

TORREY PINES

PUBLIC FACILITIES FINANCING PLAN



JUNE 2005

Planning Department
Facilities Financing

(R-2005-1156)
COR. COPY

RESOLUTION NUMBER R- 200556

ADOPTED ON JUN 21 2005

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN
DIEGO APPROVING THE TORREY PINES PUBLIC
FACILITIES FINANCING PLAN.

BE IT RESOLVED, by the Council of the City of San Diego, that it approves the
document titled "Torrey Pines Public Facilities Financing Plan, Fiscal Year 2005," a copy of
which is on file in the office of the City Clerk as Document No. RR- 200556.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



David Miller
Deputy City Attorney

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Ralph Inzunza, Council District 8

City Attorney's Office

Michael Aguirre, City Attorney

David Miller, Deputy City Attorney

Planning Department

S. Gail Goldberg, AICP, Planning Director

Keith Greer, Deputy Planning Director

Charlene M. Gabriel, Facilities Financing Manager

Pam Bernasconi, Supervising Project Manager

Vicki Burgess, Project Manager

Gloria Hensley, Principal Engineering Aide

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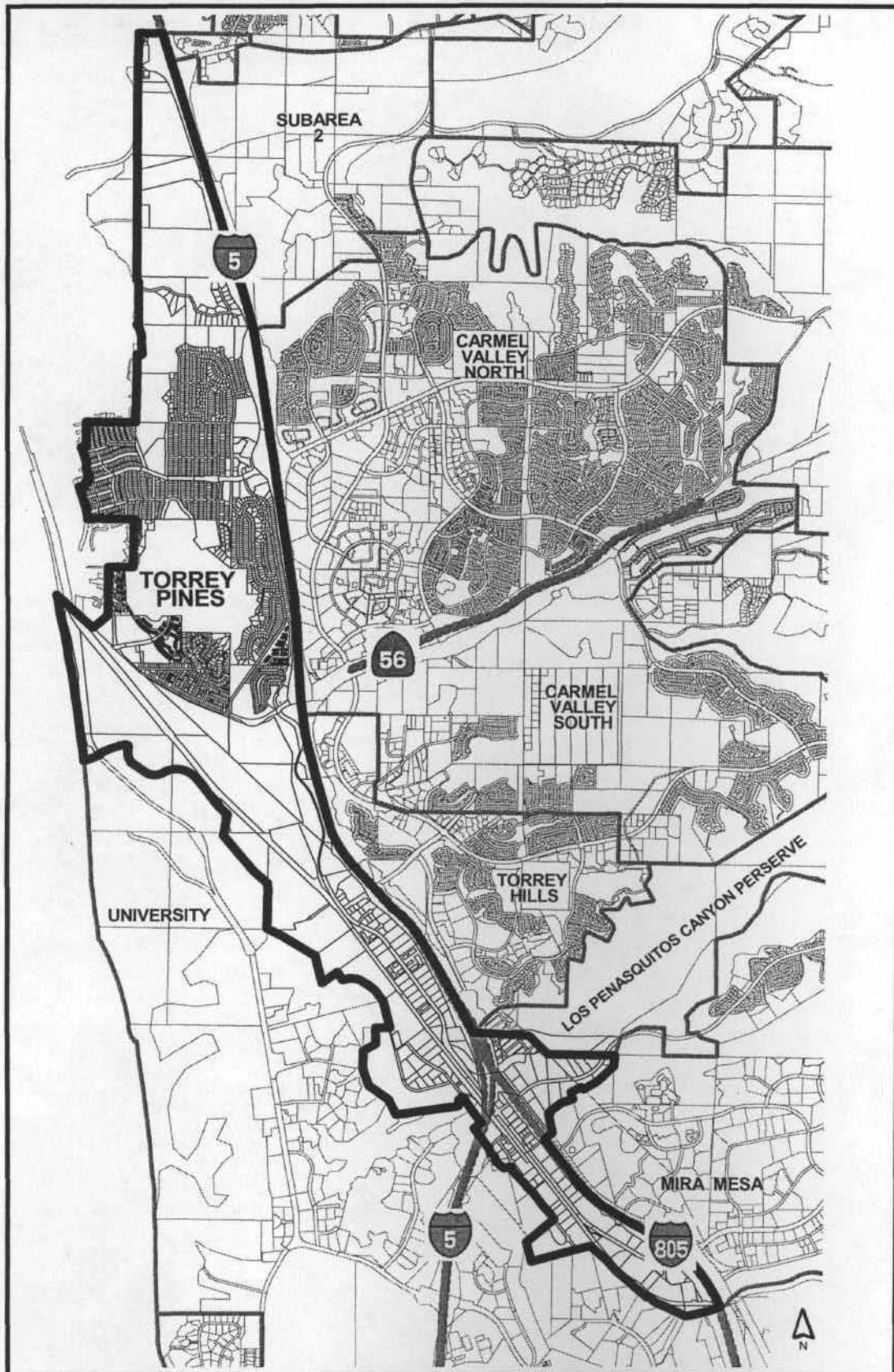
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Torrey Pines Summary

General

The PROGRESS GUIDE AND GENERAL PLAN for the City of San Diego recommends division of the City into planning areas which are designated as Urbanized, Planned Urbanizing and Future Urbanizing areas. Urbanized areas include the central portion of San Diego as well as the remaining older sections of the City. Planned Urbanizing areas consist of newly developing communities. Future Urbanizing areas include land which is primarily undeveloped.

The Torrey Pines community planning area is an Urbanized area. This document is an updated revision of the first Public Facilities Financing Plan which was adopted by the City Council in January 1995 and sets forth the major public facilities needs in the areas of transportation (streets, storm drains, traffic signals, etc.), libraries, park and recreation facilities, and fire stations.

The facilities listed in this Financing Plan will be needed over the next approximately twenty five years when the full community development is estimated. The Torrey Pines Public Facilities Financing Plan is a guide for future development within the community and serves to determine the public facility needs reflected in this document. The City Council has previously adopted a Development Impact Fee to help mitigate the cost of the public facilities necessitated by development in the community. The Development Impact Fees were adopted on January 10, 1995, by Resolution #R-285185.

Development Forecast and Analysis

The Torrey Pines Community Plan is a comprehensive policy guide for the physical development of the community. The Torrey Pines Community is generally bound on the north by the City of Solana Beach, on the east by Interstate 5 and the communities of Carmel Valley and Torrey Hills, on the south by the community of University City, and on the west by the Pacific Ocean and the community of Del Mar.

The Torrey Pines Community, totaling approximately 2600 acres, is developing in accordance with the Torrey Pines Community Plan, adopted in January 1995. Currently, the Torrey Pines community contains approximately 2484 single family detached units and 539 multiple family dwelling units, with a total population of 6,805.

An analysis of present and projected development, using the community plan as a guide, indicates that by the year 2030, approximately 61 additional residential dwelling units will be constructed.

Periodic Revision

To ensure that this program maintains its viability, this plan may be periodically revised to include, but not necessarily limited to, City Council changes (amendments) to the Community Plan.

Existing Public Facilities and Future Needs

Transportation

The Torrey Pines community is served by a transportation network which consists of automobile and public transportation systems, a bicycle system, and a pedestrian circulation system. Provision of adequate transportation facilities has been a continuing process of providing those facilities to support the needs of future development.

Transportation improvements in Torrey Pines are dictated by traffic volume. Improvements will be funded through a combination of Development Impact Fees (DIF), grants and other funding sources yet to be determined.

Park and Recreation

The Torrey Pines community is currently served by one neighborhood park, the Crest Canyon Neighborhood Park. Community recreation needs are further served by area beaches and Torrey Pines state park.

Based on the City of San Diego Progress Guide and General Plan guidelines for population-based park acreage, with a current population of 6805, additional park acreage is needed.

As additional dwelling units are constructed, the resulting residents will require park or park-like facilities to serve them. In order to help meet the park acreage needs, the mutually-beneficial development of joint-use facilities with the San Diego Unified School District is encouraged. The Park and Recreation Department and the San Diego Unified School District have recently negotiated a Memorandum of Understanding (MOU) related to the development and maintenance of joint-use facilities which recommends joint-use areas contain two (2) useable acres to accommodate turf in a configuration acceptable for multi-sports use. Joint use areas less than two (2) acres in size will require a higher level of maintenance and/or other measures to ensure durability of the facility.

Library

The Torrey Pines community is served by the Carmel Valley Branch Library and by the City of Del Mar Library which are both located outside of the community planning area.

Fire Protection

Fire protection for the Torrey Pines community is provided by Station No. 41, located on Carroll Canyon Road, and by Station No. 24, located on Hartfield Avenue in the Carmel Valley Community.

Police Protection

The Torrey Pines community is served by the San Diego Police Department's Northern Division, located at 4275 Eastgate Mall. In addition the area is served by the Carmel Valley Store Front located at 3840 Valley Center Road.

Summary of Public Facilities Needs

Table 1 summarizes the facility needs of the Torrey Pines community. Table 1 reflects both long range needs and those reflected in the current Council adopted Capital Improvement's Program (CIP). These projects are more fully described on pages 16 to 37.

The needs listed in Table 1 are subject to annual revisions in conjunction with Council adoption of the Annual Capital Improvement's Program budget. Depending on priorities and availability of resources, substantial changes from year to year are possible.

Torrey Pines – Public Facilities Financing Plan

Financing Strategy

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 other methods for financing public facilities are listed below:

- A. DEVELOPMENT IMPACT FEES (DIF)
- B. SPECIAL PARK FEE (SPF)
- C. TRANSNET, GAS TAX
- D. ASSESSMENT DISTRICTS
- E. LANDSCAPING AND LIGHTING ACTS
- F. GENERAL OBLIGATION BOND ISSUES

- G. CERTIFICATES OF PARTICIPATION (COP)
- H. LEASE REVENUE BONDS
- I. BUSINESS LICENSE TAX REVENUE*
- J. CAPITAL OUTLAY (LEASE REVENUE)
- K. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
- L. FRANCHISE FEE REVENUE*
- M. LOCAL TRANSPORTATION FUND
- N. MOTOR VEHICLE LICENSE FEE (MVLFF) REVENUE*
- O. PARKING VIOLATION REVENUE*
- P. PARKING METER REVENUE*
- Q. PARK SERVICE DISTRICT FEES (PSD)
- R. PROPERTY TAX REVENUE*
- S. TRANSIENT OCCUPANCY TAX (TOT)*
- T. ANNUAL ALLOCATIONS
- U. PRIVATE CONTRIBUTIONS
- V. UTILITY USERS TAX
- W. SPECIAL TAXES FOR FIRE AND POLICE PROTECTION
- X. SPECIAL TAXES FOR PUBLIC LIBRARIES
- Y. PARK AND PLAYGROUND ACT OF 1909
- Z. GRANTS

*These funds are currently allocated for general City operations, but may be used for capital improvements.

- A. **DEVELOPMENT IMPACT FEES (DIF)** - Development Impact Fees are a method whereby the impact of new development upon the infrastructure is assessed, and a fee system developed and imposed on developers to mitigate the impact of new development. Impact Fees cannot be used for existing development's share. Impact fees are collected at the time of building permit issuance. 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 impact fees is one of the financing methods recommended for the Torrey Pines community.
- B. **SPECIAL PARK FEE (SPF)** - Special Park Fees are a method whereby the impact of residential development upon the Park and Recreation infrastructure is assessed, and a fee system developed and imposed on developers to mitigate the impact of development. Special Park Fees are collected at the time of building permit issuance. Funds collected are deposited in a special interest bearing account and can only be used for identified Park and Recreation facilities serving the community in which they were collected. As sufficient funds are collected, the City proceeds with a Park and Recreation construction program.

- C. **TRANSNET, GAS TAX**, and other programs such as a state-local partnership program may provide funds for community transportation projects. These funds will be allocated annually and may be used to fund a portion of the long-range capital need for future transportation improvements in the Torrey Pines community.
- D. **ASSESSMENT DISTRICTS** - Special assessment financing, using 1913/1915 Assessment Acts or a Mello-Roos District could be used as a supplementary or alternative method of financing some facilities. A Mello-Roos District requires a 2/3 approval vote for passage. Other assessment districts generally require the support of the majority of the community. If an assessment is subject to Proposition 218, it would require a 2/3 vote.
- E. **LANDSCAPING AND LIGHTING ACTS** - Funds may be used for parks, recreation, open space, installation/construction of planting and landscaping, street lighting facilities, and maintenance. These ballot measures require 2/3 voter approval for passage.
- F. **GENERAL OBLIGATION BOND ISSUES** - Cities, counties and school districts may issue these bonds to finance land acquisition and capital improvements. The bonds are repaid with the revenues from increased property taxes. Bond issuance require 2/3 voter approval for passage.
- G. **CERTIFICATES OF PARTICIPATION (COP)** - These funds may only be used for land acquisition and capital improvements. City Council approval is required and a funding source for debt service must be identified.
- H. **LEASE REVENUE BONDS** - These funds may only be used for capital improvements. City Council approval is required.
- I. **BUSINESS LICENSE TAX REVENUE** - These funds are currently allocated for general City operations; but, may be used for capital improvements. City Council approval is required.
- J. **CAPITAL OUTLAY (LEASE REVENUE)** - These funds are to be used for capital improvements. City Council approval is required.
- K. **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** - This is a Federal grant that is applied for annually. Applications are reviewed annually; City Council and HUD approval are required.

- L. **FRANCHISE FEE REVENUE** - The City collects franchise funds from San Diego Gas and Electric and cable companies for use of City right-of-way. These funds are currently allocated for general City operations but may be used for capital improvements. City Council approval is required.
- M. **LOCAL TRANSPORTATION FUND** - These funds are applied for and may only be used for bikeway projects. City Council and Federal approval are required.
- N. **MOTOR VEHICLE LICENSE FEE (MVLFF) REVENUE** - The State allocates a portion of vehicle license fee revenue to local governments. These funds are currently allocated for general City operations but may be used for capital projects. City Council approval is required.
- O. **PARKING VIOLATION REVENUE** - These funds are currently allocated for general City operations but may be used for capital improvements. City Council approval is required.
- P. **PARKING METER REVENUE** - These funds are currently allocated for general City operations but may be used for capital improvements. City Council approval is required.
- Q. **PARK SERVICE DISTRICT FEE (PSD)** - This fee is charged at the subdivision level and can only be used for parks and park improvements. City Council approval is required.
- R. **PROPERTY TAX REVENUE** - Property owners are taxed one percent of the assessed value of the property. The City receives approximately 17 percent of the one percent. These funds are currently allocated for general City operations but may be used for capital improvements. City Council approval is required.
- S. **TRANSIENT OCCUPANCY TAX (TOT)** - The City's hotel tax is 10.5 percent and is currently allocated to eligible (tourist related) organizations that request funding annually and to tourist related City activities. TOT may be used for capital improvements. City Council approval is required.
- T. **ANNUAL ALLOCATIONS** - In the years prior to the passage of Proposition 13, the City was able to respond to community facility needs by using a portion of sales tax revenue to support the Capital Improvements Program. This has not been possible for some time. However, if other revenues are increased, annual allocations could again be used to fund some capital facilities. This is a recommended method of funding some park and recreation facilities and transportation improvements. City Council approval is required.

- U. **PRIVATE CONTRIBUTIONS** - Private donations received by the City may be used for capital improvements. City Council approval is required.

Potential methods for financing public facilities are described below:

- V. **UTILITY USERS TAX** - These funds may be used for any general City operation or capital improvement. These require 2/3 voter approval for passage.
- W. **SPECIAL TAXES FOR FIRE AND POLICE PROTECTION** - These funds may only be used for fire and police activities. These require 2/3 voter approval for passage.
- X. **SPECIAL TAXES FOR PUBLIC LIBRARIES** - These funds may only be used for libraries and library improvements. These require 2/3 voter approval for passage.
- Y. **PARK AND PLAYGROUND ACT OF 1909** - These funds may be used for parks, urban open-space land, playground, and library facilities. These require 2/3 voter approval for passage.
- Z. **GRANTS** - Grants are available and applied for from the Federal government, state and other agencies.

General Assumptions and Conditions

In connection with the application of the following methods of financing, these general assumptions and conditions would apply:

1. Developers will be required to provide facilities normally provided within the subdivision process as a condition of subdivision approval, including but not limited to traffic signals.
2. Abutting property owners are responsible for frontage improvements such as sidewalks, curbs and gutters.
3. The DEVELOPMENT IMPACT FEE will be paid by the developer at the time of building permit issuance.
4. DEVELOPMENT IMPACT FEE funds collected will be placed in a separate interest bearing fund with interest earnings accumulated for use in the community planning area for identified facilities.

Development Impact Fee Determination

Background

In late 1987, staff developed and recommended impact fees for 28 urbanized communities. The City Council adopted the recommended fees, including those for the Torrey Pines community planning area, to mitigate the impact of new development on public facilities. All undeveloped and underdeveloped parcels are subject to Development Impact Fees. Monies collected are placed in City interest-accruing funds to be used only for capital improvements serving the Torrey Pines Community.

The Torrey Pines Community Plan area is almost fully developed. Since the community is near full development, the fees will provide only a small portion of the financing needed for the facilities. The majority of the required public improvements will have to be provided through special funding mechanisms other than DIF.

Distribution of Project Costs and Fee Determination

Development Impact Fees are based on the extent or degree to which each type of development generates a demand for, or receives benefit from, the various existing public facilities. For example, all development generates vehicular traffic and thus, on an equitable basis, should share in the cost of transportation projects.

Development Impact Fees were determined for the various categories of public facilities needed at full community development. The impact fee base includes all project needs except those identified as subdivider funded. The fees also include an 8% charge to cover City administrative costs.

Transportation

There is a clear relationship between the use of transportation facilities and the generation of vehicular trips based upon land use. In the report "San Diego Traffic Generators," authored by CALTRANS and SANDAG, the traffic generated by various classes of use is detailed. This report summarizes data collected at major regional traffic generators as well as neighborhood and local traffic generators in the San Diego area. Traffic counts taken at each facility are related to various characteristics of the facility such as size, type of use, number of employees, floor area, parking spaces, or number of persons. For impact fee purposes, multi-family residential development is assumed for Torrey Pines (and all other urbanized communities). The residential portion of the impact fee reflects an average daily trip factor (ADT) of seven (7) as a basis for determining

the impact fee. A considerable range has been found for traffic generation in non-residential developments depending on the character and use of the property. Non-residential land uses typically generate between 100 to 900 average daily trips per acre. For non-residential development in the Torrey Pines Community, average daily trips were used.

Using the approved land use intensity and trip generation rates, the total number of trips at full community development is estimated to be 99,000. An analysis of the DIF eligible street improvements required at full community development (estimated costs in FY 2005 dollars) totaling \$29,998,447 indicates that cost per average daily trip for transportation facilities, including administrative costs, is \$327 per trip and \$2291 per dwelling unit. The fee per dwelling unit is calculated using the average daily trip rate factor of seven. These amounts will be paid by all future development.

Park and Recreation

Park and Recreation needs are based on population derived from the number of dwelling units in the community. The Park and Recreation Department has identified projects needed in the Torrey Pines area at full community development. These are shown in Table 1 and in detail on pages 34 to 37.

Allocating total park and recreation facility costs of \$19,672,000 to the residential development at build-out of 3084 units, results in an impact fee including administrative costs of \$6,889 per unit.

Library

Library needs are based on population which is derived from the number of dwelling units estimated at build-out. Therefore, only residential development is charged development impact fee for libraries.

There will be no Library fee as the community's needs are met by existing facilities.

Fire Facilities

The Fire Station portion of the impact fee relates to the cost of providing fire facilities to adequately provide fire protection services to both residential and non-residential development within the community. Residential impact fees are based on an average cost per dwelling unit. The average cost per 1,000 square feet of gross building area is used to determine fees for non-residential development.

There will be no Fire fee as the community's needs are met by existing facilities.

Development Impact Fee Schedule

The resulting impact fees for the Torrey Pines community planning area are as follows:

RESIDENTIAL PROPERTY					COMMERCIAL/INDUSTRIAL	
Transportation	Park & Rec	Library	Fire	Total per Residential Unit	Transportation	Fire
\$ Per Residential Unit					\$/Trip	\$/1000 sq. ft. of Gross Building Area (GBA)
\$2291	\$6889	\$0	\$0	\$9180	\$327	\$0

Torrey Pines Community Planning Board Priority List

- Project T-10 Del Mar Heights Road Center Median from Mango to Camino Del Mar
- Project T-18 Del Mar Heights Road & Mercado Drive—Traffic Signal
- Project T-14 Architectural Barrier Removal
- Project T-15 Storm Drains Upgrade/Expand
- Project T-9 Traffic Signal Subsystem
- Project T-17 Carroll Canyon Road—Sorrento Valley Road to Centerline of I-805

This project should be considered when the Community Plan is updated:

A Pedestrian Bridge over Del Mar Heights Road connecting the two sections of Mira Montana Drive. The Pedestrian Bridge should have wrapping to prevent objects being thrown off the bridge. Access to the bridge should be by steps from Del Mar Heights Road or, if necessary to satisfy ADA rules, with a gradual sloping walkway. A pedestrian bridge would make the area safer and more pedestrian friendly.

(This project would require an Amendment to the Community Plan)

Project Funding Sources

The project schedule and financing table on each project page uses a coding system to identify funding and revenue sources. This table provides a brief description of each source.

<u>REVENUE SOURCE</u>	<u>REVENUE SOURCE TITLE</u>
CAPOTH	Capital Outlay Fund/Other
CAPOUT	Capital Outlay Fund/Sales Tax
CDBG	Community Development Block Grant
CITYGF	City General Fund
CMAQ	Congestion Mitigation Air Quality
CMPR	TransNet Commercial Paper
CRA	Contribution to Redevelopment Agency
DEV	Funded by Developer
DIF	Torrey Pines Development Impact Fees
HBRR NS	Highway Bridge Replacement and Repair Fund
PRIV	Private Donations
PRKFEE	Park Fees
STATE	State Funding
STPCC	Surface Transportation Program
TRANS	TransNet Fund
UNIDEN	Unidentified Funding