



ORDINANCE NUMBER O-\_\_\_\_\_ (NEW SERIES)

ADOPTED ON \_\_\_\_\_

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING VESTING TENTATIVE MAP NO. 1004468 AND RELATED PUBLIC RIGHT OF WAY AND PUBLIC SERVICE EASEMENT VACATIONS FOR THE CASTLEROCK PROJECT NO. 10046.

WHEREAS , Pardee Homes, Owner/Permittee, filed an application with the City of San Diego for a Vesting Tentative Map to subdivide a vacant 203.64 acre site for a residential development project, known as the Castlerock project, located on the north side of Mast Boulevard between Medina Drive and West Hills Parkway, and legally described as Portions of Lots 4, 5, 8, and 9 of the Resubdivision of a part of Fanita Rancho, Map No. 1703, within the East Elliott Community Plan area, in the RS-1-8 zone which is proposed to be rezoned to the RX-1-1, RM-2-4, and OC-1-1 zones; and

WHEREAS, the project complies with the requirements of a preliminary soils and/or geological reconnaissance report pursuant to Subdivision Map Act sections 66490 and 66491(b)-(f) and San Diego Municipal Code section 144.0220; and

WHEREAS representatives of the City of San Diego, City of Santee, Padre Dam Municipal Water District, and Pardee Homes have negotiated an agreement, for the independent review and approval of public agency decision-makers, identifying the rights and duties of said parties that would facilitate orderly development of the Castlerock project described herein (“Annexation Agreement”); and

WHEREAS, the Castlerock project is a dual scenario project; the first scenario, the Annexation Scenario, proposes the subdivision of a 203.64-acre site into a 430-unit residential

development with 283 detached single-family residences and 147 multi-family detached units clustered on larger lots (referred to as green court units), approximately 4.0 acres (3.0 usable acres) of public parks, 0.64 acre (0.49 acre usable) of pocket parks, a multi-use trail, public streets and private driveways, and approximately 94-acres of open space (Exhibit A(1)). Under the Annexation Scenario, the project site would be detached from the City of San Diego, except for an approximately 94-acre open space area and annexed into the City of Santee's territory and the Padre Dam Municipal Water District (PDMWD) service district. In the event the City of Santee, PDMWD, or the San Diego Local Agency Formation Commission (LAFCO) does not approve the Annexation Scenario or the Annexation Scenario is terminated by failure of the City of Santee or Padre Dam Municipal Water District to approve the Annexation Agreement within 30 days of the City of San Diego's approval of same (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes, and Padre Dam Municipal Water District), or the City of Santee or the Padre Dam Municipal Water District's failure to adopt the Resolution of Application for Reorganization and Resolution of Support, respectively, within 60 days (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes, and Padre Dam Municipal Water District) of the Annexation Agreement effective date, the second scenario, the No Annexation Scenario goes into effect. The No Annexation Scenario proposes the subdivision of the 203.64-acre site into a 422-unit residential development with 282 detached single-family residences, 140 multi-family green court units, approximately 4.0 acres (3.0 usable) of public parks, 0.50 acre (0.39 acre usable) of pocket parks, a multi-use trail, public streets and private driveways, approximately 94-acres of open space, and related on-site and off-site water and sewer infrastructure improvements (Exhibit A(2)); and

WHEREAS, on XXXX, 2013, the Planning Commission of the City of San Diego considered Vesting Tentative Map (VTM) No. 1004468, including Public Right of Way Vacation



No. 1004469, and Easement Vacation No. 1004471, and pursuant to Resolution No. XXXX-PC voted to recommend approval of the VTM; and

WHEREAS, the matter was set for public hearing on \_\_\_\_\_, testimony having been heard, evidence having been submitted, and the City Council having fully considered the matter and being fully advised concerning the same; and

WHEREAS, on \_\_\_\_\_, the City Council of the City of San Diego, as Lead Agency, certified that Environmental Impact Report (Project No. 10046/SCH No. 2004061029) (EIR) was prepared in accordance with the California Environmental Quality Act [CEQA] (Public Resources Code section 21000 et. seq.) and the CEQA Guidelines, adopted CEQA Findings and a Statement of Overriding Consideration, and adopted a Mitigation Monitoring and Reporting program; and

WHEREAS, on \_\_\_\_\_, the Council of the City of San Diego considered Vesting Tentative Map No.1004468, including Public Right of Way Vacation No. 1004469, and Easement Vacation No. 10044, and pursuant to San Diego Municipal Code sections 125.0440, 125.0430, 125.0941, 125.1040, and Subdivision Map Act section 66428, received for its consideration written and oral presentations, evidence having been submitted, and testimony having been heard from all interested parties at the public hearing, and the Council of the City of San Diego having fully considered the matter and being fully advised concerning the same; and

WHEREAS, under Charter section 280(a)(2) this ordinance is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on evidence presented; NOW, THEREFORE,



BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That notwithstanding the tentative map expiration date in San Diego Municipal Code section 125.0460, the expiration date shall be as set forth in section 1 of the Conditions for Vesting Tentative Map No. 1004468, to allow for the LAFCO process to occur.

Section 2. That it adopts the following findings with respect to Vesting Tentative Map No.1004468 Exhibit A(1) and A(2):

**1. The proposed subdivision and its design or improvement are consistent with the policies, goals, and objectives of the applicable land use plan (San Diego Municipal Code § 125.0440(a) and Subdivision Map Action §§ 66473.5, 66474(a), and 66474(b)).**

The two scenarios in the VTM allow 1) the subdivision of an approximately 203 acre site up to 292 lots for residential development, 1 public park lot, 21 lots for various Homeowners Association purposes such as slopes, private parks, and drainage facilities, and 5 lots for open space within the Multiple Habitat Planning Area (MHPA) established by the Multiple Species Conservation Program (MSCP), for the Annexation Scenario; or 2) the subdivision of an approximately 203 acre site into 291 lots for residential development, 1 public park lot, 21 lots for various Homeowners Association purposes such as slopes, private parks, and drainage facilities, 1 lot for a City of San Diego water tank, 1 lot for a pump station, and 6 lots for open space within the MHPA established by the MSCP, for the No Annexation Scenario. The development is consistent with the City of San Diego General Plan and the East Elliott Community Plan, which designates the area for residential use and MSCP open space. The project implements the goals and policies of these documents by creating a planned residential development that accommodates a portion of the housing needs within the community, providing up to 430 additional housing units, while minimizing the environmental impacts of the development and dedicating approximately 90-acres of land into the MHPA. The subdivision will retain the community character by encouraging orderly, sequential development compatible in its intensity with surrounding existing and future land development. Therefore, the proposed subdivision and its design and improvements are consistent with the policies, goals, and objectives of the applicable land use plan.

**2. The proposed subdivision complies with the applicable zoning and development regulations of the Land Development Code, including any allowable deviations pursuant to the land development code.**

The design and proposed improvements for the subdivision are consistent with the zoning and development regulations of the RM-2-4, RX-1-1, and OC-1-1, zones in that:

1. All lots have minimum frontage on a dedicated street which is open to and usable by vehicle traffic, except where a deviation from frontage and driveway width has been allowed under the Planned Development Permit/Site Development Permit (PDP/SDP).

2. All lots meet the minimum lot area requirements of the RM-2-4, RX-1-1, and OC-1-1, zones, except where a deviation has been allowed under the PDP/SDP.



3. The development provides the required off-street vehicle parking spaces for the development, except where a deviation has been allowed under the PDP/SDP for the No Annexation scenario.

4. A deviation has been allowed to not provide the required loading zone in the RM-2-4 zone due to the single-family functionality of the multi-family residential units.

5. All lots are designed so that required improvements do not result in non-conforming lots in respect to building area, setbacks, side yards, and rear yard regulations, except where a deviation has been allowed under the PDP/SDP.

6. All lots meet the maximum height regulations for residential zones, except where a deviation for maximum height in the RX-1-1 zone has been allowed by the PDP/SDP.

7. Development of the site is controlled by PDP No. 19031, and SDP No. 19032.

The project has been designed to comply with the development regulations of the Land Development Code/Municipal Code (LDC/MC), including requirements for floor area ratio, street design, open space, grading, landscaping, etc., and all other requirements of the development criteria, except where deviations are allowed through the PDP/SDP.

**3. The site is physically suitable for the type and density of development (San Diego Municipal Code § 125.0440(c) and Subdivision Map Act §§ 66474(c) and 66474(d)).**

The site is physically suitable for residential development. The residential development is on a location and scale consistent with the East Elliott Community Plan, and is consistent in types and intensity of use with surrounding residential developments. The density does not exceed 500 units allowed by the East Elliott Community Plan and at up to 430 units, the density is only up to 14% below the 500 units allowed by the East Elliott Community Plan, thereby maintaining consistency with the goals and policies of the City General Plan Housing Element. The harmony in scale, height, bulk, density, and coverage of development creates a compatible physical relationship to surrounding properties for which this area has been planned and the residential properties in Santee. In addition, approximately 90-acres of open space would be dedicated as part of the proposed project will be contiguous with surrounding areas of the MHPA. As a result, the site is physically suitable for the design and siting of the proposed project and for the type and density of development.

**4. The design of the subdivision or the proposed improvements is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat (San Diego Municipal Code § 125.0440(d) and Subdivision Map Act § 66474(e)).**

The City of San Diego completed the EIR in compliance with the California Environmental Quality Act which concluded that both scenarios would result in significant, but mitigable direct impacts associated with Land Use, Air Quality (construction emissions), Biological Resources (sensitive biological resources, plan consistency, and unexploded ordnance), Cultural/Historic Resources (archaeology), Human Health/Public Safety/Hazardous Materials (unexploded ordnance), Noise (traffic noise exposure), Paleontological Resources (unknown subsurface resources), and



Transportation/Circulation (traffic/circulation). The No Annexation scenario would also result in an additional significant but mitigable direct impact associated with Noise (stationary noise) and a significant, but mitigable cumulative impact related to Public Facilities and Services. Implementation of the proposed Mitigation Monitoring and Reporting Program (MMRP) would reduce these environmental effects to below a level of significance. Both scenarios would result in significant unmitigated impacts related to Landform Alteration. Neither scenarios would have a significant impact to Greenhouse Gas Emissions under the City's 28% BAU (Business as Usual) threshold, but due to legal uncertainty in the State's implementation of its low carbon fuel standard program, the City is finding a significant unmitigated impact to GHG (Greenhouse Gas) and adopting a Statement of Overriding Consideration.

Implementation of the MMRP includes such measures as controls on runoff, noise, lighting and invasive plants, construction of appropriate barriers, landscaping, and implementation of brush management techniques in accordance with the City's LDC/MC and the Biology Guidelines. In addition, water quality measures and storm water detention facilities are incorporated into the project's design to avoid onsite or offsite impacts to fish or wildlife or their habitats to the maximum extent feasible. The project also includes sensitive habitat, sensitive species, plan consistency, and MSCP Multi-Habitat Planning Area boundary line adjustment mitigation in accordance with the City's LDC/MC and the Biology Guidelines.

The project will encroach into steep hillsides containing sensitive natural resources for which a request for deviation from the ESL Regulations has been separately submitted to the City. Despite the approval of such deviation, and the implementation by the Subdivider of the measures described in the request for deviation and the conditions contained in the MMRP, the impacts to visual and landform resources will remain a significant and unmitigated impact, and findings have been made pursuant to California Public Resources Code section 21081(a)(3), that specific economic, social, or other considerations make the mitigation measures or project alternatives identified in the EIR infeasible.

As such, with the implementation of these mitigation measures, under the Subdivision Map Act (Government Code 66474.01) and San Diego Municipal Code section 125.0441, the City may approve the Vesting Tentative Map notwithstanding any substantial environmental damage or substantially unavoidably injure fish or wildlife or their habitat by the design of the subdivision or proposed improvements.

**5. The design of the subdivision or the type of improvements will not be detrimental to the public health, safety, and welfare (San Diego Municipal Code § 125.0440(e) and Subdivision Map Act § 66474(f)).**

The design of the subdivision and the type of improvements will not be detrimental to the public health, safety, and welfare. The project, together with the existing surrounding land development (provision of roadways, utilities, drainage infrastructure, preservation of open space, etc.) in the East Elliott Community Plan area, has been designed to conform with a wide variety of the City of San Diego's codes, policies, and regulations whose primary focus is the protection of the public's health, safety and welfare. The single-family development contains conditions addressing the project compliance with the City's regulations and policies and other regional, state, and federal regulations to prevent detrimental impacts to the public health, safety, and welfare. Compliance with these



regulations, along with permit conditions, the MMRP, and implementation of project design features would result in a project which does not adversely affect the public health, safety, and welfare.

The grading proposed in connection with the development will not result in soil erosion, silting of lower slopes, slide damage, flooding, severe scarring, or any other geological instability, which would affect public health, safety and welfare in the opinion of the City Engineer. Existing potential landslide areas would be tested and remediated where required in the EIR and the MMRP. Flooding or severe scarring will not occur as a result of grading operations. Conditions included within the permit require the timely planting of all slopes to prevent erosion and to provide additional slope stability.

The potential presence of subsurface unexploded ordnances on the project site will be remediated through removal actions in accordance with a Removal Action Work Plan (RAWP). This plan will define safe removal strategies and methods to minimize impacts to the environment. Implementation of the RAWP and compliance with applicable regulations will reduce the risk of unexploded ordnances to future residents and neighboring properties.

Additionally, the project implements the MHPA within the East Elliott Community Plan Area while providing brush management zones consistent with the City of San Diego, LDC/MC requirements. All brush management at the Castlerock project will be conducted in a manner consistent with the Landscape Technical Manual, the City of San Diego approved alterative compliance, , and the applicant's Fire Protection Plan included as a project design feature.

The project under both development scenarios will have adequate levels of essential public services available to it (including police, fire, and medical) through permit conditions within the SDP/PDP. Other services, such as schools, public parks and library resources, would be adequate for the project, as would necessary utilities such as electricity, water, and sewer. The project would pay its fair share of the cost of all of these services through impact fees, in-kind contributions, and/or tax increases, as described in the EIR.

The project, as conditioned, requires compliance with several operational constraints and development controls intended to assure the continued public health, safety, and welfare. Conditions of approval address lighting, the generation of noise, the appearance of landscaping, the placement of buildings, and BMPs for storm water impacts. All Uniform Building, Fire, Plumbing, Electrical, Mechanical Code, and the Municipal Code regulations governing the construction and continued operation of the development apply to this site to prevent adverse effects to those persons or other properties in the vicinity. Prior to the actual construction of residential units on the subject property, City staff will review building permit plans against the Uniform Building Code to assure that structural, mechanical, electrical, plumbing, and access components of the project are designed to protect the public's health, safety and welfare.

**6. The design of the subdivision or the type of improvements will not conflict with easements acquired by the public at large for access through or use of property within the proposed subdivision (San Diego Municipal Code § 125.0440(f) and Subdivision Map Act § 66474(g)).**

The design of the subdivision and the type of improvements are such that they will not conflict with any easements, acquired by the public at large, for access through or use of property within the proposed subdivision. All easements granted to the City over the property have been left in place or



have been relocated and improved in a manner that allows for public access that is substantially equivalent to, and, in some cases, superior to the access formerly provided to the public by the unimproved easements, as reflected on the map and/or other easement relocation exhibit. This finding is further supported by the public easement and public right-of-way vacation findings, which are hereby incorporated by reference.

**7. The design of the proposed subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities (San Diego Municipal Code § 125.0440(g) and Subdivision Map Act § 66473.1).**

The proposed subdivision will not impede or inhibit any future passive or natural heating and cooling opportunities. The design of the subdivision has taken into account the best use of the land to minimize grading and preserving environmentally sensitive lands. Design guidelines have been adopted for the future construction of the single-family homes; however, they do not impede or inhibit any future passive or natural heating and cooling opportunities. With the independent design of the proposed subdivision each structure will provide to the extent feasible, for future passive or natural heating and cooling opportunities through use of building materials, site orientation, architectural treatments, placement and selection of plant materials that provide passive or natural heating and cooling opportunities.

For example, through its participation in the California Green Builder Program and the California Green Building Code, the project would be constructed with high performance energy efficient windows, improved insulation, radiant barriers and insulated attic ducts that minimize heat gains in the summer and heat losses in the winter. Combined, these design features and the proposed improvements for the subdivision are consistent with California Government Code Section 66473.1 and San Diego Municipal Code Section 125.0440(g) because they promote passive or natural heating and cooling opportunities.

**8. The decision maker has considered the effects of the proposed subdivision on the housing needs of the region and that those needs are balanced against the needs for public services and the available fiscal and environmental resources (San Diego Municipal Code § 125.0440(h) and Subdivision Map Act § 66412.3).**

The Castlerock project proposes to develop up to 430 dwelling units with a variety of lot sizes and to provide MHPA open space within the RM-2-4, RX-1-1, and OC-1-1 Zones and the East Elliott Community Plan, which encourages residential development at this location. The additional affordable dwelling units made possible by the project's compliance with the City's Inclusionary Housing Ordinance will contribute towards meeting the affordable housing needs of the region. These housing needs have been balanced against the need for public services. All appropriate public services (including fire, police, medical, schools, public parks, and libraries) as well as necessary utilities such as electricity, water, and sewer, will be available to and adequate for the project prior to occupancy. The effects of the proposed subdivision on the housing needs of the region has been considered, and those needs are balanced against the needs for public services and the available fiscal and environmental resources in conformance with the Subdivision Map Act Section 66412.3 and the San Diego Municipal Code Section 125.0440(h).



Section 3. That the above findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference.

Section 4. That portions of sewer, slope, drainage, utility and other public easements as well as portions of right of way, located within the project boundaries as specifically identified in Vesting Tentative Map No.1004468, shall be vacated as Public Right of Way Vacation No. 1004469 and Public Easement Vacation No. 1004471, respectively, pursuant to Government Code section 66434(g) and San Diego Municipal Code sections 125.1040 and 125.0941 contingent upon the recordation of the approved Final Map for the project, and that the following findings are supported by the EIR, minutes, maps, staff reports, exhibits, project correspondence and the entire administrative record, all of which are herein incorporated by reference:

**1. There is no present or prospective use for the easement, either for the facility or purpose for which it was originally acquired, or for any other public use of a like nature that can be anticipated. (San Diego Municipal Code §125.1040(a))**

The, slope, sewer easements, utility and other non-road easements identified on sheet 3 of Vesting Tentative Map No. 1004468 (collectively “Public Service Easements”) proposed to vacated are appropriate because they are part of an easement relocation plan that will allow for the reasonable development of the project while maintaining or improving the level of use for other landowners in the East Elliott Community Plan Area. The easement relocation plan will be stamped as a part of Exhibit A (1) and (2), on file with the City and depicted in the City of San Diego Staff Report prepared for the Castlerock Project.

These Public Service Easement were created by the federal government for access roads, slopes, and sewers to its surplus properties and were drawn without regard to topography or practical engineering design, but only to establish legal access and sewer service access to the parcels prior to their sale. The City accepted these road, slope, and utility easements through a series of resolutions in 1962, 1965, and 1967. The new location and dedication of the Public Service Easements will either continue to provide or improve reasonable use to the public facility and purpose for which the Public Service Easement was originally acquired, to the extent the purpose of the Public Service Easements still exist. Providing public utility and sewer to privately owned lots will continue under the proposed relocation plan. In addition, none of the Public Service Easements were constructed within the areas proposed for vacation. Therefore, there is no present or prospective use for the existing Public Service Easement, or for the facility for which they were originally acquired or for any other public use or a like nature that can be anticipated that requires it to remain in its current location.



**2. The public will benefit from the abandonment through improved utilization of the land made available by the abandonment. (San Diego Municipal Code §125.1040(b))**

The vacation of the Public Service Easements will benefit the public through making additional land available for development in an orderly fashion.

The land made available by the vacation will be improved to provide additional housing capacity, providing up to 430 housing units, while preserving approximately 90-acres of land by including it in the MHPA. The project has been designed and will be developed in accordance with the intent of the East Elliott Community Plan to assure that the residential theme, architectural character, development considerations, and other functional concepts of the East Elliott Community Plan are implemented. The proposed project would also be consistent with the City's General Plan.

Development areas have been sited in response to a range of environmental considerations including steep slopes, and biological habitats. Revisions to the project have been incorporated into the design by blending manufactured slopes to the existing topography, by orienting the street and development pattern to be compatible with the natural topography of the land and by significantly reducing the boundaries of the proposed development through the use of retention walls.

Overall, the Castlerock project is designed to work with the natural environment and the site's topographic conditions to create pleasing neighborhoods while minimizing the environmental impacts of the development. Therefore, the public will benefit from the utilization of the vacated Public Service Easement area that makes the Castlerock project possible.

**3. The abandonment is consistent with any applicable land use plan. (San Diego Municipal Code §125.1040(c))**

The proposed development is located within the area covered by the Elliott Community Plan adopted in April 1971, as amended by Resolution No. R-288465 in March 1997 (the "East Elliott Community Plan"), which is the applicable land use plan for the project area along with the City's General Plan. The East Elliott Community Plan lists residential development among the allowable uses for the site. The project implements the goals and policies of these documents by creating a planned residential development that accommodates a portion of the housing needs within the community, providing up to 430 additional housing units, while minimizing the environmental impacts of the development and dedicating approximately 90-acres of land into the MHPA.

**4. The public facility or purpose for which the easement was originally acquired will not be detrimentally affected by this abandonment or the purpose for which the easement was acquired no longer exists. (San Diego Municipal Code §125.1040(d))**

The Public Easements proposed to be vacated are appropriate because they allow for the reasonable development of the project while maintaining or improving the level of access for other landowners in the East Elliott Community Planning Area. The public facility for which the Public Service Easement was originally acquired will not be detrimentally affected by the vacation because the new location and dedication of the Public Service Easements will either continue or improve the level of access and service to nearby properties, which is the purpose for which the easements were originally acquired. Providing reasonable legal rights to sewer and utility access to privately owned parcels in the East Elliott Community Planning Area will continue under the proposed relocation plan for the same reasons discussed in the finding above.



**5. There is no present or prospective use for the public right-of-way, either for the purpose for which it was originally acquired, or for any other public use of a like nature that can be anticipated. (San Diego Municipal Code §125.0941(a))**

The public road easements identified on the Vesting Tentative Map No. 1004468 (collectively "Public Road Easements") proposed to vacated are appropriate because they will allow for the reasonable development of the project while maintaining or improving the level of access for other landowners in the East Elliott Community Planning Area. An easement relocation plan is on file with the City and depicted in the City of San Diego Staff Report prepared for the Castlerock Project.

During the period between 1962 and 1970, the federal government provided easements for access roads, slopes and sewers to these surplus properties to the City of San Diego; these easements were drawn without regard to topography or practical engineering design, but only to establish legal access and sewer service access to the parcels prior to their sale. The City accepted these road, slope, and utility easements through a series of resolutions in 1962, 1965, and 1967.

The new location and dedication of the Public Road Easements will either continue to provide or improve reasonable access to the public facility and purpose for which the Public Road Easements were originally acquired, to the extent the purpose of the Public Road Easements still exist. Providing public access to privately owned lots will continue under the proposed relocation plan. Although some parcel owners in the East Elliott Community Planning Area may need to drive slightly longer distances on the relocated Public Road Easements, often this will result in an improved level of service to those parcels. Few, if any, of the Public Road Easements have been developed or maintained by the City, due to the rugged terrain and lack of development on those parcels.

When the United States Government originally created the Public Road Easements in the 1960s, they were drawn for the convenience of establishing legal access to legal lots that only existed on paper. Known as "paper easements," they were drawn without regard to the physical terrain, sound engineering practices, biological habitat impacts, or the design of any specific development project. Some Public Road Easements enter the sides of steep slopes, sensitive habitats, or canyons where no civil engineer would have placed them if the purpose were to provide affordable, safe, and convenient access to developable lots. In contrast, the proposed easement relocation plan requires the developer, as a condition of the project, to construct an actual road within the project boundaries on which the public can travel, thus either maintaining or improving the level of service provided by the Public Road Easements.

In addition, no roads have been built on these easements. Therefore, there is no present or prospective use for the existing public right-of-ways, or for the facility for which they were originally acquired or for any other public use or a like nature that can be anticipated that requires it to remain at its current location.

**6. The public will benefit from the vacation through improved use of the land made available by the vacation. (San Diego Municipal Code §125.0941(b))**

The vacation of the Public Road Easements will benefit the public because it makes possible the proposed project, which will add new residential units to the housing stock, include a public park, and dedicate approximately 90 acres into the MHPA.



The project has been designed and will be developed in accordance with the intent of the East Elliott Community Plan to assure that the residential theme, architectural character, development considerations, and other functional concepts of the East Elliott Community Plan are implemented. The proposed project would also be consistent with the City's General Plan.

Development areas have been sited in response to a range of environmental considerations including steep slopes and biological habitats. Revisions to the project have been incorporated into the design by blending manufactured slopes to the existing topography, by orienting the street and development pattern to be compatible with the natural topography of the land and by significantly reducing the boundaries of the proposed development through the use of retention walls.

Overall, the Castlerock project is designed to work with the natural environment and the site's topographic conditions to create pleasing neighborhoods while minimizing the environmental impacts of the development. Therefore, the public will benefit from the proposed use of the vacated Easement area that makes the project possible.

**7. The vacation does not adversely affect any applicable land use plan. (San Diego Municipal Code §125.0941(c))**

The proposed development is located within the area covered by the Elliott Community Plan adopted in April 1971, as amended by Resolution No. R-288465 in March 1997 (the "East Elliott Community Plan"), which is the applicable land use plan for the project area along with the City's General Plan. The East Elliott Community Plan lists residential development among the allowable uses for the site. The project implements the goals and policies of these documents by creating a planned residential development that accommodates a portion of the housing needs within the community, providing up to 430 additional housing units, while minimizing the environmental impacts of the development and dedicating approximately 90 acres of land into the MHPA.

The project provides more acres of MHPA land than anticipated in the Community Plan while including up to 430 dwelling units where up to 500 dwelling units were planned. The proposed Castlerock project has been designed to be consistent with the East Elliott Community Plan (as amended by the proposed Amendment thereto) and the City's General Plan and implements their plans, goals, and policies, and therefore will not adversely affect the applicable land use plan. The project's overall consistency with applicable land use plans is analyzed in further detail in the Project EIR's land use section and other sections, which are herein incorporated by reference. The Public Road Easement vacations are necessary to construct this project, and therefore the vacations do not adversely affect (and are consistent with) the applicable land use plan.

**8. The public facility for which the right-of-way was originally acquired will not be detrimentally affected by this vacation. (San Diego Municipal Code §125.0941(d))**

The Public Road Easements proposed to be vacated are justified because they are part of an easement relocation plan that will allow for the reasonable development of the project while maintaining or improving the level of access for other landowners in the East Elliott Community Planning Area. The public facility for which the public right-of-way was originally acquired will not be detrimentally affected by the vacation because the new location and dedication of the Public Road Easements will either continue or improve the level of access and service to nearby properties, which is the purpose for which the easements were originally acquired. Providing reasonable public



access to privately owned parcels in the East Elliott Community Planning Area will continue under the proposed relocation plan for the same reasons discussed in the finding above.

In addition, none of the Public Road Easements were actually constructed within the areas proposed for vacation so their usefulness to the public either remains the same or is improved by the relocation. Therefore, the public facility for which the public right-of-way was originally acquired will not be detrimentally affected by the vacation.

Section 5. That based on the Findings hereinbefore adopted by the Council of the City of San Diego, Vesting Tentative Map No. 1004468, including Public Right of Way Vacation No. 1004469, and Easement Vacation No. 1004471, are hereby granted to Pardee Homes, subject to the attached conditions which are made a part of this Ordinance by this reference.

Section 6. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

Section 7. That Exhibit A(1) shall take effect only upon a final decision by the Local Agency Formation Commission to grant the proposed Reorganization, but not less than thirty days from and after its final passage, and no building permits for development inconsistent with the provisions of this ordinance shall be issued unless application therefore was made prior to the date of final passage of this ordinance.

Section 8. That Exhibit A(2) shall take effect only upon a final decision by the Local Agency Formation Commission to deny the proposed Reorganization or failure of the City of Santee or Padre Dam Municipal Water District to approve the Annexation Agreement within 30 days of the City of San Diego's approval of same (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes, and Padre Dam Municipal Water District), or the City of Santee or the Padre Dam Municipal Water District's failure to adopt the Resolution of Application for Reorganization and Resolution of Support, respectively, within 60 days (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes,



and Padre Dam Municipal Water District) of the Annexation Agreement effective date, and no building permits for development inconsistent with the provisions of this ordinance shall be issued unless application therefore was made prior to the date of final passage of this ordinance.

APPROVED: JAN I. GOLDSMITH, City Attorney

By \_\_\_\_\_  
Shannon Thomas  
Deputy City Attorney

[Initials]:[Initials]  
[Month]/[Day]/[Year]  
Or.Dept:DSD  
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ATTACHMENT: Vesting Tentative Map Conditions

Internal Order No. 23421653



## CITY COUNCIL

CONDITIONS FOR VESTING TENTATIVE MAP NO. 1004468, AND RELATED  
PUBLIC RIGHT OF WAY AND PUBLIC SERVICE EASEMENT VACATIONS FOR  
THE CASTLEROCK PROJECT NO. 10046.

ADOPTED BY ORDINANCE NO. O-\_\_\_\_\_ (NEW SERIES), ON \_\_\_\_\_

**GENERAL**

1. If the City of Santee and Padre Dam Municipal Water District approve the Annexation Agreement within 30 days of [INSERT DATE OF FINAL PASSAGE OF CITY OF SAN DIEGO ORDINANCE APPROVING ANNEXATION AGREEMENT] (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes, and Padre Dam Municipal Water District), then this Vesting Tentative Map is tolled for five years or until a Local Agency Formation Commission decision on the Reorganization occurs, whichever is earlier. This Vesting Tentative Map will expire three years after the tolling period ends, absent further legal basis for extension under the Subdivision Map Act. If the City of Santee or Padre Dam Municipal Water District fail to approve the Annexation Agreement within the 30 day period or fail to approve a Resolution of Application for Reorganization and Resolution of Support, respectively, within 60 days (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes, and Padre Dam Municipal Water District) of the Annexation Agreement effective date, then this Vesting Tentative Map shall expire three years from [INSERT DATE OF FINAL PASSAGE OF CITY OF SAN DIEGO ORDINANCE APPROVING ANNEXATION AGREEMENT] absent further legal basis for extension under the Subdivision Map Act.
2. Compliance with all of the following conditions shall be completed and/or assured, to the satisfaction of the City of San Diego Engineer, prior to the recordation of the Final Map unless otherwise noted.
3. Prior to the recordation of Final Maps (5), taxes must be paid on this property pursuant to Subdivision Map Act section 66492. To satisfy this condition, a tax certificate stating that there are no unpaid lien conditions against the subdivision must be recorded in the Office of the San Diego County Recorder.

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4. The Final Maps shall conform to the provisions of Site Development Permit No. 19032 and Planned Development Permit No. 19031.
5. With payment of San Diego processing fees, Subdivider may process and complete all requirements necessary for a final map. However, San Diego shall only approve a final map, under the following circumstances:
  - (a) Upon the Approval of Reorganization by LAFCO, and upon satisfaction of all requirements for obtaining a final map, and upon execution by Pardee of Padre Dam's Contract to Make, Install and Complete Water and/or Sewer Facilities setting forth Padre Dam's requirements for installation of water, wastewater and or recycled water facilities, and submission to Padre Dam of a satisfactory faithful performance bond, San Diego may approve the final map, for the Annexation Scenario.
  - (b) If LAFCO fails to approve the Reorganization or the Annexation Agreement is terminated by the failure of the City of Santee or Padre Dam Municipal Water District to approve the Annexation Agreement within 30 days of the City of San Diego's approval of same (or such date as extended by mutual written consent of the City of San Diego, City of Santee, Pardee Homes, and Padre Dam Municipal Water District), or the City of Santee or the Padre Dam Municipal Water District's failure to adopt the Resolution of Application for Reorganization and Resolution of Support, respectively, pursuant to Section 4.1 of the Annexation Agreement, then upon satisfaction of all requirements for obtaining a final map, San Diego may consider approval of the final map for the No Annexation Scenario in accordance with City of San Diego procedures.
6. The Subdivider shall defend, indemnify, and hold the City (including its agents, officers, and employees [together, "Indemnified Parties"]) harmless from any claim, action, or proceeding, against the City and/or any Indemnified Parties to attack, set aside, void, or annul City's approval of this project, which action is brought within the time period provided for in Government Code section 66499.37. City shall promptly notify Subdivider of any claim, action, or proceeding and shall cooperate fully in the defense. If City fails to promptly notify Subdivider of any claim, action, or proceeding, or if City fails to cooperate fully in the defense, Subdivider shall not thereafter be responsible to defend, indemnify, or hold City and/or any Indemnified Parties harmless. City may participate in the defense of any claim, action, or proceeding if City both bears its own attorney's fees and costs, City defends the action in good faith, and Subdivider is not required to pay or perform any settlement unless such settlement is approved by the Subdivider.



**FIRE PROTECTION**

7. If the project is not annexed to the City of Santee, then prior to issuance of the first building permit for any dwelling units within the project, the applicant shall have demonstrated, to the satisfaction of the San Diego Fire-Rescue Department and the Director of the Development Services Department that fire protection services and emergency medical services shall be provided to all dwelling units within the project via an irrevocable agreement with Santee to provide these services or an equivalent alternative .

**ENGINEERING**

8. Pursuant to City Council Policy 600-20, the subdivider shall provide evidence to ensure that an affirmative marketing program is established.
9. The Subdivider shall underground any new service run to any new or proposed structures within the subdivision, excepting services to and from the existing San Diego Gas and Electric substation.
10. The Subdivider shall ensure that all existing on-site utilities, excepting services to and from the existing San Diego Gas and Electric substation, serving the subdivision shall be undergrounded with the appropriate permits. The Subdivider shall provide written confirmation from applicable utilities that the conversion has taken place, or provide other means to assure the undergrounding, satisfactory to the City of San Diego Engineer.
11. Conformance with the "General Conditions for Tentative Subdivision Maps," filed in the Office of the City Clerk under Document No. 767688 on May 7, 1980, is required. Only those exceptions to the General Conditions which are shown on the Vesting Tentative Map and covered in these special conditions will be authorized. All public improvements and incidental facilities shall be designed in accordance with criteria established in the Street Design Manual, filed with the City of San Diego Clerk as Document No. RR-297376.
12. This is a phased development consisting of five Map Units which may be filed as appropriate for the orderly development of the project, consistent with the requirements of the State Subdivision Map Act and local Ordinances applicable to the City of San Diego.



**MAPPING**

13. “Basis of Bearings” means the source of uniform orientation of all measured bearings shown on the map. Unless otherwise approved, this source shall be the California Coordinate System, Zone 6, North American Datum of 1983 [NAD83].
14. Pursuant to California Government Code section 66434 (g), the following right-of-ways and public service easements, located within the project boundaries as shown in Vesting Tentative Map No. 19030, shall be vacated, contingent upon the recordation of the approved Map for the project:
  - a. Portions of the public road easement per document recorded June 7, 1965 as File No. 101350.
  - b. Portions of the public road easements per Miscellaneous Map No. 465, document recorded February 15, 1965, as File No. 26326.
  - c. Portions of the public road easements per document recorded May 3, 1966 as File No. 74588.
  - d. Sewer easements 2, 3 and 4 per document recorded July 6, 1965 as File No. 120547.
15. There is a portion of Street "E" that is off-site of the VTM, but within an existing Public Road Easement per Misc. Map 465. An off-site dedication drawing will be required to be approved and the improvements bonded for at the time of Final Map approval.
16. “California Coordinate System” means the coordinate system as defined in Section 8801 through 8819 of the California Public Resources Code. The specified zone for San Diego County is “Zone 6,” and the official datum is the “North American Datum of 1983.”
17. The Final Maps shall:
  - a. Use the California Coordinate System for its “Basis of Bearing” and express all measured and calculated bearing values in terms of said system. The angle of grid divergence from a true median (theta or mapping angle) and the north point of said map shall appear on each sheet thereof. Establishment of said Basis of Bearings may be by use of existing Horizontal Control stations or astronomic observations.
  - b. Show two measured ties from the boundary of the map to existing Horizontal Control stations having California Coordinate values of Third

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Order accuracy or better. These tie lines to the existing control shall be shown in relation to the California Coordinate System (i.e., grid bearings and grid distances). All other distances shown on the map are to be shown as ground distances. A combined factor for conversion of grid-to-ground distances shall be shown on the map.

### **PUBLIC UTILITIES**

18. Prior to the approval of any public improvement drawings, the Subdivider shall provide an acceptable water study satisfactory to the City of San Diego Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the annexation is approved. The Subdivider will be responsible for installing all water facilities, as required by the approved water study, necessary to serve this development. Water facilities shown on the approved Vesting Tentative Map may require modification based on the accepted water study. The study shall include redundancy throughout construction phasing. If phasing of the development is proposed, then a phasing plan shall be included in the studies.
19. The Subdivider shall grant adequate water easements, including vehicular access to each appurtenance (meters, blow offs, valves, fire hydrants, etc.) for all public water facilities that are not located within fully improved public right-of-ways, satisfactory to the City of San Diego Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved. Easements shall be located within single lots, when possible, and not split longitudinally. Vehicular access roadbeds shall be a minimum of 24 feet wide and surfaced with suitable approved material satisfactory to the City of San Diego, Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved.
20. The Subdivider shall install fire hydrants at locations satisfactory to the City of San Diego Fire Marshal, and the City of San Diego, Director of the Public Utilities Department if the Reorganization is not approved, or the City of Santee Fire Chief and Padre Dam Municipal Water District if the Reorganization is approved. If more than two (2) fire hydrants or thirty (30) dwelling units are located on a dead-end water main then the Subdivider shall install a redundant water system satisfactory to the City of San Diego, Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved.
21. The Subdivider shall process encroachment maintenance and removal agreements, for all acceptable encroachments into the water easement, including but not limited to structures, enhanced paving, or landscaping. No structures or



landscaping of any kind shall be installed in or over any vehicular access roadway.

22. The Subdivider shall assure, by permit and bond, the design and construction of new water service(s) outside of any driveway, and the removal of all existing unused services, within the right-of-way adjacent to the project site, in a manner satisfactory to the City of San Diego, Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved.
23. The Subdivider shall apply for a plumbing permit for the installation of appropriate private back flow prevention device(s), on each water service (domestic, fire and irrigation), in a manner satisfactory to the City of San Diego, Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved.
24. The Subdivider shall provide a 10 feet minimum (edge to edge) separation between water and sewer main and provide a 5 feet minimum separation between water main and face of curb per City of San Diego, Water and Sewer Design Guide standards if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved, except as noted on Exhibits A(1) and A(2).
25. The Subdivider shall design and construct all proposed public water facilities in accordance with established criteria in the current edition of the City of San Diego Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices, if the Reorganization is approved. In the event that Reorganization is not approved, a public water tank and access road shall be provided by the Subdivider on Lot 'Y' which will be conveyed to the City of San Diego Public Utilities Department in fee, as shown on Exhibit A(2) to the satisfaction of the City of San Diego Director of the Public Utilities Department and the City of San Diego Engineer. Construction of the facility shall be assured by permit and bond prior to the issuance of the first Final Map.



26. Prior to the issuance of the first Final Map, the Subdivider shall assure by permit and bond the construction of sewer facilities, as shown on Exhibits A(1) and A(2), to the satisfaction of the City of San Diego Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved.
27. Prior to the issuance of each Final Map, the Subdivider shall assure sewer and access easements for the construction of sewer facilities within or necessary for said Final Map, as shown on Exhibits A(1) and A(2), to the satisfaction of the City of San Diego Director of the Public Utilities Department if the Reorganization is not approved, or Padre Dam Municipal Water District standards and practices if the Reorganization is approved.
28. In the event Reorganization does not occur, a private sewer lift station will be provided by the Subdivider on Lot 'X', as shown on Exhibit A(2) to the satisfaction of the City of San Diego Director of the Public Utilities Department and the City of San Diego Engineer. Construction of the facility shall be assured by permit and bond prior to the issuance of the first Final Map.

### **GEOLOGY**

29. Prior to the issuance of a grading permit, the Subdivider shall submit a geotechnical report prepared in accordance with the City of San Diego's "Guidelines for Geotechnical Reports," satisfactory to the City Engineer.

### **PLANNING**

30. Prior to the recordation of each Final Map, the Subdivider shall execute and record a Covenant of Easement which ensures preservation of the Environmentally Sensitive Lands that are (a) outside the allowable development area on the premises as shown on Exhibits A(1) and A(2) and (b) outside of the open space lands to be dedicated to the City of San Diego pursuant to the MSCP Condition herein, for open space, in accordance with San Diego Municipal Code section 143.0152. The Covenant of Easement shall include a legal description and an illustration of the premises showing the development area and the Environmentally Sensitive Lands that will be preserved as shown on Exhibits A(1) and A(2).

### **LANDSCAPE/BRUSH MANAGEMENT**

31. Prior to the recordation of each Final Map, the Subdivider or subsequent Owner/Developer shall submit for review, a Landscape Maintenance Agreement for all landscape improvements within the public right-of-way area consistent



with Exhibit "A", The approved Landscape Maintenance Agreement shall be recorded and bonded prior to recordation of each Final Map.

### **PARKS AND RECREATION**

32. Prior to the issuance of the first final map, the Subdivider shall record a multi-use access easement over the emergency easement at Mona Kia Lane.
33. Prior to the issuance of each final map, the Subdivider shall record a public access easement over all multi-use trails on private property. All public access easements for trail purposes shall be maintained by the property owner or landscape maintenance district.
34. The Subdivider shall ensure that all remedial grading and associated infrastructure are privately owned and maintained.
35. Lot "A-A" shall be privately owned and used for vernal pool restoration and management purposes, to be maintained by a third party, acceptable to the City of San Diego Development Services Department.
36. Prior to the issuance of each final map, the Subdivider shall place a Recreation Easement for Recreation Lots over all private park areas to allow for public access. These private park areas shall be maintained by the property owner or landscape maintenance district.
37. To the extent consistent with MSCP Condition herein, prior to the issuance of each final map, the Subdivider shall ensure that the lot(s) to be deeded to the city as open space are free and clear of all private easements (other than pre-existing easements shown on the approved VTM permit), private encroachments, private agreements and/or liens.

### **TRANSPORTATION**

38. Prior to recordation of the first Final Map, the Subdivider shall dedicate additional right-of-way along Mast Boulevard easterly of Street A, for an exclusive right turn lane into the project, as shown on Exhibits A(1) and A(2).
39. Prior to recordation of the first Final Map, the Subdivider shall assure, by permit and bond, the construction of a traffic signal at the intersection of Mast Boulevard and Street A, satisfactory to the City of San Diego Engineer.
40. Prior to recordation of the first Final Map, the Subdivider shall assure, by permit and bond, the construction of a traffic signal at the intersection of Mast Boulevard

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and West Hills High School Driveway (West Access), satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).

41. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of Street A at the intersection of Mast Boulevard as a two-lane collector with curb-to-curb width of 55' (19' inbound, 2' of painted median, 10' left turn, 10' shared left+thru and 14' exclusive right turn) within 85' of right-of-way (15' parkway on each side), satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).
42. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of Street A from Private Driveway A to Street B as a two-lane collector with curb to curb width of 36' within 66' of right-of-way (15' parkway on each side), satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).
43. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of Street A from Street B to Street C as a two-lane local residential street with 34' curb to curb width within 58' of right-of-way (12' parkway on each side), with appropriate transitions to a local residential street with 32' curb-to-curb width within 56' of right-of-way (12' parkways on each side), satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).
44. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction Street E as a two-lane collector street with curb to curb width of 36' within 60' of right-of-way (12' parkway on each side), satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).
45. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of Streets B, C, D, F, and G as a two-lane local residential streets with curb to curb width of 32' within 56' of right-of-way (12' parkway on each side), satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).
46. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of the cul-de-sacs at the end of Street D, E, F, and G with a minimum



curb radius of 50' within 62' of right-of-way satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).

47. Prior to recordation of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of Private Drive A with a minimum pavement width of 24', but shall be 26' within 20' of fire hydrant, satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).
48. Prior to issuance of the Final Map that includes this roadway as a necessary component of circulation, the Subdivider shall assure, by permit and bond, the construction of Private Drive B with a minimum pavement width of 24', but shall be 26' within 20' of fire hydrant, satisfactory to the City of San Diego Engineer, as shown on Exhibits A(1) and A(2).

### MSCP

49. The Subdivider shall grant fee title to the on-site Multiple Habitat Planning Area (MHPA) open space lots (Lots N, O, P, U, and V) to the City of San Diego's Multiple Species Conservation Program (MSCP) preserve through an irrevocable offer of dedication (IOD) on each final map to subdivide on-site MHPA open space. The City shall record a certificate of acceptance of the IOD prior to issuance of a Construction Permit for such final map and upon the following (1) Subdivider obtains approval of the City of San Diego, Development Services Department, the Park & Recreation Department, and the Wildlife Agencies that the restoration areas have been restored; (2) Park & Recreation Department confirmation that, unless permitted by the City of San Diego, MSCP Subarea Plan or Implementing Agreement, the open space lots exclude detention basins, other storm water control facilities, any subsurface drainage infrastructure as part of the landslide stabilization, brush management areas, manufactured slopes and landscape/revegetation areas (except the Project's revegetated/manufactured slopes associated with the potential landslide area); (3) Subdivider ensures that the open space lots are free and clear of all private easements, private encroachments, private agreement and/or liens (or has provided the City security against such encumbrances); and (4) Subdivider has scheduled an inspection of the open space lots with the Park & Recreation Department, Open Space Division to confirm any trash, illegal use, and illegal structures have been removed. Recordation of each final map with the IOD creates a covenant that runs with the land, binding all successors and assigns, burdening the open space lots from the date the final map is recorded and IOD are recorded, with the exception of activities required to facilitate the City's acceptance of the IOD stated herein. It is understood and agreed that the City of San Diego and its successors and assigns shall incur no liability with respect to the IOD, and shall not assume any



responsibility for the open space lots or any improvements thereon, until the IOD is accepted. The City may not permit the general public to access the open space lots or trails therein prior to City acceptance of the IOD.

**INFORMATION:**

- The approval of this Vesting Tentative Map by the City Council of the City of San Diego does not authorize the Subdivider to violate any Federal, State, or City of San Diego laws, ordinances, regulations, or policies including but not limited to, the Federal Endangered Species Act of 1973 and any amendments thereto (16 USC §1531 et seq.).
- If the Subdivider makes any request for new water and sewer facilities (including services, fire hydrants, and laterals), the Subdivider shall design and construct such facilities in accordance with established criteria in the most current editions of the City of San Diego water and sewer design guides and City of San Diego regulations, standards and practices pertaining thereto, if Reorganization is not approved, or the Padre Dam Municipal Water District standards and practices if the Reorganization is approved. Off-site improvements analyzed in the EIR may be required to provide adequate and acceptable levels of service and will be determined at final engineering.
- Subsequent applications related to this Vesting Tentative Map will be subject to fees and charges based on the rate and calculation method in effect at the time of payment. If the Reorganization is approved, Subdivider shall satisfy this requirement through payment of Santee development impact fees identified in the Annexation Agreement.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of the Vesting Tentative Map, may protest the imposition within ninety days of the approval of this Vesting Tentative Map by filing a written protest with the San Diego City Clerk pursuant to Government Code sections 66020 and/or 66021.
- Where in the course of development of private property, public facilities are damaged or removed, the Subdivider shall at no cost to the City of San Diego, obtain the required permits for work in the public right-of-way, and repair or replace the public facility to the satisfaction of the City of San Diego Engineer (San Diego Municipal Code § 142.0607).
- The Owner/Permittee may request that the City of San Diego establish a means of collecting reimbursement (funding mechanism) from developers



of other property for the Owner/Permittee's cost of installing public improvements which are of greater size, length or capacity greater than needed to serve or mitigate the impacts of development of the project and which will serve such other property or for other property that has an obligation to construct such public improvements. "Funding mechanism" means a cost reimbursement district, reimbursement agreement, assessment district, community facilities district, infrastructure financing district, conditions of approval of land use entitlements of any benefiting developer or property owner, or any other financing mechanism available for collecting reimbursement from other developers. If the improvement is included in the East Elliott Public Facilities Financing Plan (EEPFFP), Owner/Permittee may elect to be reimbursed from development impact fees collected from other properties located within the EEPFFP, reimbursement may be in the form of either cash or credit against the Owner/Permittee 's payment of EEPFFP fees at the time the fees would otherwise be due and payable to the City.

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**RESOLUTION NUMBER R- \_\_\_\_\_****ADOPTED ON \_\_\_\_\_**

WHEREAS, Pardee Homes, Owner/Permittee, filed an application to obtain approvals from the City of San Diego for a residential development known as the Castlerock project, located on Mast Boulevard, west of Medina, in the East Elliott Community Plan Area, and abutting the City of Santee, and legally described as portions of Lots 4, 5, 8, and 9 of the Resubdivision of a part of Fanita Rancho, Map No. 1703, in the East Elliott Community Plan area; and

WHEREAS, the Castlerock project is a dual scenario project, whereby under the first scenario, the City of San Diego proposes the subdivision of a 203.64-acre site into a 430-unit residential development with 283 detached single-family residences and 147 multi-family detached units, clustered on larger lots (referred to as green court units), approximately 4.0 acres (gross) of public parks, 0.64 acre (0.49 acre usable) of pocket parks, a multi-use trail, public streets and private driveways, and 94.92 acres of open space (Annexation Scenario). Under the Annexation Scenario, the City of San Diego proposes to detach the project site, except for the 94.92-acre open space area, from the City of San Diego and annex it into the City of Santee's territory and the Padre Dam Municipal Water District (PDMWD) service district. In the event the City of Santee, PDMWD, or the San Diego Local Area Formation Commission (LAFCO) do not approve the Annexation Scenario or the Annexation Scenario is terminated by any other means, the City of San Diego proposes the subdivision of the 203.64-acre site into a 422-unit residential development with 282 detached single-family residences, 140 multi-family detached green court units, approximately 4.0 acres (3.0 usable) of public parks, 0.50 acre (0.39 acre usable) of packet parks, a multi-use trail, public streets and private driveways, 94.73 acres of open space, and related on-site and off-site water



and sewer infrastructure improvements (No Annexation Scenario). The exhibits for the project's Vesting Tentative Map identify both the Annexation Scenario and No Annexation Scenario and San Diego's approval of the proposed project authorizes development of the Annexation Scenario dependent on Santee, LAFCO, and PDMWD's subsequent approval and development of the No Annexation Scenario only upon events that terminate the Annexation Scenario; and

WHEREAS, on [INSERT Date], the City Council of the City of San Diego, as Lead Agency, certified that Environmental Impact Report (Project No. 10046/SCH No. 2004061029) (EIR) was prepared in accordance with the California Environmental Quality Act [CEQA] (Public Resources Code section 21000 et. seq.) and the CEQA Guidelines, adopted CEQA Findings and a Statement of Overriding Consideration, and adopted a Mitigation Monitoring and Reporting program; and

WHEREAS, the City of Santee is considering a Resolution of Application Requesting the Local Agency Formation Commission to Take Proceedings for the Castlerock Development Project Reorganization; and

WHEREAS, through this resolution, the City of San Diego desires to communicate to LAFCO its consent to the Reorganization and to support the Santee Application Requesting the Local Agency Formation Commission to Take Proceedings for the Castlerock Development Project Reorganization; and

WHEREAS, on July 11, 2013, the Planning Commission of the City of San Diego considered Pardee Homes' request for a resolution of support for the Santee Application Requesting the Local Agency Formation Commission to Take Proceedings for the Castlerock Development Project Reorganization; and



WHEREAS, under Charter section 280(a)(2) this resolution is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the recitals above are hereby incorporated by reference.

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that it finds approval of this resolution to be consistent with the applicable land use plans because the City of San Diego General Plan Land Use Element through the East Elliott Community Plan states, “Due to a lack of nearby residential development or services in San Diego and proximity to residential areas, services and utilities in Santee, detachment of this 117-acre area to Santee should be considered if in the future Santee favors such annexation.”

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that it finds through its review of the EIR and other materials in the Administrative Record, the Council evaluated (a) the present and planned land uses for project site as envisioned in the City’s General Plan and the East Elliott Community Plan; (b) the present and future need for urban services and facilities; (c) the fiscal impact of the reorganization; (d) whether the reorganization promotes an orderly and logical revision of City boundaries; (e) the ability of the City of San Diego, City of Santee, and PDMWD to provide urban level services under the Annexation and No Annexation Scenario; (f) whether the reorganization would induce residential growth; (g) whether the proposal would provide for affordable housing; (h) whether the proposal would provide for open space; (i) the



effect of the reorganization on social and economic interests; and (j) the level of support on the part of affected property owners and area residents; and

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that it finds the level of support from the property owners and area residents in the mostly uninhabited East Elliott Community is adequate and changes were made to the initial proposed project in response to community concerns; and

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that it finds the Annexation Scenario contributes to social and economic interests and benefits and promote an orderly and logical revision of the City of San Diego boundaries because it facilitates the Castlerock Residential Development, which will dedicate open space lands and pay in-lieu affordable housing fees to the City of San Diego, while affording the City of Santee and PDMWD the first opportunity to provide more efficient public services to the project in exchange for applicable development fees and government revenues generated by construction and operation of the residential development.

APPROVED: JAN I. GOLDSMITH, City Attorney

By: \_\_\_\_\_  
Shannon Thomas  
Deputy City Attorney

[Initials]:[Initials]  
[Month]/[Day]/[Year]  
Or.Dept: DSD  
R- \_\_\_\_\_

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I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego at this meeting of \_\_\_\_\_, 2013.

ELIZABETH S. MALAND  
City Clerk

By: \_\_\_\_\_  
Deputy City Clerk







**Fiscal Impact Analysis**

*for*

**Castlerock**  
**for the City of San Diego**  
Project No. 10046

**Updated November 14, 2012**

original draft June 14, 2012

**Leppert Engineering Corporation**

5190 Governor Drive, Suite 205

San Diego, Ca 92122

Job No: EE 1.01-10.04

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## Executive Summary

The project proposes two scenarios, an Annexation and a No-Annexation Scenario, which will require planning and zoning amendments to allow for approximately 422 proposed residential units<sup>1</sup> together with 4-acres of public parks, a pedestrian trail and approximately 94 acres of MHPA open space. Additionally, the Annexation scenario will require a reorganization of jurisdictional boundaries to detach the developed portions of the project from the City of San Diego and annex this property to the City of Santee. The purpose of this report is to present fiscal impact information to the City of San Diego to assist its City Council in understanding the fiscal consequence of de-annexing this property, commonly referred to as the “Castlerock”, and allowing the property to be annexed to the City of Santee. This report attempts to quantify and compare the revenue potential to the City of San Diego should the property not be annexed into the City of Santee [the No-Annexation Scenario] with the revenue potential to the City of San Diego should the property indeed be annexed into the City of Santee [the Annexation Scenario].

*The conclusions contained in this report would indicate that the No Annexation Scenario will have a slightly greater fiscal impact to the General Fund of the City of San Diego than the Annexation Scenario by approximately \$29,181 per year. The report also concludes that the Annexation Scenario will have a negative fiscal impact to the General Fund of approximately \$18,321 per year.*

## Updated Report

This report has been updated and revised in response to the constructive review comments received from City Staff after the initial report was issued on June 14, 2012<sup>2</sup>. In addition, the City budget used to prepare this report has been updated from the adopted FY2011 budget to the draft FY2013 budget which, as of the date of this report, is available on-line on the City of San Diego website. While this updated report may not reflect 100% of the revisions suggested by City Staff, it certainly has incorporated most of them. However, regardless of the extent of the revisions, the conclusions still remain the same. The City's review comments are included in the Appendix.

## Purpose

The purpose of this report is to present fiscal information related to both the No Annexation Scenario and the Annexation Scenario, as it relates to the City of San Diego. The project is currently going through the City of San Diego entitlement process and is commonly referred to as the Castlerock project. This analysis is being prepared consistent with the City of San Diego General Plan 2008, Land Use and Community Planning Element Policy LU-K.2(c) and City Council Policy 600-1. This report will assess the fiscal impact to the City of San Diego's General Fund that might result from the No Annexation Scenario and compare the findings to the impacts of the Annexation Scenario. The goal of this study is to provide sufficient data, information and analysis to assist the City Council in determining if it desires to keep the Castlerock project within the city limits of the City of San Diego.

<sup>1</sup> 430 residential units if annexed to the City of Santee

<sup>2</sup> Memorandum from Toni Dillon to Jeanette Temple, Development Project Manager, dated July 10, 2012



## Proposed Land Use

The project is located in the eastern portion of San Diego immediately adjacent to the westerly boundary of the City of Santee north of Mast Boulevard. One can get a sense of the general character of the physical characteristics of the property and surrounding development by reviewing Figure 1 which was taken from the Castlerock draft EIR (Figure 2-4). The project proposes residential development of 422 residential units under the No Annexation Scenario together with 4-acres of public parks, a pedestrian trail network and approximately 94 Acres of MHPA open space. For this project, a rezone and a Community Plan Amendment are required to be in conformance with the General Plan and Community Plan. The project is also seeking a Vesting Tentative Map, a Site Development Permit and a Planned Development Permit. The access to the site is via Mast Boulevard, which is located in the City of Santee.

## Residential Development

The No Annexation scenario proposes 282 detached single-family residences which are divided into three different unit types, Castlerock I, II and III, as well as 140 single-family detached small lot units which are referred to as the Green Court units.

**Table 1 - Proposed Residential Development**

Unit Types	DU's
Castlerock I (47x72)	96
Castlerock II (47x85)	132
Castlerock III (50/60x100)	54
Castlerock IV (Green Court)	140
<b>Total DU's</b>	<b>422</b>

In Table 2, the average anticipated home values for each of the different unit types are provided, which were confirmed by the Residential Research Group located in San Clemente, California, at the request of Pardee Homes, the applicant proposing the Castlerock development. This table also shows the cumulative property tax value by unit type, together with the property tax value for the entire development which, at project buildout, is anticipated to be \$186,050,460.

**Table 2 - Cumulative Value of Residential Development**

Unit Type	Average Price/Unit <sup>3</sup>	Cumulative Property Tax Value
Castlerock I	\$448,333	\$43,039,968
Castlerock II	\$448,636	\$59,219,952
Castlerock III	\$550,000	\$29,700,000
Castlerock IV	\$386,361	\$54,090,540
<b>Cumulative Value</b>		<b>\$186,050,460</b>

<sup>3</sup> Source: Pardee



### ***Population***

The Household occupancy factor of 2.42 people per household was taken from the EIR for the Castlerock project. This EIR states that “For purposes of determining the worst-case analysis of impacts to public services, SANDAG’s 2007 calculation of 2.42 people per household within the East Elliott Community Plan Area was used.” Thus, for the No Annexation Scenario, 422 units would result in a population increase of 1,021 persons.

### ***Neighborhood Park***

A public park site has been identified on Vesting Tentative Map No. 19030 and on the site plan for Site Development Permit (No. 232442). A copy of this figure is attached as Figure 2. The total area of the park is anticipated to cover approximately 4 acres and is located at the northerly end of the project site.

### ***Open Space***

Both the No Annexation Scenario and the Annexation Scenario propose the dedication of approximately 94.7 acres of open space which will be incorporated in the Mission Trails Regional Park.

Image source: Copyright 2010 Aerial Express, All Rights Reserved (down Feb 2010)



Figure 1 – Aerial Photograph of the Project Site



## Methodology

The methodology of this analysis included reviewing documents and publically accessible data included in the City of San Diego's Draft FY2013 annual budget, which is available online on the City of San Diego website. Project information was obtained from reviewing the draft EIR for the Castlerock Program EIR (Project No. 10046; SCH No. 2004061029). A number of regional and national secondary sources were consulted as part of this analysis including SANDAG and the Bureau of Labor Statistics.

It is important to recognize that the estimated revenues and expenditures in this report are simply that: estimates. They are calculated based on information supplied by the City Budget, SANDAG data information, and review of other reference materials. These are not intended to be precise figures that guarantee actual revenues or expenditures which will be received or expended should the proposed project be approved. The previous draft of this report utilized information approved and published in the FY2011 annual budget. While essentially all of the dollar amounts have changed with this updated report, the conclusions remain the same. And it is anticipated that the conclusions made in this report will continue under the same pattern of financial management without significant modification of its fiscal policies or sources of revenue.

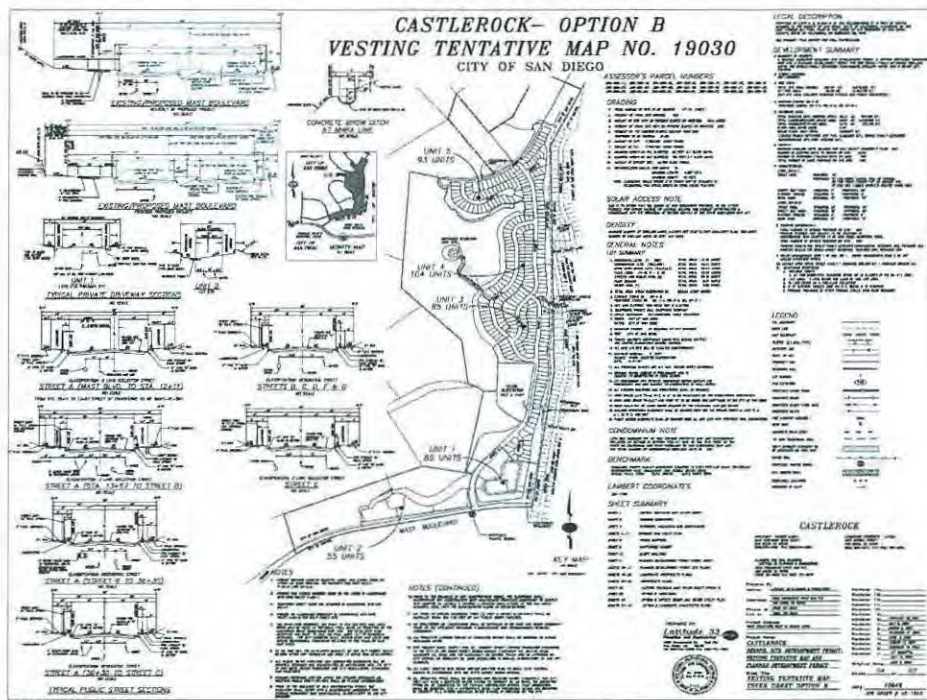


Figure 2 – Castlerock Site Plan Option B/Tentative Map



## Fiscal Analysis

### Revenues

This section represents the estimated annual revenues which the City of San Diego would be receiving under the No Annexation Scenario. This report has been updated, in part, to utilize information from the City of San Diego's Draft FY 2013 annual budget, with the assumption that the City will continue under the same pattern of growth without significant modification of its fiscal policies or sources of revenue. These revenues are presented in the following categories:

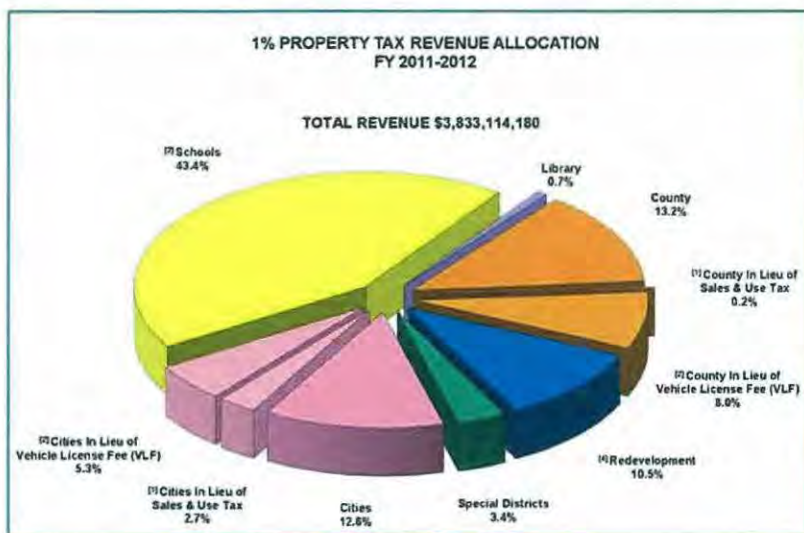
1. General Fund Revenues, which is income which can be used for any municipal purpose.
2. Other Municipal Revenues, which is income that normally can be used for general city operations but is limited to a specific city function.

### General Fund Revenues

The City of San Diego anticipates General Fund Revenue from a number of different sources. Table 2 in Volume I of the draft FY2013 Budget<sup>4</sup> summarizes revenue from 15 different categories. However, not all of these sources relate to the residential development being evaluated in this report. Those categories which are applicable to residential development are discussed below.

### Property Taxes

The City of San Diego General Fund will receive property tax revenue from the 422 units that are proposed to be developed in the Annexation Scenario. According to the San Diego County Tax Collector and Treasurer's office for Fiscal Year 2011-2012, the basic share of the 1%



property tax revenue distributed to all cities within San Diego County was 12.6%. See Figure 3. However, each city within the County receives a different allocation. Within each city, property is further subdivided into Tax Rate Areas (TRAs). These TRAs are created not only to allocate the 1% property tax revenue but also to allocate those tax obligations that have been approved and are above and beyond the 1% property tax ceiling set by Proposition 13. In San Diego, the TRA for the subject property is #08060. For

<sup>4</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol1/v1generalfundrevenues.pdf>, page 84



## Fiscal Impact Analysis – Castlerock – No Annexation Scenario

this TRA, the City of San Diego's property tax allocation is 13.626%<sup>5</sup>. It would be reasonable to assume that once the project was developed, the property would retain a similar property tax allocation.

A review of the City's proposed 2013 Annual Budget estimates that the City's property tax revenue will be \$284.1M. This overall revenue is based on a city-wide assessed valuation of \$176.388B<sup>6</sup>. Thus, city-wide, the annual budget's property tax revenue is based on a weighted average rate of 16.106%. For the purpose of this analysis, and as a means of making conservative revenue projections, this report has used the existing TRA rate of 13.626% in lieu of the city-wide average of 16.106 % to estimate property tax revenue.

Table 3 - Property Tax Revenue

Assessed Value of Residential Units:	\$186,050,460
Total Property Taxes collected @ 1%:	\$1,860,505
Share of Property Taxes to the City of San Diego @ 13.626% <sup>7</sup> :	<b>\$253,512</b>

## Property Transfer Tax

With all forms of development, particularly residential development, a property transfer tax is levied on the sale of real property. Each time a residence is sold, this transfer tax is collected. The average turnover rate is not a constant and is dependent on a number of factors, such as the state of the economy, employment conditions, and appreciation levels in the housing market. In addition, multi-family units may have a different turnover rate from single family residences. Historically, the average term of home ownership has varied from six years to twelve years. For this analysis, a conservative turnover rate of 8% per year has been used.

Table 4 - Property Transfer Tax

Assessed Value of Residential Units:	\$186,050,460
\$0.55 for every \$1,000 of real property sale value	\$102,328
Annual Turnover Rate of 8%	<b>\$8,186</b>

## Motor Vehicle License Fees

In Fiscal Year 2005, the rate for the Motor Vehicle License Fee (MVLFF) was reduced from 2 percent to 0.65 percent which resulted in a reduction of revenue to the City of San Diego. This remaining 0.65 percentage rate was subsequently replaced dollar-for-dollar with property tax, resulting in a property tax revenue increase. Subsequently, the Proposed FY2013 Budget "...does not include a budget for motor vehicle license fees due to the elimination of MVLFF allocations to cities as the result of the adoption of State Bill 89."<sup>8</sup>

<sup>5</sup> Personal Communication with San Diego County Auditor and Controller's Office (Property Tax Services)

<sup>6</sup> \$176,388,552,139 net valuation per the following link:

<http://www.sdcountry.ca.gov/fg3/misc/onepercent/fy1213/San%20Diego%20City.pdf>

<sup>7</sup> It is acknowledged that this percentage rate of property tax revenue may increase or decrease from one fiscal year to the next. However, the rate used with this analysis is indicative of what can be expected over the life of the development.

<sup>8</sup> FY2013 Budget, Volume 1, page 104



### Property Tax In Lieu Revenue

Consequently, as stated above, in addition to primary property tax revenue, the City of San Diego is also reimbursed with additional property tax revenue to cover the loss of Vehicle License Fees revenue previously distributed by the State of California (Senate Bill 1096). This "In-Lieu" property tax payment, while not precisely correlated to property valuation, is based on the incremental increase in the City's property valuation from one year to the next. The City's current city-wide assessed valuation is reported at \$176.388B<sup>9</sup>. As indicated in Table 4 above, the overall initial property valuation of Castlerock is estimated at \$186,050,460. Consequently, upon annexation of Castlerock, the City's assessed valuation will increase by 0.106%. The City's proposed 2013 Annual Budget estimates that the City's property tax in-lieu revenue will be \$105.0M<sup>10</sup>. Thus, under the No Annexation scenario, the City's property tax in-lieu revenue should increase by 0.106% or by approximately \$110,751. These In-Lieu payments are paid for out of the Educational Revenue Augmentation Fund (ERAF), which represents a portion of the 1% property tax revenue.

### Estimation of Sales Tax

City Staff has suggested that we not include sales tax as a revenue source in this report. It is their conclusion that they cannot agree to methodology that ties sales tax generation to the introduction of new residents or new resident-serving employees. The Economic Development and City Planning divisions heavily discount the value of economic and fiscal impacts which are driven by local consumption rather than local production or services provided to outsiders. Retail spending in any trade area must be traced back to jobs created in the region's economic base sectors such as manufacturing, tourism and hosting the U.S. military. In other words, these economic and fiscal benefits are derived from payroll expenditures emanating from based sector jobs and employers and not from the construction of housing units or retail stores.

While the author does not agree with City Staff's conclusion, for continuity purposes, this report has been revised to omit Sales Tax as a potential revenue source from the body of this report. Instead, the discussion on potential sales tax revenue has been moved to the "What If" section of this report so that, if desired, it can be analyzed separately and independently.

### State Subvention Fees

As part of the City Staff's review of this report, they identified a funding source not discussed in the City's draft FY2013 budget. State subvention fee revenue includes gas tax for transportation projects and replacement motor vehicle license fee (MVLFF) revenue; however, these fees do not include the 0.65% Vehicle License Fee revenue category, which took the place of MVLFF. The subvention fee revenue per capita collected for 24 months was used to calculate an average per capita rate for the estimated subvention fee revenue generated. The per capita average rate for subvention fees collected annually was determined to be \$25.64. This reconciliation amounts to an additional \$19,635 in revenue assumed to be generated by the proposed project discounted by 25% for resident transfer. MuniServices, the City of San Diego's sales tax consultant provided the annual collections for this calculation.<sup>11</sup>

<sup>9</sup> <http://www.sdcounty.ca.gov/fg3/misc/onepercent/fy1112/Santee%20City.pdf>

<sup>10</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol1/v1generalfundrevenues.pdf> page 92

<sup>11</sup> Memorandum from Toni Dillon to Jeanette Temple, Development Project Manager, dated July 10, 2013



### Other Potential Revenue

Other identifiable “General Fund Revenues” were also considered as part of this analysis. They are based on an EDU share of these other City revenue sources. While property tax and sales tax revenues constitute more than 50% of the revenue to the General Fund, these other sources, which are itemized in Table 20 in the Appendix, represent a meaningful funding resource. This report has concluded that a number of these other budget revenue categories correlate well with the overall growth of residential development in the City. City Staff has requested that we not include revenue from the following categories: business tax, fines, license and permit fee revenues, citing that “...the universe for these fees is not associated strictly with the introduction of new housing units.” This updated report respects that direction. See Table 20 for more detailed information. Based on these revisions, the revenue projected from other revenue categories was calculated at \$127.63/EDU, for a total of \$53,860.

### Conclusion on Revenue

In conclusion, it is estimated that the potential revenue to the City of San Diego’s General Fund under the No Annexation Scenario would be approximately \$437,758 per year.

**Table 5 - Potential Revenue No Annexation Scenario**

<b>General Fund Revenue Category</b>	<b>Amount</b>
Property Tax Revenue	\$253,512
Property Transfer Tax	\$8,186
Property Tax In-Lieu of MVLF	\$110,751
State Subvention Fees	\$19,635
Other Potential Revenues	\$53,860
<b>Total Potential Revenue</b>	<b>\$437,758</b>

### Expenditures

There are several different approaches that can be taken to project the estimated additional General Fund expenditures that would occur as a result of the Castlerock development. The first approach is to simply utilize a methodology that projects the City’s General Fund expenditures on a per capita basis. A per capita expense would be determined by dividing each department’s budget by the City estimated population, and projecting the increase in that department’s budget by the increase in population that would be served.

A second approach is to prorate costs based on utilizing an equivalent dwelling unit (EDU) basis. This approach attempts to correlate the City’s expenditures taking into account that City services are provided to both residential and non-residential land uses, e.g. by residents and by employees. The benefit of this approach is that it would attempt to compute an equivalency for the non-residential land uses within the City that also generate General Fund expenditures.

A third approach would be to project the actual expected additional expenses that might be incurred by each City department as a direct result of this project. However, for a development of this modest size, it is recognized that many city operations will not require additional staffing or “project specific” budget increases that can be directly correlated to this project.

In an attempt to be conservative at projecting additional expenditures, this report has elected to utilize the second approach, e.g. the EDU basis, in order to at least apportion costs over both residential and non-residential land uses.



## Determination of EDUs

This Analysis attempts to take the expenditures from the City of San Diego's draft Annual General Fund Budget for Fiscal Year 2013 and prorate these expenditures based on an overall citywide equivalent dwelling unit (EDU) factor. This approach of utilizing a total equivalent dwelling unit (EDU) attempts to take into account the share of services provided to both the resident population and to employees.

Based on the draft FY2013 budget, the City of San Diego resident population is approximately 1,320,456.<sup>12</sup> This correlates with an existing inventory of approximately 511,820 residential dwelling units<sup>13</sup>. Thus, in 2013, the approximate population per household equates to 2.58 persons per household. In addition, SANDAG estimates the 2010 civilian employment in San Diego at 734,413. When these two populations are considered together, this equates to a residential equivalent of approximately 1 employee per 0.350 residents. As shown in Table 6 below, the number of EDUs for purposes of this fiscal analysis can be determined. For the purposes of this analysis, it has been assumed that the average household size will not change measurably from one fiscal year to the next.

**Table 6 - City of San Diego EDU Calculation**

2013 Estimated Population	1,320,456
2013 Estimated Residential Dwelling Units	511,820
Average Household Size	2.58
2010 Estimated Civilian Employment <sup>14</sup>	734,413
Employment Resident Equivalent - 1 employee = 0.350 residents	257,045
Employment Resident Equivalent Dwelling Units	99,633
Total Equivalent Dwelling Units (EDUs)	611,453

## EDU Cost Projections of General Fund Expenditures

In an effort to determine the estimated cost on an EDU basis, the draft FY2013 Annual Budget for the City of San Diego was reviewed and analyzed for City Services that are funded by the General Fund. Each relevant department was evaluated to determine anticipated expenditures offset by revenues from various external sources. It is important to note that there are a number of fixed costs in each department's budget that are unlikely to be affected by any change in the City's physical development (in terms of population growth, increase in dwelling units, and new employment, etc.). There are some expenditures, however, that are considered variable costs, e.g. costs that have a correlation to new development. Variable costs can be further classified into direct and indirect costs. Direct costs are expenditures incurred in providing City services to the public, while indirect costs are operational expenditures incurred internally by City departments.

<sup>12</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol1/v1cityprofile.pdf>, page 4, Basic Data

<sup>13</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol1/v1cityprofile.pdf>, page 4, Basic Data

<sup>14</sup> Memorandum from Toni Dillon to Jeanette Temple, Development Project Manager, dated July 10, 2012



Several departments have significantly larger budgets than the other departments and, thus, the analysis of the costs for these departments have been isolated and have been analyzed independently, the results of which are provided in the discussion that follows.

#### Police

The Police Department has the largest department budget in the General Fund and its proposed FY 2013 expenditures are projected at \$404,619,313. Subtracting other police revenue and overhead expenses (considered to be a fixed cost), the net police expenditures are \$294,137,411. Based on the allocation of costs in Table 7 below, the cost of providing police services on an EDU basis is \$481.05/EDU. A more extensive breakdown of these costs is provided in Table 16 in the Appendix.

**Table 7 - FY 2013 Police Expenditures**

<b>Police</b>	
Police Department Expenditures	\$404,619,313
Less other Revenues <sup>15</sup>	(\$39,274,928)
Less Overhead <sup>16</sup>	(\$71,206,974)
Net Police Expenditures	\$294,137,411
Current EDUs	611,453
Net Expenditure/EDU	\$481.05

#### Fire-Rescue

The Fire-Rescue Department has the second largest department budget in the General Fund and its draft FY 2013 expenditures are projected at \$199,724,525. The Fire-Rescue Department also includes the City's Lifeguard services. Reducing the expenditures by other fire revenue, as well as administrative operations (considered to be a fixed cost), and the costs for Lifeguard Services, which are addressed later and independently in Table 21, the net fire expenditures are \$137,685,426. Based on the estimated number of 2012 fire incidents from the draft FY 2013 Annual Budget, an estimated ratio of 0.191 incidents per EDU and an average cost of \$1,177 per incident is calculated. See Table 8 below. A more extensive breakdown of these costs is provided in Table 17 in the Appendix.

<sup>15</sup> Other Police revenues include charges for current services, licenses and permits, fines, forfeitures and penalties, and federal and other agencies

<sup>16</sup> Overhead consisting of Administration and Administrative Services, considered to be fixed costs



Table 8 - FY 2013 Fire-Rescue Expenditures

Fire-Rescue	
Fire-Rescue Expenditure	\$199,724,525
Less other Revenues <sup>17</sup>	(\$27,339,421)
Less Lifeguard Services <sup>18</sup>	(\$17,026,088)
Less Overhead <sup>19</sup>	(\$17,673,590)
Net Fire-Rescue Expenditures	\$137,685,426
2013 City of San Diego EDU's	611,453
Estimated 2012 Incidents <sup>20</sup>	117,000
FY 2013 Average Cost/ Incident	\$1,177
Incidents/ EDU	0.191
Fire-Rescue Service Cost/ EDU	<b>\$225.18</b>

### Environmental Services (Solid Waste)

The City of San Diego provides residential refuse collection services to those residences where the City can collect the refuse from within the public right-of-way<sup>21</sup>. These services are provided by the Environmental Services Department. The Environmental Services Department's draft FY 2013 expenditures are projected at \$34,433,617. Subtracting other Environmental Services revenue, the net Environmental Services expenditures are Table 9. There are currently about 300,000 households<sup>22</sup> that are receiving trash collection services, at no cost, from the City of San Diego. Based on the allocation of costs in Table 9 below, the cost of providing environmental services for a customer is \$110.57/customer. A more extensive breakdown of these costs is provided in Table 18 in the Appendix. Of the 422 residential units in Castlerock, only 282 units will receive pickup services by the City. The remaining 140 units, units which will not have frontage to a dedicated public street, will obtain their trash collection services via a private vendor.

Table 9 - Environmental Services Expenditures

Environmental Services	
Environmental Services Department Expenditures	\$34,433,617
Less other Revenues <sup>23</sup>	(\$1,264,100)
Net Environmental Services Expenditures	\$33,169,517
Current Number of Customers	300,000
Net Expenditure/Customer	\$110.57
Total Cost for 282 customers/year	\$31,181

<sup>17</sup> Other Fire revenues include charges from current services, money and property, federal and other agencies, and other revenues

<sup>18</sup> Addressed separately in Table 21

<sup>19</sup> Consisting of Administrative Operations, considered fixed costs

<sup>20</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol2/v2firerescue.pdf> page 272

<sup>21</sup> <http://www.sandiego.gov/environmental-services/pdf/SMiramarPla10080617330.pdf>

<sup>22</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol2/v2esd.pdf>, page 230

<sup>23</sup> Other Environmental Services revenues include charges for current services, licenses and permits, fines, forfeitures and penalties, and revenue from other local taxes



## Lane Mile Cost Projections

### Transportation and Storm Drain- Street Division

Since the publication of the FY 2011 Budget, which was the basis of the first edition of this report, the City of San Diego has reorganized a number of its departments including the Street Division. This division is now a part of the newly created Transportation and Storm Drain Department. Since storm water maintenance and operations is closely related to roadway improvements, it is no longer necessary to isolate street division expenditures. The expenditures for Lane Mile and Storm Drain facilities maintained by the new Transportation and Storm Drain Department are now included as a department expenditure in Table 21.

## Water and Sewer Expenditures

Normally water and sewer expenditures are not included in the fiscal impact analysis for a development project primarily due, in large part, to these expenditures not being charged to the City's General Fund. The Public Utilities Department maintains its own separate fund accounts, independent of the General Fund. However, questions may arise as part of the review of this report as to whether the City of San Diego might encounter disproportionately high expenditures to provide sewer and water services to the project.

In the No Annexation Scenario, the Public Utilities Department will provide wet utility services to the project. Yet, according to the Castlerock DEIR<sup>24</sup>, the City of San Diego currently has no infrastructure along the immediate frontage of the project. The closest existing City of San Diego water facilities are located some 4 miles away from the project. However, to offset this situation, the City of San Diego maintains capacity rights in the existing 36" diameter El Capitan Pipeline, which is owned and operated by the Padre Dam Municipal Water District. The El Capitan Pipeline is located much closer to the project site. By utilizing these capacity rights, the City does not need to extend its infrastructure out to the project site. The City also maintains the 42" Mission Gorge Trunk Sewer, a pipeline which is only 7,200 feet from the project site. As a subdivider exaction, the development will be required to extend pipelines of nominal size, commensurate with this size development, to these available points of service. After installation of the new pipelines, the Public Utilities Department will recover 100% of its costs for providing these utility services via the collection of fees from the residents of the project.

## Open Space

Based on the City of San Diego's annual budget, the City operates approximately 24,655 acres of open space land from the General Fund. The Open Space budget is \$8,399,929. However, per further input from City Staff, the Open Space budget includes the costs for Brush Management services and Street Median expenditures<sup>25</sup>. After subtracting for brush management and street median expenditures, the average cost of maintaining Open Space land is approximately \$193.46 per acre. This cost is illustrated in Table 10 below.

<sup>24</sup> Section 4.14 of DEIR, Castlerock, dated June 18, 2012; Project No. 10046; SCH No. 2004061029

<sup>25</sup> Memorandum from Toni Dillon to Jeanette Temple, Development Project Manager, dated July 10, 2012



Table 10 - Park and Recreation Cost – Open Space

<b>Open Space</b>	
Total Park and Recreation Open Space Expenditure (2013) <sup>26</sup>	\$8,399,929
Less Expenses Brush Management (2011) <sup>27</sup>	\$2,701,603
Less Expenses Street Medians (2011)	\$928,526
Net Open Space Expenditure	\$4,769,800
Current Inventory of Open Space Acres <sup>28</sup>	24,655
<b>Net Expenditure/Acre</b>	<b>\$193.46</b>

With either the No Annexation Scenario or the Annexation Scenario, the dedication of the approximate 94.7 acres of open space will take place and will be incorporated in the Mission Trails Regional Park. As such, this annual expenditure will occur in either scenario.

### Neighborhood Park

The Park and Recreation Department's draft FY 2013 expenditures are projected at \$76,151,554 for Community Parks I, II and Developed Regional Parks. Subtracting other revenue, the net Parks expenditures are \$39,697,963. The current inventory for improved park acreage is approximately 15,082 acres. Consequently, as shown in the allocation of costs in Table 11 below, the cost of maintaining improved park acreage is approximately \$2,632.14 per acre.

Table 11 - Park and Recreation Cost- Neighborhood Park

<b>Neighborhood Park</b>	
Total Park and Recreation Expenditure for Community Parks I, II and Developed Regional Parks (2011) <sup>29</sup>	\$76,151,554
Less Other Revenues	\$36,453,591
Net Park and Recreation Expenditure (2011)	\$39,697,963
Current Inventory of Park Acres <sup>30</sup>	15,082
<b>Net Expenditure/Acre</b>	<b>\$2,632.14</b>

### Other City Departments

When compared to the Police, Fire-Rescue and Park budgets, the other departments represent much smaller percentages of the overall budget. After taking into account the net variable expenses attributable to each department, as depicted in Table 21 in the Appendix, the combined net cost for the remaining departments has been calculated at approximately \$224.38 per EDU.

<sup>26</sup> All dollar amounts from the City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Park and Recreation, page 383

<sup>27</sup> The expenditures provided here were taken from the Memorandum from Toni Dillon to Jeanette Temple, Development Project Manager, dated July 10, 2012. These expenditures were taken from the FY2011 budget as these costs were not isolated and separately highlighted in the FY2013 budget summaries.

<sup>28</sup> <http://www.sandiego.gov/park-and-recreation/parks/brush.shtml>

<sup>29</sup> All dollar amounts from the City of San Diego FY 2013 Budget, Volume II: Department Details, Park and Recreation, page 383

<sup>30</sup> <http://www.sandiego.gov/park-and-recreation/pdf/fastfacts.pdf>, 39,737 acres of total park acres, including 24,655 acres of open space



**Table 12 - All Other General Fund Expenditures**

Net Expenditure/EDU	\$224.38
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### Summary of Estimated Annual Expenditures

As discussed above, the Castlerock development proposes 422 EDU's. Thus, as shown below in Table 13, the annual expenditures from the General Fund are estimated at \$466,939/year.

**Table 13 - Summary of Expenditures**

<b>EDU Expenditures</b>	
Police, per EDU	\$517.01
Fire-Rescue, per EDU	\$225.18
Other City Departments, per EDU	\$258.94
Total Expenditures, per EDU	\$964.24
Total EDUs	422
<b>Total EDU Cost</b>	<b>\$406,909.28</b>
Environmental Services (solid waste), per customer	\$110.57
Total customers served	282
<b>Total Cost for Environmental Services</b>	<b>\$31,180.74</b>
<b>Open Space Acreage Costs</b>	
Open Space Costs, per Acre	\$193.46
Open Space Acreage in Acres	94.7
<b>Annual Open Space Cost</b>	<b>\$18,320.66</b>
<b>Neighborhood Park Acreage Costs</b>	
Neighborhood Park Costs, per Acre	\$2,632.14
Neighborhood Park Acreage in Acres	4
<b>Annual Neighborhood Park Cost</b>	<b>\$10,528.56</b>
<b>Total Estimated Annual Expenditures</b>	<b>\$466,939.24</b>

### Conclusion of No Annexation Scenario

It would appear that, under the No Annexation Scenario, the City of San Diego could anticipate expenditures to exceed revenue to the General Fund of approximately \$29,181 per year.

**Table 14 - No Annexation Scenario**

Total Potential Revenue	\$437,758
Total Estimated Expenditures	\$466,939
Net Revenue - No Annexation Scenario	(\$29,181)



## What If Castlerock Were Annexed to the City of Santee?

In contrast with the No Annexation Scenario, the other possibility would be for the City of San Diego to obtain approval of a reorganization of the Castlerock property to the City of Santee. The fiscal impacts of such a transaction can likewise be determined from the above discussion.

### Revenue vs. Expenditures

Of the above described revenue sources, none of the identified revenue would continue to the City of San Diego should the Castlerock property be annexed to Santee. All of the revenue sources, e.g. Property Tax, Property Transfer Tax, Motor Vehicle License Fees, and other revenue fund sources, etc., would no longer be realized by the City of San Diego. Consequently, under the Annexation alternative, as the City of Santee realizes all of the revenue potential from the Castlerock development, they would also inherit all of the expenditures described above, with the exception of the expenditures for open space that is to be added to the Mission Trails Regional Park. The respective costs wouldn't necessarily be the same amounts, as the City of Santee's budgeted costs are different from that of the City of San Diego. The point is that the City of San Diego would no longer be responsible for these expenditures.

### Conclusion of Annexation Scenario

It would appear that, under the Annexation Scenario, the City of San Diego would still incur expenditures to the General Fund, due solely to the long term maintenance of the open space added to the Mission Trails Regional Park, of approximately \$18,321 per year.

**Table 15 - Annexation Scenario**

Total Potential Revenue	\$0
Total Estimated Expenditures	\$18,321
Net Revenue - Annexation Scenario	<b>(\$18,321)</b>

### Overall Conclusion

Regardless of which Scenario is ultimately approved, approval of the Castlerock development would have a nominal fiscal impact to the City's General Fund, albeit a slightly less negative impact if the property were annexed to the City of Santee. City Staff, while using different numbers, came to this same conclusion. Based on the sheer size of the General Fund's annual budget, which is approximately \$1.15B, the cost of Castlerock represents less than 0.0026% of the entire budget.



### Assumptions

Every reasonable effort has been made to ensure that the statistical information contained in this report reflects the latest information available, and based upon the source of information, is believed to be reliable. This study is based on estimates, assumptions and other information obtained from a number of identified sources that have subsequently been reviewed and evaluated by the author. No responsibility is assumed for inaccuracies in reporting by any other data source used in preparing or presenting this study. This report is based on information that has been collected by the author during the months of February through December 2011 and then revised in June through November 2012 or as noted in the report. No warranty or representation is made by the author that any of the projected values or results contained in this study will actually be realized or incurred. This study should not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from the author. This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



## Appendix



Table 16 - San Diego Police Cost

Total Law Enforcement Expenditure (2013) <sup>31</sup>	\$404,619,313
Less Revenue from Charges for Current Services <sup>32</sup>	(\$10,994,123)
Less Revenue from Licenses and Permits	(\$5,843,262)
Less Revenue from Fines, Forfeitures, and Penalties	(\$19,160,466)
Less Other Local Taxes	(\$1,551,205)
Less Revenue from Money and Property	(\$216,149)
Less Revenue from Federal Agencies	(\$660,000)
Less Revenue from Other Agencies	(\$209,723)
Less Other Revenue	(\$640,000)
Less Overhead <sup>33</sup>	(\$71,206,974)
Net Police Expenditures	\$316,125,657
Current Equivalent Dwelling Units <sup>34</sup>	611,453
<b>Net Expenditure/EDU</b>	<b>\$517.01</b>

Table 17 - San Diego Fire Service- Rescue Cost

Total Fire Service- Rescue Expenditure (2013) <sup>35</sup>	\$199,724,525
Less Revenue from Charges for Current Services <sup>36</sup>	(\$21,853,374)
Less Revenue from Licenses and Permits	(\$1,151,382)
Less Transfers In	(\$3,075,708)
Less Revenue from Federal Agencies	(\$218,000)
Less Revenue from Other Agencies	(\$20,000)
Less Other Revenue	(\$1,019,957)
Less Overhead <sup>37</sup>	\$17,673,590)
Less Lifeguard Services	(\$17,026,088)
Net Fire- Rescue Expenditure	\$137,685,426
2013 City of San Diego EDU's <sup>38</sup>	611,453
Estimated 2012 Incidents <sup>39</sup>	117,000
Incidents/ EDU	0.191
<b>FY 2013 Average Cost/ Incident</b>	<b>\$1,176.80</b>
<b>Net Fire Service Cost/ EDU</b>	<b>\$225.18</b>

<sup>31</sup> City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Police, page 423

<sup>32</sup> City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Police, page 426

<sup>33</sup> Consisting of Administration and Administrative Services, considered fixed costs, City of San Diego FY 2013 Budget, Volume II: Department Details, Police, page 423

<sup>34</sup> Computed EDU's from Table 1

<sup>35</sup> City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Fire - Rescue, page 275

<sup>36</sup> City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Fire - Rescue, page 277

<sup>37</sup> Consisting of Administrative Operations, considered fixed costs, City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Fire - Rescue, page 275

<sup>38</sup> Computed EDU's from Table 1

<sup>39</sup> Information obtained from the City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Fire - Rescue, page 272



Table 18 - Environmental Services Cost

Total Environmental Services Expenditure (2013) <sup>40</sup>	\$34,433,617
Less Revenue from Charges for Current Services	(\$971,100)
Less Revenue from Other Local Taxes	(\$120,000)
Less Revenue from Licenses and Permits	(\$118,000)
Less Revenue from Fines, Forfeitures and Penalties	(\$5,000)
Less Other Revenue	(\$50,000)
Net Environmental Services Expenditures	\$33,169,517
Current Number of Customers <sup>41</sup>	300,000
<b>Net Expenditure/Customers</b>	<b>\$110.57</b>

Table 19 - Park and Recreation Neighborhood Park Cost

Total Park and Recreation Expenditure for Community Parks I, II and Developed Regional Parks (2013) <sup>42</sup>	\$76,151,554
Less Revenue from Charges for Current Services	(\$33,895,094)
Less Revenue from Fines, Forfeitures and Penalties	(\$27,395)
Less Revenue from Licenses and Permits	(\$707,220)
Less Revenue from Money and Property	(\$465,300)
Less Other Revenue	(\$13,800)
Less Transfers In	(\$1,344,782)
Net Park and Recreation Expenditure for Community Parks I, II and Developed Regional Parks (2013)	\$39,697,963
Park Inventory	15,082
<b>Net Expenditure/Acre</b>	<b>\$2,632.14</b>

<sup>40</sup> All dollar amounts from the City of San Diego FY 2013 Proposed Budget, Volume II: Department Details, Environmental Services, page 231

<sup>41</sup> <http://www.sandiego.gov/fm/proposed/pdf/2013/vol2/v2esd.pdf>

<sup>42</sup> Total Park and Recreation Department Expenditures less Open Space; FY2013 Proposed Budget, Vol. 2, Department Details, Park and Recreation, page 383



**Table 20 - City of San Diego- Proposed Budget for Fiscal Year 2013  
Pro-Rated Revenue Distribution**

Total Equivalent Dwelling Units: 611,453<sup>43</sup>

City Resources/ Revenues	General Purpose Funds <sup>44</sup>	Revenue Share	Per EDU
Property Tax Revenue	\$389,106,053	33.9%	Calculated separately
<b>Total Property Tax Revenue</b>	<b>\$389,106,053</b>	<b>33.9%</b>	<b>Calculated separately</b>
Sales Tax	\$234,414,956	20.4%	Calculated separately
Safety Sales Tax <sup>45</sup>	\$0	0.0%	
<b>Total Sales Tax</b>	<b>\$234,414,956</b>	<b>20.4%</b>	
Transient Occupancy Tax <sup>46</sup>	\$80,463,918	7.0%	
<b>Total Transient Occupancy Tax</b>	<b>\$80,463,918</b>	<b>7.0%</b>	
Property Transfer Tax	\$6,359,105	0.6%	Calculated separately
SDG&E	\$37,736,863	3.3%	\$61.72
CATV	\$19,365,448	1.7%	\$31.67
Refuse Collection Franchise	\$9,950,000	0.9%	\$16.27
Other Franchises	\$4,626,205	0.4%	\$7.57
<b>Total Local Taxes</b>	<b>\$78,037,621</b>	<b>6.8%</b>	<b>\$127.63</b>
Business Taxes	\$6,613,129	0.6%	
Rental Unit Taxes	\$5,925,000	0.5%	
Parking Meters	\$7,879,891	0.7%	
Refuse Collector Business Tax	\$660,000	0.1%	
Other Licenses and Permits	\$10,781,709	0.9%	
<b>Total Licenses and Permits</b>	<b>\$31,859,729</b>	<b>2.8%</b>	
Parking Citations	\$18,000,054	1.6%	
Municipal Court	\$8,280,000	0.7%	
Negligent Impound	\$0	0.0%	
Other Fines and Forfeitures	\$4,804,802	0.4%	
<b>Total Fines, Forfeitures and Penalties</b>	<b>\$31,084,856</b>	<b>2.7%</b>	
Interest and Dividends	\$1,354,233	0.1%	
Mission Bay	\$26,003,095	2.3%	
Pueblo Lands	\$4,818,228	0.4%	
Other Rents and Concessions	\$10,394,732	0.9%	
<b>Total Money/Property</b>	<b>\$42,570,288</b>	<b>3.7%</b>	
Federal Agencies	\$2,931,478	0.3%	
<b>Total Federal Agencies</b>	<b>\$2,931,478</b>	<b>0.3%</b>	

<sup>43</sup> Table 6

<sup>44</sup> City of San Diego FY 2013 Proposed Budget, Volume I: Budget Overview and Schedules, Financial Summaries and Schedules, page 137 and 138

<sup>45</sup> State apportioned sales tax distributed to the City of San Diego assumed to increase on EDU basis

<sup>46</sup> Increases in Transient Occupancy Tax are not included because the project does not propose a new hotel. However, the project might create indirect increases in Transient Occupancy Tax from new resident demand.

Note: Revenues not directly affected by the new development, such as Interest and Dividends, Rents and Concessions, Other Revenue have been excluded from total pro-rated revenue.

## Fiscal Impact Analysis – Castlerock – No Annexation Scenario

City Resources/ Revenues	General Purpose Funds <sup>44</sup>	Revenue Share	Per EDU
Motor Vehicle License Fees	\$0	0.0%	Calculated separately
Other Agencies	\$594,100	0.1%	
<b>Total Other Agencies</b>	<b>\$594,100</b>	<b>0.1%</b>	
Charges for Current Services	\$180,409,710	15.7%	
<b>Total Charges for Current Services</b>	<b>\$180,409,710</b>	<b>15.7%</b>	
Other Revenue	\$3,837,765	0.3%	
<b>Total Other Revenue</b>	<b>\$3,837,765</b>	<b>0.3%</b>	
Other Financial Sources	\$71,697,537	6.3%	
<b>Total Other Financial Sources</b>	<b>\$71,697,537</b>	<b>6.3%</b>	
<b>Total General Fund Revenue/ Pro-Rated Revenue</b>	<b>\$1,147,008,011</b>	<b>100.0%</b>	<b>\$127.63</b>



## Fiscal Impact Analysis – Castlerock – No Annexation Scenario

Table 21 - Summary of EDU Expenditures by City Department

City Expenditures	General Purpose Funds <sup>47</sup>	Charges for Current Services <sup>48</sup>	Less Charges for Current Services	Ratio of Variable to Total Cost	Pro Rata Expenditure per EDU
Administration	\$2,634,578	\$571,690	\$2,062,888	35%	\$1.18
Business Office	\$1,161,815	\$0	\$1,161,815	35%	\$0.67
City Attorney	\$42,719,069	\$4,656,169	\$38,062,900	35%	\$21.79
City Auditor	\$3,564,101	\$0	\$3,564,101	35%	\$2.04
City Clerk	\$4,704,182	\$18,404	\$4,685,778	35%	\$2.68
City Comptroller	\$10,116,390	\$2,541,760	\$7,574,630	35%	\$4.34
City Council	\$11,751,504	\$0	\$11,751,504	35%	\$6.73
City Treasurer	\$19,465,306	\$999,938	\$18,465,368	35%	\$10.57
Citywide Program Expenditures	\$77,737,965	\$0	\$77,737,965	35%	\$44.50
Debt Management	\$2,337,835	\$705,645	\$1,632,190	35%	\$0.93
Department of Information Technology	\$500,000	\$195,303	\$304,697	0%	\$0.00
Development Services	\$13,286,207	\$992,713	\$12,293,494	35%	\$7.04
Disability Services	\$494,995	\$15,415	\$479,580	35%	\$0.27
Economic Development	\$4,776,071	\$1,213,871	\$3,562,200	35%	\$2.04
Environmental Services	\$34,433,617	\$1,264,100	\$33,169,517		Calculated separately
Ethics Commission	\$923,641	\$0	\$923,641	35%	\$0.53
Financial Management	\$4,170,967	\$5,000	\$4,165,967	35%	\$2.38
Fire- Rescue (w/o Lifeguard)	\$199,724,525	\$21,854,374	\$177,870,151		Calculated separately
Fire-Rescue Lifeguard	\$17,026,088	\$0	\$17,026,088	100%	\$27.85
Human Resources	\$2,384,802	\$0	\$2,384,802	35%	\$1.37
Library	\$37,593,452	\$1,274,612	\$36,318,840	100%	\$59.40
Office of Homeland Security	\$1,688,181	\$1,028,515	\$659,666		
Office of the Assistant COO	\$313,872	\$0	\$313,872	35%	\$0.18
Office of the Chief Financial Officer	\$839,799	\$0	\$839,799	35%	\$0.48
Office of Chief Operating Officer	\$536,975	\$0	\$536,975		
Office of the IBA	\$1,695,463	\$0	\$1,695,463	35%	\$0.97
Office of the Mayor	\$6,178,075	\$1,386,700	\$4,791,375	35%	\$2.74
Park and Recreation	\$84,551,483	\$33,895,094	\$50,656,389	20%	Calculated separately
Personnel	\$6,455,197	\$6,000	\$6,449,197	35%	\$3.69
Police	\$404,619,313	\$10,994,123	\$393,625,190		Calculated separately
Public Utilities	\$1,706,193	\$989,819	\$716,374	35%	\$0.41
Public Works - E&CP	\$60,512,980	\$56,188,544	\$4,324,436	35%	\$2.48
Public Works - General Services	\$14,031,293	\$4,001,183	\$10,030,110	35%	\$5.74
Purchasing & Contracting	\$3,121,668	\$459,500	\$2,662,168	35%	\$1.52

<sup>47</sup> City of San Diego FY 2013 Proposed Budget, Volume II: Department Details<sup>48</sup> City of San Diego FY 2013 Proposed Budget, Volume II: Department Details

## Fiscal Impact Analysis – Castlerock – No Annexation Scenario

City Expenditures	General Purpose Funds <sup>47</sup>	Charges for Current Services <sup>48</sup>	Less Charges for Current Services	Ratio of Variable to Total Cost	Pro Rata Expenditure per EDU
Real Estate Assets	\$4,511,770	\$911,297	\$3,600,473	35%	\$2.06
Transportation & Storm Water	\$84,933,670	\$11,443,011	\$73,490,659	35%	\$42.07
<b>Total Operating Expenditures</b>	<b>\$1,150,176,954</b>	<b>\$157,612,780</b>	<b>\$992,564,174</b>		<b>\$258.94</b>

Notes on Ratio of Variable to Total Cost: As stated in the body of the Report (see page 11, for the discussion pertaining to Expenditure Calculations), after one subtracts the fixed cost expenditures from the budgeted expenditures for each department, the remaining variable costs can be further classified into direct and indirect costs. Variable costs are those expenditures that could be influenced by new development, such as those costs being considered by this Report. However, not all of the remaining variable costs would proportionally increase as a result of new development. Direct costs are expenditures incurred in primarily providing City services to the public and, thus, likely to increase due to new development, while indirect costs are operational expenditures incurred internally by City departments, which are less likely to increase due to new development. As a means of estimating that portion of variable expenditures that may be associated with the proposed development, this Report has utilized percentages of Variable Expenses to overall General Purpose Funds that have been published previously and utilized by the City for other projects involving new development.



## Errata - What If?

### Sales Tax

As discussed above, City Staff suggested that Sales Tax not be considered as a revenue source for this report. While this residential development may not result in a direct increase in the number of jobs for the City of San Diego, the overall growth in the City's population by over 1,000 people will increase the consumer base for both the City of San Diego and the City of Santee.

Consequently, it would be appropriate to include an evaluation of potential sales tax revenue that the City of San Diego would realize from the Castlerock development. The best unit of measure for this evaluation is average household income. Household income estimates were calculated for each residential unit type based on the house purchase price, a 30 year loan, 10 percent down, an interest rate of 4.375 percent and the mortgage payment being 30 percent of the total income. [Interest rates continue to fluctuate. As of the date of this report, interest rates for 30-year fixed mortgages were actually lower than 4.375 percent. Lower interest rates actually provide the home buyer with more spendable income. Consequently, using 4.375 percent results in a more conservative estimate of sales tax revenue.] Based on the above assumptions, the average household income was computed at \$87,012. With this information and the information from the Consumer Expenditure Survey conducted by the Bureau of Labor Statistics<sup>49</sup>, the estimated expenditure of the residents in this proposed development can be calculated.

Based on the proposed Castlerock project being located adjacent to the City of Santee, the assumption was made that a significant portion of the daily shopping expenditures from the new development will be mainly captured by the City of Santee. However, we assumed that about half of the sales tax for expenditures such as entertainment, food away from home and apparel and services could be captured by the City of San Diego. Based on these assumptions, we have calculated that the City of San Diego would receive about \$55,676 per year in sales tax revenue, based on the City's share of sales tax being 1%. A more detailed analysis as to how the sales tax revenue was calculated is provided in Tables 25 thru 28 in the Appendix.

### Property Tax In Lieu Revenue

In addition to property tax revenue, the City also receives, as additional property tax revenue, funds to reimburse the City for sales and use tax resulting from the suspension of the Bradley-Burns tax rate<sup>50</sup> (Assembly Bill 1766). This reimbursement is intended to compensate the City and offset the City's reduction in its share of sales tax from 1% to 0.75%.

It should be pointed out that the property tax revenue for the in-lieu sales tax, commonly referred to as "triple-flip", is the result of a shift enacted by the State in Fiscal Year 2005 whereby local governments were required to shift one-quarter of one cent of their Bradley-Burns Sales and Use

<sup>49</sup> Based on the Bureau of Labor Statistics Consumer Expenditure Survey, 2009 (for Households earning \$80,000 to \$99,999)

<sup>50</sup> Represents the exchange of Property Tax for Cities and County Sales and Use Tax as authored under Assembly Bill 1766, chaptered August 3, 2003 per [www.sdtreastax.com/images/1-percent-property-tax-revenue-allocation.jpg](http://www.sdtreastax.com/images/1-percent-property-tax-revenue-allocation.jpg)



Tax to the State in exchange for an *equivalent amount* of property tax. Once the State's Economic Recovery Bonds are paid off, local governments will no longer receive the property tax reimbursement, but will instead regain the quarter-cent sales tax that was diverted to the State by the triple-flip. The State's Economic Recovery Bonds are currently expected to be paid in full in 2023 unless retired prior to maturity. Consequently, upon retirement of the bonds, the City would then receive an additional one-quarter percent of sales tax to maintain this level of revenue. For simplicity, rather than compute this property tax in lieu revenue source separately and because this report is looking at revenue projections from a long term perspective, this report has simply estimated sales tax revenue at 1% of taxable sales, as discussed above.

Thus, if Sales Tax is taken into account as part of the evaluation, the City would realize an additional \$55,676 in General Fund revenue.

**Table 22 - No Annexation Scenario, with Sales Tax**

Potential Revenue, as cited in Table 5 above	\$437,758
Addition of Sales Tax and equivalent Triple-Flip revenue (e.g. 1%)	\$55,676
Total Potential Revenue	\$493,434
Total Estimated Expenditures, as cited in Table 13 above	\$466,939
Net Revenue - No Annexation Scenario	<b>\$26,495</b>

Under the Annexation Scenario, the City of San Diego would still realize the projected Sales Tax revenue, as cited above. However, for the short term, it would not enjoy the Triple-Flip revenue also discussed above. The Triple-Flip revenue, while intended to offset the loss of sales tax revenue, would be disbursed instead to Santee as part of property tax revenues. Once the Recovery Bonds were paid off, however, which is now not currently anticipated to be until 2023, then the City of San Diego would recover 0.25% in its sales tax rate revenues and would realize the 1% in Sales Tax, which is the amount represented in Tables 22 and 23. Consequently, by 2023 and thereafter, the projected Sales Tax revenue could be anticipated to be a full 1% of taxable sales.

**Table 23 - Annexation Scenario, with Sales Tax**

Potential Revenue, from Property Tax	\$0
Addition of Sales Tax, e.g. 1%	\$55,676
Total Potential Revenue	\$55,676
Total Estimated Expenditures, as cited in Table 10 above	\$18,321
Net Revenue - Annexation Scenario	<b>\$37,355</b>

## Conclusion with Sales Tax

When Sales Tax is taken into account, the net revenue amounts for both the No-Annexation and the Annexation Scenarios change slightly and actually go from negative to positive for both alternatives. However, regardless of which Scenario is ultimately approved, approval of the Castlerock development would still have a nominal fiscal impact to the City's General Fund. The City of San Diego would receive slightly more revenue if the property were annexed to the City of Santee.



Table 24 - Castlerock Household Incomes

Unit Type	Annual Average Household Income <sup>51</sup>	Number of Units	Total Household Income per Unit Type
Castlerock I	\$87,160	96	\$8,367,360
Castlerock II	\$87,200	132	\$11,510,400
Castlerock III	\$117,120	54	\$6,324,480
Castlerock IV	\$75,120	140	\$10,516,800
<b>Cumulative Household Income</b>			<b>\$36,719,040</b>
Total Households			422
<b>Average Household Income</b>			<b>\$87,012</b>

Table 25 - Potential Retail Expenditure

Retail Expenditure Item	Income/ Expenditure Ratio <sup>52</sup>	Total
Annual Household Income		\$87,012
Food at Home	7.2%	\$6,265
Food away from Home	5.6%	\$4,873
Alcoholic Beverages	0.9%	\$783
Household Operations <sup>53</sup>	1.0%	\$870
Housekeeping Supplies	1.3%	\$1,131
Household Furnishings and Equipment	3.5%	\$3,045
Apparel and Services	3.7%	\$3,219
Transportation <sup>54</sup>	15.3%	\$13,313
Health Care <sup>55</sup>	2.2%	\$1,949
Entertainment <sup>56</sup>	4.2%	\$3,655
Personal Care Products and Services	1.2%	\$1,044
Reading	0.2%	\$174
Tobacco Products and smoking supplies	0.6%	\$522
Miscellaneous <sup>57</sup>	0.8%	\$653
	<b>47.7%</b>	<b>\$41,496</b>

<sup>51</sup> The average Household income is based on the loan amount, a 30-year loan, 10 percent down, interest rate of 4.375 and the mortgage payment being 30% of the total income

<sup>52</sup> Based on the Bureau of Labor Statistics Consumer Expenditure Survey, 2009 (for Households earning \$80,000 to \$99,999)

<sup>53</sup> 50% of estimated total household operations have been included here.

<sup>54</sup> Transportation includes vehicle purchases, gasoline, motor oil and other vehicle expenses.

<sup>55</sup> 35% of estimated health care expenditures have been included here.

<sup>56</sup> 75% of estimated total entertainment expenditures have been included here.

<sup>57</sup> 50% of estimated miscellaneous expenditures have been included here.

Table 26 - Effective Retail Sales Capture in San Diego

Retail Expenditure Item	Share Taxable	City of San Diego Share	Effective Taxable Retail Sales Capture in San Diego
Food at Home	40.0%	5.0%	2.0%
Food away from Home	100.0%	55.0%	55.0%
Alcoholic Beverages	100.0%	15.0%	15.0%
Household Operations	75.0%	30.0%	22.5%
Housekeeping Supplies	100.0%	20.0%	20.0%
Household Furnishings and Equipment	100.0%	20.0%	20.0%
Apparel and Services	100.0%	50.0%	50.0%
Transportation	100.0%	40.0%	40.0%
Health Care	40.0%	23.0%	9.2%
Entertainment	100.0%	45.0%	45.0%
Personal Care Products and Services	100.0%	25.0%	25.0%
Reading	100.0%	25.0%	25.0%
Tobacco Products and smoking supplies	100.0%	15.0%	15.0%
Miscellaneous	100.0%	15.0%	15.0%

Table 27 - San Diego Sales Tax Generation

Retail Expenditure Item	Effective Capture	Total
Food at Home	2.0%	\$125
Food away from Home	55.0%	\$2,680
Alcoholic Beverages	15.0%	\$117
Household Operations	22.5%	\$196
Housekeeping Supplies	20.0%	\$226
Household Furnishings and Equipment	20.0%	\$609
Apparel and Services	50.0%	\$1,610
Transportation	40.0%	\$5,325
Health Care	9.2%	\$179
Entertainment	45.0%	\$1,645
Personal Care Products and Services	25.0%	\$261
Reading	25.0%	\$44
Tobacco Products and smoking supplies	15.0%	\$78
Miscellaneous	15.0%	\$98
<b>Total Capture per Household</b>		<b>\$13,193</b>
Cumulative Households		422
Total Taxable Sales Capture in San Diego		\$5,567,554
<b>Sales Tax @ 1%</b>		<b>\$55,676</b>







## THE CITY OF SAN DIEGO

## M E M O R A N D U M

DATE: March 12, 2013

TO: Jeanette Temple, Development Project Manager III, Development Services

FROM: Toni Dillon, Economic Research Coordinator, Development Services

SUBJECT: (Annexation/No Annexation) PTS Number 10046

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Thank you for giving us the opportunity to review and comment on *the Fiscal Impact Analysis for Castlerock*, prepared by the Leppert Engineering Corporation (“Leppert”) for Pardee Homes (Pardee), in connection with the latter’s proposal to obtain new land use entitlements for its project. Hereafter, Development Services will refer to the Fiscal Impact Analysis completed by Leppert as the “Analysis”, the June 14, 2012- Analysis as the “first Analysis” and the November 14, 2012- Analysis as the “revised Analysis.”

This Memorandum also includes responses to the March 11, 2013 letter sent by email from Mr. John Leppert, RCE (Mr. Leppert).<sup>1</sup> Mr. Leppert letter stated Development Services previous review Memorandum of February 24, 2013 required “clarifying comments.” Please note Development Services did edit its February 24, 2013 review Memorandum<sup>2</sup> based on the information provided in Mr. Leppert letter. In addition, Development Services has responded to some of Mr. Leppert’s “clarifying comments” by providing more information.

#### Project Description

Castlerock’s proposed development includes the construction of 422 single family units, a creation of a 4 acre neighborhood park and the dedication of 94.7 acres of park open space, which will become part of the Mission Trails Regional Park. The Castlerock development is proposed to be constructed and occupied in an undeveloped area of East Elliot, which borders the City of Santee.

As Pardee may seek to work with the City of Santee to annex the completed development, a fiscal impact analysis is required per the City of San Diego’s (City) *General Plan 2008, Land Use and Community Planning Element Policy LU-K.2(c)* and *City Council Policy 600-1*. Leppert submitted, the required fiscal impact analysis for two alternative development scenarios:

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<sup>1</sup>2013, March 11, J. Leppert, RCE, Letter - Castlerock Reorganization, Project No. 10046, fiscal Impact analysis for Castlerock November 14, 2012, Land Use and Housing Committee, Agenda of March 27, 2013.

<sup>2</sup> 2013, February 24, T. Dillon, City Memorandum – Annexation/ No Annexation PTS Number 100046.



- (1) **The No Annexation Scenario** – this scenario assumes that the constructed housing development, the developed neighborhood park and the 94.7 acres of dedicated park open space will remain within the City’s jurisdiction. It also assumes that all public services to the Castlerock development will be the responsibility of the City.
- (2) **The Annexation Scenario** – this scenario assumes that the constructed development (the housing units<sup>3</sup> and neighborhood park) is detached from the City and is annexed by the City of Santee upon completion of construction. Under this scenario the 94.7 acres of dedicated park open space will not be detached and will remain within the City’s jurisdiction. As such, the associated cost of maintaining this open space will remain the responsibility of the City. However, all other public services, upon completion of the annexation process will become the responsibility of either the Padre Dam Municipal Water District or the City of Santee.

We completed two thorough reviews of the Analysis. The first Analysis review was completed in July, 2012. The applicant addressed some of the City departments’ comments from this review and submitted a revised Analysis for Development Services final review. The purpose of the revised Analysis final review was to determine if the net fiscal impact to the General Fund was nominal “minimal” for both scenarios, (1) The No Annexation and (2) The Annexation Scenario.

### **Fiscal Impact Model**

All fiscal impact models are based on a series of assumptions and inputs. These inputs result in determined outputs to support a conclusion. In the simplest terms, the Analysis provided an estimate of the net fiscal impact for the City from the construction and use of the Castlerock development. This net fiscal impact is derived by first calculating the sum total of the General Fund revenues that can be reasonably attributed to Castlerock, and then subtracting the sum total of the assumed cost that Leppert identified as the cost for City services to the Castlerock development.

The first Analysis and the revised Analysis cost estimates for public services to Castlerock are based on a variant of an average cost model. Specifically, the Analysis used an equivalent dwelling unit (EDU) model. This model assumes that both households and employees require City public services; therefore, the number of persons employed in the City is converted to an employee equivalent household input (1 employee = .35 residents ÷ number of persons per household, 2.58). Once converted to an equivalent household the employees and the total households can be summed together.

The 2013 Proposed Fiscal Year Budget’s General Fund department level expenditures were used as the base inputs for determining the public service cost in the Analysis’ EDU model. Applicable General Fund department’s total expenditures were adjusted to subtract revenues generated for services and other revenue sources. A second adjustment was taken to the remaining expenditures by applying a discount rate of up to 35% for fixed cost.

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<sup>3</sup> 430 residential units if annexed to Santee (*Fiscal Impact Analysis for the City of San Diego*, updated November 14, 2012, prepared for Pardee Homes, by Leppert Engineering Corporation, page 1.)

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 Jeanette Temple  
 March 12, 2013

The average cost of specific department's General Fund services per EDU were calculated from these two inputs. To determine the City's General Fund costs for providing public services to the Castlerock development, the average EDU costs were then multiplied by 422, which is the number of housing units proposed to be constructed at the Castlerock site. Please note several departments' expenditures were calculated based on direct cost variants. At the writing of this Memorandum, Development Services has determined the revised Analysis is incomplete; therefore, the City's reconciled cost calculations shown below may not be reflective of all cost for City public services to the Castlerock development under scenario (1) The No Annexation Scenario.

\$1004 EDU (average cost) × 422 (dwelling units)	=	\$ 423,644
Plus direct service cost listed below		
Environmental Services – collections	=	\$ 47,212
Park and Recreation	=	\$ 10,529
Open Space	=	\$ 17,873
<b>Total (as discussed above this total may not reflect all cost under scenario (1) The No Annexation Scenario).</b>		<b>\$ 499,257</b>

An average cost model is acceptable if there are no major personnel cost, infrastructure or other resource cost associated with providing services to a new development. However, one limitation of an average cost model is the methodology fails to incorporate variations in the costs of providing services over space. For example, residential development in an urban setting is likely to cost less in terms of government services than a new development several miles away from the nearest existing residential area ([extension.unh.edu/CommDev/Pubs/FIA.pdf](http://extension.unh.edu/CommDev/Pubs/FIA.pdf); [www.lincolnst.edu/...fiscal...of.../kotval-mullin-fiscal-impact.pdf](http://www.lincolnst.edu/...fiscal...of.../kotval-mullin-fiscal-impact.pdf)).

### San Diego Fire Rescue Service Cost

Fire Chief Mainar's review Memorandum of July 5, 2012 (Attachment 1) noted the incident per EDU average cost of \$1,6112.03 appeared appropriate. Fire Chief Mainar's review Memorandum stated,

The City of San Diego will be unable to provide an acceptable level of fire and EMS services to this proposed development without reliance on the Santee Fire Department to provide a first response unit under our existing automatic aid agreement. However, continued response by the Santee Fire Department cannot be assured by the City of San Diego. Therefore, San Diego Fire-Rescue would require the following additional resources in order to provide an acceptable level of emergency response to this proposed community.<sup>5</sup>

The additional resources and associated costs noted in the Fire Chief's July 5, 2012 Memorandum included the development and construction of a fire station, the purchase of a fire engine, additional staffing and ongoing operation cost. Furthermore, the Fire Chief stated,

<sup>5</sup> Attachment 1 – 5 July 2012, J. Mainar, Fire Chief, City of San Diego Memorandum - Review of Fiscal Impact Services Analysis.



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At present there are no identified funding sources for design/construction of this fire station, purchase of the fire engine, or payment of the ongoing staffing and operation/maintenance cost.<sup>6</sup>

Currently the revised Analysis states the City will provide all public services under scenario (1) The No Annexation. However, this conflict's with the Fire Chief's determination that the City cannot provide acceptable emergency services with existing resources. This finding is based on the larger policy question of what level of service must San Diego Fire-Rescue provide under scenario (1) The No Annexation Scenario.

Mr. Leppert letter of March 11, 2013, notes he used the Draft Environmental Impact Report ("DEIR") for the Castlerock project as his primary source document for the first Analysis. Furthermore, Mr. Leppert notes that the Public Facilities Section of the DEIR does not conclude a new fire station is required to support the Castlerock project. Mr. Leppert's Memorandum statements rely on the assumption that the Castlerock fire protection plan's recommended alternative mitigation measures support the position that San Diego-Fire Rescue response from the existing City fire stations is sufficient, albeit, such emergency response cannot be provided to the proposed Castlerock development within the City Council and County's acceptable response times for emergency services. Fire Marshall Douglas Perry's January 30, 2013 Memorandum<sup>7</sup> (Attachment 2) addresses Mr. Leppert's DEIR driven assumption that existing fire resources are sufficient under the Castlerock fire protection plan's alternative mitigation measures; specifically Fire Marshall Perry stated,

The fire protection plan has done all it can to address wildfire concerns and provides sound recommendations and mitigation options to offer some degree of protection to this development.... However, the major concern with the plan being touted as an "equivalent" to protection that would be provided by timely emergency response is that no such equivalencies exist. Moreover, the proactive measurers being proposed can all accidentally or intentionally be compromised.<sup>8</sup>

While the work done by the developer to protect this planned community is admirable and should continue to be encouraged, the mitigation measures cannot make up for lack of the City's ability to provide timely response to the myriad types of emergencies that can occur. This can only be mitigated by the provision of fire and EMS resources to timely serve the development.<sup>9</sup>

In addition, Mr. Leppert's makes several assertions that are summarized in the bullet items below. Development Services informational responses are summarized after the relevant bulleted items.

- The San Diego Fire-Rescue Department currently provides services to the Sycamore Canyon Landfill and the proposed Quail Brush Power plant.

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<sup>6</sup> Ibid

<sup>7</sup> Attachment 2- 30 January, 2013,D. Perry Fire Marshal, City Memorandum- Review of Castlerock Development Fire Protection Plan, page 2.

<sup>8</sup> Ibid

<sup>9</sup> Ibid

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Development Services believes it is important to note the Sycamore Canyon Landfill is reliant on a mutual-aid agreement with the Santee Fire-Department. The proposed Quail Brush Power Plan project is in negotiations with the City of Santee for a mutual-aid agreement for emergency services to this site. Neither, the Sycamore Canyon Landfill project or the proposed Quail Brush Power Plan includes residential development. Residential development will generate a much higher need for EMS than non-residential development. Please note most emergency service calls are for EMS and are not fire related.

- The San Carlos Fire Station #34 (the station closest to the Castlerock project) had 1,134 total calls in FY 2012, of which 38 were fire related. The DEIR estimated total calls per year are estimated to be 74, which represents only 6.5 percent of total call volume for this station.

Staff reviewing the revised Analysis is economic research staff. Economic research staff is not the appropriate Development Services staff to respond or verify Mr. Leppert's reference to the total calls per year estimated to be generated in the Castlerock DEIR and how this applies to the San Carlos Fire Station's percent of total call volume .

- The Development Services February 24, 2012 review Memorandum should have considered a long term automatic-aid agreement with the City of Santee under scenario (1) The No Annexation Scenario.

Thus far, the DEIR has precluded any conditions such as a long-term aid agreement. Furthermore, the Analysis submitted for review specifically stated all public services to the site would be provided by the City. If decision makers determine that Pardee must provide a long-term agreement mutual-aid agreement with the City of Santee and said agreement does not result in cost to the City, Development Services will complete a third review of the Analyses, provided Leppert changes scenario (1) The No Annexation Scenario description to recognize that the City is not responsible for providing emergency services to the Castlerock development.

However, Fire Marshall Perry's January 30, 2013 Memorandum, which reviewed the Castlerock fire protection plan must also be taken into consideration when evaluating scenario (1) The No Annexation Scenario and Mr. Leppert's "clarifying responses." In addition, , Fire Marshall Perry's January 30, 2013 Memorandum provides information on the City of Santee is willingness to enter into a mutual-aid agreement if Castlerock property is developed and remains within the City as noted in scenario (1) The No Annexation Scenario; Specifically, Fire Marshall Perry stated,

Despite the more generous response time goals, we remain unable to meet them due to lack of nearby fire and EMS resources. While the City of Santee has a fire station located in close proximity to this development, the Santee Fire Department has declined to provide automatic-aid emergency response to this property, should it be developed and remain within the City of San Diego.<sup>10</sup>

The fire protection plan does not address emergency medical response capability. Medical response comprises approximately 85 percent of our call volume. Our first responder units cannot meet the response time goal of 7 minutes and 30 seconds set by

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<sup>10</sup> Ibid



City Council or the 8 minutes required by the County. In addition, our ambulance cannot meet the 12 minute response time requirement set by the City and County.<sup>11</sup>

### Conclusion

Mr. Leppert is correct in his assertion that the East Elliot Community Plan notes that areas supporting future development should be annexed to the City of Santee. However, constructing the project under scenario (1) The No Annexation Scenario and then proceeding with detachment of the Castlerock area from the City under scenario (2) The Annexation Scenario requires that San Diego Fire-Rescue provide emergency services during the construction period. There is no current agreement, which assures the City that the City of Santee agrees to annex the Castlerock development upon completion of constructions. Furthermore, there is no way to determine if Padree will develop the entire site during a specific window of time or whether Padree will seek occupancy permits for any portion of the site before the Castlerock property has been detached from the City and annexed by the City of Santee.

As stated previously, scenario (1) The No Annexation Scenario, did not propose a long-term mutual aid agreement with the City of Santee to provide emergency services to the Castlerock development; this Scenario specifically stated that the City assumes the responsibility for all public services to the Castlerock development. Fire Marshall Perry's Memorandum, which is quoted above, states that the City of Santee will not provide automatic-aide emergency response to Castlerock should this project be developed and remain within the City.

As stated in the February 24, 2012 Development Services review Memorandum , we do agree with the Analysis' general findings that both scenarios, (1) The No Annexation Scenario, and (2) The Annexation Scenario, have a negative impact on the General Fund; namely, both scenarios' estimated City costs to provide public services to Castlerock are greater than the estimated revenues generated by this development on an annual basis. In addition, that scenario (1) The No Annexation Scenario has a much greater negative impact on the City's General Fund than (2) The Annexation Scenario.

Development Services also agree that scenario (2) The Annexation Scenario has a "nominal" cost to the City's General Fund on an annual basis, in today's dollars, of \$17,872 to maintain the open space. At the writing of this Memorandum; it is still unclear what resources and cost may impact the General Fund in order for the City to provide an acceptable level of emergency services to the Castlerock under scenario (1) The No Annexation Scenario; therefore, Development Services finds the revised analysis incomplete and does not agree with the revised Analysis stated conclusion,

Regardless of which Scenario is ultimately approved, approval of the Castlerock development would have a nominal fiscal impact to the City's General Fund, albeit a slightly less negative impact if the property were annexed to the City of Santee. City Staff, while using different numbers, came to this same conclusion. Based on the sheer size of the General Fund's annual budget, which is approximately \$1.15B, the cost of Castlerock represents less than 0.0026% of the entire budget.<sup>12</sup>

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<sup>11</sup> Ibid

<sup>12</sup> *Fiscal Impact Analysis for CastleRock for the City of San Diego* updated November 14, 2012, prepared for Pardee Homes, by Leppert Engineering Corporation, page 17.



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 Jeanette Temple  
 March 12, 2013

Consider a hypothetical situation unrelated to the Castlerock project. If policy makers determined that the City must provide the resources to build a fire station, buy a fire engine, and staff and operate a fire station, or simply operate a new fire station, to support residential development in East Elliot, with no resources identified, such a decision would result in significant impact to the General Fund. Traditionally such cost would be supported by assessments of property owners that benefit from such services.

Should you have questions regarding the above, please feel free to contact me with any questions by phone at, 619-533-6339 or by email at [TDillon@sandiego.gov](mailto:TDillon@sandiego.gov).

### Project Review of the Analysis Submitted

Development Services also determined that the revenues and costs as shown in the revised Analysis required assumption and calculation adjustments. For our reconciliation of revenue and expenditure inputs for both scenarios (1) The No Annexation Scenario and (2) The Annexation Scenario, exclusive of any costs that may be determined to be required for additional San Diego Fire-Rescue resources see Attachment 3.<sup>13</sup>

*Toni Dillon*

Toni Dillon  
 Economic Research Coordinator

TD

cc: Kelly Broughton, Director, Development Services  
 Javier Mainar, Fire Chief, San Diego Fire-Rescue  
 Tom Tomlinson, Deputy Director, Development Services, Facilities Financing  
 Daniel Monroe, Senior Planner, Development Services, Advanced Planning and Engineering Division  
 Russ Gibbon, Community Development Coordinator, Development Services, Business Growth Services  
 Tait Galloway, Senior Planner, Development Services, Advanced Planning and Engineering Division

#### Attachments:

- 1 Attachment 1 – 5 July 2012, J. Mainar, Fire Chief, City of San Diego Memorandum - Review of Fiscal Impact Services Analysis
- 2 Attachment 2- 30 January, 2013, D. Perry Fire Marshal, City Memorandum- Review of Castlerock Development Fire Protection Plan
- 3 Project Review PTS # 10046, 12/21/12--- *Fiscal Impact Analysis for Castlerock*, prepared by the Leppert Engineering Corporation, for Pardee Homes – exclusive of the any additional cost of the San Diego Fire-Rescue resources

<sup>13</sup> Attachment 3- 2<sup>nd</sup> Project Review PTS # 10046, 12/21/13--- *Fiscal Impact Analysis for Castlerock*, prepared by the Leppert Engineering Corporation, for Pardee Homes, updated November 14, 2012 – *exclusive of the cost of the San Diego Fire-Rescue.*





Attachment 1  
 Jeanette Temple  
 Castlerock PTS #10046  
 March 12, 2013



THE CITY OF SAN DIEGO  
 M E M O R A N D U M

DATE: July 5, 2012

TO: Jeannette Temple, Development Project Manager

FROM: Javier Mainar, Fire Chief

SUBJECT: Review of Fiscal Impact for Services Analysis - CastleRock Project

Fire-Rescue staff has reviewed the Fiscal Impact Analysis for the proposed CastleRock project and have determined that the equivalent development unit (EDU) cost projections of the Fire-Rescue General Fund expenditures appear to be a reasonable approach to allocating costs. Based on a target number of 2010 fire incidents from the FY 2010 Annual Budget, the estimated ratio of 0.16 incidents per EDU at an average cost of \$1,612.03 per incident also appears appropriate.

The City of San Diego will be unable to provide acceptable levels of fire and EMS service to this proposed development without reliance on the Santee Fire Department to provide a first response unit under our existing automatic aid agreement. However, continued response by the Santee Fire Department cannot be assured by the City of San Diego. Therefore, San Diego Fire-Rescue would require the following additional resources in order to provide an acceptable level of emergency services to this proposed community:

- One (1) Fire Station
  - Minimum 33k square foot corner lot or 36k square foot center block lot to provide drive-through capability and secured crew parking and other onsite amenities (generator, fuel pump). Cost unknown.
  - 10,500 square feet fire station to accommodate three apparatus bays and eight crew dormitories
  - Estimated cost of the fire station construction is \$10.6 million @ \$750/square foot + 3 to 5% added every year for escalating cost + 15% construction contingency + \$30,000 permit fees , not including FF&E. Add \$300,000 for FF&E
- One (1) Fire Engine
  - Type 1 Triple Combination Pumper : \$798,400 (outfitted/equipped cost) in FY13 dollars with a 5% annual cost escalator
- Four (4) Person Daily Crew Staffing (12 total)
  - Estimated staffing, operating and maintenance costs are \$2.2 million annually



July 5, 2012  
CastleRock Project  
Page 2 of 2

At present, there are no identified funding sources for design/construction of this fire station, purchase of the fire engine, or payment of the ongoing staffing and operating/maintenance costs.

Please let me know if you need any additional information or clarification of the above.

A handwritten signature in blue ink, appearing to read "J. Mainar".

Javier Mainar  
Fire Chief

Cc: Jay Goldstone, Chief Operating Officer



THE CITY OF SAN DIEGO

## M E M O R A N D U M

Attachment 2  
Jeanette Temple  
Castlerock PTS # 100046  
March 12, 2013

DATE: January 30, 2013

TO: Javier Mainar, Fire Chief

FROM: Douglas Perry, Fire Marshal

SUBJECT: Review of Castlerock Development Fire Protection Plan

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At your request, I have reviewed the Fire Protection Plan for the planned Castlerock development prepared by Firewise 2000, Inc. on May 17, 2012. There have been two revisions since that time, August 7, 2012 and October 29, 2012. My review is of the October 29, 2012 revision. I agree with the findings in the plan with only a few exceptions which I will list below:

- The fuel behavior modeling and brush management components are valid findings and I agree they would reduce the potential damage from wildfires. With our Fire Prevention Bureau's current staffing levels in the Brush Management Section, we could only inspect the Castlerock development once every three to four years to ensure compliance with brush management mitigation measures. A failure to maintain brush management mitigation measures would compromise the protection these measures afford. Consequently, there should be a provision written into the Homeowners' Association (HOA) agreement that requires annual brush management of the areas within 100 feet of the structures by the homeowners or the HOA.
- The fire protection plans calls for a fire flow of 2500 gallons per minute as a minimum flow for the area. This appears to be more than adequate and what is required by the code.
- There appears to be only one main public entrance/exit in to the Castlerock development. The main road is approximately 1 mile long (dead end). An emergency access road is also provided from the existing east development. The emergency access road will be paved and 26 feet wide. While this is adequate for emergency access, there is concern about how the road will be maintained, what is going to be used to limit everyday use of the road, and who will be responsible to keep the road in good working order. Instead of emergency access only, we would prefer to have the road dedicated as the secondary public access point and be used on a regular basis. This will assure that the road is maintained and accessible to emergency response units continuously. If it can only be designated for emergency access, we would request that a provision be written in to the HOA agreement requiring it to be maintained.

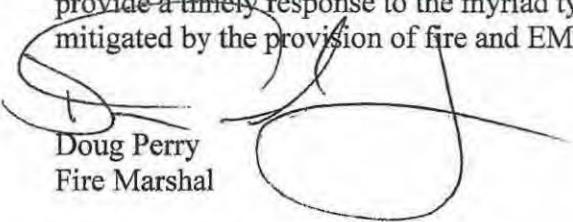


Javier Mainar, Fire Chief  
January 30, 2013  
Page 2 of 2

- The plan addresses the inclusion of residential sprinklers and certain building construction features to meet the California Building Code (CBC) standard 7A. It also incorporates central station monitoring of a fire alarm system. It is important to note that all new structures built within the wildfire very high fire hazard severity zone are required to have residential sprinklers and must meet CBC 7A. The recommendation of having the fire alarm system connected to a central station monitoring facility is above what the code requires. We would have no statutory authority to enforce this requirement once the homes have received their final inspection.
- When the fire protection plan was developed, our department's response time goals were 6 minutes for the first arriving unit and 10 minutes for arrival of the full first alarm (effective fire force). Since that time, the response time goals adopted by the City Council have been increased to 7 minutes and 30 seconds for the first arriving unit and 10 minutes and 30 seconds for the full first alarm. Despite the more generous response time goals, we remain unable to meet them due to the lack of nearby fire and EMS resources. While the City of Santee has a fire station located in close proximity to this development, the Santee Fire Department has declined to provide automatic-aid emergency response to this property, should it be developed and remain within the City of San Diego.
- The fire protection plan does not address emergency medical response capability. Medical response comprises approximately 85 percent of our call volume. Our first responder units cannot meet response the time goal of 7 minutes and 30 seconds set by the City Council or the 8 minutes required by the County. In addition, our ambulances cannot meet the 12 minutes response time requirement set by the City and County.

**Conclusion:** The fire protection plan has done all it can to address wildfire concerns and provides sound recommendations and mitigation options to offer some degree of protection to this development. The requirements for the homes being fully sprinklered; built to the CBC 7A standard; adherence to the brush management plan; provision of an adequate water supply (2500 gpm minimum); and the inclusion of fire access with one primary and one emergency access road will make the development safer from a wildfire than many of our existing communities. However, the major concern with the plan being touted as an "equivalent" to the protection that would be provided by timely emergency response is that no such equivalency exists. Moreover, the proactive measures being proposed can all be accidentally or intentionally compromised.

While the work done by the developer to protect this planned community is admirable and should continue to be encouraged, the mitigation measures cannot make up for the lack of the City's ability to provide a timely response to the myriad types of emergencies that can occur. This can only be mitigated by the provision of fire and EMS resources to timely serve the development.

  
Doug Perry  
Fire Marshal



Project Review PTS # 10046, 12/21/12--- *Fiscal Impact Analysis for Castlerock*, prepared by the Leppert Engineering Corporation, for Pardee Homes – exclusive of the any additional cost of the San Diego Fire-Rescue resources

Jeanette Temple

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March 12, 2013

**General Statement:** The City does not currently provide San Diego-Fire Rescue services to the area where Castlerock proposes to develop and cannot guarantee the City of Santee will continue to provide first response fire and EMS services to this area. We do not agree that the benefits for these San Diego Fire-Rescue resources should be assumed to be citywide and that the cost for these additional resources be assigned on an EDU basis to the entire City.

This Review includes our reconciliation of revenue and expenditure inputs for both scenarios (1) and (2), exclusive of the cost for additional San Diego Fire-Rescue resources. *Table 1: City of San Diego*, shown on page 4, summarizes and compares our reconciliation to the data presented in the updated Analysis.

- (1) **The No Annexation Scenario:** The estimated annual cost to the General Fund, net revenues generated, for such a development, in an area of the City where the existing Fire-Rescue resources could provide an acceptable level of service is \$60,897. At the writing of our Memorandum (2/24/13), this cannot be interpreted to be representative of the estimated annual cost to the General Fund for the Castlerock development. In addition, it cannot be inferred that the \$60,897 annual cost to the General Fund represents an estimated net fiscal impact to the City if an agreement is reached with the Santee Fire Department to provide fire and EMS services. To provide such services the City of Santee may require a tax sharing agreement with the City to recover any additional expenses incurred for such emergency services if Castlerock remains within the City's jurisdiction.
- (2) **The Annexation Scenario:** Based on the updated and reconciled Analysis, we concur with the finding that the Annexation Scenario results in much less annual expense to the City. We find the net fiscal impact, or annual expense to the City's General Fund (net revenues), in 2013 dollars, for maintaining the 94.7 acres of Open Space is \$17,873.

#### TAX REVENUE GENERATED BY THE CASTLE ROCK PROJECT

The next section of this Review examines the tax revenue estimated to be generated by the development and use of the Castlerock site and our adjustments to reconcile these revenues. The most reliable estimates of revenues are those revenues that can be directly related to the type of development proposed. As Castlerock is a housing development the direct revenues are estimated property tax and an estimated property transfer tax. Limited equivalent dwelling unit (EDU) and per capita revenue estimates were accepted for this updated Analysis with some revisions. Acceptance of such indirect revenue sources for a development project is determined on a case-by-case basis.

**Property Tax:** Assuming that the estimated cost of the housing units is representative of market rates at the point of sale and the East Elliot Tax Rate Area (#08060) remains 13.626%, we agree that an estimated \$235,512 of potential property tax revenue will be generated by the development of the project.

**Real Property Transfer Tax:** The Analysis states that the estimated amount of annual Real Property Transfer Tax revenue generated, with an applied turnover rate of housing at 8% per year, is estimated to be \$8,186 for the Castlerock development. We agree with this estimate.



State Subvention Fees (per capita): We provided the dollar amount of the estimated State Subvention Fees revenue of \$19,635.

Other Potential Revenues: We made several adjustments to the revenue totals detailed in two tables in the updated Analysis. Our total reconciled amount for Adjustments 1 and 2 reduces the updated Analysis' revenues by \$ 7,583 (updated Analysis adjusted Tables are-- Table 5, page 10 and Table 20 page 22).

**Adjustment 1:** We found an addition error in the *Total Local Taxes* per EDU calculation summary line. The Analysis list the *Total Local Taxes* per EDU cost as \$127.63. Our corrected per EDU cost is \$117.23. An additional adjustment to the corrected EDU cost is discussed below under *Adjustment 2*.

**Adjustment 2:** We reduced the corrected per EDU cost of \$117.23 to \$109.66 per EDU. This resulted in the removal of the budget category identified as *Other Franchise Fees* shown in Table 20 of the Analysis. As *Other Franchise Fees* are not identified by type, we could not determine these fees would be generated by a housing development.

Total Potential Tax Revenue and Fees: There is also an addition error in the updated Analysis' *Table 5, Total Potential Revenue The No Annexation Scenario*. This Table shows the *Total Potential Tax Revenue* as \$437,758. However, if correctly summed the estimated *Total Potential Revenue* is \$445,944 (updated Analysis, November 14, 2012, Table 5, page 10). Regardless of this error, when we reconcile all adjustments to taxes and fee revenue sources, our finding is that the estimated Total Potential Tax Revenues generated by the Castlerock development is \$438,361.

Sales Tax Recurring Revenue: The *Errata - What If?* Section of the updated Analysis includes an estimate of \$55,676 of Sales Tax revenue assumed to be generated by the population of the Castlerock development. As requested this estimated Sales Tax was removed from the body of the updated Analysis. In addition, we have not included the estimated Sales Tax in our *Total Potential Tax Revenue*. The updated Analysis presented an argument that Sales Tax should be considered as a revenue source generated by the construction and use of the Castlerock development:

As discussed above, City Staff suggested that Sales Tax not be considered as a revenue source for this report. While this residential development may not result in a direct increase in the number of jobs for the City of San Diego, the overall growth in the City's population by over 1,000 people will increase the consumer base for both the City of San Diego and the City of Santee (updated Analysis November 14, 2012, prepared for Pardee Homes, by Leppert Engineering Corporation, page 26.)

We respond to the above statement by noting recent Census data indicates that the City's population changes are most influenced by the number of births and deaths in the City and not the number of persons moving into or out of the City. Development of new housing does not necessarily correlate directly to a per household population rate increase of new consumers. The Analysis provides no argument to support the conclusion that the consumers it references (over 1,000 people) are not already living and shopping elsewhere in the City, prior to residing in Castlerock. As such, we conclude that this is not a source of new potential tax revenue directly related to the Castlerock development to be considered in the net fiscal impact analysis.



**REVIEW PUBLIC SERVICE COSTS**

This Review does not imply acceptance of the total cost for public services as shown in the updated Analysis. It was undertaken to show adjustments that are required to the information provided in the updated Analysis.

Adjustments to Service Delivery Cost: Our review of the costs represented in the Analysis reconciled several differences seen in Table 13's *Summary of Expenditures* (updated Analysis November 14, 2012, prepared for Pardee Homes, by Leppert Engineering Corporation, page 16).

**Adjustment 3:** The *Total Expenditures, per EDU* cost is incorrectly stated at \$946.24. The corrected cost total is \$1,001.13 per EDU. This adjustment in *Total Expenditures, per EDU* results in a higher Total EDU cost of \$15,567.58. With this adjustment we find the estimated *Total EDU Cost* for City services to the Castlerock development to be \$422,476.85. As some service costs are calculated separately, the aforementioned per EDU cost are not the only City service cost to be considered when determining the No Annexations Scenarios' net fiscal impact.

**Adjustment 4:** We have adjusted the estimated *of Environmental Services (solid waste), per customer* costs based on feedback from the Environmental Services Department. The EDU cost of \$110.57 does not take into account the cost of providing recycling and yard waste collection services to the 282 Castlerock households that will be reliant on the City to provide these services. The adjusted per EDU rate is \$167.42. This adjustment in *Environmental Services (solid waste), per customer cost*, results in a higher total EDU cost of \$16,317. With this adjustment we find the *Total Cost of Environmental Services* to be \$47,212.44.

**Adjustment 5:** The Analysis inadvertently did not include the per EDU \$2.76 cost for the *Office of Homeland Security*. When we included this City service cost the overall increase to the total City service delivery cost is \$1,165.

**Adjustment 6:** We have adjusted the *Open Space Cost, per Acre* based on feedback from the Park & Recreation Department. Specifically, we have lowered the estimated annual maintenance cost of open space per acre to \$188.73 from the updated Analysis' rate of \$193.46. This adjustment lowers the Annual Open Space Cost by \$448. With this adjustment we find the Annual open Space Cost to be \$17,872.73.

Fire-Rescue and Emergency Medical Services (EMS) Service Cost: This revised Analysis assumed that existing San Diego Fire-Rescue resources will allow the City to provide an acceptable level of emergency services to the Castlerock development; however, Fire Chief Mainar's July 5, 2012 Memorandum, does not support this assumption. Fire Chief's Memorandum states no source is identified for new resources.



Table 1: City of San Diego  
RECONCILIATION - OF REVISED REVENUES GENERATED AND COST FOR PUBLIC SERVICE  
CASTLEROCK PTS # 10046 2nd REVIEW

The Fiscal Impact Analysis for Castlerock, prepared by the Leppert Engineering Corporation (Leppert) for Pardee Homes (Pardee), updated November 14, 2012 proposed approval of two scenarios. Under scenario (1) The No Annexation - all services were assumed to be provided by the City of San Diego. Under scenario (2) The Annexation Scenario - all services to be provided City of Santee or Padre Municipal Water District. The City cannot support the updated Analysis' net fiscal impact conclusion, which states under the (1) The City's cost under scenario (1) The No Annexation Scenario are nominal. Table 1 includes our reconciliation of revenue and expenditure inputs for both scenarios (1) and (2), exclusive of any additional cost for San Diego Fire-Rescue resources. At this time this reconciliation should not be used to interpret the net fiscal impact to the City under scenarios the (1) The No-annexation Scenario as it may not be reflective of all cost to provide City services to the Castlerock development.

CITY DIRECT PROJECT REVENUES	For City's review of revenue and expenditure inputs		For Reference Only	
	City Adjusted per EDU rate are noted when applicable	City Adjusted Amount	Leppert Analysis per EDU rate noted	Leppert Analysis numbers
Property Tax Revenue		\$ 253,512		\$ 253,512
Property Transfer Tax		\$ 8,186		\$ 8,186
Property Tax In-Lieu of MVLF		\$ 110,751		\$ 110,751
State Subvention Fees (per capita)		\$ 19,635		\$ 19,635
<del>Other Potential Revenues</del>			<del>\$ 127.23</del> <sup>2</sup>	<del>\$ 53,860</del>
Franchise Fees (Cable TV & SDG&E)	\$ 109.66 <sup>3</sup>	\$ 46,277		
Sales Tax	Not applicable to CastleRock Project			<del>\$ 55,676</del> <sup>3</sup>
				<del>\$ 437,758</del>
<b>TOTAL TAX REVENUE</b>	\$ 109.66 <sup>4</sup>	\$ 438,361		\$ 501,620 <sup>5</sup>

CITY SERVICES DELIVERY COST	City's Independent Findings		For Reference Only	
	City Adjusted per EDU rate noted	City Adjusted Amount	Leppert Analysis per EDU rate noted	Leppert Analysis numbers
Administration	\$ 1.18	\$ 498	\$ 1.18	\$ 498
Business Office	\$ 0.67	\$ 281	\$ 0.67	\$ 281
City Attorney	\$ 21.79	\$ 9,194	\$ 21.79	\$ 9,194
City Auditor	\$ 2.04	\$ 861	\$ 2.04	\$ 861
City Clerk	\$ 2.68	\$ 1,132	\$ 2.68	\$ 1,132
City Comptroller	\$ 4.34	\$ 1,830	\$ 4.34	\$ 1,830
City Council	\$ 6.73	\$ 2,839	\$ 6.73	\$ 2,839
City Planning	\$ 3.75 <sup>2</sup>	\$ 1,581	\$ 3.75 <sup>6</sup>	\$ -
City Treasurer	\$ 10.57	\$ 4,460	\$ 10.57	\$ 4,460
Citywide Program Expenditures	\$ 44.50	\$ 18,778	\$ 44.50	\$ 18,778
Debt Management	\$ 0.93	\$ 394	\$ 0.93	\$ 394
Dept of Technology	\$ -	\$ -	\$ -	\$ -
Development Services	\$ 3.29	\$ 1,389	\$ 3.29	\$ 1,389
Disability Services	\$ 0.27	\$ 116	\$ 0.27	\$ 116
Economic Development	\$ 2.04	\$ 860	\$ 2.04	\$ 860
Environmental Services -collection services (282 edu customers)	EDU applies to specific number of customers <sup>7</sup>	\$ 47,212		<del>\$ 31,181</del> <sup>8</sup>
Ethics Commission	\$ 0.53	\$ 223	\$ 0.53	\$ 223
Financial Management	\$ 2.38	\$ 1,006	\$ 2.38	\$ 1,006
Fire-Rescue estimate to provide reasonable emergency services to Castlerock.	unknown at this time <sup>1</sup>	unknown at this time		<del>\$ -</del> <sup>9</sup>
Fire-Rescue Lifeguard	\$ 27.85	\$ 11,751	\$ 27.85	\$ 11,751
Fire-Rescue w/o Lifeguards	\$ 225.18	\$ 95,026	\$ 225.18	\$ 95,026
Human Resources	\$ 1.37	\$ 576	\$ 1.37	\$ 576
Library	\$ 59.40	\$ 25,066	\$ 59.40	\$ 25,066
Office of Homeland Security	\$ 2.76	\$ 1,165		<del>\$ -</del> <sup>9</sup>
Office of the Assistant COO	\$ 0.18	\$ 76	\$ 0.18	\$ 76
Office of the Chief Financial Officer	\$ 0.48	\$ 203	\$ 0.48	\$ 203
Office of the COO	\$ 0.31	\$ 131	\$ 0.31	\$ 131
Office of the IBA	\$ 0.97	\$ 410	\$ 0.97	\$ 410
Office of the Mayor	\$ 2.74	\$ 1,157	\$ 2.74	\$ 1,157
Open Space		\$ 17,873		\$ 17,873
Park and Recreation		\$ 10,529		\$ 10,529
Personnel	\$ 3.69	\$ 1,558	\$ 3.69	\$ 1,558
Police	\$ 517.01	\$ 218,178	\$ 517.01	\$ 218,178
Public Utilities	\$ 0.41	\$ 173	\$ 0.41	\$ 173
Public Works - Engineering and Capital Projects	\$ 2.48	\$ 1,045	\$ 2.48	\$ 1,045
Public- Works- General Services (excluding Street Div)	\$ 5.74	\$ 2,423	\$ 5.74	\$ 2,423
Purchasing & Contracting	\$ 1.52	\$ 643	\$ 1.52	\$ 643
Real Estate Assets	\$ 2.06	\$ 870	\$ 2.06	\$ 870
Transportation & Storm Water	\$ 42.07	\$ 17,752	\$ 42.07	\$ 17,752
<b>TOTAL CITY SERVICE DELIVERY COST</b>	\$ 1,004 <sup>10</sup>	\$ 499,257	\$ 1,001	\$ 422,479 <sup>11</sup>

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**Notes to Table 1: City Table - RECONCILIATION - OF REVISED REVENUES GENERATED AND COST FOR PUBLIC SERVICE**

<sup>1</sup> For more information see Attachment 1 -- Memorandum from Fire Chief Javier Mairnar to Jeanette Temple, July 5, 2012

<sup>2</sup> The City has adjusted the "Other Potential Revenue" source total EDUs to \$109.66 from \$127.23 to reflect the Franchise Fees. In addition, the City has changed name of this revenue source category to Franchise Fees. Applicable Franchise Fees were determined by the City to be cable TV and SDG&E franchise fee revenue estimates. Note the 127.23 reference in the Leppert Analysis' includes an addition error. Per reduction the corrected total was \$117.23.

<sup>3</sup> The Sales Tax is shown in the Leppert Analysis' column it is not eligible revenue source for this net fiscal analysis; therefore, the \$55,676 estimated Sales Tax is not included in the City's revenue sources and is denoted by strikeout. This project has no new retail development and cannot traced back fiscal impacts to base economic sector employment; therefore, similar to "Transit Occupancy Tax" (TOT) revenue, "Sale Tax" revenue is not an applicable source revenue generation for the introduction of these new housing units.

<sup>4</sup> After reviewing the Leppert Analysis and reconciling errors and completing adjustments the City's estimated "Total Potential Tax Revenue" for the No-annexation Scenario is \$438,361. The \$501,620 includes incorrect pre-adjusted estimates and estimated sales tax, which is not a reasonable revenue to attribute to housing only development.

<sup>5</sup> The strikeouts noted in the Leppert Analysis' columns are to denote a revenue source that needed adjusted or

<sup>7</sup> The Leppert Analysis sums Development Services and City Planning to one total per EDU cost; we have split these two General Fund budget revenue sources into two different categories. There is no difference in the per EDU total when split.

<sup>8</sup> Adjusted amount based on feedback from the City's Environmental Services Department. The Leppert Analysis is under reports this cost.

<sup>9</sup> The Leppert Analysis did not include a value in the expenditures for the Office of Homeland Security.

<sup>10</sup> After reviewing the Leppert Report's and reconciling errors and completing adjustments the City's estimates "Total Delivery Cost for City Services" for the No-annexation Scenario is \$499,257.20

<sup>11</sup> The strikeouts noted in the Leppert Analysis columns are to denote a City delivery cost sources that needed adjusted, removed or were not included; however, the sum total shown in this column does include all numbers even if denoted by a strikeout or were determined incorrect.





MISSION TRAILS REGIONAL PARK CITIZENS' ADVISORY COMMITTEE  
MINUTES OF THE MEETING OF MAY 7, 2013

**ATTENDANCE**

**Members Present**

Dorothy Leonard, Chair, Member at Large  
Dick Murphy, Vice Chair, Special Member  
Roger Utt, County of San Diego Park & Recreation Department  
David Boyer, USMC Miramar  
John Pilch, San Carlos Area Council  
Dale Peterson, Navajo Community Planners  
Betty Ogilvie, Tierrasanta Community Council  
Richard Gadler, City of El Cajon  
Kathy Warbuton, City of San Diego  
Dale Shockley, Member at Large  
Matt Rahn, San Diego State University  
Mike Pent, Special Member

**Members Absent/Excused**

Eamonn Powers, City of Santee  
Nancy Acevedo, Member at Large  
Shannon O'Dunn, City of La Mesa

**City of San Diego**

Matt Sanford, Park and Recreation Department  
Steve Haupt, Park and Recreation Department  
Chris Zirkle, Park and Recreation Department  
Keli Balo, Public Utilities Department  
Nabeel Qawasmi, Public Utilities Department

**Guests**

Kim Wiley, San Diego Mountain Biking Association  
Jerry Bierman

**CALL TO ORDER:** The meeting was called to order at 6:38 PM.

**APPROVAL OF MINUTES**

**MOTION:** It was moved and seconded (GADLER/WARBUTON) to approve the minutes of the meeting of January 8, 2013. The motion passed with David Boyer abstaining.

**CHAIRPERSON'S REPORT** – *Dorothy Leonard, Chair*

At the March 2013 meeting the Task Force took the following actions:



- Voted to support the installation of a vending machine at the Cowles Mountain Staging Area. The machine will offer only water and Gatorade, and will only accept credit cards for payment. Five cents of each transaction will be donated to the MTRP Foundation.
- Voted to support the San Diego River Park Master Plan and the Amendments to the Mission Trails Design District Ordinance and Design Manual.
- Voted to submit a letter of opposition to the California Energy Commission about the proposed Quail Brush Peaker Power Plant.
- Voted to approve the entrance sign for the West Sycamore area of MTRP.
- Elected Councilmember Scott Sherman as Task Force Chair and Supervisor Dave Roberts as Task Force Vice-Chair.

**STAFF / RANGER'S REPORT** – *Matt Sanford, MTRP Senior Park Ranger*

- Repairs to the Cowles Mountain Trail began Monday 3/25. Two crews from Urban Corps of San Diego County are working with park staff, and volunteers. Ranger Mel Naidas is the project lead. Scope of Work:
  - Installing rolling grade dips/water bars to improve drainage off the mountain; building better rock walls and installing natural deterrents to keep people from cutting corners or using unauthorized trails; and improving steps/stairs in some key sections.
  - Installing lodge pole fencing to deter people from using unauthorized trails.
  - Improving our signage along the trail to help people know where the actual trail is. Lots of confusion in some sections.
  - Adding materials, such as decomposed gravel and pea gravel, to several of the most eroded sections.
- The volunteers assisting on this project have been of great assistance to park staff and the Urban Corps crews. Terry Gaughen and Bob Graham have been working on the project from day one, serving as crew captains. Also thanks to all of the volunteers that have assisted at the Cowles Staging Area. We did our best to get word out about the trail and staging area closing, but there were still many people that showed up the first few weeks wondering what was going on.
- We've had a lot of media interest on the trail repairs. The U-T did a photo and video story on the project. It was a great opportunity for me to show the public what's taking place, why we're doing the project, and to remind them about why it is so important to follow the posted rules/regulations.
- The Urban Corps crews, all of the project volunteers, and Ranger Mel will be recognized before this month's Task Force meeting – 5/16 at 12:30pm. Thanks to Dorothy and the Foundation for purchasing lunch and refreshments for the crews.
- Thanks to Jay and Roland for all of their assistance in getting the word out about the project, answering questions from the public, and everything else they do to help keep this park running smoothly.

- Thanks to Neil Mohr and Gabe at the Sycamore Landfill for donating a large supply of rebar to the project.
- The final day of the work will be Friday, 5/17.
- Explore Mission Trails Day is on Saturday May 18<sup>th</sup>, 9AM to 2PM.
- Our Chief Rodent Patrol Officer, Kwaay Paay, passed away on Tuesday. She will be missed.

#### **WATER DEPARTMENT'S REPORT – Gayle Havens, Reservoir Keeper**

- No report


#### **MTRP FOUNDATION REPORT – Jay Wilson, MTRP Foundation Executive Director**

- Visitor Center attendance for April 2013 was 8,011. In April 2012 it was 8,059. Year to Date: 31,679 (2012: 30,651).
- April 21 was the annual Earth Day in Balboa Park. It was a busy day for us, with many public contacts made. We distributed over 1,000 pieces of literature.
- Our last Art Exhibition generated just over \$612.50 in revenue for the MTRP Foundation. Connie Ho sold \$2,450 in watercolor paintings.
- Our 21<sup>st</sup> annual Amateur Photo Contest is on exhibition through May 26. There are 103 photos on display. Please vote for your favorite.
- Last Wednesday, Alicia Berg, our Education Program Instructor and I attended the SDG&E 2013 Environmental Champions Program. SDG&E launched their \$1,000,000 in grants program at this event. They work with 83 nonprofits throughout the year. We were one of four nonprofits selected to make a five minute presentation on the success of our education programs funded by SDG&E over the past three years.
- Explore Mission Trails Day is Saturday May 18<sup>th</sup>, 9AM to 2PM. We have flyers available and more if needed.

#### **COMMUNICATIONS (Non-agenda public comment)**


- Kathy Warburton reported that there is a petition going around Tierrasanta to turn the SDUSD property, near Colina Dorada and Calle de Vida, into a dog park.
- Matt Rahn reported that he is stepping down as a member of the MTRP CAC. Paul Ganster, with the SDSU International Studies and Field Stations programs will be his replacement. Matt was elected to the MTRP Foundation Board of Directors.

#### **ACTION ITEMS**

- 
101. Castlerock (Project # 10046/SCH # 2004061029 in the Mission Trails Design District) – *Jimmy Ayala, Pardee Homes*
    - Castlerock is a 203-acre property located across the street from West Hills High School and near Mast Blvd. It will include a mix of up to 430 single family homes, and the project will be consistent with the MTRP Design District Guidelines.



- Approximately 95 acres of the site will be dedicated as permanently protected open space. Wetlands found on the property will be restored and protected.
- Vernal pools found on the property will be restored and protected.
- There will be a four-acre park on the northern end of the property that will be landscaped with drought tolerant plants, and which will provide 17 off-street parking spaces. Pedestrian and bicycle access to MTRP will be provided.
- Pardee is in negotiations with the City of Santee and Grossmont Union High School District to improve a vacant dirt lot across the street from Castlerock so that it can be used as a staging area and trailhead.
- Any runoff on the property will be collected in brow ditches, stored in detention basins, and filtered before being released.
- Dick Murphy asked how much turf space will be included on the four-acre park. Jimmy Ayala stated that park landscaping will be a combination of drought tolerant plants and turf space.
- Dick Murphy also asked about what is being done to fire proof the homes. Jimmy Ayala stated that there are brush management zones around the homes, and that they are constructing ignition resistant eaves. All homes will come with an internal sprinkler system, and a central alarm system in each home that bypasses emergency dispatchers and directly alerts Fire and Police if there is an emergency. There will be fire barrier walls strategically placed near some brush management zones. There will also be restrictions on residential ignition sources.
- Kathy Warburton asked if the utilities will be underground. Jimmy Ayala stated that they will be underground.
- John Pilch asked if they will be using purple pipe water for irrigation. Jimmy Ayala stated that if the development stays in the City of San Diego then purple pipe will not be provided right away, but if the property is annexed to the City of Santee then purple pipe water would be provided right away. He added that dual piping will be provided for each home when/if purple pipe water can be provided.
- David Boyer stated that it's premature at this time to suggest that a trail from this property to the Sycamore County Park will be allowed through MCAS Miramar property.
- Dick Gadler expressed concerns about the increase in traffic, archeological sites and artifacts found on the property, and about landslides during the building of the homes.
- Dick Murphy asked if Pardee Homes could get their water from the Padre Dam Water District even if they are in the City of San Diego, and added that it doesn't make sense to build a long water pipeline to the property. Jimmy Ayala stated that he doesn't think it would be possible, and that Pardee would have to construct a pipeline to the development if this property stays in the City of San Diego.



**MOTION:** It was moved and seconded (UTT/MURPHY) to recommend to the MTRP Task Force that the project proceed with water coming from the Padre Dam Water District utilizing purple pipe. Motion passed with Dick Gadler opposing, and David Boyer abstaining.

102. CAC Recommendation to Task Force on the Size, Design, and Budget for the Equestrian Staging Area Shade Structure. – *Report from CAC ad hoc Subcommittee*



- Roger Utt reported that the ad hoc subcommittee met last week with Steve Haupt, Jim Winter, Robin Brisebois and several students from the New School of Architecture at the Equestrian Staging Area and discussed the project, including the budget constraints.
- We're asking them to come up with a preliminary design of the shade structure that will fit within the budget constraints. We should hear back from them in the next week or two, and we will report back at the July CAC meeting.

### INFORMATION ITEMS

301. Mission Gorge Trunk Sewer Project – *Keli Balo, Project Officer, and Nabeel Qawasmi, Associate Civil Engineer, Public Utilities Department*

- There is a large 36" trunk sewer pipe that runs through the park. A section of this pipe at the Jackson river crossing is currently exposed. This pipe is encased in concrete and rock, and has been undermined by erosion over time. Approximately 280 feet of this pipe has been undermined and some sections are now exposed.
- Large cranes will be used to place 1 ton, ½ ton, ¼ ton, and 6" minus rip rap under the pipe. This rip rap will be encased in concrete.
- An inflatable portable dam and pump will be used to divert the river water around the work site.
- Existing roadways will be used. No new roadways or paths will be created.
- If all permits are secured in time, work should begin this fall after the bird nesting season. If all permits are not secured in time, then the project might be delayed until next fall. Work should last three days to a week. They are proposing to work 24 hours a day.
- There will be closures to the public around the immediate work area. The Visitor Center Loop Trail will remain open, but the public will not be able to cross the river while the project is taking place.
- Roger Utt asked where the rip rap rock is coming from, and if it will be compatible in color and texture to what's currently in the river bed. Keli Balo stated that the rip rap will not be visible since it is being encased in concrete. Roger suggested that they try to use rock that blends in with the natural rock in the river bed.

*Public Comment:*

- Kim Wiley stated that most people use the concrete pipe encasement to cross the river in this area, and asked if this crossing will be improved during the project. Keli Balo stated that Public Utilities Department does not endorse or condone pedestrian activity or recreation immediately on top of the encased pipes for safety reasons, and no improvements will be made to the top of the encasement during this project.

302. MTRP Master Plan Update and Natural Resource Management Plan – *Sr. Ranger Matt Sanford for Jeff Harkness, City of San Diego Developmental Services Department*

- Staff have prepared and submitted the pre-public drafts of the Master Plan Update and the Natural Resource Management Plan to the resource agencies, the CAC ad hoc Subcommittee, and other project partners.



- The agencies have requested a meeting that is tentatively scheduled for May 17<sup>th</sup> to discuss the Master Plan Update. As such, the comments are not expected back before May 24<sup>th</sup>. Upon receipt of the comments at the end of this review, a timeline for holding the EIR scoping meeting will be determined.
303. Old Mission Dam Dredging/Maintenance Project – *Chris Zirkle, Deputy Director, City of San Diego Open Space Division*
- There is a narrow construction window to get this project done, and it must occur after the bird nesting season.
  - This is a Public Works project and there is a certain protocol with regards to the engineering drawings and the contract bidding process for these types of projects. The City does not currently have a design build firm on board, so the project will have to go out to bid.
  - There are some changes that are needed to the engineering drawings. They are minor and have to do with the amount of sediment to be removed, and that the sewer pipeline no longer needs to be encased. Both of these changes should result in cost reductions.
  - The MTRP Foundation Public Fund might be used to help fund the project. Another funding source could come from some money that the Open Space Division is about to receive from the San Diego Unified School District for the use of City land for vernal pool mitigation.
304. Mayors Proposed FY2014 Budget as it relates to the Open Space Division and Mission Trails Regional Park – *Chris Zirkle, Deputy Director, City of San Diego Open Space Division*
- Last October/November was the first time the Open Space Division was not asked to submit a budget with reductions or closings.
  - The Mayor approved four new Park Ranger positions and a pesticide applicator that we're targeting for Mission Trails, one Ranger for another park, and a drafting aide for the Division.
  - The Council did not support a midyear budget add to reopen the Kumeyaay Lake Campground. For some reason the campground reopening was not included in the Mayor's FY2014 budget, but the Mayor is likely to make more changes to the budget before the end of the month.

**ADJOURNMENT:** The meeting was adjourned at 8:45 PM.

The next CAC meeting will be Tuesday, July 2, 2013, at 6:30 PM.



THE CITY OF SAN DIEGO  
**Wetlands Advisory Board**  
600 B Street, Suite 800, MS 908A  
San Diego, CA 92101

Cary Lowe, Ph.D., AICP, Chairman  
Tel.: (619) 255-3078

September 14, 2012

President and Members of the City Council  
City of San Diego  
202 "C" Street, 10th Floor  
San Diego, CA 92101

Re: Castlerock Development Project

Honorable President and Members of the City Council:

On behalf of the City Wetlands Advisory Board, I wish to inform you that we reviewed the proposed Castlerock development project, in the East Elliott Community Plan area, at our regular meeting of July 19, 2012. Although the project site is located in close proximity to the San Diego River, we concluded that the project, as presented, appears not to be inconsistent with city wetlands protection policies.

This is a revised version of our previous letter of August 6, 2012. Please feel free to contact me if you desire any further input from us regarding this matter.

Sincerely,

*Cary D. Lowe*

Cary D. Lowe  
Chairman

cc: James Arnhart, Engineering & Capital Projects





PLANNING COMMISSION RESOLUTION NO. XXXPC

RECOMMENDING TO THE CITY COUNCIL  
CERTIFICATION OF ENVIRONMENTAL IMPACT REPORT NO. 10046  
ADOPTION OF MITIGATION, MONITORING AND REPORTING PROGRAM NO. 10046,  
FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS; APPROVAL OF  
GENERAL PLAN AND COMMUNITY PLAN AMENDMENT NO. 618628;  
REZONE ORDINANCE NO. 19029; VESTING TENTATIVE MAP NO. 1004468 WITH PUBLIC RIGHTS-  
OF-WAY VACATIONS NO. 100446958 AND EASEMENTS VACATIONS NO. 1004471; AND SITE  
DEVELOPMENT PERMIT NO. 19032, PLANNED DEVELOPMENT PERMIT NO. 19031 WITH AN  
MHPA BOUNDARY LINE ADJUSTMENT, AND A RESOLUTION IN SUPPORT OF REORGANIZATION  
**CASTLEROCK - PROJECT NO. 10046 [MMRP]**

WHEREAS, on July 11, 2013, the Planning Commission of the City of San Diego held a public hearing for the purpose of considering and recommending to the Council of The City of San Diego Certification of Environmental Impact Report No. 10046, Adoption of Mitigation, Monitoring and Reporting Program No. 10046, Findings and Statement of Overriding Considerations; General Plan and Community Plan Amendment No. 61828 and Rezone Ordinance No. 19029; and Approval of Vesting Tentative Map No. 1004468 with Public Rights-Of-Way Vacations No. 100446958 and Easements Vacations No. 1004471, Site Development Permit No. 19032, Planned Development Permit No. 19031, with a Multiple Habitat Planning Area Boundary Line Adjustment, and a Resolution in Support of Reorganization; and

WHEREAS Pardee Homes, Owners/Permittees requested Certification of Environmental Impact Report No. 10046, Adoption of Mitigation, Monitoring and Reporting Program No. 10046, Findings and Statement of Overriding Considerations; General Plan and Community Plan Amendment No. 61828 and Rezone Ordinance No. 19029; and Approval of Vesting Tentative Map No. 1004468 with Public Rights-Of-Way Vacations No. 100446958 and Easements Vacations No. 1004471, Site Development Permit No. 19032, and Planned Development Permit No. 19031, with a Multiple Habitat Planning Area Boundary Line Adjustment, and a Resolution in Support of Reorganization for the purpose of subdividing and developing an approximately 203.64-acre site. The development would include up to 283 detached single-family residences and 147 detached multi-family residences, an approximate 4.6-acres of neighborhood and pocket parks, a multi-use trail and approximately 90-acres of dedicated open space; and

WHEREAS, the Planning Commission of the City of San Diego has considered all maps, exhibits, and written documents contained in the file for this project on record in the City of San Diego, and has considered the oral presentations given at the public hearing; NOW THEREFORE,

BE IT RESOLVED, by the Planning Commission of the City of San Diego that it hereby recommends to the Council of the City of San Diego, Certification of Environmental Impact Report No. 10046, Adoption of Mitigation, Monitoring and Reporting Program No. 10046, Findings and Statement of Overriding Considerations; General Plan and Community Plan Amendment No. 61828 and Rezone Ordinance No. 19029; and Approval of Vesting Tentative Map No. 1004468 with Public Rights-Of-Way Vacations No. 100446958



ATTACHMENT 23

and Easements Vacations No. 1004471, Site Development Permit No. 19032, Planned Development Permit No. 19031, with a Multiple Habitat Planning Area Boundary Line Adjustment, and a Resolution in Support of Reorganization.

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Jeannette Temple  
Development Project Manager  
Development Services

Dated July 11, 2013

By a vote of: x-x-x

UNANIMOUS ACTION OF THE BOARD OF DIRECTORS  
OF  
PARDEE HOMES,  
a California corporation,  
TAKEN WITHOUT A MEETING

The undersigned three (3) Directors, constituting all of the members of the Board of Directors of Pardee Homes, a California corporation, (the "Corporation"), acting as of March 15, 2012, without a meeting in accordance with California Corporations Code Section 307(b) and Article III, Section 12 of the Corporation's By-Laws, hereby resolve as follows:

RESOLVED, that all offices of the Corporation are declared vacant and each of the following persons is elected to the office shown opposite such person's name, to serve in such office until removed by the Board or the President, by resignation, or until such time as a successor is elected:


Michael V. McGee	President and Chief Executive Officer
Jon E. Lash	Executive Vice President
Anthony P. Dolim	S. V. P., Finance and Controller
John Anglin	Senior Vice President, Construction and Purchasing
John Arvin	Senior Vice President, Land Development
Robert E. Clauser, Jr.	Senior Vice President, Marketing
Amy L. Glad	Senior Vice President, Governmental Affairs
Christopher J. Hallman	Senior Vice President, General Counsel and Secretary
Gary Probert	Senior Vice President, Sales
Gino Cesario	Vice President, Corporate & Strategic Services
Robert Dawson	Vice President, Closing Services
Patrick Emanuel	Vice President, Construction Operations
Beth Fischer	Vice President, Community Development
Joyce Mason	Vice President, Marketing
Ralph Pistone	Vice President, Construction Operations
Donna Sanders	Vice President, Options
Thomas R. Stocks	Vice President and Chief Investment Officer
Michael C. Taylor	Vice President, Community Development
Kevin Wilson	Vice President, Purchasing and National Accounts
Jeffrey W. Nitta	Treasurer
Barbara Bail	Assistant Secretary
Rosemary Bonnevie	Assistant Secretary, Finance
Charles E. Curtis	Assistant Secretary
Belle DeBraal	Assistant Secretary, Accounting
Claire S. Grace	Assistant Secretary
Vicki A. Merrick	Assistant Secretary
Allison J. Renz	Assistant Secretary
Carole Royce	Assistant Secretary




Thomas M. Smith  
Nancy Trojan

Assistant Secretary  
Assistant Secretary

The undersigned hereby consent to the foregoing Resolution and direct that the Secretary of this Corporation file this Unanimous Action of the Board of Directors, including this consent, with the Minutes of the proceedings of this Board of Directors and that said Resolution shall have the same force and effect as if adopted at a meeting of the Board of Directors at which all of the undersigned were personally present.

  
\_\_\_\_\_  
Michael V. McGee, Director

  
\_\_\_\_\_  
Jon E. Lash, Director

\_\_\_\_\_  
Peter M. Orser, Director

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PARDEE HOMES,  
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TAKEN WITHOUT A MEETING

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Michael V. McGee, Director

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Jon E. Lash, Director



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Peter M. Orser, Director

**CASTLEROCK**  
**PROJECT CHRONOLOGY**  
 PTS # 10046 IO# 23421653

Date	Action	Description	City Review Time	Applicant
7/15/03	Customer Submits 1 <sup>st</sup> Cycle			
10/2/03	1st Assessment Letter Sent		2 months, 17 days	
12/31/03	Customer submits 2 <sup>nd</sup> Cycle			2 months, 29 days
2/25/04	2 <sup>nd</sup> Assessment Letter Sent		1 month, 26 days	
9/10/04	Customer submits 3 <sup>rd</sup> Cycle			6 months, 16 days
11/22/04	3 <sup>rd</sup> Assessment Letter Sent		2 months, 12 days	
5/15/06	Customer submits 4 <sup>th</sup> Cycle			1 year, 5 months, 23 days
6/21/06	4 <sup>th</sup> Assessment Letter Sent		1 month, 6 days	
11/27/06	Customer submits 5 <sup>th</sup> Cycle	Holiday Schedules		5 months, 6 days
1/10/07	5 <sup>th</sup> Assessment Letter sent		1 month, 14 days	
3/7/07	Customer submits 6 <sup>th</sup> Cycle			1 month, 27 days
4/18/07	6 <sup>th</sup> Assessment Letter sent		1 month, 11 days	
7/9/07	Customer submits 7 <sup>th</sup> Cycle			2 months, 21 days
8/13/07	7 <sup>th</sup> Assessment Letter sent	EIR Ready for Distribution-	1 month, 4 days	
3/1/11	Customer submits 8 <sup>th</sup> Cycle	Brewster Decision Halts Vernal Pool processing		3 years, 6 months, 18 days
4/15/11	8 <sup>th</sup> Assessment Letter sent		1 month, 14 days	
7/1/11	Customer submits 9 <sup>th</sup> Cycle			2 months, 16 days
8/10/11	9 <sup>th</sup> Assessment Letter sent		1 month, 9 days	
12/21/11	Customer submits 10 <sup>th</sup> Cycle			4 months, 10 days
1/31/12	10 <sup>th</sup> Assessment Letter sent	City Issues Resolved-Environmental/LAFCO remain-DEIR out 6/18/12	1 month, 10 days	
3/1/13	Annexation Agreement-LAFCO docs	All parties working on documents for Annexation and No Annexation Scenarios		1 year, 1 month
3/27/13	LU&H	Approved to move forward	26 days	
6/20/13	EIR finalized		2 months, 21 days	
7/11/13	Planning Commission Recommendation Hearing		21 days	



**CASTLEROCK**  
**PROJECT CHRONOLOGY**  
PTS # 10046 IO# 23421653

<i>Total Staff Time (Average at 30 days per month):</i>	<i>Approximately 1 years, 8 months, 11 days</i>
<i>Total Applicant Time (Average at 30 days per month):</i>	<i>Approximately 4 years, 9 months, 16 days</i>
<i>Brewster Decision Interruption</i>	<i>Approximately 3 years, 6 months</i>
<i>Total Project Running Time (Years/Months/Days):</i>	<i>10 years (minus 4 days)</i>