

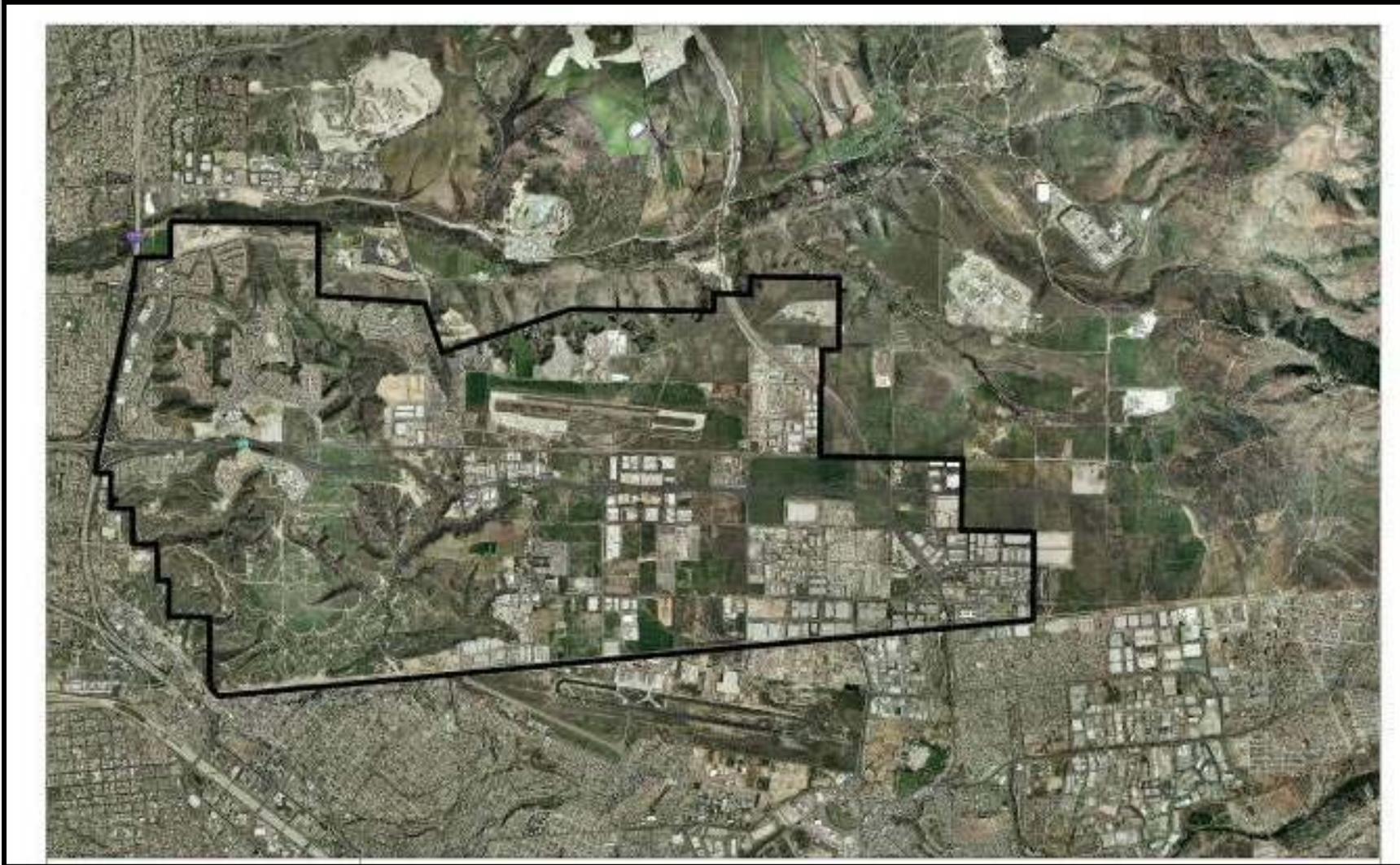
THE CITY OF SAN DIEGO

# OTAY MESA COMMUNITY PLAN UPDATE

**Planning Commission Workshop:  
Infrastructure Financing  
2 August 2007**



# Otay Mesa Planning Area

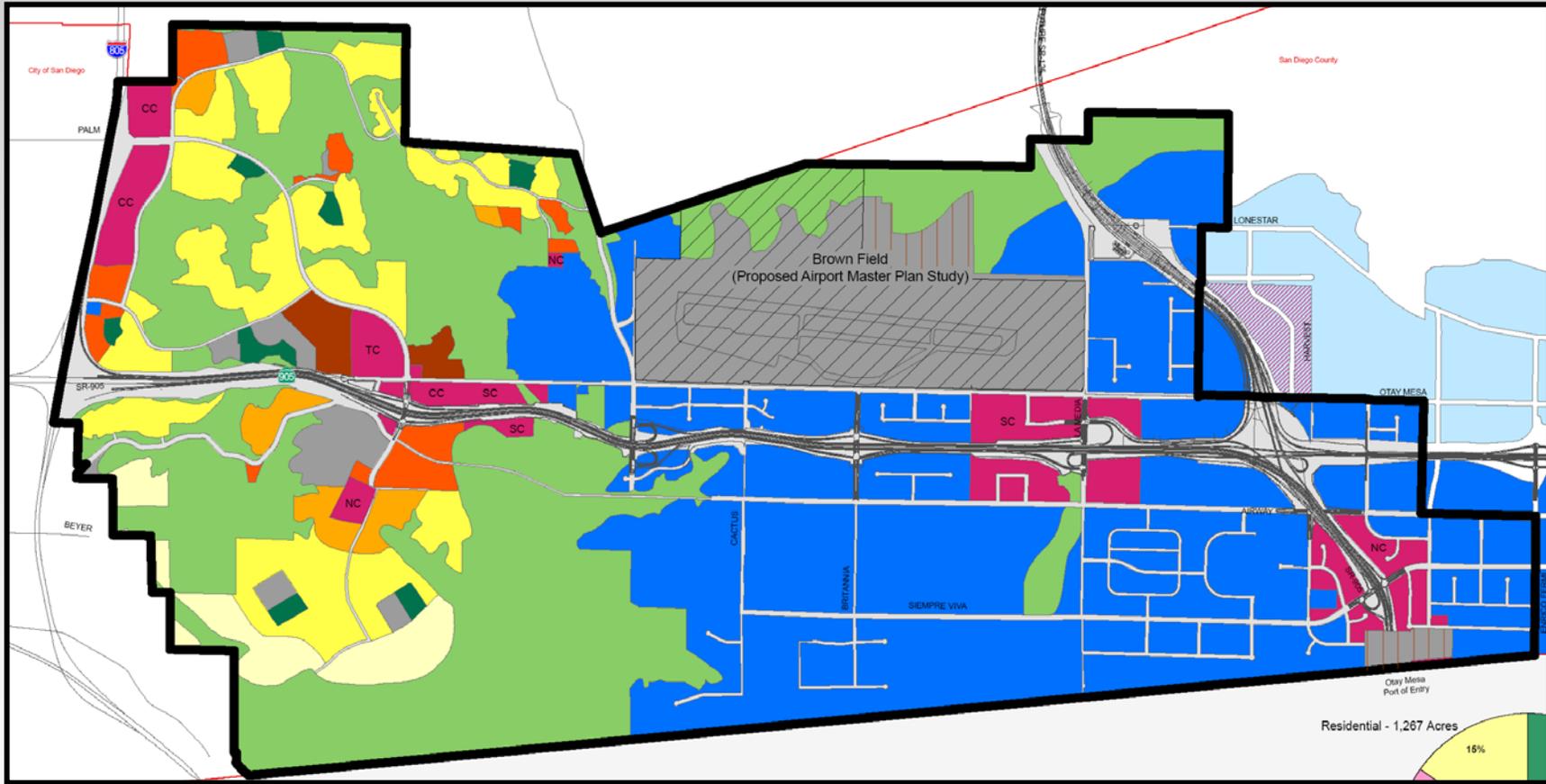


# Overview

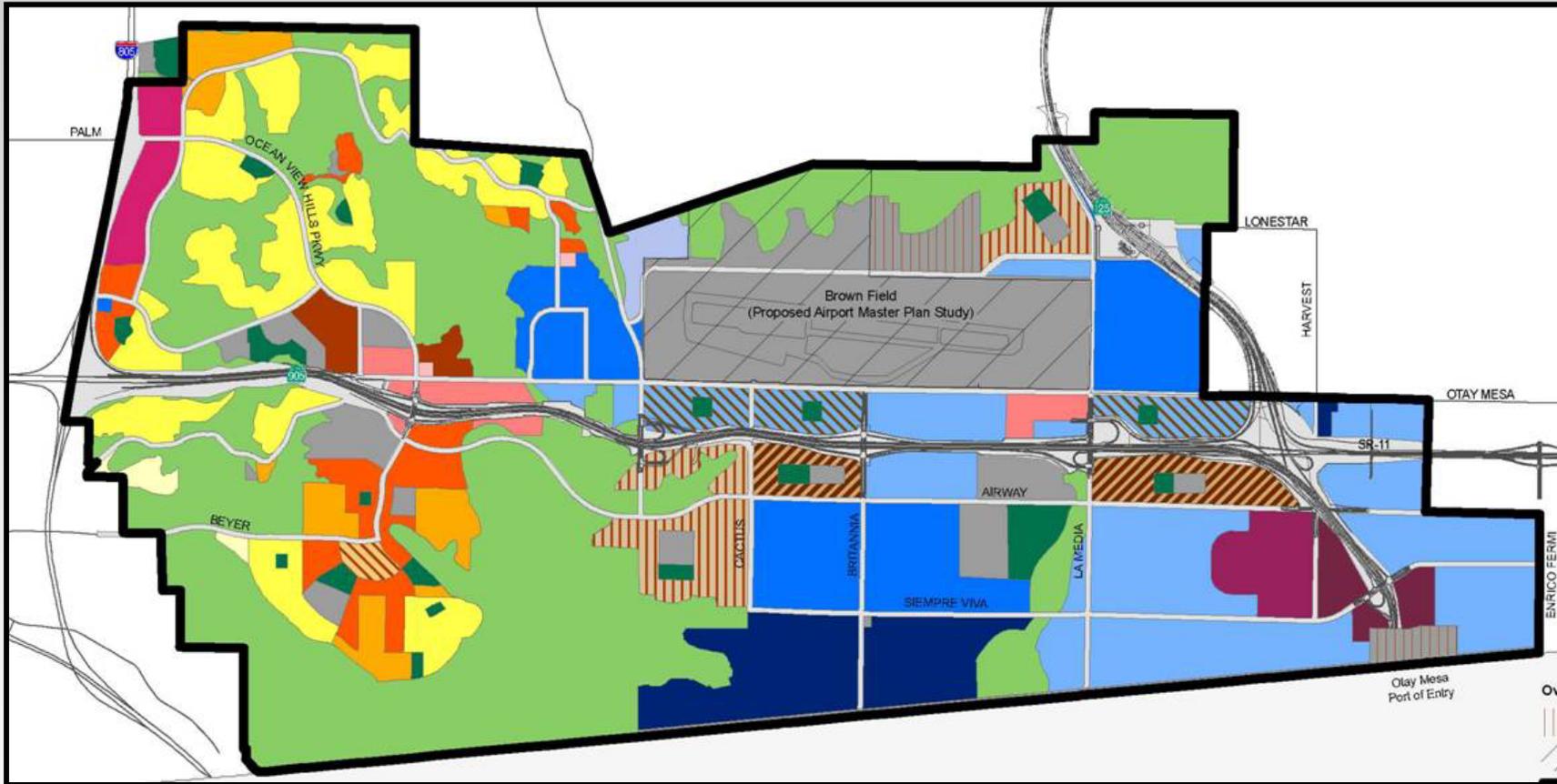
1. Introduction
2. Community Plan Update Status
3. Community Plans and Public Facilities Financing Plans (PFFP)
4. History of Otay Mesa PFFP
5. Cash Flow Modeling
6. Preliminary Costs/Ranges
7. Range Determination
8. Issues and Benefits
9. Next Steps
10. Planning Commission Discussion
11. Public Comment



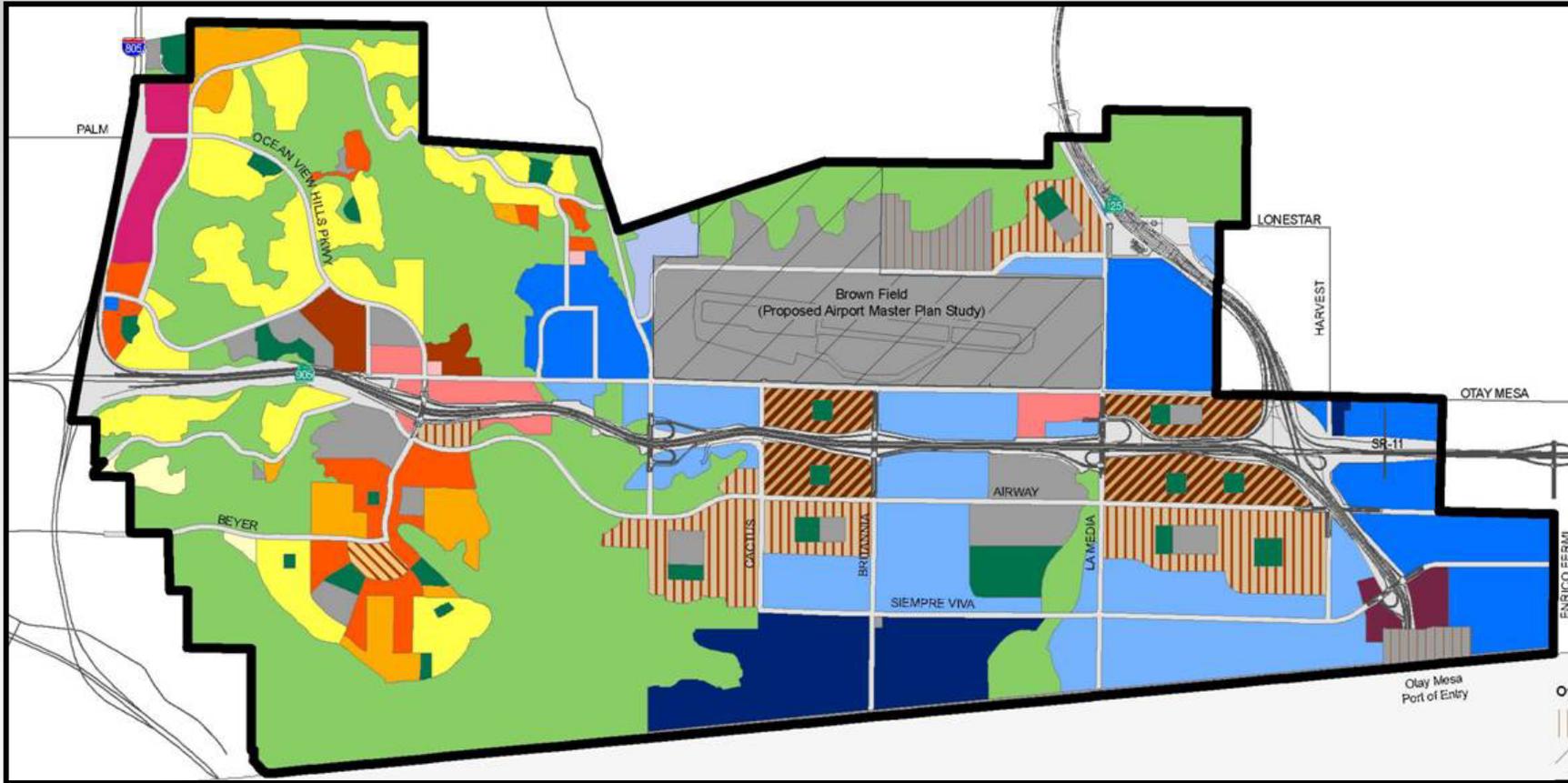
# No Project Alternative



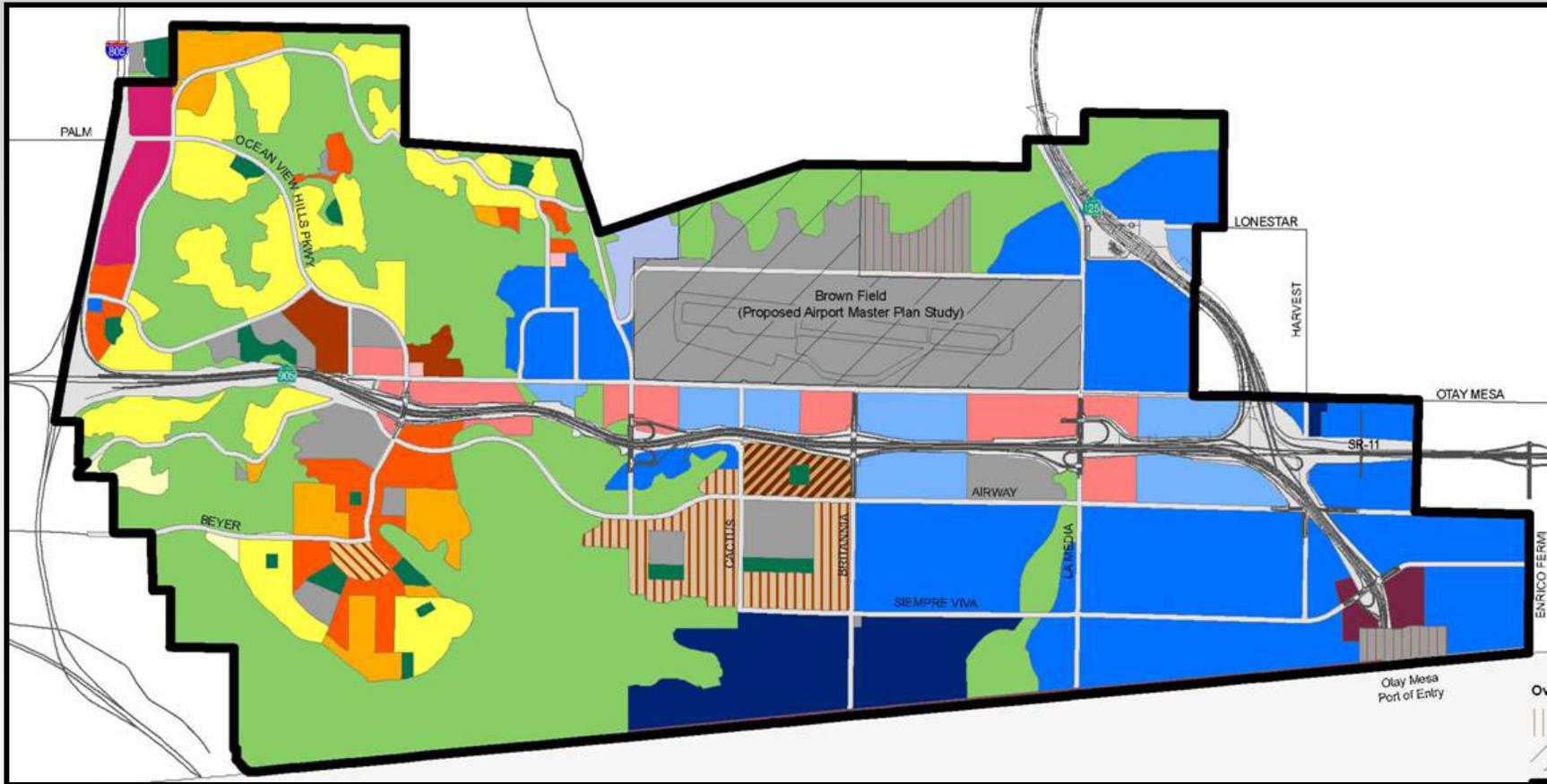
# Scenario #1



# Scenario #2



# Scenario #3



# Community Plan Update Status

- September 21, 2006 PC workshop
- Focused Workshops
  - Residential development opportunities  
December 7, 2006
  - Supply and demand of industrial lands  
18, 2007 January
  - Circulation and transportation issues  
17 and 31, 2007 May
  - **Infrastructure financing**  
**August 2, 2007**



# Public Facilities Financing Plan (PFFP)

- PFFP ensures timely financing of the facilities which are identified/required by the community plan
- Due to noticing requirements, Facilities Benefit Assessment (FBA) will be approved after adoption of the community plan

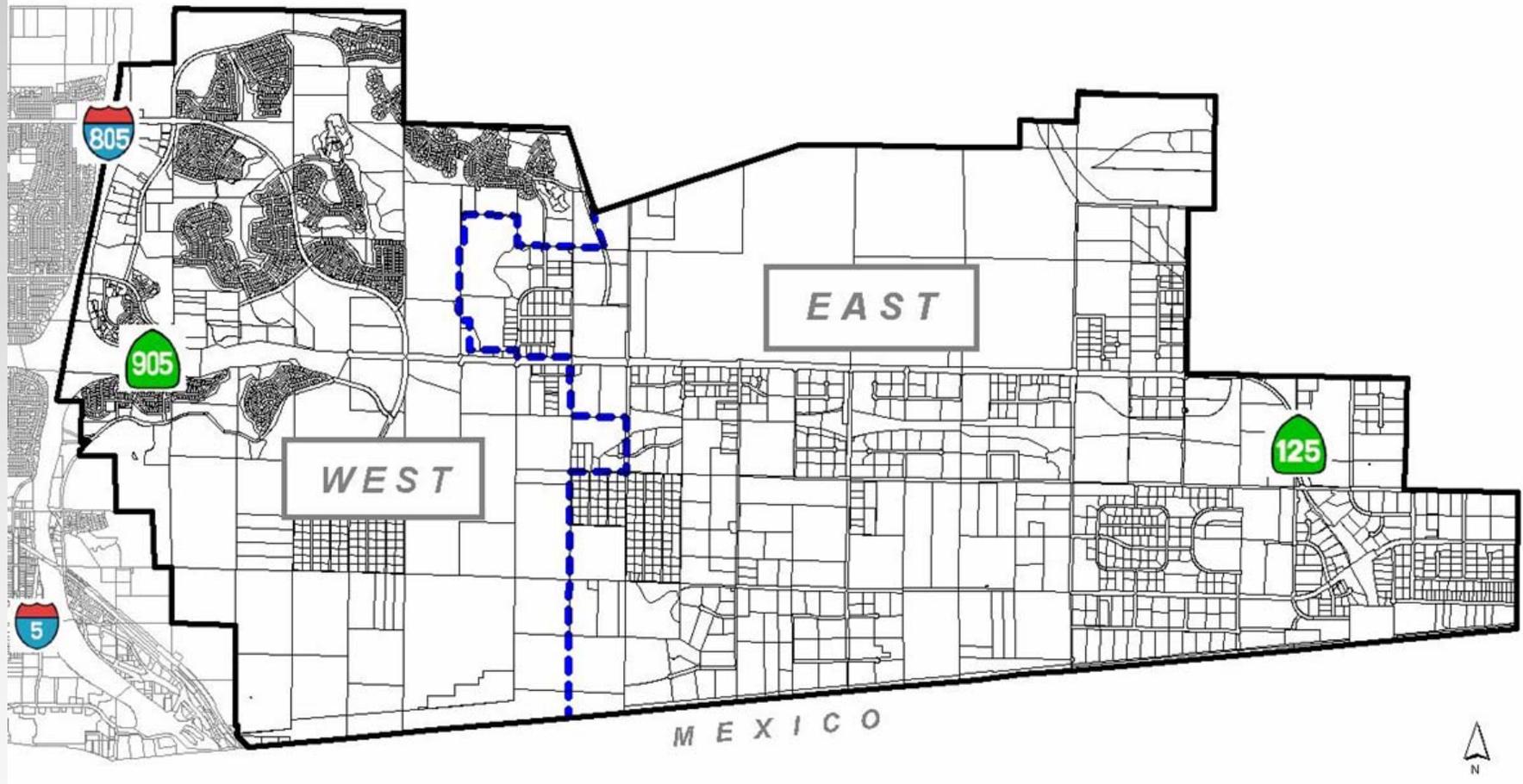


# History of Otay Mesa Financing Plan

- May 12, 1986  
Original Financing Plan
- June 23, 1994  
Update (east/west subareas)
- November 30, 1999  
First FBA (FY 2000)
- November 13, 2006  
Current Plan approved



# East/West Subareas

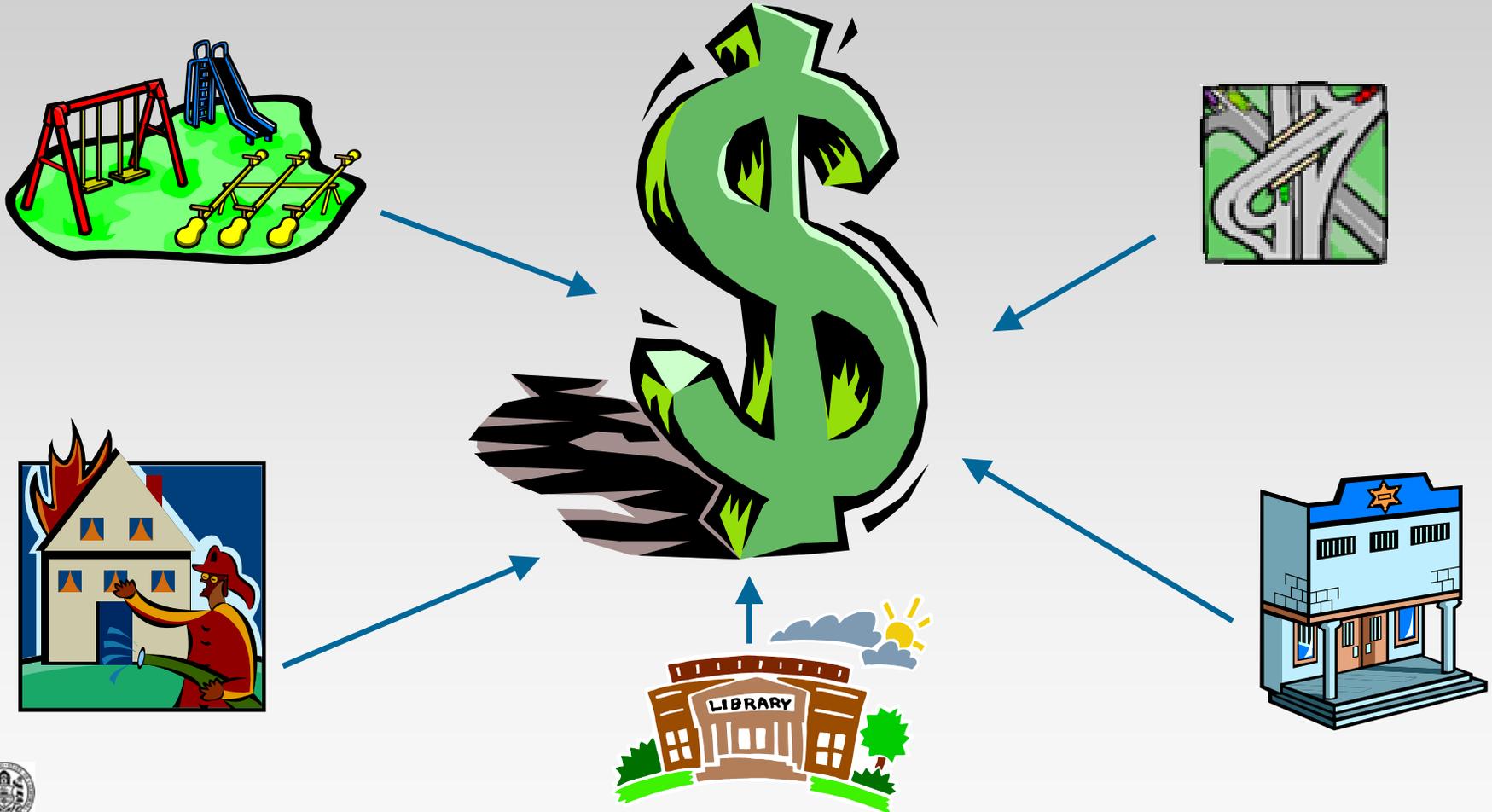


# Cashflow Modeling



# Cashflow Modeling

## Cost of All Public Facilities



# Preliminary Total Cost of New Facilities

## Scenario 2

■ Transportation	\$436
■ Fire	\$22
■ Police	\$16.5
■ Library	\$28
■ Park and Rec.	\$221
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TOTAL	\$723.5

## Scenario 3

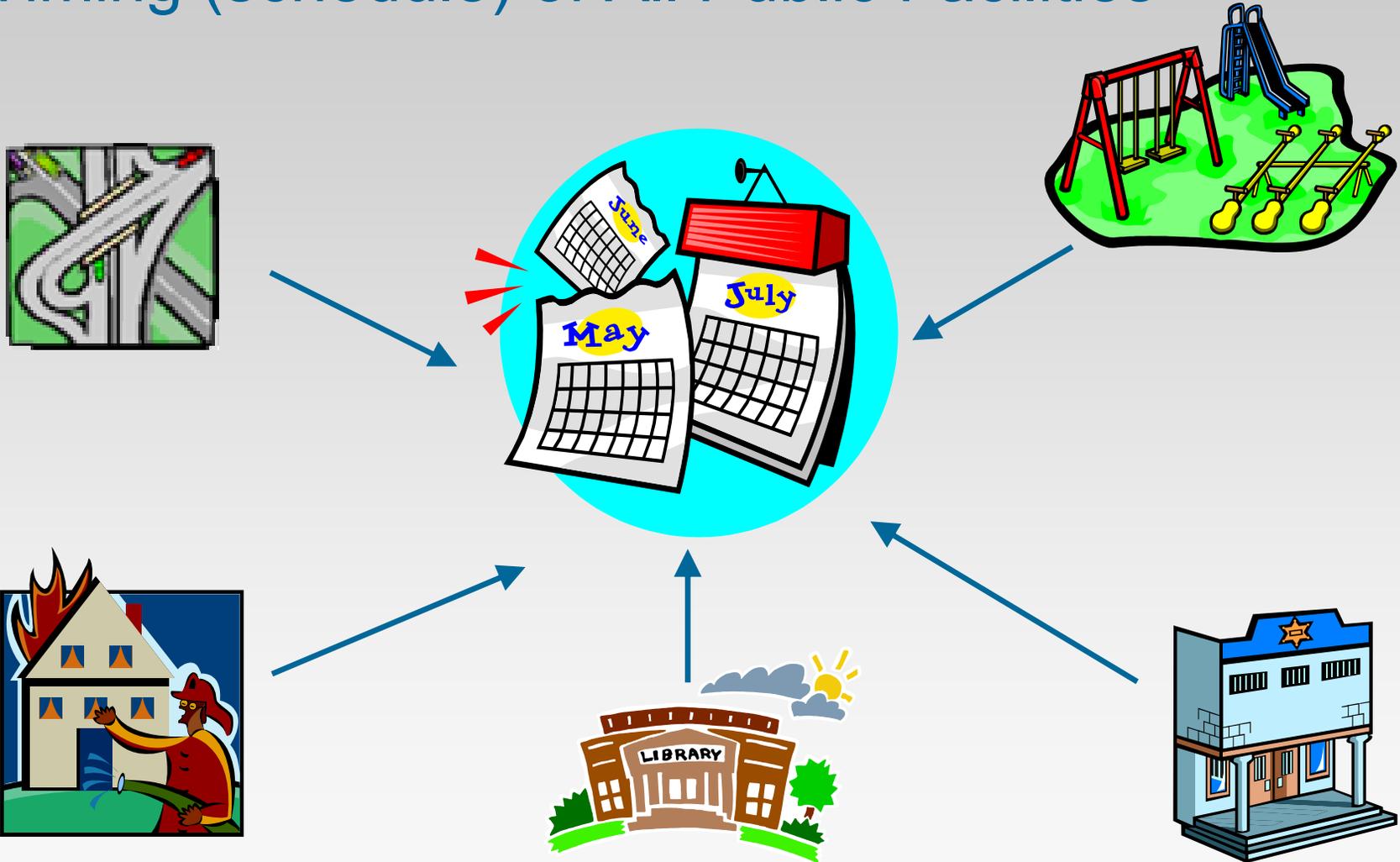
■ Transportation	\$436
■ Fire	\$22
■ Police	\$16.5
■ Library	\$28
■ Park and Rec.	\$127
<hr/>	
TOTAL	\$629.5

\$ = Millions



# Cashflow Modeling

## Timing (schedule) of All Public Facilities



# Timing Considerations

- Determination of the required FBA to fund all facilities through full community development.
- Transportation Phasing Plan (TPP)
  - Average daily trips (ADTs)
  - I-905
  - Other required roads and associated ADT thresholds
- Population per household
  - Population based facilities (parks and recreation)
- Timing for Service facilities (fire, police, library)



# Cashflow Modeling



**FBA assessments are collected as building permits are issued.**



**FBA**



# Preliminary Modeling Results



## Scenario 2 Assessment

**\$30K-\$36K / Single Family Unit**

**\$76K-\$91K / Heavy Industrial Acre**

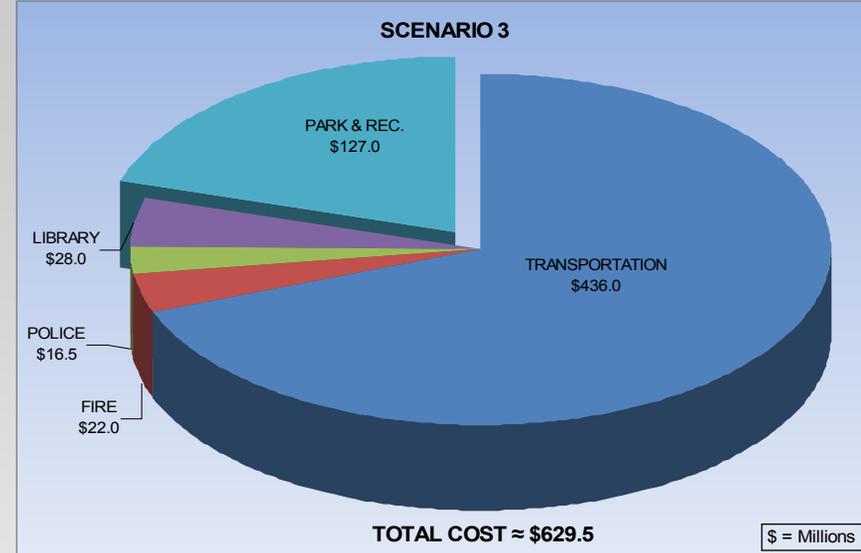
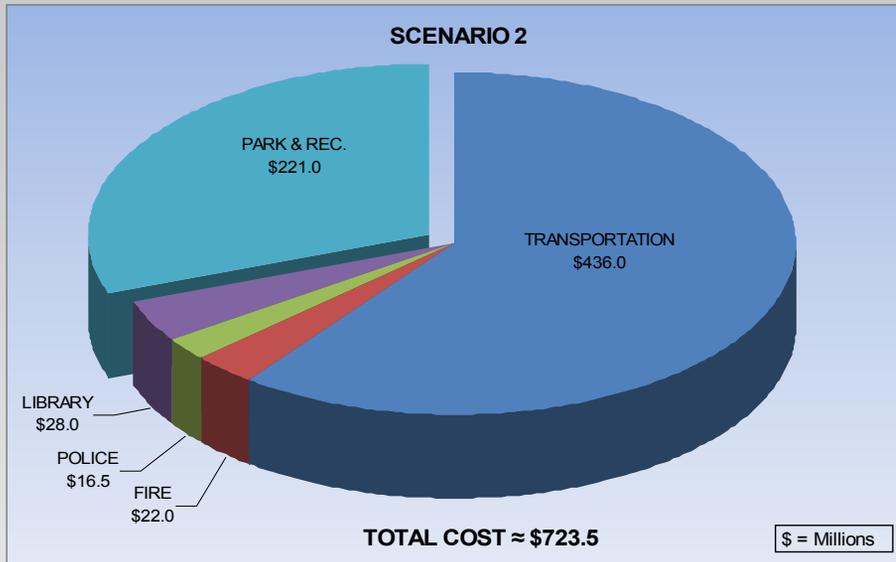
## Scenario 3 Assessment

**\$32K-\$38K / Single Family Unit**

**\$78.5K-\$93K / Heavy Industrial Acre**



# Preliminary Total Cost of New Facilities

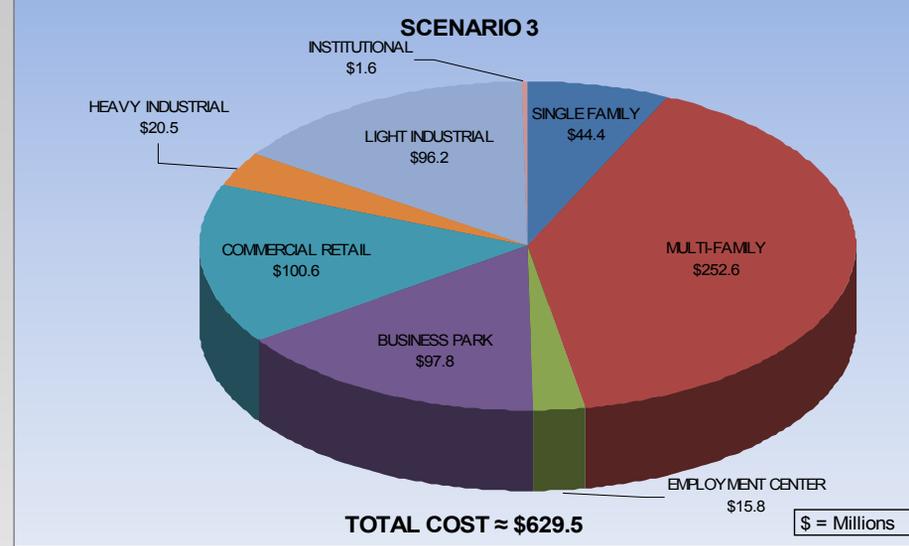
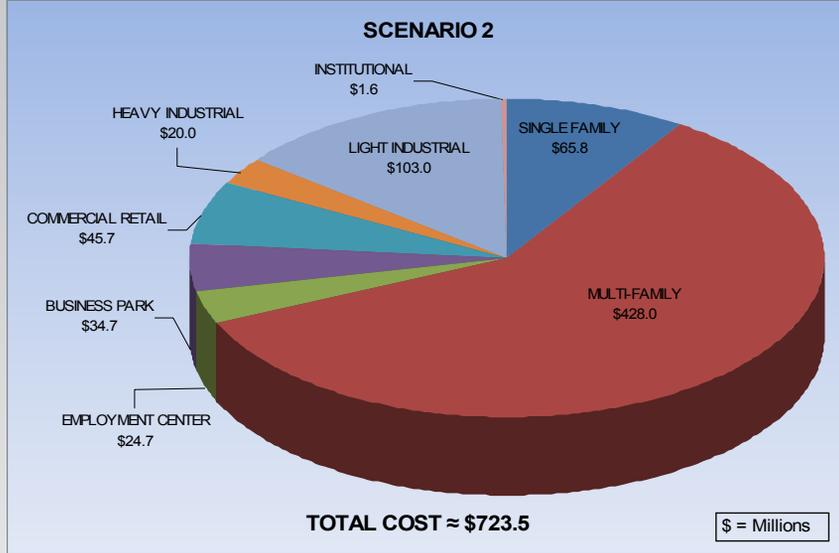


## Note:

- Scenario 3 requires approximately \$94M less in park and recreation facilities.



# Preliminary Total Cost of New Facilities



## Note:

- Reduction in residential units in Scenario 3 leads to a redistribution of ADTs into non-residential land uses.
- Redistribution of non-residential ADTs leads to a higher cost allocation to Commercial/Retail and Business Park land uses.



# Approximate FBA Range (Residential)

## Current FBA Assessment

Single Family: \$22,135/unit

Multi Family: \$15,495/unit

### Scenario 2

Single Family \$30,000 - \$36,000

Multi-Family \$21,000 - \$25,000

### Scenario 3

Single Family \$32,000 - \$38,000

Multi-Family \$22,500 - \$27,000

Scenario 3 requires approximately 6% higher FBA than Scenario 2.



# FBA Range Determination (Residential)

- Approximate FBA range results from:
  - Provision of a comprehensive and timely circulation network (additional \$270M)
  - Increased persons per household (SourcePoint)
  - Additional population based facilities (parks)
    - \$165M Scenario 2
    - \$71M Scenario 3
  - Commensurate level of safety/service facilities
  - Potential changes to project scope and/or costs



# Approximate FBA Range (Non-residential)

## Current Rate

Industrial: \$44,127/acre

Commercial: \$133,718/acre

## Scenario 2

Heavy Industrial \$76,000 - \$91,000

Light Industrial \$143,000 - \$170,000

Commercial \$480,000 - \$577,000

## Scenario 3

Heavy Industrial \$78,500 - \$93,000

Light Industrial \$145,500 - \$173,000

Commercial \$485,500 - \$577,000

Scenario 3 requires only a slightly higher FBA than Scenario 2 for non-residential land uses.

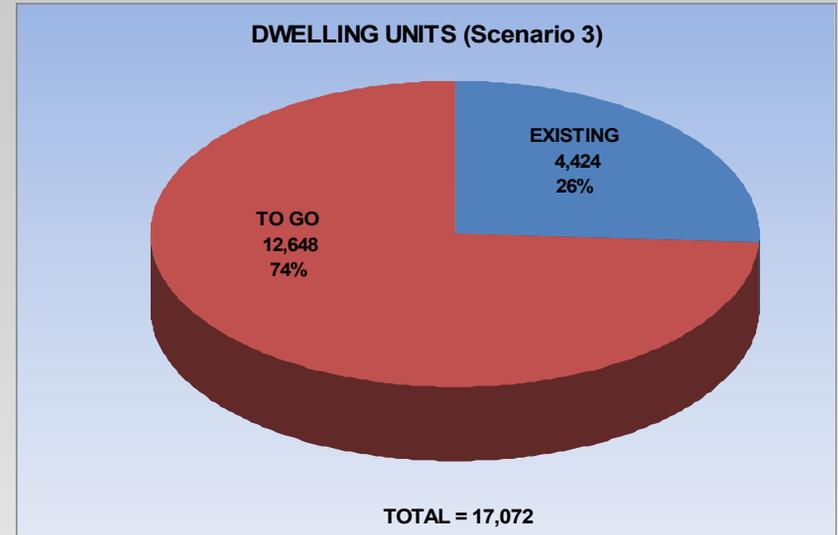
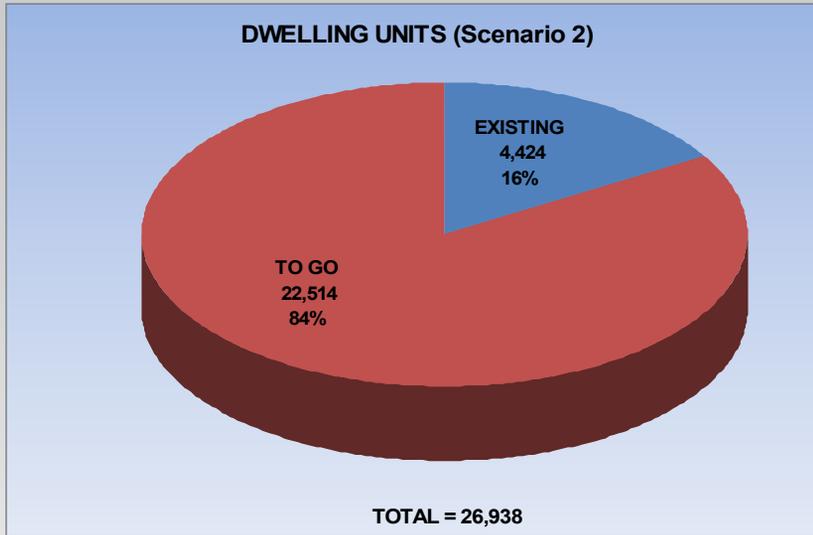


# FBA Range Determination (Non-residential)

- Approximate FBA range results from:
  - New land use designations increase potential non-residential intensity per acre
  - Provision of a comprehensive and timely circulation network (additional \$270M)
  - Commensurate level of safety/service facilities
  - Potential changes to project scope and/or costs



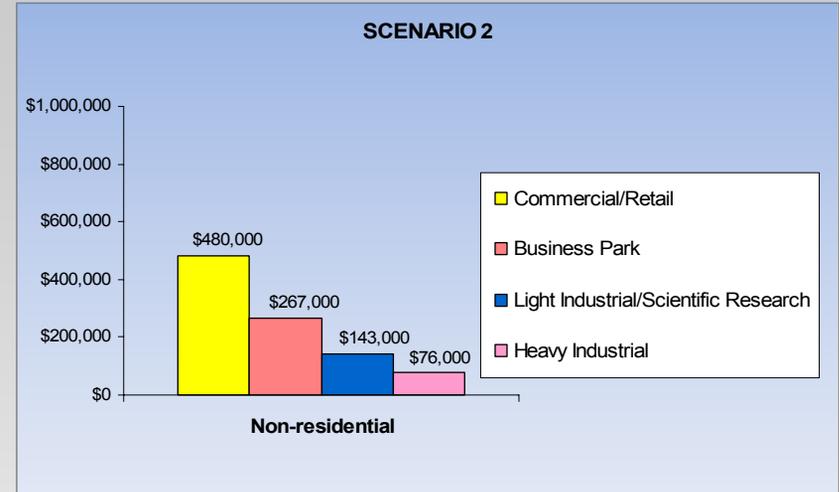
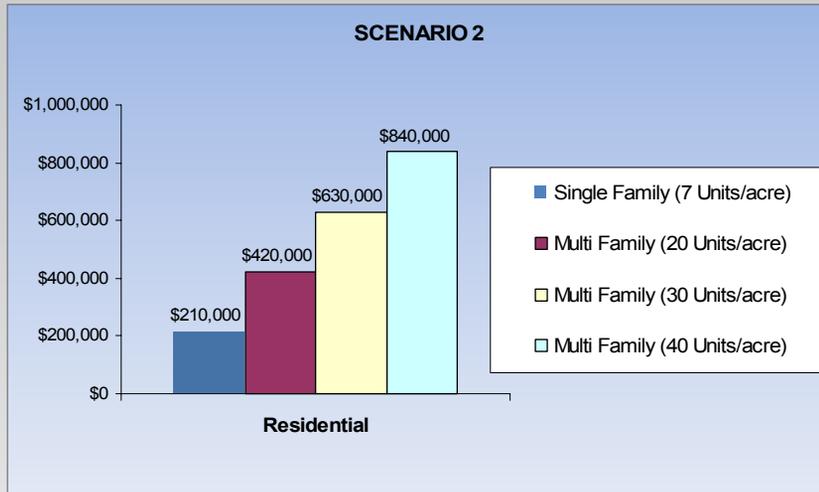
# Residential Comparison



- Scenario 3 begins closer to full residential development; 26% vs. 16% of total dwelling units.
- Scenario 3's fewer percentage of remaining residential units leads to a higher FBA.



# Comparison of Proposed FBA per Acre by Land Use



## Note:

- Residential development generates more FBA per acre, but requires more population based facilities.
- More FBA is generated as the intensity of use increases.



# Issues

- Existing rates address horizontal development
- Existing rates do not reflect the intensity of use
- Existing system provides piecemeal construction of road network
- Sewer and Drainage facilities are not financed with FBA



# Benefits

- Responsive to market
- Fees apply to a diverse profile for non-residential land uses
- Allows for intensification of use over time
- Alternative methodologies (acres vs. ADTs)
- Incorporation of subdivider exacted roads allows comprehensive construction of road network



# Next Steps

- Prepare and analyze staff recommended scenario
- Re-categorize existing development into new land use categories
- Verify existing and future ADTs to apply to the transportation phasing plan (TPP)
- Definitive calculations of EDUs for each land use category
- Ensure roads are programmed within the TPP
- Engineering and other servicing departments conduct detailed review of projects for scope and costs
- Revise or refine FBA assumptions
- Produce draft financing plan for each CPU alternative
- Finalize a draft plan based upon the updated Community Plan



# Conclusion

- Other policies and approaches to evaluate
- Coordination of provision of infrastructure needs with development
- Phasing impacts
- Evolution of densities/intensities with new land use designations



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Planning Commission Discussion

Public Comment

