PACIFIC BEACH - PUBLIC FACILITIES FINANCING PLAN

General

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

The Pacific Beach area is an Urbanized area. This document constitutes the first Public Facilities Financing Plan for the Pacific Beach Community.

Development Forecast and Analysis

The Pacific Beach community, totaling approximately 2,700 acres, is developing in accordance with the Community Plan to be approved by Council concurrent with this document. Currently, Pacific Beach contains approximately 22,092 dwelling units with a population of about 39,626 persons. An analysis of projected development and using the proposed Community Plan as a guide, indicates that over the next twenty years, additional development will take place in the following categories:

Use	Estimated Development	
Residential	995	Dwelling Units
Commercial/Industrial	14,599	Average Daily Traffic

Periodic Revision

To ensure that this program maintains its viability, this plan will be periodically revised to include, but not necessarily be limited to, Council changes to the Capital Improvements Program and the Community Plan.

FINANCING STRATEGY

The City of San Diego has at its disposal a wide variety of potential funding sources for financing public facilities. A portion of the funding for the needed facilities will be provided as a part of the subdivision process by developers and by impact fees. Other potential methods for financing public facilities are described below:

1. **Impact fees (DIF)** - Impact fees are a method whereby the impact of new development upon the infrastructure is measured and a fee system developed and imposed on developers to mitigate the impact. The impact fees are collected at the time of issuance of individual building permits. Funds so collected are deposited in a special interest bearing account which retains all monies for use in the community in which they were collected. As sufficient funds are collected, the City proceeds with a construction program, in order of priority. This is one of the financing methods recommended for Pacific Beach.

2. **TRANSNET, GAS TAX**, and other programs such as a state-local partnership program may provide some funds for community transportation projects. These funds will be allocated annually and may be used to fund a portion of the long-range capital needs for transportation improvements in Pacific Beach in the future.

3. **Assessment Districts** - Special assessment financing, using 1913/1915 Assessment Acts or a Mello-Roos District could be used as a supplementary or alternative method of financing some facilities. The Mello-Roos District requires a 2/3 vote for passage. Other assessment districts require the support of the community.

4. **General Obligation Bond Issues** - Prior to the late 1960's, bond issues were considered the most appropriate method of funding many types of public facilities. These require 2/3 voter approval for passage.

5. **Annual Allocation** - In the years prior to the passage of Proposition 13, the City was able to respond to community facility needs by using a portion of the sales tax revenue to support the Capital Improvement Program. This has not been possible for some time. However, if other revenues were increased, annual allocations could again be used to fund some capital facilities. This is a recommended method of funding some park and recreation facilities and transportation improvements.

6. **Facilities Benefit Assessment (FBA)** - This method of financing, used solely in Planned Urbanizing Communities, spreads costs fairly and equally and follows the procedures specified in City Council Ordinance O-15318 dated August 25, 1980. However, this method cannot be used in Urbanized areas such as Pacific Beach.

General Assumptions and Conditions

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

1. Developers would be required to provide facilities normally provided within the subdivision process as a condition of subdivision approval, including traffic signals.

2. Abutting property owners are responsible for frontage improvements such as sidewalks, curbs and gutters.

3. The DEVELOPMENT IMPACT FEE would be paid by the developer at the time of building permit issuance.

4. DEVELOPMENT IMPACT FEE funds collected would be placed in a trust account including interest earnings for use only in the community area.

5. A developer or group of developers can propose to build or improve a specific facility identified in the Capital Improvements Program and, upon City Council approval, enter into an agreement to provide the facility for reimbursement.

DEVELOPMENT IMPACT FEE

DETERMINATION

Background

The Pacific Beach Community Plan Area is almost fully developed. Thus, the majority of the required public improvements will have to be provided through special funding mechanisms. In late 1987, staff developed and recommended impact fees for 28 urbanized communities. The City Council adopted the recommended fees, including those for the Pacific Beach Community Plan Area, to mitigate the impact of development on public facilities. Since the community is near build-out, the fees will provide only a small portion of the financing needed for the facilities.

All undeveloped or underdeveloped parcels are subject to the DIF. Monies collected are placed in a City interest accruing account, to be used only for capital improvements in the Pacific Beach Community.

Distribution of Project Costs and Fee Determination

Determination of the actual charge to be imposed by the DIF is based on the extent or degree to which each type of development generates a demand for, or receives benefit from the various public facilities involved. For example, all development generates vehicular traffic and thus, on an equitable basis, should share in the cost of transportation projects.

Development Impact Fees were determined for the various categories of

needed public facilities on the basis of total amount of development at community plan build-out and on the basis of all additional public facilities needed at community plan build-out. The impact fee base includes all project needs aside from those to be funded by the State, a subdivider or by adjacent existing residents. In addition, the fees include a 2% charge to cover City administrative costs.

Transportation

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

A considerable range has been found for traffic generation for commercial and industrial developments depending on the character and use of the property. Non-residential land uses typically generated between 100 to 900 Average Daily Traffic (ADT) per acre. For

non-residential development in the Pacific Beach community, Average Daily Traffic (ADT) was measured. The July 1993 Pacific Beach/La Jolla Transportation Study, Second Draft documentation was used in the development of this Financing Plan.

Using the approved land use intensity and trip generation rates, the total number of trip ends at community plan build-out is estimated to be 356,900. An analysis of the City-funded street improvements required at community build-out (costs estimated FY 1994) totaling $16,192,000 indicates the cost per Average Daily Traffic for transportation facilities is $46.00 per trip (and $324/dwelling unit) to be paid by all future development. The fee per dwelling unit was calculated using the Average Daily Traffic factor of seven, as previously explained.

Fire Facilities

The Fire Station portion of the impact fee relates to the cost of fire stations providing fire protection services to both residential and non-residential establishments within the community. Residential impact fees are based on the average cost per dwelling unit. For commercial and industrial development, an average cost per 1,000 square feet of building area was used.

The Fire Department has identified one fire station serving the Pacific Beach area as needing renovation/reconstruction. In addition, a new station is needed in Pacific Beach to service increasing demands for fire services. Only a portion of the costs of these two stations can be fairly allocated to Pacific Beach. Using the total amount of development, both residential and non-residential (approximately

26,754,300 square feet), and the Pacific Beach proportionate share of needed fire facilities ($3,150,000), the resulting impact fee is $120 per residential dwelling unit and $120 per thousand square feet of non-residential development.

Libraries

Library needs are based on population which is derived from the number of dwelling units estimated by staff. Therefore, only residential developments are charged a DIF for a library.

The existing branch library is currently inadequate to meet future community needs and construction of a new library named the Earl & Birdie Taylor Library has been proposed. The proposed library is reflected in this plan. Allocating total library requirements only to residential property results in a library impact fee of $172 per dwelling unit. This was calculated by dividing total library requirements of $3,897,683 by the residential dwelling units at build-out of 23,087.

Park and Recreation

Park and Recreation needs have traditionally been based on population derived from the number of dwelling units in the community. Council Policy 600-17, adopted in November of 1989, provides for the equitable contribution of funds by both residential and non-residential development to park and recreation facilities. However, since there is insufficient data currently available on which to base the allocation of park and recreation facilities costs to the non-residential users in Pacific Beach, these costs are attributed only to residential users.

Future revisions of this financing plan may include a different cost distribution.

The Park and Recreation Department has identified a number of projects which will be needed in the Pacific Beach community at build-out. These are shown in Table 1 and Appendix A in detail. Allocating total park and recreation facility costs of $41,072,800 only to the residential development at build-out of 23,087 units results in an impact fee of $1,815 per unit.