

THE CITY OF SAN DIEGO

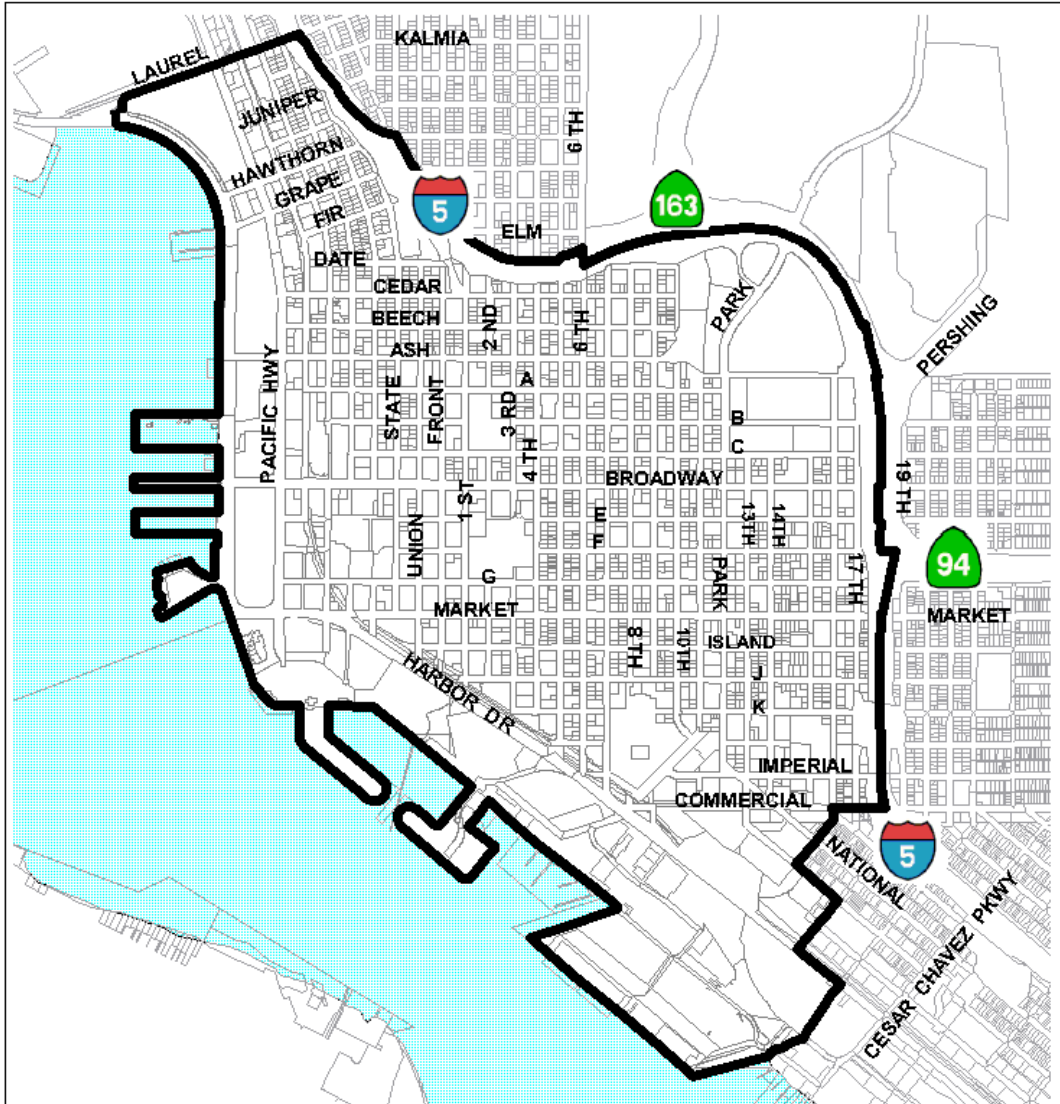
# Downtown Community

---

## **Public Facilities Financing Plan and Development Impact Fee Fiscal Year 2015**

Planning Department, 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 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/plans/index.shtml>

# Downtown Community Map



**Mayor**

Kevin Faulconer

**City Council**

Sherrí Lightner, Council President Pro Tem, Council District 1

Ed Harris, Council District 2

Todd Gloria, Council President, Council District 3

Myrtle Cole Council District 4

Mark Kersey, Council District 5

Lorie Zapf, Council District 6

Scott Sherman, Council District 7

David Alvarez, Council District 8

Marti Emerald, Council District 9

**City Attorney**

Jan Goldsmith, City Attorney

Inga Lintvedt, Deputy City Attorney

**Planning Department**

Bill Fulton, Director

Tom Tomlinson, Assistant Director

Scott Mercer, Supervising Management Analyst

Megan Sheffield, Senior Management Analyst

Gloria Hensley, Principal Engineering Aide

Elena Molina, Administrative Aide

**Downtown Community Planning Council**Core Columbia

Judith Meeks

Scott Morgan

Judy Radke

Little Italy

Luke Vinci

Laura Garrett, DCPC Chair

Michael Rosenbaum

Community Org. - Civic

Pat Stark

Sal Giametta

East Village

Pablo Collin

Vince Larson

Claudia Escala

Kyle Peterson

Bill Reynolds

Gaslamp Quarter

Bill Keller

Harold Clayton

Horton

Kimberly Brewer

Debbie Carrigan

Community Org. - Charitable

Monica Ball

Marina

Cynthia Blair

David Priver

Diana Clark

Jessica Cometa

Cortez Hill

Lindsay King

Dan Wery

James Lawson

## Table of Contents

	<b>Page</b>
<b>Chapter 1: Introduction</b>	1
<b>Chapter 2: Existing Public Facilities and Future Needs</b>	2
<b>Chapter 3: Development Impact Fee Calculation</b>	3
<b>Chapter 4: Financing Strategies</b>	5
<b>Chapter 5: Public Facilities Project Summary and Project Pages</b>	6
Project Summary Table	7
Transportation Project Sheets	9
Park and Recreation Project Sheets	15
Fire-Rescue Project Sheets	23
<b>Table 1: Development Impact Fee (DIF) Schedule</b>	4
<b>Table 2: Percent Annual Increase</b>	5
<b>Table 3: Project Summary Table</b>	7
<b>Appendices</b>	
Appendix 1: Unit Pricing for Transportation Projects	A-1
Appendix 2: Unit Pricing for Park and Recreation Projects	A-2
Appendix 3: Downtown Community Planning Council Priority List	A-3
Appendix 4: Council Resolutions Approving Financing Plan and DIF Schedule	A-4
<b>Community Boundary Map is Located Inside Front Cover</b>	
<b>Development Impact Fee Schedule is Located Inside Back Cover</b>	

## **Chapter 1: Introduction**

### **Authority**

The General Plan for the City of San Diego was updated on March 10, 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 include the developing communities, the central portion of San Diego and the remaining older sections of the City. The Downtown community is designated as an Urbanized Lands area.

### **Previous, Current and Future Public Facilities Financing Plan Updates**

This Fiscal Year 2015 Downtown Public Facilities Financing Plan (Financing Plan) supersedes the Fiscal Year 2005 Centre City Financing Plan (adopted by Resolution No. R-300011). This Financing Plan is an update that reflects changes in the rate and amount of anticipated development, and changes in Development Impact Fee 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.

The community planning area is “Downtown”, previously “Centre City”. Throughout this Financing Plan, the community is referred to as the Downtown Community.

### **Purpose and Scope of Report**

The Downtown Community totals approximately 1,450 acres, and is generally bound by Interstate 5 (I-5) to the north and east, and San Diego Bay to the south and west, as shown in **Figure 1**, located on the inside front cover.

The Downtown Community Plan (Community Plan) is a comprehensive policy guide for the physical development of the community. The Financing Plan identifies public facilities that are anticipated over the next 21 years when full community development (buildout) is expected, and serves to establish a financing strategy for the provision of those facilities, and to establish a Development Impact Fee for new development.

### **Development Forecast and Analysis**

Through FY 2013, the Downtown Community has approximately 23,059 residential units. Based on 2010 Census data and construction activity thereafter, the FY 2013 population is estimated to be 39,430 residents. At buildout, the Community Plan anticipates a total of 53,100 residential dwelling units. Based on San Diego Association of Government (SANDAG) FY 2030 forecast of person-per-occupied household ratio of 1.71, at buildout the population is estimated at 90,801 residents.

At buildout, the Community Plan further anticipates non-residential development will include: 22,028,000 square feet (SF) of office use; 6,070,000 SF retail/commercial use; and 10,770,000 SF hotel use (17,950 rooms); for a total of approximately 38,868,000 SF. An analysis of present and projected development, and using the Community Plan as a guide, indicates that by the year 2035 approximately 30,041 additional residential dwelling units will be constructed, and the downtown population will increase by approximately 51,371 residents.

## Chapter 2: Existing Public Facilities and Future Needs

### Transportation

The Downtown Community is served by a convenient grid-style street system, three freeways, numerous trolley stations, Greyhound Bus Station, Santa Fe Train Depot terminal, bicycle routes, and multiple bus routes that connect passengers to trolley, bus and train terminals.

Transportation facility projects included in this Financing Plan include street, transit, bicycle and pedestrian improvements, promenades and below grade parking structures under public facilities.

### Park and Recreation

The Downtown Community is served by approximately 80 acres of parks and open space within the community boundary. It is anticipated that an additional 50 acres will be developed during the life of the Community Plan. In addition, the community is directly adjacent to a 1,200 acre regional park (Balboa Park including the San Diego Zoo), and the San Diego Bay.

The City of San Diego General Plan (General Plan) Park Guidelines include 2.8 acres of usable parkland per 1,000 residents, and include eligibility criteria for population-based park equivalencies which allow community park acreage credit for recreational facilities that are within or adjacent to residential development, as well as various other non-traditional park types. Park equivalencies within a community are to be evaluated as part of the preparation of an anticipated San Diego Parks Master Plan, or at the time of community plan update or amendment, or community-specific parks master plan. As the Downtown Community is vertical in nature, has limited remaining vacant land, and is adjacent to both the San Diego Bay and Balboa Park, it is anticipated that when a Parks Master Plan (or park planning guideline regarding implementation of park equivalencies) is completed, the Downtown Community and Financing Plans may be amended in regard to the requirements and provision of parks and recreational facilities.

Park and recreation facility projects included in this Financing Plan include new parks and improvements to existing parks; waterfront esplanade; freeway lids with park facilities and open space areas; construction of a swimming pool and recreational facilities.

### Fire-Rescue

Fire protection for the Downtown Community is provided by two stations within the community boundary and three stations located in adjacent communities. Community locations and areas served include:

- No. 1      1222 First Ave.101; 92101      Downtown, Civic Core Centre
- No. 3      725 W. Kalmia St.; 92103      Uptown, North of Little Italy Neighborhood
- No. 4      404 Eighth Ave.; 92101      Downtown, East Village Ballpark Neighborhood
- No. 7      944 Cesar E. Chavez; 92113      Barrio Logan, South of Convention Center
- No. 11     945 25<sup>th</sup> St.; 92102      Golden Hill Community, East of East Village

Fire-Recue facility projects included in this Financing Plan include the addition of two new fire stations, one within the East Village Neighborhood (north of Broadway between 13<sup>th</sup> and 14<sup>th</sup>) and the other in the Pacific Highway corridor (east of Pacific Highway on Cedar Street).

### Police and Library

The Downtown Community is served by the San Diego Police Department's Central Division, located at 2501 Imperial Avenue; and Police headquarters is located downtown at 1401 Broadway. No additional Police facility projects are included in this Financing Plan.

The Downtown Community is served by the new Central Library at 330 Park Boulevard. No additional Library facility projects are included in this Financing Plan.

### **Timing and Cost of Facilities**

The public facilities which may be financed by Downtown DIF funds are shown on the Project Summary Table beginning on page 7. DIF also funds administrative costs associated with the development, implementation and operation of the DIF program. Project categories include Transportation, Park and Recreation, and Fire-Rescue. Detailed descriptions of projects can be found on individual project sheets beginning on page 9.

This Financing Plan update includes an analysis, by each of the sponsoring City 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.

## **Chapter 3: Development Impact Fee Calculation**

The amount of DIF imposed on new development is based on the extent or degree to which each type of development generates a demand for various public facilities. For example, all development generates vehicular traffic and demand for fire-rescue services, and thus, on an equitable basis, should share in the cost of transportation and fire projects. Residential development also generates demand for park and recreation facilities. Non-residential development in the Downtown area also generates a demand for park and recreation facilities.

For each identified project, the portion of the project cost that is eligible to receive DIF funding is determined (DIF-eligible). By facility type, the DIF-eligible amounts are totaled, and along with an 8 percent charge to cover City administrative cost, make up the DIF fee component. This administrative cost covers a proportionate cost of the overall Facilities Financing Program, and personnel time spent on the administration of the Downtown DIF program by City staff including those outside of the Facilities Financing Program.

### **Transportation Component of DIF**

Both residential and non-residential development generates demand for transportation facilities. Transportation facilities are dictated by traffic volume. Residential development impact fees are based on an Average Daily Trip (ADT) rate of 4 ADTs per multi-family residential unit, consistent with the San Diego Land Development Code Trip Generation Manual's Table 5 Centre City Cumulative Trip Generation Rates. Non-residential development impact fees are based on gross building area (GBA) and the number of ADTs generated by the development. The ADT rate applied to each building permit fee calculation will be that as listed in the most current version of the Trip Generation Manual Table 5 in effect on the date of building permit issuance.

At buildout, the community is anticipated to generate 1,546,470 ADTs. The FY 2015 DIF basis for Transportation projects is \$496,598,876, including 8% administrative costs. This cost, divided by 1,546,470 ADTs, results in transportation DIF of \$1,284 per residential unit and \$321 per ADT generated by non-residential development.

### **Park and Recreation Component of DIF**

Both residential and non-residential development generates a demand for park and recreation facilities. Non-residential development impact fees are based on an average cost per 1,000 SF of gross building area. Residential impact fees are based on an average cost per dwelling unit. For

## FY 2015 Downtown Community PFFP

purposes of fee calculation, all development is counted in terms of Equivalent Dwelling Units (EDUs). One residential dwelling unit equals one EDU, and at buildout the community is anticipated to have 53,100 dwelling units, or 53,100 EDUs. At buildout the community is anticipated to have 38,868,000 SF of non-residential development, and using a standard equivalency factor of .34 (the Park and Recreation equivalency between 1 dwelling unit and 1,000 SF of non-residential development), non-residential development is anticipated to have 13,215 EDUs. Therefore, for calculation of the Park and Recreation component of the DIF fee, the total number of community EDUs at buildout is 66,315.

The FY 2015 DIF basis for Park and Recreation projects is \$354,602,026, including 8% administrative costs. This cost, divided by 66,315 EDUs results in a park and recreation DIF of \$5,347 per residential unit and \$1,818 per 1,000 SF of non-residential development.

### Fire-Rescue Component of DIF

Both residential and non-residential development generates a demand for fire-rescue facilities. Non-residential development impact fees are based on an average cost per 1,000 SF of gross building area. Residential impact fees are based on an average cost per dwelling unit. For purposes of fee calculation, all development is counted in terms of Equivalent Dwelling Units (EDUs). One residential unit (unit) equals one EDU, and at buildout the community is anticipated to have 53,100 units, or 53,100 EDUs. At buildout the community is anticipated to have 38,868,000 SF of non-residential development, and using a standard equivalency factor of .7 (the fire-rescue equivalency between 1 dwelling unit and 1,000 SF of non-residential development), non-residential development is anticipated to have 27,208 EDUs. For calculation of the Fire-Rescue component of the DIF fee, the total number of community EDUs at buildout is 80,308.

The FY 2015 DIF basis for Fire-Rescue projects is \$91,197,119, including 8% administrative costs. This cost, divided by 80,308 EDUs results in a fire-rescue DIF of \$1,136 per residential unit and \$795 per 1,000 SF of non-residential development.

### DIF Fee Schedule

By combining facility-specific impact fee components, a DIF Fee Schedule is created. For residential development, the FY 2015 DIF is \$7,767 per residential unit.\* For non-residential development the FY 2015 DIF is \$2,613 per 1,000 SF and \$321 per ADT.\* The actual dollar amount due for an individual building permit will be based on the DIF Fee Schedule and Trip Generation Manual in effect on the date of building permit issuance.

The FY 2015 DIF Fee Schedule is shown in Table format below and on the inside back cover.

**Table 1 DIF Fee Schedule\***

<b>FY 2015 DIF Fee Schedule*</b>			
	<b>Res. Development</b>	<b>Non-residential Development</b>	
	Per Dwelling Unit	Per 1,000 SF	Per ADT
Transportation	\$1,284	\$0	\$321
Park & Recreation	\$5,347	\$1,818	\$0
Fire-Rescue	\$1,136	\$795	\$0
<b>Total</b>	<b>\$7,767</b>	<b>\$2,613</b>	<b>\$321</b>

\*The FY 2015 DIF Fee Schedule will go into effect on July 1, 2015.



**Annual Increase**

City Council Ordinance Number O-20100, passed October 11, 2011, amended Municipal Code provisions relating to the collection of public facilities fees. Specifically, Chapter 14, Article 2, Division 6 provides for automatic annual increases to the DIF Fee Schedule to occur every July 1<sup>st</sup>. Section 142.0640(b) states: “unless otherwise specified in the applicable Resolution(s) establishing the Development Impact Fees, the amount of the Development Impact Fee shall be increased, starting on July 1, 2010, and on each July 1<sup>st</sup> thereafter, based on the one-year change (from March to March) in the Construction Cost Index for Los Angeles as published monthly in the Engineering News-Record. Increases to Development Impact Fees consistent with the Construction Cost Index in Los Angeles shall be automatic and shall not require further action of the City Council.”

For informational purposes, table 2 shows the CCI for reporting year’s 2010 through 2013, and the applied annual increase to the subsequent FY’s DIF Fee Schedule.

**Table 2 Percent Annual Increase**

Reporting Year	CCI	FY Increase
2010	9770	0%
2011	10035	2.72%
2012	10284	2.48%
2013	10284	0%

**Collection and Expenditure of Impact Fees**

Payment of DIF is required at time of building permit issuance. 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 charged on the new use and/or new building structure.

DIF revenue is used for projects identified in the Financing Plan, up to the amount listed on each project sheet. Expenditure of DIF revenue may not exceed a project’s DIF basis without further City Council action. A specific project’s DIF basis (DIF-eligible amount of total project cost), can be identified on its CIP project sheet. For current and future projects, without further City Council action the DIF-eligible amount may increase with the CCI.

Because less than half of the anticipated development/redevelopment in the Downtown Community Planning area has already occurred (43% of residential development and 44% of non-residential development), DIF funds collected will contribute a significant portion of the cost of the public facilities included in this Financing Plan. The remaining portion of costs will have to be provided through funding mechanisms other than DIF.

**Chapter 4: 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, fire-rescue facilities, streets, parks and open space. Anticipated public facility projects that benefit a population larger than the local/adjacent development can be financed by using alternative methods.

The City of San Diego has a variety of potential funding sources for financing public facilities, which will be provided in part by developers as part of the subdivision process. Potential methods for financing public facilities are included in the Glossary of the Adopted Budget (Volume I: Budget Overview and Scheduled), which is available online at: <http://www.sandiego.gov/fm/annual/index.shtml>

## **Chapter 5: Public Facilities Project Summary and Project Pages**

The Project Summary Table is found on Table 3, starting on page 7. The projects listed in the Project Summary Table are subject to revision in conjunction with council adoption of the Annual Capital Improvement Program (CIP) Budget. Depending on priorities and availability of resources, substantial changes to these projects are possible from year to year.

Individual project sheets are shown on pages 9-25. On individual project sheets, project costs are broken down by several factors. Current and future project sheets include a schedule table. In the table, amounts in rows titled “*DIF Scheduled*” and/or “*Unidentified (DIF)*” are amounts that are DIF-eligible and included in the DIF Basis. In addition, those amounts are, or may be, scheduled for expenditure. Because of the uncertain timing associated with future DIF revenues, anticipated future revenue cannot be definitively scheduled until it is received.

Amounts identified as “*Unidentified Other*” are amounts that do not have an identified funding source, are not DIF-eligible, and are not included in the DIF Basis.