THE CITY OF SAN DIEGO

Otay Mesa

Public Facilities Financing Plan and Facilities Benefit Assessment Fiscal Year 2014

Amended April 3, 2015 – Planning Department, Facilities Financing Program. This information will be made available in alternative formats upon request. To request a financing plan in an alternative format, call the Facilities Financing Section, at (619) 533-3670. To view this document online, visit the City of San Diego website at http://www.sandiego.gov/facilitiesfinancing/plans/otaymesa.shtml item 200A 6-29-15

(R-2015-700)

RESOLUTION NUMBER R- 309815

DATE OF FINAL PASSAGE JUL 16 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A 2015 AMENDMENT TO THE OTAY MESA PUBLIC FACILITIES FINANCING PLAN AND FACILITIES BENEFIT ASSESSMENT.

BE IT RESOLVED, by the Council of the City of San Diego, that it approves a 2015 amendment to the Otay Mesa Public Facilities Financing Plan and Facilities Benefit Assessment (Financing Plan Amendment), a copy of which is on file in the Office of the City Clerk as Document No. RR- 309815.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to establish and modify individual Capital Improvement Program project budgets to reflect the Financing Plan Amendment provided funding is available for such action.

APPROVED: JAN I. GOLDSMITH, City Attorney

By [signature]
Heidi K. Vonblum
Deputy City Attorney

HKV:nja
05/26/15
Or.Dept: Planning
Doc. No.: 1029664

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 29 2015.

ELIZABETH S. MALAND
City Clerk

By ______________________
Deputy City Clerk

Approved: 7/16/15
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: ______________________
(date)

KEVIN L. FAULCONER, Mayor

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Kevin Faulkner, Mayor

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Scott Sherman, Council District 7
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Kaitlin Murphy, Property Owner
Mark Freed, Property Owner
Joe Street, Property Owner
Rita Mahoney, Property Owner
Alejandra Mier y Teran, Otay Mesa Chamber of Commerce
Wayne Dickey, Otay Mesa/Nestor
Antonio Martinez, San Ysidro
Clarissa Reyes-Falcon, Brown Field

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Introduction

Previous, Current and Future Updates

Resolution No. R-302040 (adopted by City Council on November 11, 2006) adopted the Fiscal Year 2007 Otay Mesa Public Facilities Financing Plan. The Fiscal Year 2014 Otay Mesa Public Facilities Financing Plan (Financing Plan) comprises the comprehensive update of the Financing Plan for Otay Mesa. To ensure that this Financing Plan remains up-to-date and accurate, it is to be periodically revised to include, but not necessarily be limited to, amendments to the Otay Mesa Community Plan.

Purpose and Scope of Financing Plan

The Financing Plan is intended to implement the General Plan and Otay Mesa Community Plan (Community Plan) by identifying the public facilities that will be needed to serve the Otay Mesa Community over the next approximately 48 years, during which full development of the community is anticipated, and to establish fees pursuant to the Ordinance No. O-15318 (the FBA Ordinance) and California Government Code sections 66000 et seq. (Mitigation Fee Act) to help mitigate the costs of the needed public facilities. The Financing Plan applies to all property owners seeking to develop property, even if the subject property has an approved tentative or final map detailing its development.

This Financing Plan includes a development forecast and analysis, a capital improvement program, and an updated fee schedule. Ordinance No. O-15318 was adopted by the City Council on August 25, 1980 to establish the procedure for implementing a Facilities Benefit Assessment (FBA). The FBA provides funding for public facilities projects that serve a designated area, also known as the area of benefit. The dollar amount of the FBA is based upon the collective cost of each public facility needed to serve development in the community, and is equitably distributed over the area of benefit in the Otay Mesa community planning area. The same methodology is used to calculate a Development Impact Fee (DIF) that is applicable to new development within the community that is not otherwise required to pay the FBA. The City has determined that there is a reasonable relationship between the amount of the FBA and DIF and the public facilities burdens posed by new development.

Methodology

Area of Benefit

Pursuant to the FBA Ordinance, the City Council initiates proceedings for the designation of an area of benefit by adopting a Resolution of Intention. The undeveloped or underdeveloped lands that are within the Otay Mesa community boundary are known as the Area of Benefit. See Figure 1.

In Financing Plan updates through FY 2007, the community had been divided into two regions (East and West FBA Subareas) for the Otay Mesa community planning area, one showing generally the area west of Heritage Road and the other showing the area east of Heritage Road. Beginning with the FY 2014 Financing Plan update, the entire Otay Mesa community planning area is shown together in one map.

Fee Procedure

FBAs and DIFs provide a funding source for public facilities projects in Otay Mesa. The amount of the fee is based upon the collective cost of anticipated public facilities needed to serve new development distributed over anticipated remaining development in the community.

Timing and Cost of Facilities

The public facilities anticipated to be financed by Otay Mesa FBA and DIF funds are shown on the Project Summary Table beginning on page 21. The FBA/DIF fund also covers the administrative costs associated with the development, implementation and operation of the FBA and DIF. Project categories include transportation, park and recreation, police, fire-rescue, and library facilities. Descriptions of current and future projects can be found on individual project sheets beginning on page 31.

This Financing Plan includes an estimate, by each of the City's appropriate asset-owning departments, of project costs for each needed public facility project anticipated. Since needed public facilities are directly related to the growth rate of the community, construction schedules are contingent upon actual development within the community. Therefore, any slowdown in community development will require a modification to the schedule for providing anticipated public facilities.

For ease of reference, completed projects have been summarized and placed together in one section following the project sheets for current and future projects. This Financing Plan relies on an updated traffic analysis for determining the required transportation facilities.

New Project Sheets

This Financing Plan is being prepared simultaneously with an update to the Community Plan which proposes land use changes, and includes a traffic study. The project list presented in this plan, beginning on page 21, reflects the facility requirements needed to serve the Otay Mesa community with the additional population and traffic volumes anticipated under the Community Plan.

Development Forecast

Average Daily Trips

Development in Otay Mesa will be tracked by the number of average daily traffic trips (ADTs) generated by each type of land use. For non-residential development, the amount of the fee is based on the anticipated number of ADTs generated, and the fee is charged

Figure 1 Otay Mesa Community Map/Area of Benefit

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on a per ADT basis. Residential development is assessed on a per-unit basis, and includes population-based facilities costs as well as ADTs associated with transportation costs.

Development Schedule

Development projections are based upon best estimates of the timing of future development, including projections from property owners, developers, land use consultants and City staff. Economic factors can adversely affect these development projections. Changing interest and inflation rates, variable land and housing costs, economic recession, and issues involving transportation thresholds could slow or halt the development rate. Conversely, a period of robust business expansion could significantly increase the rate of development. To ensure that this Financing Plan remains up-to-date and accurate, it is to be periodically revised to include, but not necessarily be limited to, amendments to the Otay Mesa Community Plan.

The Financing Plan assumes the remaining anticipated development of Otay Mesa will take place over the next forty-eight years, through FY 2062. Residential development is categorized as either single family detached (SFDU) or multiple family units (MFDU), and non-residential development is categorized as Brown Field, Cross Border Facility, and Otay Mesa Non-residential. Chart 1 Residential Absorption Rate and Chart 2 Non-Residential Absorption Rate on page 6 illustrate the anticipated rate of future development in Otay Mesa.

Through FY 2013, there were 4,700 residences (2,700 SFDU and 2,000 MFDU); 124.1 developed Commercial Acres; and 1,247 developed Industrial Acres. The existing development is assumed to be generating approximately 203,000 average daily trips (ADTs). Through FY 2062, the Financing Plan assumes future residential development will bring an additional 14,084 dwelling units and 587,474 non-residential ADTs. The future non-residential development in Otay Mesa is projected to be Brown Field (42,399 ADTs), Cross Border Facility (40,378 ADTs) and other non-residential development (504,697 ADTs). For purposes of the Financing Plan Cash Flow, the community is considered built out when 99% of all residential parcels and 90% of non-residential parcels are developed. The Otay Mesa Development Schedule showing anticipated development through build out is shown in Table 1 on page 7.

Population Estimates

The Otay Mesa Community Plan assumes population estimates based on factors of 3.98 persons per household for single family dwelling units and 3.45 persons for multi-family dwelling units. These factors are consistent with the Community Planning Survey prepared by True North Research for Sourcepoint and the Otay Mesa Community Plan update. The population of Otay Mesa, at full community development in FY 2062, is projected to be 67,035.

On page 8, Chart 3 illustrates the projected population growth rate assumed for the Financing Plan.

Chart 1 Residential Absorption Rate in Dwelling Units

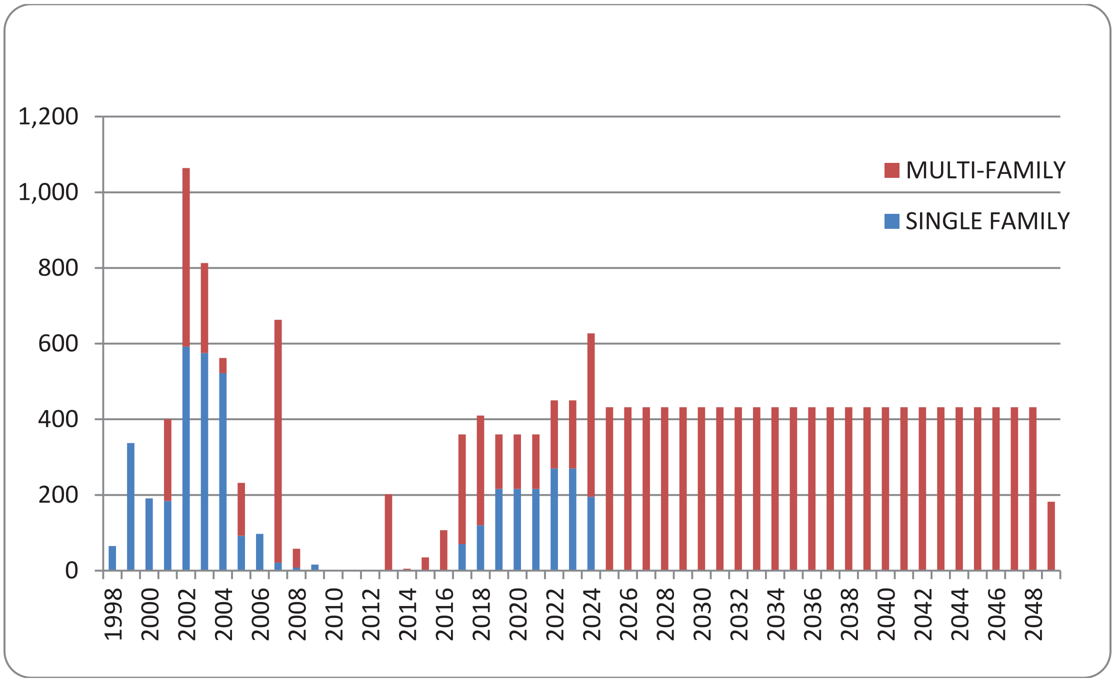


Chart 2 Non-residential Absorption Rate in Average Daily Trips

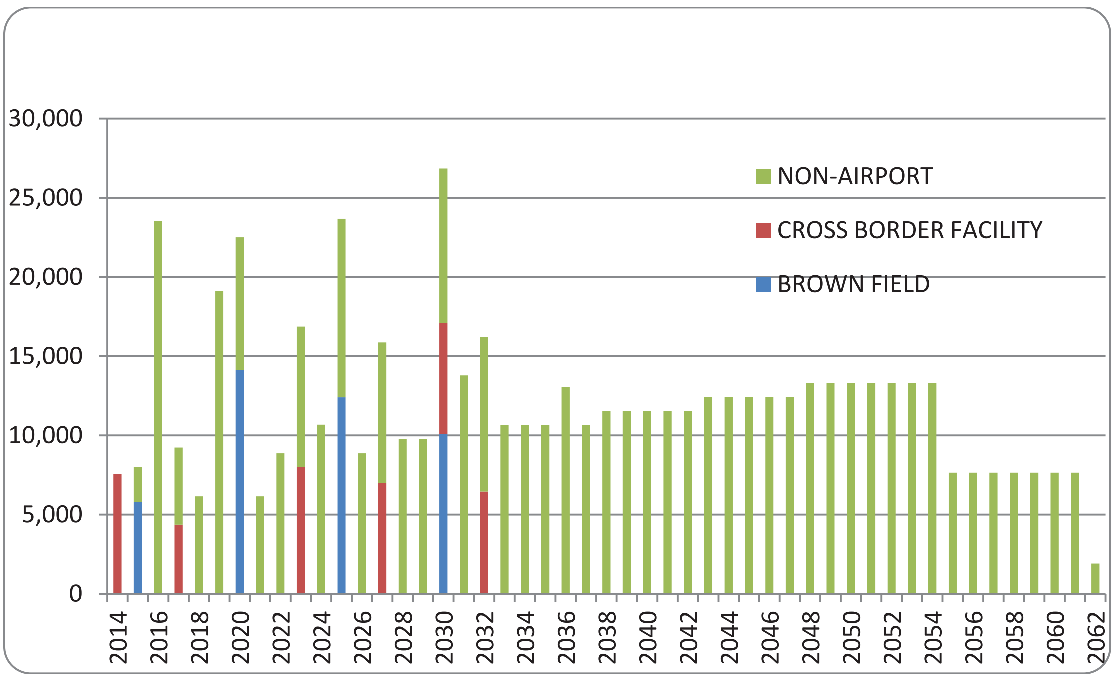
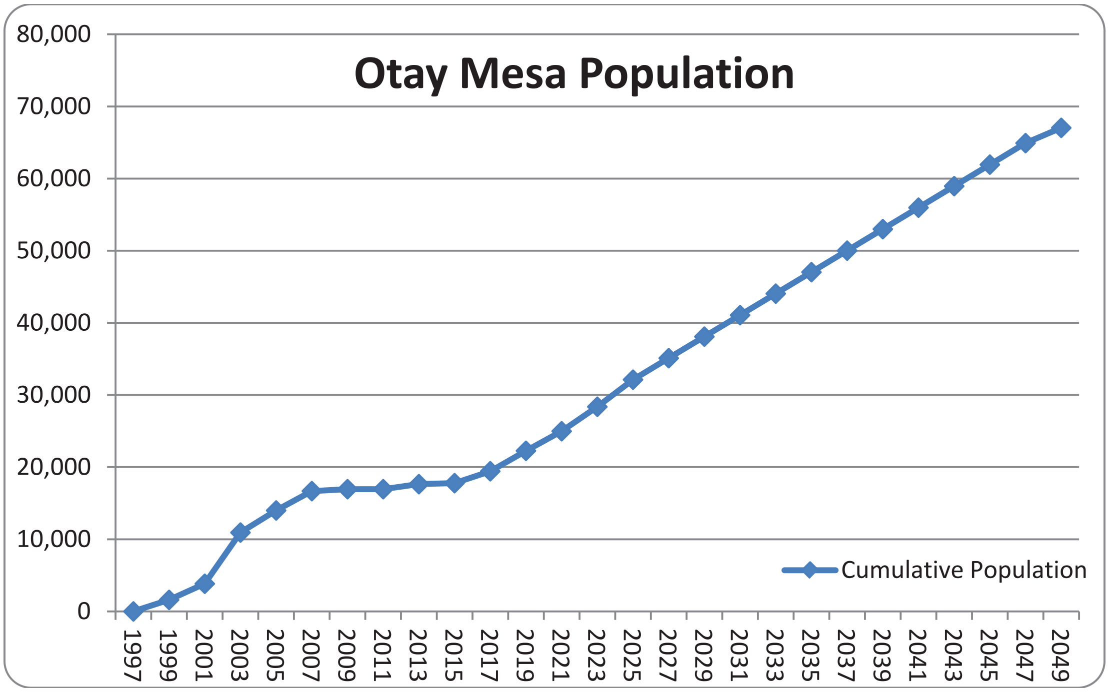


Table 1 Otay Mesa Development Schedule

FISCAL YEAR	SINGLE FAMILY DUs	MULTI-FAMILY DUs	RESIDENTAIL ADTs	BROWN FIELD ADTs	CROSS BORDER ADTs	NON-AIRPORT ADTs	TOTAL ANNUAL ADTs
PRIOR	2,700	2,008	40,364	-	6,120	156,993	203,477
2014	-	40	320	-	7,563	-	7,883
2015	-	-	-	5,788	-	2,218	8,006
2016	-	181	1,448	-	-	23,550	24,998
2017	70	200	2,230	-	4,360	4,875	11,465
2018	120	290	3,400	-	-	6,149	9,549
2019	216	144	3,096	-	-	19,099	22,195
2020	216	144	3,096	14,125	-	8,375	25,596
2021	216	144	3,096	-	-	6,149	9,245
2022	270	180	3,870	-	-	8,873	12,743
2023	270	180	3,870	-	8,000	8,873	20,743
2024	195	432	5,211	-	-	10,673	15,884
2025	-	432	3,456	12,401	-	11,273	27,130
2026	-	432	3,456	-	-	8,873	12,329
2027	-	432	3,456	-	7,000	8,873	19,329
2028	-	432	3,456	-	-	9,760	13,216
2029	-	432	3,456	-	-	9,760	13,216
2030	-	432	3,456	10,085	7,000	9,760	30,301
2031	-	432	3,456	-	-	13,792	17,248
2032	-	432	3,456	-	6,455	9,760	19,671
2033	-	432	3,456	-	-	10,647	14,103
2034	-	432	3,456	-	-	10,647	14,103
2035	-	432	3,456	-	-	10,647	14,103
2036	-	432	3,456	-	-	13,047	16,503
2037	-	432	3,456	-	-	10,647	14,103
2038	-	432	3,456	-	-	11,534	14,990
2039	-	432	3,456	-	-	11,534	14,990
2040	-	432	3,456	-	-	11,534	14,990
2041	-	432	3,456	-	-	11,534	14,990
2042	-	432	3,456	-	-	11,534	14,990
2043	-	432	3,456	-	-	12,422	15,878
2044	-	432	3,456	-	-	12,422	15,878
2045	-	432	3,456	-	-	12,422	15,878
2046	-	432	3,456	-	-	12,422	15,878
2047	-	432	3,456	-	-	12,422	15,878
2048	-	432	3,456	-	-	13,309	16,765
2049	-	182	1,456	-	-	13,309	14,765
2050	-	-	-	-	-	13,309	13,309
2051	-	-	-	-	-	13,309	13,309
2052	-	-	-	-	-	13,309	13,309
2053	-	-	-	-	-	13,309	13,309
2054	-	-	-	-	-	13,293	13,293
2055	-	-	-	-	-	7,649	7,649
2056	-	-	-	-	-	7,649	7,649
2057	-	-	-	-	-	7,649	7,649
2058	-	-	-	-	-	7,649	7,649
2059	-	-	-	-	-	7,649	7,649
2060	-	-	-	-	-	7,649	7,649
2061	-	-	-	-	-	7,649	7,649
2062	-	-	-	-	-	1,908	1,908
TOTAL	**4,273**	**14,493**	**154,401**	**42,399**	**46,498**	**661,690**	**904,988**

Chart 3 Projected Population Growth



Determination of Fees

Distribution of Project Costs

An Equivalent Dwelling Unit (EDU) ratio factor has been established for the purpose of appropriately allocating the cost of anticipated public facilities between the different land use classifications. EDU ratios have been calculated for each category of facility to be funded with FBA/DIF funds because the relationship between land use and the demand for different public facilities can vary substantially. The Single-Family Dwelling Unit (SFDU), equal to 9 daily trips, is the foundation for all other EDU ratios. Other land use classifications are assigned an EDU ratio proportionate to the respective impacts.

Cost Distribution – Transportation Facilities

Otay Mesa is currently generating approximately 203,000 ADTs, or 22% of its projected ADT count at community build-out. This Financing Plan includes several transportation projects that are needed to serve both existing and new development. Because these *newly included* transportation projects are in part needed to serve already-existing development in the community, only 78% of their cost is included in the basis for determining the amount of the FBA/DIF fee. In these instances, the balance of funding is unidentified and this circumstance is noted in the Funding Issues section of the applicable project sheets. Transportation facilities that are *continued* from the FY 2007 Financing Plan are included at 100% of cost, reflecting the circumstance that all (future and previous) development has and will contribute toward those *continuing* projects.

Cost Distribution - Park, Fire, and Police Facilities

With the exception of Project No. P-21, Hiking and Biking Trails Network,* all *newly included* Park, Fire, and Police Facilities in this Financing Plan are 100% attributable to new development. Accordingly, the full cost of those facilities is included in the FBA/DIF fee. Thus, because the need for these newly included facilities is solely attributable to new development, new development will be required to pay the entire cost of those facilities. The full cost of Park, Fire, and Police Facilities *continued* from the FY 2007 Financing Plan are also included in the FBA/DIF fee, reflecting the circumstance that all development (previous and future) has and will contribute toward those *continuing* projects.

* See Project Sheet OM P-21 for distribution of costs for the Hiking and Biking Trails Network

FBA/DIF Fee Schedule

The FBA/DIF Fee Schedule is determined using the development schedule, schedule of anticipated facility expenditures (in FY 2014 dollars), and projected annual interest and inflation rates. Fees are calculated to provide sufficient money to meet the scheduled direct payments for anticipated facilities provided from FBA/DIF funds.

The fees also consider the timing of credits and reimbursements to be paid to developers for FBA/DIF funded facilities. Due to inflation and changes in project scope, the cost for providing facilities is anticipated to increase over time. The fee schedule reflects the fee for each land use category during each fiscal year of anticipated future community development. The fee schedule through FY 2062 is shown in Table 2 (on page 10, and repeated on the inside back cover of this document).

Automatic Annual Increases

The Municipal Code provides for an annual adjustment of the FBA/DIF. The fee schedule reflects an inflation factor of 3.0% per year for FY 2015 through FY 2020 and 2.0% each year thereafter. This factor is used to provide automatic annual increases in the assessment rate, and is effective at the beginning of each fiscal year (July 1). The automatic increase provision is effective only until such time as the next financing plan update is approved by the City Council. The City of San Diego considers historic data when predicting the effect of inflation on construction project costs. The Los Angeles/San Diego Construction Cost Index (CCI) and the Consumer Price Index (CPI) for San Diego are the two indices used by the City while conducting a cash flow analysis. The indices are shown on page 14 as Table 3 and Table 4.

Cash Flow Analysis

The Otay Mesa cash flow shown on page 15, Table 5, presents an analysis of the FBA/DIF. For each fiscal year of development, the cash flow shows the difference between anticipated revenues and capital improvement expenditures inclusive of administrative costs.

Table 2 Otay Mesa FBA Rate Schedule

FISCAL YEAR	SINGLE FAMILY DUs	MULTI-FAMILY DUs	NON-RESIDENTIAL ADTs
2014	$33,907	$30,139	$556
2015	$34,924	$31,043	$572
2016	$35,972	$31,974	$589
2017	$37,051	$32,933	$607
2018	$38,163	$33,921	$625
2019	$39,308	$34,939	$644
2020	$40,487	$35,987	$663
2021	$41,297	$36,707	$676
2022	$42,123	$37,441	$690
2023	$42,965	$38,190	$704
2024	$43,824	$38,954	$718
2025	$44,700	$39,733	$732
2026	$45,594	$40,528	$747
2027	$46,506	$41,339	$762
2028	$47,436	$42,166	$777
2029	$48,385	$43,009	$793
2030	$49,353	$43,869	$809
2031	$50,340	$44,746	$825
2032	$51,347	$45,641	$842
2033	$52,374	$46,554	$859
2034	$53,421	$47,485	$876
2035	$54,489	$48,435	$894
2036	$55,579	$49,404	$912
2037	$56,691	$50,392	$930
2038	$57,825	$51,400	$949
2039	$58,982	$52,428	$968
2040	$60,162	$53,477	$987
2041	$61,365	$54,547	$1,007
2042	$62,592	$55,638	$1,027
2043	$63,844	$56,751	$1,048
2044	$65,121	$57,886	$1,069
2045	$66,423	$59,044	$1,090
2046	$67,751	$60,225	$1,112
2047	$69,106	$61,430	$1,134
2048	$70,488	$62,659	$1,157
2049	$71,898	$63,912	$1,180
2050	$73,336	$65,190	$1,204
2051	$74,803	$66,494	$1,228
2052	$76,299	$67,824	$1,253
2053	$77,825	$69,180	$1,278
2054	$79,382	$70,564	$1,304
2055	$80,970	$71,975	$1,330
2056	$82,589	$73,415	$1,357
2057	$84,241	$74,883	$1,384
2058	$85,926	$76,381	$1,412
2059	$87,645	$77,909	$1,440
2060	$89,398	$79,467	$1,469
2061	$91,186	$81,056	$1,498
2062	$93,010	$82,677	$1,528

FBA Assessments and DIF Property Listing

All development projects (construction permits) seeking to develop property in the Otay Mesa Area of Benefit are subject to either FBA or DIF. Development on parcels which have not previously paid FBA is generally subject to FBA. Development at the City's Brown Field Airport and development on parcels which have previously paid FBA is not subject to FBA, but is subject to DIF. The DIF is determined in the same manner as the FBA and the DIF is equal to the FBA.

FBA: An FBA Assessment Roll is prepared for Otay Mesa, and identifies the size, location, and anticipated land use of remaining, undeveloped assessed parcels. FBA liens are placed on undeveloped or under-developed parcels within the Area of Benefit that have not previously fully paid FBA, and the owner or developer is responsible to pay the fee that applies to the type and amount of development as it occurs.

DIF: A DIF Properties Listing is prepared for Otay Mesa, and identifies all of the parcels with a non-residential land use designation and which have already developed or paid an FBA. The property owners or developers who intensify development on these parcels will pay a DIF fee based upon the additional ADTs that will be generated by that development when applying Table 7 of the Trip Generation Manual of the Land Development Code, and as augmented in this PFFP on page 13.

FBA/DIF on residential development is based on the number and type of dwelling units anticipated. FBA/DIF on non-residential development is calculated based on the amount and type of development in accordance with land uses in the Community Plan (best and highest use), and on the anticipated number of ADTs that would be generated by that development. FBA and DIF assessments are calculated in the same manner and are equivalent assessments.

The FBA Assessment Roll and DIF Properties Listing include the Assessor Parcel Number (APN) and the anticipated type of Land Use. They do not include ADTs or specific dollar amounts because these vary depending upon the type and amount of development that actually occurs, and upon the ADT and FBA/DIF rates in effect when the assessments are paid. For the purpose of listing these properties in the FBA Assessment Roll, identification numbers have been assigned to each parcel, and the remaining list may appear non-sequential as a result of the omission of parcels after FBA is paid, ownership changes, or as parcels are subdivided. Information on ownership is based on County records, as shown on the last Recorded Assessment Roll, as otherwise known to the City Clerk, or by other means which the City Council finds reasonably available to apprise affected landowners of Council hearings. Regardless, both DIF and FBA are due for all new development as applicable, and in accordance with the Municipal Code.

A Resolution of Designation, when adopted by City Council, imposes the FBA in the form of a lien that is placed upon the undeveloped or underdeveloped portions of the

County Assessor parcels and final map properties within the Area of Benefit. Liens are not placed on DIF Assessments.

After City Council approves the Financing Plan and adopts the fee schedule, the maps, plats, and summary of the FBA Assessment Roll is delivered to the County Recorder for recordation. The current FBA assessment numerical list and map can be found starting on page 337. The current DIF assessment numerical list can be found starting on page 363.

Development Impact Fees

As the Otay Mesa community develops, an increasing amount of future development will occur on non-assessed properties. DIF are collected to mitigate the public facilities impacts of additional development of properties that do not otherwise have an FBA lien on their property. The same methodology is used to calculate a DIF that is applicable to new development within the community that is not otherwise required to pay the FBA. The City has determined that there is a reasonable relationship between the amount of the FBA and DIF and the public facilities burdens posed by new development.

Note: Development at the City-owned Brown Field Airport is not required to pay an FBA and therefore, will not have an FBA lien placed on the Brown Field Airport property. However, it is expected that currently anticipated development at the Brown Field Airport will be required to pay DIF, which is equal to the amount that it would otherwise be required to pay as FBA.

Collection of FBA/DIF Fees

FBA and DIF revenues will be placed into separate interest bearing special funds. These funds are used within the Otay Mesa community solely for those public facilities and administrative costs identified in the Financing Plan. Because of the more uncertain timing associated with future DIF revenues, DIF funds will be budgeted into CIP projects as revenues are received.

While assessments on parcels are based on best and highest anticipated land use, an individual owner or developer will pay a fee based upon the specific development being constructed. At the time the fee is due, FBA/DIF is calculated according to the FBA/DIF Fee Schedule in effect at the time the payment is made. ADT calculations are based on the amount and type of development, and current trip generation rates. The trip generation rates utilized to calculate fees are those as listed in the Land Development Code Trip Generation Manual, specifically Table 7 “Trip Generation Rates for Facilities Financing Purposes.” Table 7 of the Trip Generation Manual is augmented with the following trip generation rates unique to Otay Mesa, as follows:

OTAY MESA – SPECIFIC TRIP GENERATION RATES	
LAND USE *	**VEHICLE TRIP RATE**
Brown Field	14 ADTs per 1,000 sq. ft.
Cross Border Facility	72 ADTs per 1,000 sq. ft.
Truck / Trailer Parking	30 ADTs per acre
Truck Terminal	10 ADTs per 1,000 sq. ft.
Automobile Parking (unpaved)	400 ADTs per acre
Automobile Parking (paved)	600 ADTs per acre
Automobile Storage (operable)	20 ADTs per acre
Auto Auction Operations	13 ADTs per acre
Auto Salvage Operations	50 ADTs per acre
Institutional Uses	18 ADTs per 1,000 sq. ft.

* Rates for Brown Field and Cross Border Facility are based on respective traffic studies for those projects. The other rates in the table are as provided by the City's Traffic Forecasting and Mobility Section.

Consolidation of Funds

Originally, when the Otay Mesa FBA was established, two separate FBA funds were established (rather than the usual one fund per community) because it was anticipated that the residential development in the community would take place entirely in the western area of the community while the non-residential development was primarily located in the eastern area. The Community Plan now anticipates some residential development located in the eastern area, rendering the original purpose for separate (eastern/western) funds obsolete.

With this Financing Plan, the two community FBA funds are replaced with a single fund and, accordingly, only one cash flow is developed for the community. The existing FBA and DIF fund balances will be expended from the original funds they were deposited into, and toward the facilities for which they were collected as fully described in the prior financing plans.

Expenditures

Expenditures which may be applied against FBA/DIF funds include: direct payments for facility costs including administrative costs, and credits and cash reimbursement to developers for facilities provided pursuant to a Council-approved reimbursement agreement. Whether a developer or the FBA/DIF originally funds a facility, direct payments, credits, and cash reimbursements are all treated as expenses to the FBA/DIF funds. Pursuant to the terms of a reimbursement agreement with the City, a developer may be issued credits against its fees for expenditures related to providing facilities. Alternatively, an approved reimbursement agreement with the City may allow developer(s) cash reimbursement from FBA/DIF funds.

Table 3 Los Angeles/San Diego Construction Cost Index

As reported March 2013 by *Engineering News Record*

YEAR	CCI	% ANNUAL CHANGE
2000	7056	3.28%
2001	7073	0.24%
2002	7440	5.19%
2003	7572	1.77%
2004	7735	2.15%
2005	8234	6.45%
2006	8552	3.86%
2007	8873	3.75%
2008	9200	3.69%
2009	9799	6.51%
2010	9770	(0.3%)
2011	10035	2.72%
2012	10284	2.48%
2013	10284	0.0%

Table 4 San Diego Consumer Price Index

Reported August 2013

YEAR	CPI	% ANNUAL CHANGE
2000	179.8	4.72%
2001	190.1	5.73%
2002	195.7	2.95%
2003	203.8	4.14%
2004	211.4	3.73%
2005	218.3	3.26%
2006	226.7	3.85%
2007	231.9	2.29%
2008	242.4	4.55%
2009	240.9	-0.60%
2010	244.2	1.39%
2011	252.5	3.40%
2012	256.6	1.66%
2013	259.0	0.90%

Table 5 Otay Mesa Cash Flow

FY	SFDU	MFDU	BROWN FIELD ADTs	CROSS BORDER ADTs	NON-AIRPORT ADTs	COST/ SFDU	COST/ MFDU	COST/ NON-RESIDENTIAL ADT	DEPOSIT $ PLUS INTEREST	PLANNED CIP $ EXPENSES	NET BALANCE	FY
PRIOR	2,700	2,008	-	6,120	-	$27,707	$19,396	n/a	$0	$0	$0	PRIOR
2014	0	40	0	7,563	0	$33,907	$30,139	$556	$5,473,731	$250,000	$5,223,731	2014
2015	0	0	5,788	0	2,218	$34,924	$31,043	$572	$8,674,730	$8,390,226	$5,508,235	2015
2016	0	181	0	0	23,550	$35,972	$31,974	$589	$17,726,970	$5,961,590	$17,273,615	2016
2017	70	200	0	4,360	4,875	$37,051	$32,933	$607	$15,156,015	$19,908,518	$12,521,112	2017
2018	120	290	0	0	6,149	$38,163	$33,921	$625	$18,504,825	$23,871,550	$7,154,387	2018
2019	216	144	0	0	19,099	$39,308	$34,939	$644	$25,987,766	$26,935,938	$6,206,216	2019
2020	216	144	14,125	0	8,375	$40,487	$35,987	$663	$28,986,255	$30,038,069	$5,154,402	2020
2021	216	144	0	0	6,149	$41,297	$36,707	$676	$18,466,557	$18,358,649	$5,262,310	2021
2022	270	180	0	0	8,873	$42,123	$37,441	$690	$24,331,396	$25,143,113	$4,450,593	2022
2023	270	180	0	8,000	8,873	$42,965	$38,190	$704	$30,424,845	$32,122,714	$2,752,724	2023
2024	195	432	0	0	10,673	$43,824	$38,954	$718	$33,116,040	$30,641,622	$5,227,142	2024
2025	0	432	12,401	0	11,273	$44,700	$39,733	$732	$34,613,035	$33,072,432	$6,767,745	2025
2026	0	432	0	0	8,873	$45,594	$40,528	$747	$24,288,202	$22,514,259	$8,541,688	2026
2027	0	432	0	7,000	8,873	$46,506	$41,339	$762	$30,253,384	$17,123,233	$21,671,839	2027
2028	0	432	0	0	9,760	$47,436	$42,166	$777	$26,156,488	$33,625,979	$14,202,348	2028
2029	0	432	0	0	9,760	$48,385	$43,009	$793	$26,609,433	$25,871,565	$14,940,216	2029
2030	0	432	10,085	7,000	9,760	$49,353	$43,869	$809	$40,987,189	$38,872,841	$17,054,563	2030
2031	0	432	0	0	13,792	$50,340	$44,746	$825	$31,070,907	$28,756,262	$19,369,208	2031
2032	0	432	0	6,455	9,760	$51,347	$45,641	$842	$33,909,869	$18,300,592	$34,978,485	2032
2033	0	432	0	0	10,647	$52,374	$46,554	$859	$30,029,988	$22,289,068	$42,719,405	2033
2034	0	432	0	0	10,647	$53,421	$47,485	$876	$30,532,244	$46,525,302	$26,726,347	2034
2035	0	432	0	0	10,647	$54,489	$48,435	$894	$30,998,857	$28,524,910	$29,200,294	2035
2036	0	432	0	0	13,047	$55,579	$49,404	$912	$33,849,239	$31,164,051	$31,885,482	2036
2037	0	432	0	0	10,647	$56,691	$50,392	$930	$32,332,865	$29,594,867	$34,623,480	2037
2038	0	432	0	0	11,534	$57,825	$51,400	$949	$33,867,459	$31,095,117	$37,395,822	2038
2039	0	432	0	0	11,534	$58,982	$52,428	$968	$34,585,641	$31,837,545	$40,143,918	2039
2040	0	432	0	0	11,534	$60,162	$53,477	$987	$35,315,624	$32,267,400	$43,192,143	2040
2041	0	432	0	0	11,534	$61,365	$54,547	$1,007	$36,069,502	$32,992,378	$46,269,266	2041
2042	0	432	0	0	11,534	$62,592	$55,638	$1,027	$36,835,620	$33,467,628	$49,637,258	2042
2043	0	432	0	0	12,422	$63,844	$56,751	$1,048	$38,552,862	$35,455,011	$52,735,110	2043
2044	0	432	0	0	12,422	$65,121	$57,886	$1,069	$39,369,921	$35,844,543	$56,260,488	2044
2045	0	432	0	0	12,422	$66,423	$59,044	$1,090	$40,200,376	$36,757,331	$59,703,532	2045
2046	0	432	0	0	12,422	$67,751	$60,225	$1,112	$41,056,203	$37,225,511	$63,534,224	2046
2047	0	432	0	0	12,422	$69,106	$61,430	$1,134	$41,924,807	$38,242,327	$67,216,704	2047
2048	0	432	0	0	13,309	$70,488	$62,659	$1,157	$43,844,092	$39,877,850	$71,182,947	2048
2049	0	182	0	0	13,309	$71,898	$63,912	$1,180	$28,777,116	$26,357,211	$73,602,852	2049

FY	SFDU	MFDU	BROWN FIELD ADTs	CROSS BORDER ADTs	NON-AIRPORT ADTs	COST/ SFDU	COST/ MFDU	COST/ NON-RESIDENTIAL ADT	DEPOSIT $ PLUS INTEREST	PLANNED CIP $ EXPENSES	NET BALANCE	FY
2050	0	0	0	0	13,309	$73,336	$65,190	$1,204	$17,502,933	$16,070,053	$75,035,731	2050
2051	0	0	0	0	13,309	$74,803	$66,494	$1,228	$17,848,923	$16,612,066	$76,272,588	2051
2052	0	0	0	0	13,309	$76,299	$67,824	$1,253	$18,211,012	$16,494,259	$77,989,341	2052
2053	0	0	0	0	13,309	$77,825	$69,180	$1,278	$18,573,681	$17,283,194	$79,279,828	2053
2054	0	0	0	0	13,293	$79,382	$70,564	$1,304	$18,976,159	$12,478,328	$85,777,660	2054
2055	0	0	0	0	7,649	$80,970	$71,975	$1,330	$11,991,158	$788,031	$96,980,787	2055
2056	0	0	0	0	7,649	$82,589	$73,415	$1,357	$12,424,771	$803,792	$108,601,766	2056
2057	0	0	0	0	7,649	$84,241	$74,883	$1,384	$12,866,781	$819,867	$120,648,680	2057
2058	0	0	0	0	7,649	$85,926	$76,381	$1,412	$13,325,074	$836,265	$133,137,489	2058
2059	0	0	0	0	7,649	$87,645	$77,909	$1,440	$13,792,245	$852,990	$146,076,744	2059
2060	0	0	0	0	7,649	$89,398	$79,467	$1,469	$14,276,193	$870,050	$159,482,887	2060
2061	0	0	0	0	7,649	$91,186	$81,056	$1,498	$14,769,522	$887,451	$173,364,958	2061
2062	0	0	0	0	1,908	$93,010	$82,677	$1,528	$6,420,162	$905,200	$178,879,920	2062
TOTAL	**4,273**	**14,493**	**42,399**	**46,498**	**504,697**						**$178,879,920**	**TOTAL**

INFLATION RATE: 3.00% for FY 2014 - FY 2020, then 2.0%
INTEREST RATE: 2.50% for FY 2014 - FY 2020, then 2.0%

NOTE : VALUES ARE ROUNDED TO THE NEAREST DOLLAR.

Financing Strategies

Policy PF-A-3 (Public Facilities, Services and Safety Element) of the City of San Diego General Plan calls for the City to maintain an effective facilities financing program to ensure that impact of new development is mitigated through appropriate fees identified in financing plans; to ensure new development pays its proportional fair-share of public facilities costs; to evaluate and update financing plans when community plans are updated; and to include in the Financing Plans a variety of facilities to effectively and efficiently meet the needs of diverse communities.

Development impacts public facilities and services, including the water supply and distributions system, sanitary sewer system, streets, parks and open space. Anticipated public facility projects that benefit a population larger than the local/adjacent development can be financed by using the following methods:

Facilities Benefit Assessment (FBA)

Facilities Benefit Assessments are a method whereby the impact of new development upon the infrastructure needs of the community is determined, and a fee is developed and imposed on development to mitigate the impact of new development while following the procedures specified in San Diego Municipal Code Chapter 6, Article 1, Division 22 and the Mitigation Fee Act. FBAs cannot be used for demand resulting from existing development. A Facilities Benefit Assessment results in a lien being levied on each parcel of property located within the designated Area of Benefit. The liens ensure that assessments will be collected on each parcel as development occurs and will be renewed periodically with each update to the Financing Plan. The liens will be released following payment of the FBA.

Development Impact Fee (DIF)

Development Impact Fees are a method whereby the impact of new development upon the infrastructure needs of the community is determined, and a fee is developed and imposed on development to mitigate the impact of new development. Development Impact Fees cannot be used for demand resulting from existing development. Development Impact Fees are collected at the time of construction permit issuance. Funds collected are deposited in a special interest bearing account and can only be used for identified facilities serving the community in which they were collected. In FBA communities, DIF are applicable to all properties that have never been assessed or otherwise agreed to pay FBAs.

Assessment Districts

Special assessment district financing, such as the Municipal Improvement Acts of 1913/1915, may be used as a supplementary or alternative method of financing facilities such as streets, sidewalks, sewers, water lines, storm drains, and lighting facilities. Assessment districts may be beneficial in that they provide all of the funding needed for a particular public facility project in advance of the projected development activity. However, assessment districts also create a long-term encumbrance of the benefiting property and require that the funds be repaid over an extended period of time. Assessment districts also require the approval of at least 50% of the property owners, based on a ballot process with votes weighted in proportion to the assessment obligation in order to establish the district.

Community Facilities Districts (CFD)

State legislation, such as the Mello-Roos Act of 1982, has been enacted to provide a method of financing public facilities in new and developing areas. A Mello-Roos is also known as a Community Facilities District (CFD). The formation of such CFDs may be initiated by owner/developer petition. Mello-Roos districts also require approval by a two-thirds majority of the property owners in order to establish the district.

Further guidance on Assessment Districts and Community Facilities Districts within the City can be found in the City of San Diego Debt Policy, Appendix A, Special District Formation and Financing Policy.

Cost Reimbursement District (CRD)

Occasionally, a developer/subdivider is required to construct public improvements that are more than that which is required to support their individual property/development. A Cost Reimbursement District provides a mechanism by which the developer/subdivider may be reimbursed by the property owners who ultimately benefit from the improvement. Reimbursement is secured by a lien on the benefiting properties for a period of 20 years, with the lien due and payable upon recordation of a final map or issuance of a building permit, whichever occurs first.

Developer Construction

New development either constructs required facilities as a condition of subdivision or development approval or provides funds for its fair share of the costs of such facilities, with construction being performed by the City. Typically, these funds are collected as FBAs or DIFs. As an alternative to the payment of FBAs or DIFs, it may be feasible for developers to construct one or more of the needed public facilities in a turnkey basis. Under this arrangement, developers typically are compensated, either by cash or credit against fees otherwise due, for the work performed pursuant to the terms of a Council approved reimbursement agreement (Council Policy 800-12).

Development Agreement

A developer may enter into an agreement with the City, in which certain development rights are extended to the developer in exchange for certain extraordinary benefits given to the City.

Regional Transportation Congestion Improvement Program

Where appropriate, the City requires payment of a Regional Transportation Congestion Improvement Program (RTCIP) fee as originally adopted by City Council Resolution R-303554 on April 14, 2008. Development within Otay Mesa is currently not subject to payment of the RTCIP fee since new development pays FBA or DIF in an amount greater than the average RTCIP rate per residential unit.

Reimbursement Financing for Water and Sewer Facilities

This method of financing is outlined in Council Policy 400-07, and is commonly used when the first developer/subdivider in an area is required to construct the necessary water and sewer facilities for an entire developing area. These agreements are approved by City Council. Reimbursement to the first developer/subdivider can occur over a period of time as long as 20 years or until all of the subsequently developed lands have participated in the reimbursement, whichever occurs first.

State/Federal Funding

Certain public facilities may be determined to benefit a regional area that is larger than the community planning area. Such projects may be eligible to be funded by either the state and/or the federal government.

General Assumptions and Conditions

For the FBA and DIF methodologies, the following assumptions and conditions will be applied:

1. Except for those projects that are identified as FBA/DIF funded, developers will be required to provide facilities that are normally provided within the subdivision process as a condition of tentative subdivision map approval.

2. Non-residential land will be charged FBA/DIF for infrastructure, including transportation, fire, and utility facilities. However, developers of non-residential land will not be charged for park and recreation or library facilities because those facilities primarily serve the residential component of the Otay Mesa community. In the future, if a basis is developed for charging non-residential development for the cost of park and recreation and library facilities, an appropriate fair share may be evaluated.

3. Reviews may be performed to evaluate performance of the program and consider the continuing commitments related to the completion of needed facilities. Project costs and charges would be evaluated for all portions of the program.

4. The owner or developer shall pay the FBA and/or DIF as a condition of obtaining construction or building permits in accordance with the San Diego Municipal Code.

5. A developer, or group of developers, may propose to build or improve an FBA/DIF funded facility that is identified in the Capital Improvements Program. Upon City Council approval, the developer(s) may enter into an agreement to provide the facility in lieu of, or as credit against the payment of FBA/DIF, provided that adequate funds are available in the FBA/DIF fund. The amount and timing of the credit being sought by the developer(s) must coincide with the expenditure of funds depicted on the Financing Plan CIP sheet for the respective project.

   Should the approved, final cost of the facility exceed the amount of credit being sought by the developer(s), the developer(s) may be reimbursed from the FBA/DIF fund for the difference, subject to the terms of an approved reimbursement agreement and the availability of funds. If two developers are eligible for cash reimbursement during the same fiscal year, then the first reimbursement agreement to be approved by the City Council shall take precedence over subsequent reimbursement agreements.

6. As FBA and DIF are collected, they will be placed in separate City funds that provide interest earnings for the benefit of Otay Mesa.

7. The Development Schedule, shown on page 7 as Table 1, is an estimated schedule based on the latest information available at the time this Financing Plan was adopted. Future approvals and/or modifications of precise plans and/or discretionary permit applications may either increase or decrease the extent of development proposed within Otay Mesa.

8. Most public facilities anticipated in the Financing Plan are either "population based" or "transportation based." The estimated year in which funds are budgeted for a given project is not a binding commitment that the project will actually be constructed in that year. With each Financing Plan update, permit activity and population projections, coupled with additional traffic study information obtained since the last update, will be evaluated to determine the most appropriate year in which to budget the need for each remaining project. In addition, the City Council may amend this Financing Plan to add, delete, substitute, or modify a particular anticipated project to take into consideration unforeseen circumstance

9. Only those roadways that have been designed as circulation element roadways per the Otay Mesa Community Plan have been considered in this Financing Plan for funding with FBA/DIF funds. All other roadways located within Otay Mesa will be the direct responsibility of the developer/subdivider and are therefore not reflected in the FBA/DIF calculations.

10. Any project-specific community plan amendment may result in additional fees being charged on an ad hoc basis. Ad hoc fees may also be charged where it is determined necessary to ensure that development pays its fair share toward needed public improvements.