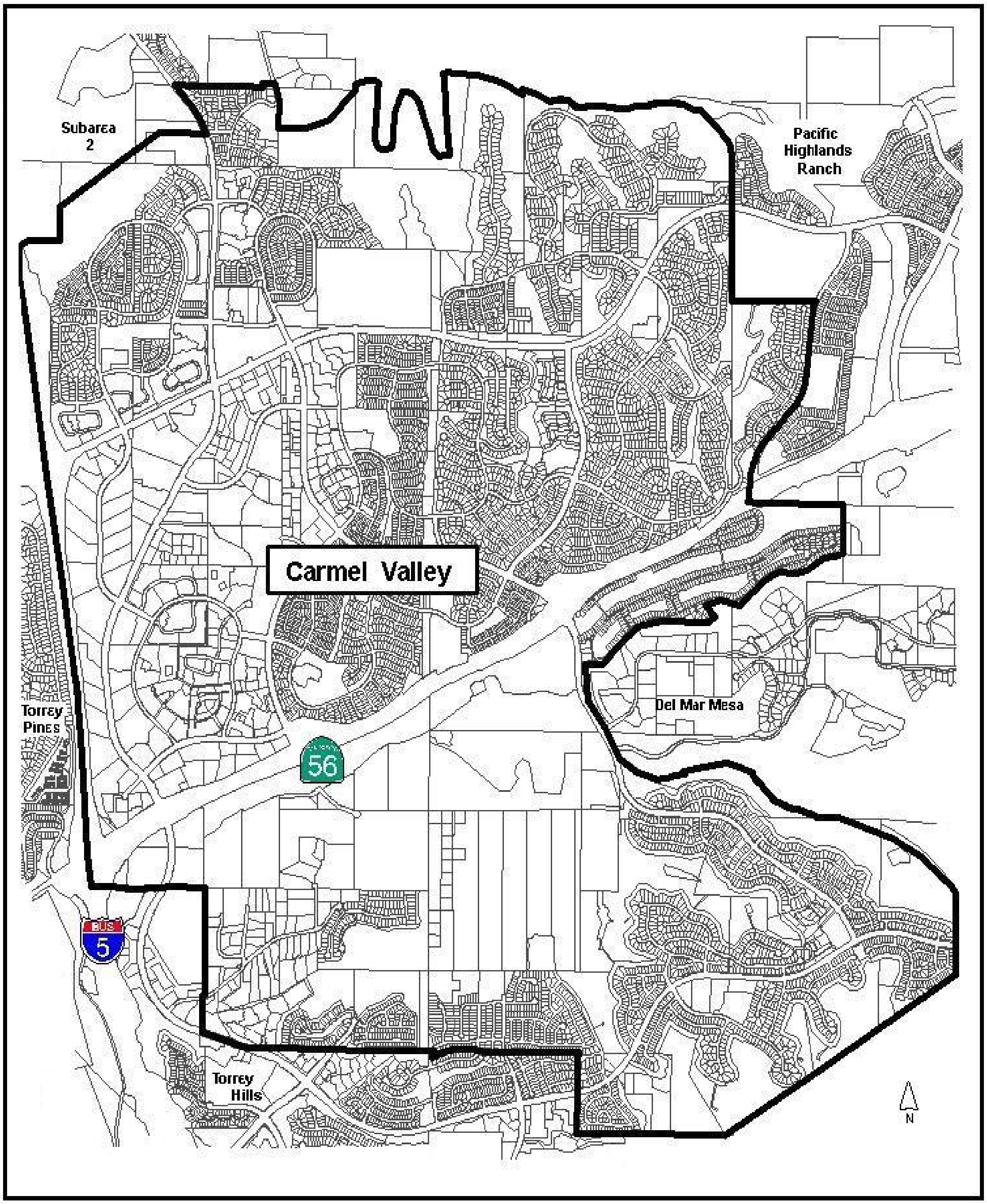
THE CITY OF SAN DIEGO

Carmel Valley

Public Facilities Financing Plan and Facilities Benefit Assessment Fiscal Year 2014

July 16, 2013 - Development Services Department, Economic Development and Project Management Division, Facilities Financing Program. This information will be made available in alternative formats upon request. To request a financing plan in an alternative format, call the Development Services Department (DSD) Facilities Financing Program, at (619) 533-3670. To view this document online, visit the City of San Diego website at: http://www.sandiego.gov/facilitiesfinancing/index.shtml

Figure 1 Carmel Valley Community Map/Area of Benefit



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Introduction

Authority

The Procedural Ordinance for Financing of Public Facilities in Planned Urbanizing Areas, the Facilities Benefit Assessment (FBA) Ordinance, was approved by the City Council on August 25, 1980 by Ordinance O-15318. The City's General Plan was updated on March 14, 2008 by Resolution No. 303473; and new guidelines included the division of the City into two planning designations: Proposition A Lands and Urbanized Lands. Urbanized Lands are characterized by older, recently developed, and developing communities at urban and suburban levels of development. Proposition A Lands are characterized by very-low density, residential, open space, natural resource-based park, and agricultural uses.

Previous, Current and Future Updates

On April 24, 2008, by Resolution No. R-303600, the San Diego City Council (City Council) adopted the Fiscal Year (FY) 2009 Carmel Valley Public Facilities Financing Plan (Financing Plan) and Facilities Benefit Assessment (FBA). This report constitutes an update of the Financing Plan and reflects changes in the rate and amount of planned development; changes in interest and inflation rates; and changes in FBA contributions to CIP projects. The City Council may amend this Financing Plan in the future to add, delete, substitute or modify a particular anticipated project to take into consideration unforeseen circumstances.

Transportation Phasing Plan

The Carmel Valley (formerly North City West) Transportation Phasing Plan (TPP) limited the issuance of Carmel Valley building permits until certain transportation improvements were assured. The plan was declared satisfied on July 23, 1998, and there are no further limitations on building permit issuance. The TPP is contained in Financing Plan updates through FY 2007, but is excluded for this update because it has been fully satisfied.

Purpose and Scope of Report

The Financing Plan implements the Carmel Valley Community Plan (Community Plan) by identifying public facilities needs of the Carmel Valley Community and setting fees pursuant to the FBA Ordinance and California Government Code sections 66000 et seq. (Mitigation Fee Act) to help mitigate the costs of the public facilities. The Financing Plan applies to all property owners seeking to develop property, even if the subject property has an approved tentative or final map detailing its development.

This FY 2014 Financing Plan identifies public facilities that are anticipated over the next six years when full community developments is expected, and includes a development forecast and analysis, a capital improvement program, and an updated FBA Fee schedule. The City Council has adopted a Development Impact Fee schedule to help mitigate the cost of the public facilities needed to serve new development in the community. On May 30, 2008, by Resolution No. 303766, the City Council adopted a Development Impact Fee for the Carmel Valley community. This Financing Plan provides the basis for an update of the Development Impact Fee for the Carmel Valley Community.

Methodology

Area of Benefit

The land within the Carmel Valley community boundary is known as the Area of Benefit; as shown on the inside front cover of this Financing Plan.

In Financing Plan updates through FY 2007, two separate maps had been provided for the Carmel Valley community planning area, one showing the area North of SR 56 and the other showing the area South of SR 56. Beginning with the FY 2009 Financing Plan update, the entire Carmel Valley community planning area is shown together in one map.

FBA Procedure

The FBA provides funding for public facilities projects anticipated in the Area of Benefit. The dollar amount of the assessment is based upon the collective cost of anticipated public facilities equitably distributed over the Area of Benefit.

Timing and Cost of Facilities

The public facilities anticipated to be financed by Carmel Valley FBA funds are shown on the Project Summary Table beginning on page 13. The FBA also funds the administrative costs associated with the development, implementation and operation of the FBA program. Project categories include Transportation, Park and Recreation, Police, Fire-Rescue, Library, and Water/Wastewater. Descriptions of current and future projects can be found on individual project sheets beginning on page 21.

This Financing Plan update includes an analysis, by each of the sponsoring departments, of project costs for each anticipated public facility project. Since needed facilities are directly related to the growth rate of the community, construction schedules are contingent upon actual development within the community. Therefore, any slowdown in community development will require a modification to the schedule for providing anticipated public facilities.

For ease of reference, completed projects have been summarized and placed together in one section following the (individual) project sheets for current and future projects. With this update, all active and future projects will be numbered sequentially in the Financing Plan, starting with the number following the last completed project within the same facility type. In addition, because project identification numbers have evolved over time (specifically due to changes to the numbering and nomenclature associated with Financing Plan updates, City CIP project systems, and the City's computerized financial systems), where possible all numbering systems used over the life of each project will be included in project sheet and project summary.

New Project Sheets

Two Accessibility Compliance project sheets have been added to the Financing Plan to provide funding for American Disabilities Act (ADA) barrier removal and disability-related citizens' complaints at existing Carmel Valley Library and Park facilities.

A community-wide park study project sheet has been added to provide funding for a comprehensive study to develop viable options as to how to obtain /develop additional recreational acreage and facilities to serve the Carmel Valley community. This project replaces the previous park study project (uncompleted) which was specific to only the Northern community park area.

One library improvement project sheet and one park/recreation project sheet have been added to provide funding for future improvements that may be necessary at existing library and park facilities, to expand the use of the facilities and serve additional population. Future projects are conceptual in nature; no specific improvements or locations are identified; and there is no meaningful information available for environmental assessment at this time.

One park/recreation project sheet has been added to provide funding for additional park acreage and recreational facilities that may be necessary to serve existing and additional population in the Carmel

Valley community. Future projects are conceptual in nature; no specific improvements or locations are identified; and there is no meaningful information available for environmental assessment at this time.

Individual projects will be reviewed by City Engineers and may be modified to take into consideration unforeseen circumstances, which could include, for example, physical/logistical barriers, or identification of environmental impacts once the particular projects have been formulated to a sufficient level of detail to enable meaningful environmental review.

Sorrento Hills Development Agreement

The Torrey Hills (formerly Sorrento Hills) community paid for the public facilities necessary to serve future development in advance of individual property development, through a development agreement with the City of San Diego - commonly referred to as the "Sorrento Hills Development Agreement" or "SHDA". This agreement, recorded on August 3, 1989, specified the amount of contribution required towards certain Carmel Valley public facilities that would ultimately serve the Torrey Hills community, including transportation improvements, park and recreation facilities, the police and fire stations, and the public library. The SHDA was deemed fully satisfied on November 2, 2009.

Development Forecast

Development projections are based upon best estimates of the timing of future development, including projections from property owners, developers, land use consultants and City staff. Economic factors can adversely affect these development projections. Changing interest and inflation rates, variable land and housing costs, economic recession, and issues involving transportation thresholds could slow or halt the development rate. Conversely, a period of robust business expansion could significantly increase the rate of development. To ensure that this Financing Plan remains up-to-date and accurate, it is to be periodically revised to include, but not necessarily be limited to, amendments to the Carmel Valley Community Plan.

Current indications are that the remaining anticipated development of Carmel Valley will take place over the next seven years, through FY 2020. Residential development is categorized as either single family detached (SF) or multiple family units (MF), and non-residential development is categorized as Commercial, Industrial or Institutional.

Through fiscal year 2012, there were 13,769 residences (7,300 SF and 6,469 MF); 179.34 acres developed Commercial Acres; 50.47 developed Industrial Acres; and 41.07 developed Institutional acres. Through FY 2020, potential future residential development may bring an additional 249 units and 61.81 non-residential developed acres. However, for calculations of financing public facilities (the Financing Plan Cashflow), the community is considered buildout when 99% of all residentially assessed parcels (FBA liens) and 90% of non-residential assessed parcels (FBA liens) are developed. Additional revenue collected will contribute its fair share towards all facilities, but this additional revenue is not assumed for purposes of Cashflow modeling. The Carmel Valley Development Schedule showing development through buildout is shown in Table 1 on page 4.

Determination of Assessment Rates

FBA Fee Schedule

The FBA Fee Schedule is determined using the development schedule, schedule of anticipated facility expenditures (in FY 2014 dollars), and projected annual interest and inflation rates. Assessment rates are calculated to provide sufficient money to meet the scheduled direct payments for anticipated facilities provided by the fund.

The assessment rates also consider the timing of credits and reimbursements to be paid to developers for FBA funded facilities. Due to inflation and changes in project scope, the cost for providing facilities may increase over time. The fee schedule reflects the rate of assessment for each category of land use, during each FY of anticipated future community development. The fee schedule through FY 2020 is shown in Table 2 (on page 4, and repeated on the inside back cover of this document).

Cashflow Analysis

The Carmel Valley Cashflow, shown on page 7, Table 4, presents an analysis of the FBA. For each FY of development the Cashflow shows the difference between anticipated revenues, and capital improvement expenditures inclusive of administrative costs.

Automatic Annual Increases

The FBA Ordinance provides for an annual adjustment of FBA. The fee schedule reflects an inflation factor of 3.0% per year for FY 2015 and each year thereafter. This factor is used to provide automatic annual increases in the assessment rate, and is effective at the beginning of each FY (July 1). The automatic increase provision is effective only until such time as the next Financing Plan update is approved by the City Council. The City of San Diego considers historic data while predicting the effect of inflation on construction project costs. The Los Angeles/San Diego Construction Cost Index (CCI) and the Consumer Price Index (CPI) for San Diego are the two indices used by the City while conducting a cashflow analysis. The indices are shown on page 8.

Table 1 Carmel Valley Development Schedule

FY	SF	MF	Total Res.	Comm. Acre	Ind. Acre	Inst. Acre
Through 2012	**7,300**	**6,469**	**13,769**	**179.34**	**50.47**	**41.07**
2013	4	0	4	5.68	0	0
2014	8	31	39	1.13	4	4
2015	8	76	84	3	4	5
2016	8	55	63	4	4	6
2017	8	25	33	4	3	5
2018	4	10	14	3	1	3
2019	2	10	12	2	0	0
2020	0	0	0	0	0	0
TOTAL	**7,342**	**6,676**	**14,018**	**202.15**	**66.47**	**64.07**

Table 2 Carmel Valley FBA Rate Schedule

FY	SF	MF	Comm. Acre	Indust. Acre	Inst. Acre
2013	$29,428	$20,600	$109,179	$101,527	$105,059
2014	$30,311	$21,218	$112,454	$104,572	$108,211
2015	$31,221	$21,854	$115,828	$107,710	$111,457
2016	$32,157	$22,510	$119,303	$110,941	$114,801
2017	$33,122	$23,185	$122,882	$114,269	$118,245
2018	$34,116	$23,881	$126,568	$117,697	$121,792
2019	$35,139	$24,597	$130,365	$121,228	$125,446
2020	$36,193	$25,335	$134,276	$124,865	$129,209

Property Assessments

An FBA Assessment Roll is prepared for Carmel Valley, and identifies the size, location, and anticipated land use of remaining assessed parcels. A Notice of Assessment Lien is recorded on undeveloped or under-developed parcels within the Area of Benefit, and the owner or developer is responsible to pay the assessment that applies to the type of development prior to the issuance of construction permits. Assessments on residential development are based on the number and type of dwelling units anticipated. Assessments on non-residential development are based on the type of development and parcel acreage. The Assessment Roll (found starting on page 55) includes the Parcel Number and Land Use anticipated, the estimated number of dwelling units or parcel acreage; and the estimated FBA dollar amount based on the FBA Fee Schedule for FY 2014. Identification numbers have been assigned to each parcel, and the remaining list may appear non-sequential as a result of the omission of parcels after assessments are paid, ownership changes, or as parcels are subdivided. Information on ownership is based on County records, as shown on the last Recorded Assessment Roll, as otherwise known to the City Clerk, or by other means which the City Council finds reasonably calculated to apprise affected landowners of Council hearings.

Development Impact Fees

As the Carmel Valley develops, development intensification may occur on properties that have previously paid FBA, or were never assessed FBA. Pursuant to the Mitigation Fee Act, Development Impact Fees (DIF) are collected to mitigate the impact of that additional new development. DIF cannot be used for demand resulting from existing development. Collection of DIF is required at time of building permit issuance, and in an amount equal to the calculation for FBA. Funds collected are deposited in a special interest bearing account and can only be used for identified facilities serving the community in which they were collected. As sufficient funds are collected, the City proceeds with a construction program. Use of DIF is one of the financing methods recommended for Carmel Valley.

At time of DIF calculation, with proof of type and amount of prior land use, and/or provision of demolition permit or demolition sheet within a permit submittal package, DIF credit for previous use (and/or demolished structures) on the same parcel may be applied towards the calculation of impact fees assessed on the new use and/or new building structure.

Collection of Assessments and Impact Fees

While assessments on parcels are based on best and highest anticipated land use, an individual owner or developer will pay an assessment based upon the specific parcel or residential development being constructed. Prior to the time of construction or building permit issuance, respectively, FBA or DIF is calculated according to the FBA Fee Schedule in effect at the time the payment is made.

With this Financing Plan update, FBA and DIF revenues will be placed into separate interest bearing Special Funds. These funds are used within the Area of Benefit and only for those capital improvements and administrative costs identified in the Financing Plan. As with the programming of FBA, DIF revenue received to date can be scheduled for expenditure in active and future projects. However, because of the uncertainty associated with DIF revenues, DIF cannot be scheduled for expenditure until received.

Consolidation of Funds

FBA and DIF funds collected within the Carmel Valley community are intended to provide facilities that benefit all residents within the Carmel Valley community. With the FY 2009 Financing Plan update all Carmel Valley funds were considered to be consolidated and expended as one funding source. (Please refer to the FY 2009 Financing Plan for full text on this subject). Similarly, with the creation of a separate DIF fund, all past and future DIF revenues will be consolidated.

Expenditures

Expenditures which may be applied against FBA/ DIF funds include: direct payments for facility costs including administrative costs; credits to developers for facilities provided in accordance with the FBA Ordinance; and cash reimbursement to developers for providing facilities exceeding the cost of their FBA/DIF obligation. Whether a developer or the FBA/DIF funds directly provide for a facility, direct payments, credits, and cash reimbursements are all treated as expenses to the FBA/DIF funds. Pursuant to the terms of a reimbursement agreement with the City, a developer may be issued credits against an assessment for expenditures related to providing facilities in lieu of paying FBA/DIF. Alternatively, an approved reimbursement agreement with the City may provide a developer cash reimbursement from FBA/DIF funds.

Changes to FBA funded Projects

Identified below are all major changes to FBA funded projects, including actual contribution amounts and updated cost estimates. In the chart below, a "C" before the project number indicates the project is completed. Initials "T", P/R", "PO", "F" and "W" indicate the type of facility (i.e. Transportation, Park/Rec., Police, Fire, Water, respectively), and the number represents the order of project completion by facility type.

Table 3 Changes to FBA Funded Projects

Project	Project Title and Change	FY 2009	FY 2014	Change
C T-40	Carmel Mountain Road/I-5 Interchange	$7,479,996	$7,481,150	$1,154
C T-41	East San Rafael Street Deceleration Lane	$770,000	$197,538	-$572,462
C T-42	Del Mar Heights Road North of Ashley Falls Neigh. Park	$845,250	$859,422	$14,172
C P/R-17	C. V. Community Park Town Center	$21,110,136	$20,118,975	-$991,161
C P/R-18	C. V. Community Park South. Del Mar Union S.D. reimbursed City; overall project completed under budget.	$4,157,279	$1,902,684	-$2,254,595
C P/R-19	C. V. Community Park South – Recreation Building	$5,000,000	$4,505,535	-$494,465
C P/R-20	C. V. Skate Park	$3,160,000	$2,411,641	-$748,359
C P/R-21	2009 Recreational Facilities Study. Deleted.	$50,000	$0	-$50,000
C PO-1	Northwest Area Police Station.	$12,144,560	$11,429,830	-$714,730
C W-4	Water Transmission Line Relocation	$1,485,000	$1,255,572	-$229,428
C W-5	Carmel Mountain Rd. Water Transmission Line	$3,295,000	$2,106,265	-$1,188,735
			Completed/Deleted Project Savings:	**-$7,228,609**
T-42	Miscellaneous Transportation Improvements	$35,000	$2,035,000	$2,000,000
T-43	El Camino Real/SR-56 Bike Path Connector	$267,000	$461,640	$194,640
T-46	Carmel Mountain Rd. Eastern Wildlife Bridge & Rd Seg.	$4,618,120	$3,785,584	-$832,536
T-47	Carmel Country Road Low Flow Channel	$1,712,000	$2,712,000	$1,000,000
T-48	(New) Accessibility Compliance – Trans. Facilities	$0	$1,610,000	$1,610,000
P/R-22	C.V. Neighborhood Park & Frontage Road	$5,034,350	$6,581,870	$1,547,520
P/R-24	Carmel Grove Mini-park Play Area	$428,000	$480,858	$52,858
P/R-25	Del Mar Trails Park Play Area Upgrades.	$530,811	$596,366	$65,555
P/R-26	Torrey High. Neigh. Park Play Area Upgrades.	$535,000	$940,377	$405,377
P/R-27	Windwood II Mini-park Play Area Upgrades.	$428,000	$550,000	$122,000
P/R-28	(New) Park and Recreational Facilities Improvements	$0	$5,500,000	$5,500,000
P/R-29	(New) Carmel Valley Parks - Land and Rec. Facilities	$0	$18,750,000	$18,750,000
P/R-30	(New) Carmel Valley Parkland and Facilities Study	$0	$150,000	$150,000
P/R-31	(New) Accessibility Compliance – Park/Rec. Facilities	$0	$3,007,000	$3,007,000
			Increased Contributions Current & Future Projects:	**$33,572,414**
			Total:	**$26,343,805**

Table 4 Carmel Valley Cashflow

FISCAL YEAR	SFDU	MFDU	CAC	IAC	INST	$/ SFDU	$/ MFDU	$/ CAC	$/ IAC	$/ INST	REV. & INT.	EXPENSES	BALANCE
Through FY 2009	7,162	6,300	178.26	50.47	40.51						$153,057,755	$123,992,612	$29,065,143
2010	74	23	0.01	0.00	0.56	$24,946	$17,462	$92,550	$86,063	$89,057	$1,965,855	$5,056,416	$25,974,582
2011	43	91	0.19	0.00	0.00	$26,692	$18,685	$99,028	$92,088	$95,291	$3,106,615	-$1,154,118	$30,235,315
2012	21	55	0.88	0.00	0.00	$28,027	$19,619	$103,980	$96,692	$100,056	$1,970,880	$1,076,321	$31,129,874
2013	4	0	5.68	0.00	0.00	$29,428	$20,600	$109,179	$101,527	$105,059	$1,586,348	$756,169	$31,960,053
2014	8	31	1.12	4.00	4.00	$30,311	$21,218	$112,454	$104,572	$108,211	$2,911,987	$8,409,132	$26,462,908
2015	8	76	3.00	4.00	5.00	$31,221	$21,854	$115,828	$107,710	$111,457	$3,846,218	$8,510,402	$21,798,725
2016	8	55	4.00	4.00	6.00	$32,157	$22,510	$119,303	$110,941	$114,801	$3,540,041	$12,179,132	$13,159,633
2017	8	25	4.00	3.00	5.00	$33,122	$23,185	$122,882	$114,269	$118,245	$2,515,053	$9,163,205	$6,511,481
2018	4	10	3.00	1.00	3.00	$34,116	$23,881	$126,568	$117,697	$121,792	$1,371,868	$3,636,957	$4,246,392
2019	2	10	2.00	0.00	0.00	$35,139	$24,597	$130,365	$121,228	$125,446	$689,029	$159,135	$4,776,286
2020	0	0	0.00	0.00	0.00	$36,193	$25,335	$134,276	$124,865	$129,209	$106,229	$1,113,945	$3,768,570
TOTAL	**7,342**	**6,676**	**202.14**	**66.47**	**64.07**						**$176,667,879**	**$172,899,309**	**$3,768,570**

Notes: FY 2015-2020: Inflation = 3.0% per Year; Interest = 2.5% per Year
Expenses include administrative costs, direct CIP costs, fund transfers and project cost reimbursements.

Table 5 Los Angeles/San Diego Construction Cost Index

As reported March 2013 by *Engineering News Record*

YEAR	CCI	% ANNUAL CHANGE
2000	7056	3.28%
2001	7073	0.24%
2002	7440	5.19%
2003	7572	1.77%
2004	7735	2.15%
2005	8234	6.45%
2006	8552	3.86%
2007	8873	3.75%
2008	9200	3.69%
2009	9799	6.51%
2010	9770	(0.3%)
2011	10035	2.72%
2012	10284	2.48%
2013	10284	0.0%

Table 6 San Diego Consumer Price Index

Reported August 2012

YEAR	CPI	% ANNUAL CHANGE
2000	179.8	4.72%
2001	190.1	5.73%
2002	195.7	2.95%
2003	203.8	4.14%
2004	211.4	3.73%
2005	218.3	3.26%
2006	226.7	3.85%
2007	231.9	2.29%
2008	242.4	4.55%
2009	240.9	-0.60%
2010	244.2	1.39%
2011	252.5	3.40%
2012	256.6	1.66%

Financing Strategies

Policy PF-A-3 (Public Facilities, Services and Safety Element) of the City of San Diego General Plan calls for the City to maintain an effective facilities financing program to ensure that impact of new development is mitigated through appropriate fees identified in Financing Plans; to ensure new development pays its proportional fair-share of public facilities costs; to ensure FBAs and DIFs are updated frequently and evaluated periodically to ensure financing plans are representative of current project costs and facility needs; and to include in the Financing Plans a variety of facilities to effectively and efficiently meet the needs of diverse communities.

Development impacts public facilities and services, including the water supply and distributions system, sanitary sewer system, streets, parks and open space. Anticipated public facility projects that benefit a population larger than the local/adjacent development can be financed by using the following alternative methods:

Facilities Benefit Assessment (FBA)

This method of financing fairly and equitably spreads costs while following the procedures specified in the FBA Ordinance.

Development Impact Fee (DIF)

Within communities which are near full community development, DIF are collected to mitigate the impact of new development through provision of a portion of the financing needed for funding anticipated public facilities and to maintain existing levels of service for that community. DIF cannot be used for demand resulting from existing development. Consistent with previous Council direction, DIF, equal to the current FBA, are appropriate for properties in FBA communities that have not been assessed or otherwise agreed to pay FBA.

Assessment Districts

Special assessment district financing, such as the Municipal Improvement Acts of 1913/1915, may be used as a supplementary or alternative method of financing facilities such as streets, sidewalks, sewers, water lines, storm drains, and lighting facilities. Assessment districts may be beneficial in that they provide all of the funding needed for a particular public facility project in advance of the projected development activity. However, assessment districts also create a long-term encumbrance of the benefiting property and require that the funds be repaid over an extended period of time. Assessment districts also require the approval of at least 50% of the property owners, based on a ballot process with votes weighted in proportion to the assessment obligation in order to establish the district.

Community Facilities Districts (CFD)

State legislation, such as the Mello-Roos Act of 1982, has been enacted to provide a method of financing public facilities in new and developing areas. A Mello-Roos is also known as a Community Facilities District (CFD). The formation of such CFDs may be initiated by owner/developer petition. Mello-Roos districts also require approval by a two-thirds majority of the property owners in order to establish the district.

Further guidance on both Assessment Districts and Community Facilities districts within the City can be found in the City of San Diego Debt Policy, Appendix A, Special District Formation and Financing Policy.

Cost Reimbursement District (CRD)

Occasionally, a developer/subdivider is directed to construct public improvements that are more than that which is required to support their individual property/development. A Cost Reimbursement District provides a mechanism by which the developer/subdivider may be reimbursed by the property owners who ultimately benefit from the improvement. Reimbursement is secured by a lien on the benefiting properties for a period of 20 years, with the lien due and payable upon recordation of a final map or issuance of a building permit, whichever occurs first.

Developer Construction

With approval of City Council, developers may elect to construct some public facility projects in lieu of, or for credit against, paying a Facilities Benefit Assessment (Council Policy 800-12). Facility costs in excess of the FBA fee obligation may be reimbursed to the developer from the FBA fund, subject to the availability of funds and pursuant to the terms of a Council-approved reimbursement agreement.

Development Agreement

A developer may enter into an agreement with the City, in which certain development rights are extended to the developer in exchange for certain extraordinary benefits given to the City.

Regional Transportation Congestion Improvement Program

Where appropriate, the City assesses the Regional Transportation Congestion Improvement Program Fees (RTCIP) as authorized by City Council Resolution R-303554, adopted on April 14, 2008. Development within Carmel Valley is currently exempt from the RTCIP fee since new development pays FBA or DIF in an amount greater than the average RTCIP rate per residential unit and therefore demonstrates a Maintenance of Effort in financing the Regional Arterial System.

Reimbursement Financing for Water and Sewer Facilities

This method of financing is outlined in Council Policy 400-7, and is commonly used when the first developer/subdivider in an area is required to construct the necessary water and sewer facilities for an entire developing area. These agreements are approved by City Council. Reimbursement to the first developer/subdivider can occur over a period of time as long as 20 years or until all of the subsequently developed lands have participated in the reimbursement, whichever occurs first.

State/Federal Funding

Certain public facilities may be determined to benefit a regional area that is larger than the community planning area. Such projects may be appropriately funded by either the state, federal government, or by a combination of the two.

General Assumptions and Conditions

For the FBA and DIF methodologies, the following assumptions and conditions will be applied:

1. Except for those projects that are identified as FBA funded, developers will be required to provide facilities that are normally provided within the subdivision process as a condition of tentative subdivision map approval.

2. Non-residential land will be assessed FBAs for infrastructure, including transportation, fire, and utility facilities. However, developers of non-residential land will not be assessed for park and recreation or library facilities since those facilities primarily serve the residential

component of the Carmel Valley community. In the future, if a basis is developed for charging non-residential development for the cost of park and recreation and library facilities, their fair share will be evaluated at that time.

3. Reviews may be performed to evaluate performance of the program and consider the continuing commitments related to the completion of needed facilities. Project costs and assessments shall be evaluated for all portions of the program.

4. The owner or developer shall pay the FBA or DIF as a condition of obtaining construction or building permits, respectively.

5. A developer, or group of developers, may propose to build or improve an FBA funded facility that is identified in the Capital Improvements Program. Upon City Council approval, the developer(s) may enter into an agreement to provide the facility in lieu of, or as credit against the payment of FBA fees, provided that adequate funds are available in the FBA fund. The amount and timing of the credit being sought by the developer(s) must coincide with the expenditure of funds depicted on the Financing Plan CIP sheet for the respective project.

   Should the approved, final cost of the facility exceed the amount of credit being sought by the developer(s), the developer(s) may be reimbursed from the FBA fund for the difference, subject to the reimbursement agreement and the availability of funds. If two developers are entitled to cash reimbursement during the same FY, then the first agreement to be approved by the City Council shall take precedence over subsequent agreements.

6. As FBA and DIF are collected they shall be placed in separate City funds that provide interest earnings for the benefit of Carmel Valley.

7. The Development Schedule, shown on page 4 as Table 1, is an estimated schedule based on the latest information available at the time this Financing Plan was adopted. Future approvals and/or modifications of precise plans and/or discretionary permit applications may either increase or decrease the extent of development proposed within Carmel Valley.

8. Most public facilities anticipated in the Financing Plan are either “population based” or “transportation based.” The estimated year in which funds are budgeted for a given project should not be considered as a binding commitment that the project would be constructed in that year. With each Financing Plan update, permit activity and population projections, coupled with additional traffic study information obtained since the last update, will be evaluated to determine the most appropriate year in which to budget the need for each remaining project. In addition, the City Council may amend the Facilities Financing Plan to add, delete, substitute, or modify a particular anticipated project to take into consideration unforeseen circumstance

9. Only those roadways that have been designed as circulation element roadways per the Carmel Valley Community Plan have been considered in this Financing Plan as being funded or partially funded by the FBA. All other roadways located within Carmel Valley will be the responsibility of the developer/subdivider and are not reflected in the FBA calculations.

10. Any project-specific community plan amendment may result in additional fees being charged on an ad hoc basis.