

UPTOWN

Public Facilities Financing Plan



Fiscal Year 2003
October 2002



THE CITY OF SAN DIEGO

Planning Department
Facilities Financing

(R-2003-430)CORR.COPY

RESOLUTION NUMBER R-297159

ADOPTED ON OCT 08 2002

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

BE IT RESOLVED, by the Council of the City of San Diego, that it approves the
document titled "Uptown Public Facilities Financing Plan, Fiscal Year 2003, dated September
16, 2002, a copy of which is on file in the office of the City Clerk as Document No. RR-297159

APPROVED: CASEY GWINN, City Attorney

By



Kristin Schenone
Deputy City Attorney

KS:mm
09/25/02
10/01/02 CORR.COPY
Or.Dept:Plann.
R-2003-430
Form=fbaplanr.frm

Mayor

Dick Murphy

City Council

Scott Peters, Council District 1
Byron Wear, Council District 2
Toni Atkins, Council District 3
George Stevens, Deputy Mayor, District 4

Brian Maienschein, Council District 5
Donna Frye, Council District 6
Jim Madaffer, Council District 7
Ralph Inzunza, Council District 8

City Attorney's Office

Casey Gwinn, City Attorney
Kristin Schenone, Deputy City Attorney

Planning Department

S. Gail Goldberg, AICP, Planning Director
Gary W. Halbert, Chief Deputy Director
Charlene M. Gabriel, Facilities Financing Manager
Pamela Bernasconi, Supervising Project Manager
Evelyn Lee, Project Manager
Gloria Hensley, Principal Engineering Aide
Rosalinda Macaraeg, Administrative Aide
Mary Morse, Word Processing Operator

Uptown Planners Community Planning Group

Alex W. Sachs, Chair
David Gardner, Vice Chair
Sean Schwerdtfeger, Secretary
Neil Ferrier, Treasurer
Ernestine Bonn, Finance Task Force Chair
Terry Barker
Paul de la Houssaye
Russell Elrod

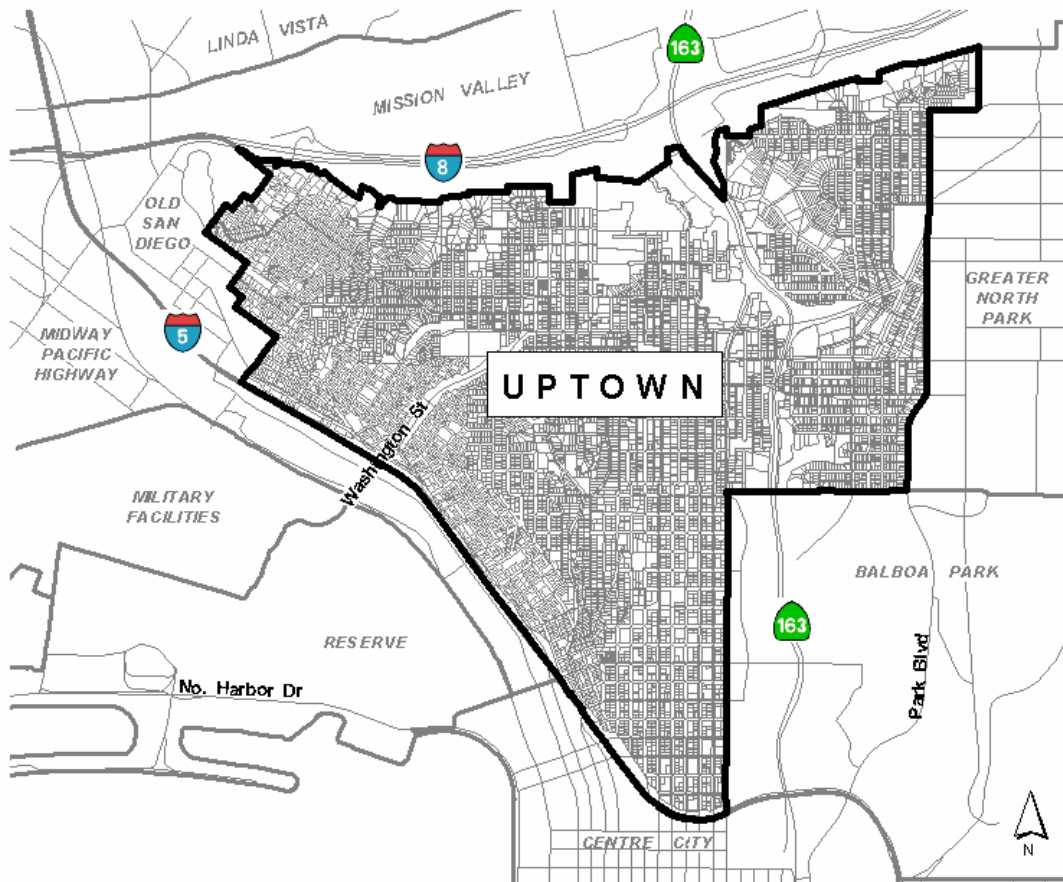
Hirsch Gottschalk
Jay Hyde
Marilee Kapsa
Doug Scott
Warren Simon
Mike Singleton
Jim Gabriel

This Public Facilities Financing Plan is dedicated to the memory of Stan Fye. His hard work and dedication was instrumental in its completion.

Table of Contents

<u>UPTOWN SUMMARY</u>	3
<u>GENERAL</u>	3
<u>DEVELOPMENT FORECAST AND ANALYSIS</u>	3
<u>PERIODIC REVISION</u>	4
<u>EXISTING PUBLIC FACILITIES & FUTURE NEEDS</u>	4
<u>TRANSPORTATION</u>	4
<u>PARK AND RECREATION</u>	4
<u>FIRE PROTECTION</u>	4
<u>LIBRARY</u>	5
<u>POLICE PROTECTION</u>	5
<u>SUMMARY OF PUBLIC FACILITIES NEEDS</u>	5
<u>UPTOWN - PUBLIC FACILITIES FINANCING PLAN</u>	6
<u>FINANCING STRATEGY</u>	6
<u>GENERAL ASSUMPTIONS AND CONDITIONS</u>	10
<u>DEVELOPMENT IMPACT FEE DETERMINATION</u>	10
<u>BACKGROUND</u>	10
<u>DISTRIBUTION OF PROJECT COSTS AND FEE DETERMINATION</u>	11
<u>TRANSPORTATION</u>	11
<u>PARK AND RECREATION</u>	12
<u>LIBRARY</u>	12
<u>FIRE FACILITIES</u>	12
<u>DEVELOPMENT IMPACT FEE SCHEDULE</u>	13
<u>CAPITAL NEEDS DETAILS</u>	15
<u>TRANSPORTATION</u>	19
<u>PARK AND RECREATION</u>	43
<u>LIBRARY</u>	55
<u>FIRE</u>	56

**FIGURE 1
UPTOWN BOUNDARY**



(This page is intentionally left blank.)

Uptown Summary

General

The PROGRESS GUIDE AND GENERAL PLAN for the City of San Diego recommends the 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 Uptown Community Planning area is an Urbanized area. This document is the first Public Facilities Financing Plan, which sets forth the major public facilities needed in the areas of transportation (streets, storm drains, traffic signals, etc.), libraries, park and recreation, and fire stations. Other public needs such as police facilities, public works yards, landfills, the Central Library, Balboa Park preservation and improvement, etc., concern a broader area than Uptown community or even multiple communities. Accordingly, they are being analyzed with separate financing strategies.

This plan supersedes the previously approved Community Facilities Summary List. The facilities listed in this Financing Plan will be needed over the next approximately twenty years when the ultimate build-out of the community is anticipated. The Uptown 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 adopted a Development Impact Fee to help mitigate the cost of the public facilities necessitated by development in the community. Development Impact Fees for residential development were adopted on August 4, 1987, by Resolution #R-269019, while commercial/industrial Development Impact Fees were adopted on September 14, 1987, by Resolution #R-269274. This document provides the basis for a revision of the impact fees for the Uptown Community.

Development Forecast and Analysis

The Uptown Community Plan is a comprehensive policy guide for the physical development of the community. The Uptown Community is located north of the Centre City area. It is bounded on the north by the steep hillsides of Mission Valley, on the east by Park Boulevard and Balboa Park, and on the west and south by Old San Diego and Interstate 5. The plan area has been divided into six subareas. These subareas are Mission Hills, Middletown, Hillcrest, the Medical Complex, University Heights and the Park West neighborhoods.

The Uptown Community, totaling approximately 2,700 acres, is developing in accordance with the Uptown Community Plan, adopted in 1988. Currently, the Uptown Community contains approximately 6,714 single family detached units, 2

mobile homes and 14,885 multiple family dwelling units, for a total of 21,601 dwelling units.

An analysis of present and projected development, and using the Uptown Community Plan as a guide, indicates that, over the next twenty-year period, approximately 7,134, additional residential dwelling units will be constructed.

Periodic Revision

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

Existing Public Facilities & Future Needs

Transportation

Uptown 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 existing and future development.

Transportation improvements in Uptown 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

Uptown is deficient in neighborhood and community parks. Mission Hills/Pioneer Memorial is the sole neighborhood park in Uptown. Balboa Park, located to the east of Uptown and Presidio Park, located to the west of Uptown, partially serve a dual function as neighborhood parks. They are resource-based rather than population-based parks. The community must rely heavily on school playgrounds to meet recreational needs. Additional park acreage is recommended for acquisition. Existing facilities should be upgraded to provide a wider range of recreational services to all age groups.

Fire Protection

Fire protection for the Uptown Community is provided by four fire stations: Station 3, located at 725 West Kalmia Street, Station 5, located in Hillcrest, at 3902 Ninth Avenue; Fire Station 8, located in Mission Hills, at 3974 Goldfinch Street; and Station 1, located in downtown San Diego, at 1222 First Avenue.

Replacement and expansion of fire stations are proposed to accommodate assigned crews and an increased amount of equipment and furnishings.

Library

Currently, there is one City of San Diego branch library located within the Uptown Community. The Mission Hills branch, built in 1961, is 3,850 square feet. It is proposed to be replaced with a new library of approximately 25,000 square feet. Uptown is also served by the University Heights Library, which is located on Park Boulevard just to the east of Uptown in the Greater North Park Community Plan area. This Library has 3,749 square feet and was built in 1966.

Police Protection

The San Diego Police Department's Western Division, located at 5215 Gaines Street, serves the Uptown Community. In addition to this police substation, there is one police storefront in the community, located at 1040 University Avenue.

Summary of Public Facilities Needs

The following Figure and Table summarizes the facility needs of the Uptown Community. Figure 1 depicts the general location of the Uptown Community. Table 1 reflects both long range needs and those needs reflected in the current Council adopted Capital Improvement's Program (CIP). These projects are more fully described in Appendix A.

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

Uptown - 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. DIF 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 Uptown.

- 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 Uptown.
- 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 voter approval for passage. Other assessment districts generally require the support of the majority of the community. If an assessment is subject to Proposition 218, then 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 a 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 requires 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 be only 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 are used only 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 annually to eligible (tourist-related) organizations that request funding and to tourist-related City activities; but 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 been impossible 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** - Any private donations received by the City for capital improvements. City Council approval is required.
- 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 developer will pay the DEVELOPMENT IMPACT FEE at the time of building permit issuance.
4. DEVELOPMENT IMPACT FEE funds collected will be placed in a separate trust 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 Uptown Community planning area, to mitigate the impact of new development on public facilities. All undeveloped parcels are subject to development impact fees as are parcels which are permitted for intensified use. Monies collected are placed in City interest-accruing funds, to be used only for capital improvements serving the Uptown Community.

The Uptown Community Plan area is almost fully developed. Because of this, the fees will provide only a small portion of the financing needed for the facilities. Thus, 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 of the actual DIF to be imposed is 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 needed public facilities on the basis of total amount of development at community plan build-out and on the basis of additional public facilities needed at community plan build-out. The impact fee base includes all eligible project needs except those identified as subdivider funded. The fees also include a 5% 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”, authorized 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 Uptown (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. For non-residential development in the Uptown Community, average daily trips generated by specific type of nonresidential use are used.

Using the approved land use intensity and trip generation rates, the total number of trips at community plan build-out is estimated to be 341,647. An analysis of the DIF eligible street improvements required at community build-out (estimated costs in FY 2003 dollars) totaling \$38,740,276 indicates that cost per average daily trip for transportation facilities, including administrative costs, is \$119 per trip and \$833 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 Uptown Community at build-out. These are shown in Table 1 and in detail in Appendix A.

Allocating the total park and recreation facility costs of \$172,884,000 to the residential development at build-out of 28,735 units, results in an impact fee, including administrative costs, of \$6,317 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 developments are charged development impact fee for libraries.

Allocating total library requirements only to residential property results in a library impact fee, of \$441 per dwelling unit. This was calculated by dividing total library requirements of \$12,075,000 by 28,735, the number of residential dwelling units at build-out, then multiplying by 5% to include the City administrative costs.

Fire Facilities

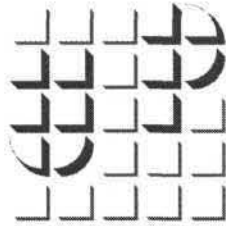
The Fire Station portion of the impact fee relates to the cost of providing fire facilities to adequately provide fire protection services to both residential and non-residential development within the community. Residential impact fees are based on an average cost per dwelling unit. The average cost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

The Fire Department has identified two (2) fire stations serving the Uptown area as needing renovation/reconstruction, or construction. Only a portion of the costs of these stations can be fairly allocated to Uptown. Using the total amount of development, both residential and non-residential (approximately 39,145,840 square feet), and the Uptown proportionate share of needed fire facilities \$2,276,531, the resulting impact fee is \$74 per residential dwelling unit and \$74 per thousand square feet of non-residential development.

Development Impact Fee Schedule

The resulting impact fees for the Uptown 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)
\$833	\$6,317	\$441	\$74	\$7,665	\$119	\$74



UPTOWN PLANNERS
Uptown Community Planning Committee

UPTOWN PLANNERS FACILITIES FINANCING PRIORITIES

Top Priorities

- P 9 – Joint-Use Facilities at existing and future schools in the community.
- L 1 – Libraries – replacement of Mission Hills and University Heights branches
- P 11 – Neighborhood Mini-Parks, 6 acres

Transportation Planning

- T 5 – Bicycle Facilities
- T 2 – Traffic Signal Improvements
- T 9 – Traffic Signals
- T 10 – Traffic Signal Interconnect
- T 4 – Streets, Curbs, Gutters and Storm Drains
- T 6 – First Avenue Bridge - Rehabilitation
- T 22 – Robinson Avenue Widening – **MODIFIED STUDY**
- T 16 – Robinson Avenue Bridge – **MODIFIED**
- T 3 – Architectural Barrier Removal
- T 14 – Washington Street – 5th to Richmond - **MODIFIED**

Parks and Recreation

- P 9 – Joint-Use at schools
- P 11 – Neighborhood Mini-Parks
- P 3 – Neighborhood Park Acquisition, 15 acres
- P 4 – Neighborhood Park – Design & Construct
- P 7 – Park Land – Acq., Design and Construction
- P 12 – Open Space Acquisition and Development
- P 2 – 6th Avenue Tot Lot Upgrade
- P 10 – Recreation Center
- P 5 – Redwood Club – Demolition & Reconstruction
- P 6 – Uptown Swimming Pool

Fire Stations

- F 1 – Fire Station #5 – Hillcrest
- F 2 – Fire Station #8 – Mission Hills

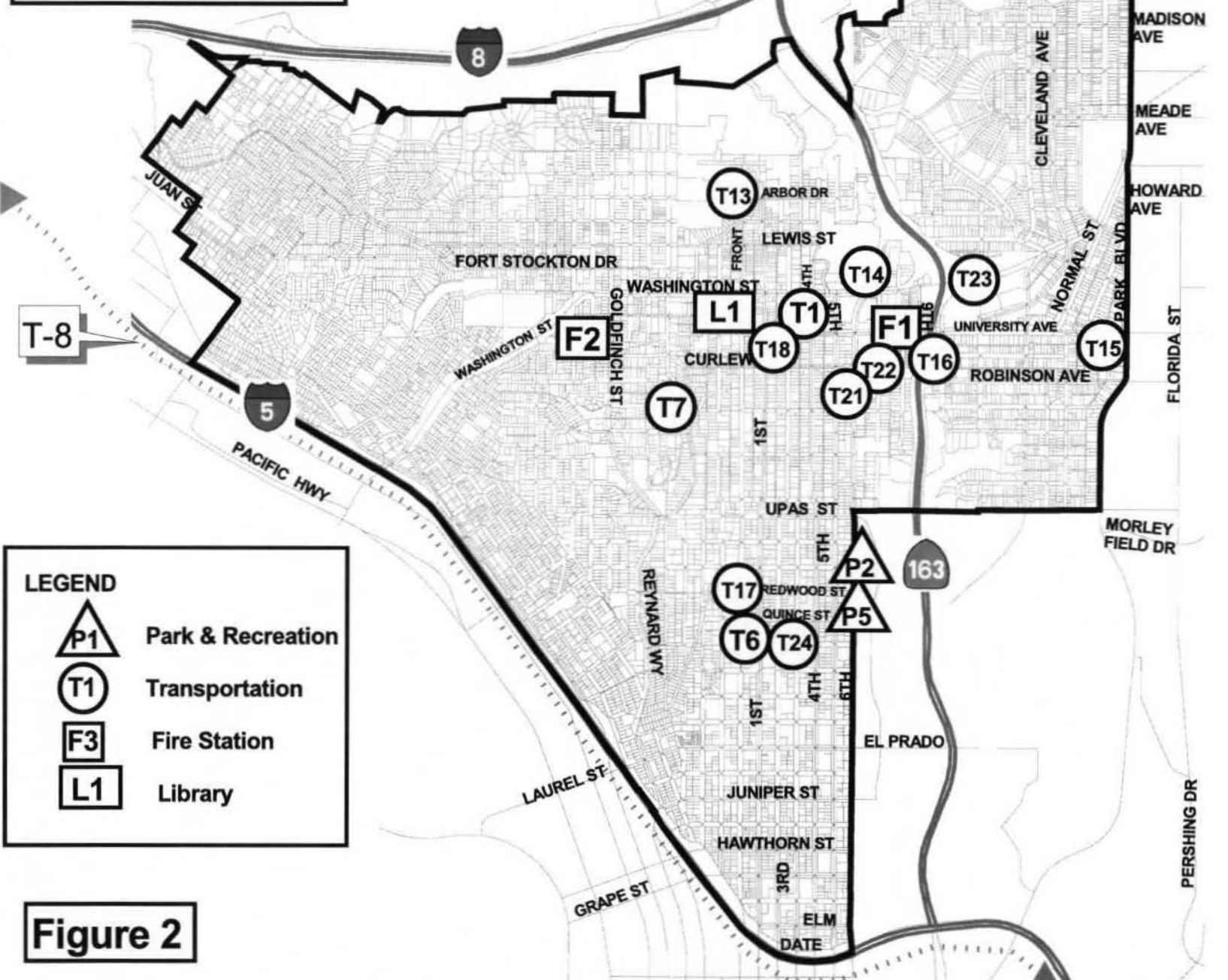
Bottom Priorities

The Public Facilities Task Force Recommends the following projects be modified or removed from the Financing Plan when the Uptown Community Plan is updated:

- T 14 – Widen Washington Street from Fifth Avenue to Richmond Street
- T 15 – Widen Park Boulevard from Essex Street to Upas
- T 16 – Robinson Avenue Bridge replacement (redesign not replacement)

NOTE: The community prefers to expend resources on Washington Street, Park Boulevard and Robinson Avenue Bridge toward enhancing pedestrian and bicycle access and improving traffic flow without street widening. The Park Boulevard project, for example, should provide for pedestrian, transit, and vehicular enhancements as part of the MTDB’s Transit First Showcase project. Washington Street improvements need to provide safe pedestrian and bicycle access while improving traffic flow and addressing traffic backups near the State Route 163 on-ramps and areas where commuter traffic enters and leaves the Hillcrest and hospital areas. Project T 22, study of Robinson Avenue widening, should focus on improving traffic flow in core Hillcrest and improving bicycle access rather than widening of this urban, densely developed street. Project T 13, Front Street widening, should also be a study.

UPTOWN Facilities Index Map



LEGEND

-  Park & Recreation
-  Transportation
-  Fire Station
-  Library

Figure 2

