
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: November 30, 2007

IBA Report Number: 07-116

City Council Meeting Date: December 4, 2007

Item Number: Supplemental

Otay Mesa Community Plan

OVERVIEW

On Tuesday, December 4, 2007 the City Council will be asked to consider utilizing \$800,000 from the Appropriated Reserves to complete the Otay Mesa Community Plan. This item is on the City Council Docket as supplemental and the backup information for this action was not received by the IBA until mid-morning on Friday, November 30, 2007 allowing for limited time for fiscal and policy analysis.

The Otay Mesa Community Planning area is bounded by the Otay River Valley and the City of Chula Vista on the North, the international Border on the South, Interstate 805 on the west, and the County of San Diego on the east. The Otay Mesa Community Plan was initially adopted in 1981. The need for an update to the plan was identified in the late 1990's and work began on a comprehensive update in 2001. However, due to limited resources, activity diminished. In 2004, in an effort to accelerate the process, the Otay Mesa Planning Coalition made up of a group of developers agreed to fund the technical support of the update. In July of 2007, the City chose to transfer consultant management funding responsibilities from the Coalition to the City. When the transfer occurred, the City suspended the consultants work. In August, City staff asked the technical consultants that had been working on the plan the prior two years to submit scopes of works and budget to complete their part of the project. In addition to completing the technical support aspect of the project, the City will need to hire planning consultants. The planning consultant will be selected through a Request for Proposal Process (RFP).

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FISCAL/POLICY DISCUSSION

Completing the Otay Mesa Community Plan is an essential part of the City's overall planning process. However, the IBA has concerns with the timing of placing this item on the City Council's docket and why this plan was not discussed as part of the Fiscal Year 2008 Budget Process when funds were allocated for other community planning purposes.

Timing of Action

As stated above in the Overview section, the City chose to transfer consultant services from the Coalition to the City in July. However, the IBA was not able to identify any discussion on the Otay Mesa Community Plan during the Fiscal Year 2008 City Council Budget Deliberations. However, it should be noted that during the those budget deliberations, \$400,000 was added to the City Planning and Community Investments Department for the purpose of updating the City Community Plans of Uptown, Old San Diego, Greater North Park, and Greater Golden Hills. It concerns the IBA that funding for Otay Mesa was not mentioned during the 2008 Budget Process and the Council is now being asked to fund the project as a supplemental item on the December 4, 2007 City Council agenda from the Appropriated Reserves. *\$800,000 is a significant expenditure from the Appropriated Reserves of \$7.0 million. Given this, the City Council and the public are owed more than a day to review this request.*

Funding Sources

Funding of the City's community plans has been an ongoing challenge. In the past, updating of the community plans has been funded through the City's General Fund.

Facilities Benefit Assessment (FBA) provides 100% of funds for public facilities projects which service a designated area of benefit and identified in a Public Facilities Financing Plan (PFFP). The dollar amount of the assessment is based upon the cost of each public facility equitably distributed over a designated area of benefit in the community planning area.

However, with the City's financial situation, funding for planning related personnel and projects has been severely reduced or completely eliminated. In the past the City has explored alternative methods of funding community plans. Some examples include using Facilities Benefit Assessment (FBA) or private funds. Preliminary discussions between the Community Planning and Community Investment's staff and the City Attorney indicate that FBA funds cannot be used for a community plan, except possibly for the specific planning of a public facility. The use of Private funds creates a challenge depending on the group funding the plan and possibility of a conflict of interest. The IBA does not support the use of private funds for community plans.

CONCLUSION

Completing the Otay Mesa Community Plan is an essential part of the City's overall planning process. However, the IBA recommends continuing this item to the earliest possible date to allow more time for the public and the Council to review this item. In addition, the IBA recommends that when this item returns in the future that a breakdown be included on the scope of work and what the \$800,000 will pay for. A final recommendation is that in the future, items such as the Otay Mesa Community Plan be included in the City's Annual Budget discussions.

SIGNED

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