

CITY OF CHULA VISTA
PEDESTRIAN BRIDGE DEVELOPMENT IMPACT FEE
REPORT FOR OTAY RANCH VILLAGE 2
June 2, 2015

Draft

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**CITY OF CHULA VISTA
PEDESTRIAN BRIDGE DEVELOPMENT IMPACT FEE REPORT**

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1. Background and Purpose of Report

The Pedestrian Bridge Development Impact Fee Report (“Report”) is being prepared at the request of Baldwin & Sons, LLC (“Baldwin”). In connection with developing residential and non-residential property in Village 2, the development within Village 2 is currently conditioned to construct two pedestrian bridges. The enactment of a pedestrian bridge development impact fee (“PBDIF”) has been determined to be the appropriate method of securing the funding for the bridges. Fees have already been collected from developed units which have been issued a building permit within neighborhoods of Village 2 and Village 6. One pedestrian bridge, the West Olympic Parkway Bridge has been completed and fully funded.

It is the City of Chula Vista’s (“City”) intent that the cost of the remaining bridge be shared among the various beneficiaries of such bridges. The purpose of the Report is to determine an appropriate pedestrian bridge development impact fee based on the cost of the pedestrian bridge, the area of benefit, the type of land use and its corresponding benefit. The bridge described in this Report is considered an additional facility need of the City arising as a result of new development. Government Code Section 66000 requires that a City establish a reasonable relationship or “nexus” between a development project or class of development project, and the public improvement for which a development impact fee is charged.

To meet the requirements of Government Code 66000, the Report must demonstrate compliance with the following items:

- Identify the purpose of the fee;
- Identify the use to which the fee will be put;
- Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed (i.e., a “type” nexus); and
- Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed (i.e., a “burden” nexus). In addition, when a city imposes a fee as a condition of development approval, it must determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of that facility attributable to the development on which the fee is imposed.

Government Code Section 66000 also requires that a public agency segregate and account for the fees received separate from the general fund. Additionally, if a public agency has had possession of a developer fee for five years or more and has not committed or expended the funds for a public facility, then the public agency must make a finding describing the continuing need for the fees each fiscal year after the five year period has expired.

2. Description of Pedestrian Bridges and Cost Estimate

The pedestrian bridge included within this Report is described as follows: (i) South La Media. The West Olympic Parkway Bridge which was part of the existing PBDIF has been completed and fully reimbursed. The East Olympic Parkway Bridge which was also part of the original PBDIF is completed and the constructed bridge has been reimbursed. The location of the bridge is depicted on the map attached to this Report as Exhibit 1. Also, included on the map in Exhibit 1 is the Village 1, 2, 5 and 6 pathway systems and its linkage with the pedestrian bridges described in this Report. A summary of the total estimated cost of constructing the remaining bridge, including soft costs, is summarized as follows:

South La Media Bridge Construction Costs	
Hard Costs:	
Construction Cost	\$ 1,600,000
Approach Ramps	200,000
Mobilization @ 10%	160,000
Contingency @ 25%	490,000
Total Hard Costs	\$ 2,450,000
Soft Costs:	
Design Cost	\$ 400,000
Construction & Special	
Inspection Cost @ 15%	367,500
Project Admin. (Audit) @ 2%	49,000
Program Admin. @ 5%	122,500
Contingency @ 10%	93,900
Total Soft Costs	\$ 1,032,900
Total Hard & Soft Cost	\$ 3,482,900

The preliminary cost estimate for the South La Media Bridge was prepared by Simon Wong Engineering. The West and East Olympic Parkway Bridges have been completed and final costs are assumed. Aesthetic features include columns and abutments with simulated stone fascia, rectangular columns with a 2-way taper, walkway accent lighting and concrete stain on exposed concrete surfaces. The South La Media Bridge is planned to be 17 feet wide with a 15 foot wide walkway, a total vertical clearance of 20 feet 6 inches, and 483 feet in length. A hard cost contingency factor of 25% has been applied to the South La Media Bridge.

The design cost includes the cost of preparing design-related plans, including the cost associated with checking and reviewing such plans. The construction and special inspection cost includes the City inspection cost and the cost of retaining an outside firm with special experience in bridge inspections. The project administration cost includes

the City's cost associated with verifying and auditing bridge expenditures and related documentation. The program administration cost includes the City's cost associated with monitoring and updating this fee program including, but not limited to, tracking building permits and changes in land use, collecting the fee, and revising cost estimates to ensure the adequacy of this fee program.

3. Area of Benefit

The Otay Ranch Villages 1, 2, 5 and 6 Sectional Planning Areas ("SPA's") Plan - Parks, Recreation, Open Space, and Trails Master Plan has been designed, in part, to promote the use of transit (bus and light rail), pedestrian and bicycle trails as alternatives to using an automobile to access the village core and to neighboring SPA's which will serve as the commercial hub for Villages 1, 2, 5 and 6. Village 1 and 5 have been developed with a village core and Village 2 is planned to contain village core land use components similar to Village 6. A map depicting the General Development Plan land uses, including the village core of Villages 1 and 5, Village 2 and Village 6 is enclosed in Exhibit 2. Pedestrian trails have also been designed to provide access to schools, parks, residential neighborhoods, and open space within villages, as well as between SPA's. The pedestrian bridges described in this Report are an integral part of the pedestrian trail system for the system to operate as designed.

The South La Media Bridge crosses La Media Road about equal distance between Olympic Parkway and Birch Road. This bridge serves to connect the pedestrian trail system in Village 6 to the planned pedestrian trail system in Village 2. Village 2 is also planned to have its own pedestrian trail system serving its village core, schools, parks, neighborhoods, and open space. Land within Villages 2 and 6 will benefit from the installation of this bridge primarily due to: (i) its location and proximity to the bridge, and (ii) its ease of access to the bridge based on the trail configuration.

A summary of the pedestrian bridge and the two areas of benefit ("AOB") based on the discussion above are as follows.

	South La Media Bridge
Village 2	AOB
Village 6	AOB

4. Development within the Area of Benefit

The property within the AOB described in this Report is in various stages of the entitlement process. Property within the AOB has development approvals ranging from General Plan Designation to completed homes. An "A" Map allows the transfer of ownership of individual neighborhood areas. A "B" Map functions as a final map and allows property owners to obtain building permits and create individual lots. The current entitlement status and land use for property within the AOB by ownership, is as follows:

- Village 6: This area is near complete and consists of 443 single-family units and 1,094 multi-family units, 13.1 acres of community purpose facility, and a 37.6 acre school site. Only 108 multi-family units remain to be permitted.
- Village 2: This area consists of 4,545 units. There are 1,116 single family homes, 2,991 multi-family homes, and 438 mixed use units.

The approved tentative tract map land uses for Village 2 for residential dwelling units and non-residential acres and the remaining units are described in greater detail in Exhibit 3. The land use assumptions in Exhibit 3 will serve as the basis for allocating the benefit of the remaining pedestrian bridges in determining the pedestrian bridge development impact fee in this Report.

The residential land uses within Village 2 will have different degrees of benefit from the installation of the pedestrian bridge. Residential units containing larger square footage will typically hold more people per household than the residential units containing smaller square footage. As such, residential units with a larger number of people per household will inure greater benefit from using the pedestrian trail system and its two bridges than residential units with a smaller number of people per household. The City utilizes people per household factors (“PPHF”) in determining the amount of parkland dedication required by new development projects pursuant to City Ordinance, Chapter 17.10, as modified and approved on November 12, 2002. The PPHF used in Chapter 17.10 can serve as a reasonable method of allocating the bridge benefit to different residential uses. Chapter 17.10.040 applies PPHF to the following residential uses:

Single Family Detached (“SFD”)	3.52 people per household
Multi Family (“MF”)	2.61 people per household

Chapter 17.10.040 also applies a factor of 1.50 persons per dwelling unit for hotel/motel land uses, however, this factor is not utilized herein as the pedestrian bridge cost is not allocated to commercial land uses as further described below.

For purposes of clarification and the ease of program administration, we have developed the following definitions for the above mentioned residential land use categories:

“SFD” means a single residential unit on a single assessor’s parcel in within a tract with a density of less than or equal to 8 residential units per acre.

“MF” means any residential unit within a tract with a density greater than 8 residential units per acre or any residential unit within a mixed-use project.

For purposes of allocating the bridge benefit to different types of residential uses, the PPHF’s described in the preceding table were used in this Report. Baldwin has provided or obtained from City data, as noted in Exhibit 3, utilized to estimate the residential product types anticipated to be developed for each planning area.

The non-residential property consisting of mixed use, community purpose facility, schools, and parks is considered to inure insignificant benefit from the installation of the

two bridges. A small number of employees related to the mixed use and community purpose facility uses may utilize the pedestrian trail system and its two bridges for fitness and recreation purposes during and after work hours, however the degree of this use and benefit inured to these types of properties is considered immaterial and insignificant. The school and park uses are designed to serve and accommodate the residential users in the villages. These land uses do not generate pedestrian trail users, instead their purpose is to serve or accommodate the residential users in the villages. As such, non-residential component of mixed use, community purpose facility, school and park uses within Village 2 are considered exempt from the pedestrian bridge fee obligation described in this Report.

5. Pedestrian Bridge Development Impact Fee Methodology

The Steps or methodology used to develop the pedestrian bridge development impact fee applicable to residential units within Village 2 and the 108 remaining units within Village 6 is as follows:

Step 1: Determine the total construction cost estimate for the remaining bridge.

Step 2: Determine the amount of available funds from the existing PBDIF.

Step 3: Subtract from the total construction cost estimate in Step 1 the available funds determined in Step 2 to determine the net bridge cost estimate allocable to Village 2.

Step 4: For the bridge and corresponding AOB, determine the total number of people per planning area by multiplying the actual and/or planned residential units within the planning area by the applicable PPHF.

Step 5: For the bridge and corresponding AOB, determine the total number of people within the AOB by summing the results of each planning area from Step 4.

Step 6: For the bridge and corresponding AOB, determine the bridge cost allocable to a planning area by multiplying the applicable bridge cost in Step 4 by the fraction obtained by dividing the total number of people per planning area as determined in Step 4 by the total number of people within the AOB as determined in Step 5.

Step 7: For the bridge and corresponding AOB, determine the applicable bridge cost per residential unit by dividing the bridge cost allocable to the planning area as determined in Step 6 by the actual and/or planned residential units within each planning area.

Exhibit 3 outlines on a detailed basis the methodology used to calculate the pedestrian bridge development impact fee applicable to residential units within Village 2.

6. Implementation of Pedestrian Bridge Development Impact Fee

The City Council may periodically review the adequacy of the pedestrian bridge development impact fee established in this Report and the attached Ordinance. The City Council, by resolution, may adjust the amount of this pedestrian bridge development impact fee, as necessary, to reflect changes in: (i) the Engineering News Record Construction Cost Index, (ii) the cost of the pedestrian bridges, and (iii) the land use assumptions used in this Report. The pedestrian bridge development impact fee is required to be paid upon the issuance of a building permit, or if a fee deferral program is in place, prior to final inspection by the City of Chula Vista.

A developer may request authorization from the City to construct one or more of the pedestrian bridges. Upon application by a developer to construct a pedestrian bridge, an agreement shall be prepared for City Council action which contains at least the following information and requirements:

- a) A detailed description of the project, including a preliminary cost estimate;
- b) The developer shall: (i) prepare plans and specifications for approval by the City, (ii) secure and dedicate any right-of-way required for the project, (iii) secure all required permits, environmental clearances necessary for the construction of the project, (iv) provide performance bonds, and (v) pay all City fees and costs;
- c) The developer shall advance all necessary funds to construct the project. The City will not be responsible for any construction costs beyond those agreed to in advance by the City of beyond any change orders approved by the City;
- d) The developer shall secure at least three (3) qualified bids for the construction. Any extra work charges during construction shall be justified and documented;
- e) When all work has been completed to the satisfaction of the City, the developer shall submit verification to the City of payments made for the construction. The City Manager shall make the final determination on expenditures eligible for credit or cash reimbursement;
- f) The City shall inspect all construction and verify quantities, in accordance with the City and state code, to ensure the final improvement complies with all applicable standards and is constructed to the satisfaction of the City Engineer;
- g) The developer will receive a credit against the required development impact fees during the issuance of building permits for the proposed development. If the total construction cost amounts to more than the total required development impact fees, the developer will be paid the excess cash when funds are available as determined by the City Manager.

The revised ordinance attached herein as Exhibit 4 addresses, among other things, the developer construction of the pedestrian bridge, the pedestrian bridge development impact fee, the procedure for waiver or reduction of the development impact fee, and exemptions. With the adoption of the pedestrian bridge development impact fee, the following development impact fees identified in Exhibit 4 would apply.

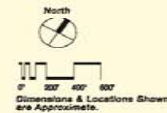
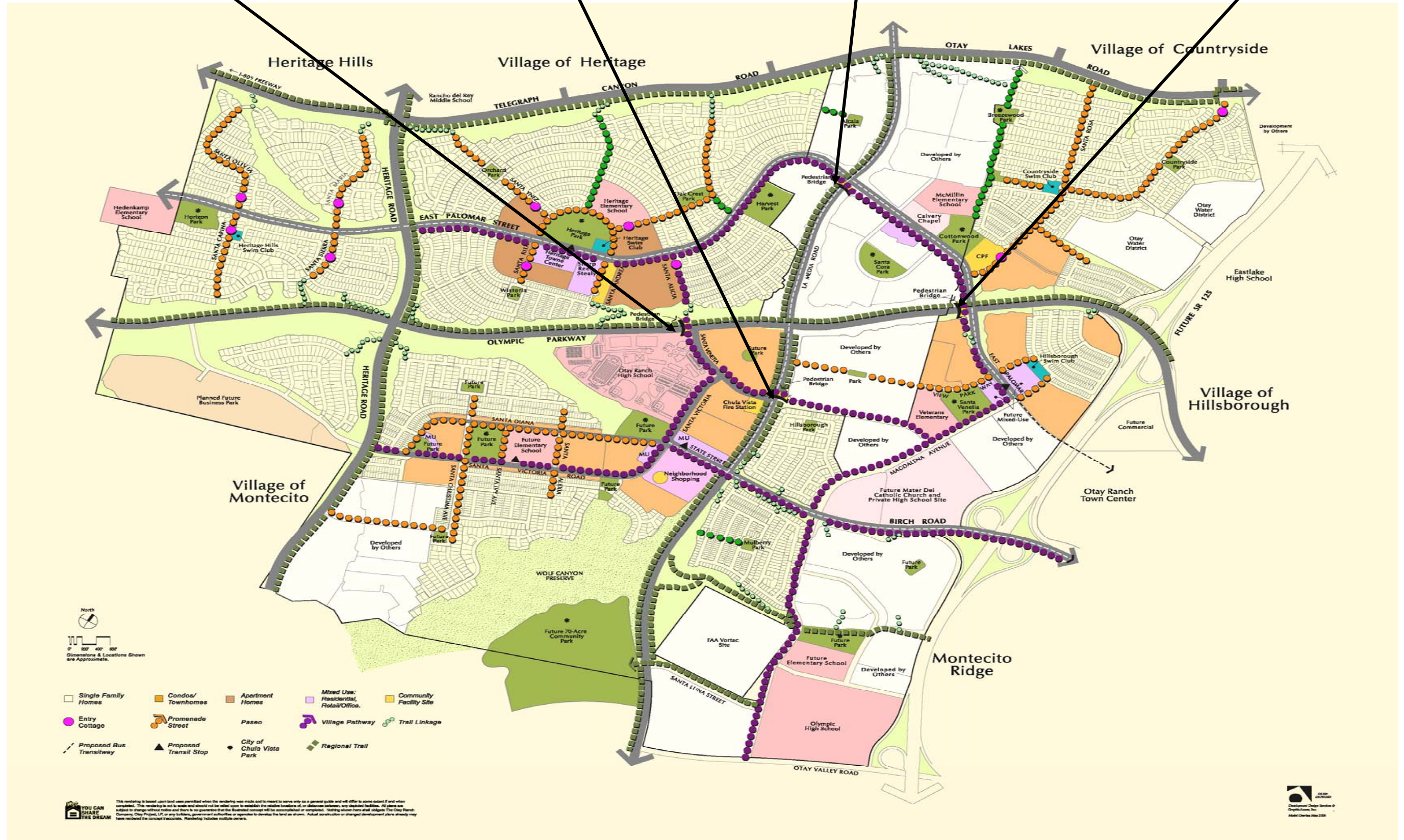
EXHIBIT 1 PEDESTRIAN BRIDGE DEVELOPMENT IMPACT FEE REPORT MAP OF PEDESTRIAN BRIDGE LOCATIONS

West Olympic Parkway Bridge

South La Media Bridge

North La Media Bridge

East Olympic Parkway Bridge



- | | | | | |
|-------------------------|-----------------------|--------------------------|---------------------------------------|-------------------------|
| Single Family Homes | Condos/Townhomes | Apartment Homes | Mixed Use: Residential, Retail/Office | Community Facility Site |
| Entry Cottage | Promenade Street | Paseo | Village Pathway | Trail Linkage |
| Proposed Bus Transitway | Proposed Transit Stop | City of Chula Vista Park | Regional Trail | |

This map is for informational purposes only. It is not intended to be used as a legal document. The City of Chula Vista reserves the right to change the map at any time without notice. All dimensions and locations shown are approximate. © 2018 City of Chula Vista. All rights reserved.



EXHIBIT 3

SUMMARY OF PEDESTRIAN BRIDGE DEVELOPMENT

IMPACT FEE PER UNIT

	<u>South La Media Bridge</u>
Village Two:	
SFD - Fee per Unit	<u>\$ 843.83</u>
MF - Fee per Unit	<u>\$ 625.68</u>
Village Six:	
SFD - Fee per Unit	<u>\$ 843.83</u>
MF - Fee per Unit	<u>\$ 625.68</u>

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EXHIBIT 3

CALCULATION OF PEDESTRIAN BRIDGE DEVELOPMENT IMPACT FEE

SOUTH LA MEDIA BRIDGE

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Planning Area	Product Type	Remaining Units to Be Permitted	Persons per Household Factor (2)	Total No. of Persons per Household (1) * (2)	Cost per Planning Area	Cost per Unit (3)
Village Two:						
R-4	SFD	62	3.52	218.2	52,317	844
R-4A	SFD	111	3.52	390.7	93,665	844
R-4B	SFD	275	3.52	968.0	232,053	844
R-5A	SFD	-	3.52	0.0	N/A	N/A
R-5B	SFD	8	3.52	28.2	6,751	844
R-6	SFD	69	3.52	242.9	58,224	844
R-7	SFD	67	3.52	235.8	56,537	844
R-8A	SFD	-	3.52	0.0	N/A	N/A
R-8B/R-9B	SFD	37	3.52	130.2	31,222	844
R-8C	SFD	51	3.52	179.5	43,035	844
R-9A	SFD	33	3.52	116.2	27,846	844
R-10A	SFD	44	3.52	154.9	37,128	844
R-10B	SFD	39	3.52	137.3	32,909	844
R-11	SFD	152	3.52	535.0	128,262	844
R-12A	MF	300	2.61	783.0	187,704	626
R-12B	MF	300	2.61	783.0	187,704	626
R-13A	SFD	-	3.52	0.0	N/A	N/A
R-13B	SFD	-	3.52	0.0	N/A	N/A
R-14	MF	-	2.61	0.0	N/A	N/A
R-15A	MF	16	2.61	41.8	10,011	626
R-15B	MF	6	2.61	15.7	3,754	626
R-16A	MF	38	2.61	99.2	23,776	626
R-16B	MF	17	2.61	44.4	10,637	626
R-17	MF	44	2.61	114.8	27,530	626
R-17A	MF	34	2.61	88.7	21,273	626
R-17B	MF	95	2.61	248.0	59,440	626
R-18A-a	MF	38	2.61	99.2	23,776	626
R-18B-a	MF	43	2.61	112.2	26,904	626
R-18A-b	MF	24	2.61	62.6	15,016	626
R-18B-b	MF	5	2.61	13.1	3,128	626
R-19A	MF	50	2.61	130.5	31,284	626
R-19B	MF	39	2.61	101.8	24,402	626
R-20	MF	80	2.61	208.8	50,054	626
R-21A	MF	14	2.61	36.5	8,760	626
R-21B	MF	53	2.61	138.3	33,161	626
R-23	MF	93	2.61	242.7	58,188	626
R-24	MF	59	2.61	154.0	36,915	626
R-25A	MF	330	2.61	861.3	206,474	626
R-27	MF	175	2.61	456.8	109,494	626
R-28	MF	96	2.61	250.6	60,065	626
R-29	MF	170	2.61	443.7	106,366	626
R-30	MF	-	2.61	0.0	N/A	N/A
MU-1	MF	38	2.61	99.2	23,776	626
MU-2	MF	50	2.61	130.5	31,284	626
MU-3	MF	90	2.61	234.9	56,311	626
C-1	MF	260	2.61	678.6	162,677	626
Subtotal		3,505		10,011	2,399,813	
Village Six:						
MU 1/CPF 1	MF	108	2.61	281.9	67,573	626
Total		3,613		10,293	\$ 2,467,386	

EXHIBIT 3

CITY OF CHULA VISTA

PEDESTRIAN BRIDGE COST ESTIMATE

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	<u>South La Media Bridge</u>	<u>West Olympic Pkwy Bridge (a)</u>	<u>East Olympic Pkwy Bridge (a)</u>	<u>Total</u>
Hard Costs:				
Construction Cost	\$ 1,600,000			
Approach Ramps	200,000			
Mobilization @ 10%	160,000			
Contingency @ 25%	490,000			
Total Hard Costs	<u>\$ 2,450,000</u>			
Soft Costs:				
Design Cost	\$ 400,000			
Construction & Special Inspection Cost @ 15%	367,500			
Project Admin. (Audit) @ 2%	49,000			
Program Admin. @ 5%	122,500			
Contingency @ 10%	93,900			
Total Soft Costs	<u>\$ 1,032,900</u>			
Total Hard & Soft Cost	<u>\$ 3,482,900</u>	<u>\$ 2,607,230</u>	<u>\$ 1,697,429</u>	<u>\$ 7,787,559</u>
Less: Funds Available for Bridge				
CFD 08-1	\$ -	\$ -	\$ (915,134)	\$ (915,134)
CFD 2001-2	-	-	(513,586)	(513,586)
CFD 99-1		(848,036)	-	(848,036)
Pedestrian Bridge DIF Fund	(1,015,514)	(1,759,194)	(268,709)	(3,043,417)
Remaining Bridge Cost	<u>\$ 2,467,386</u> (b)	<u>\$ -</u> (b)	<u>\$ -</u>	<u>\$ 2,467,386</u>

Footnotes:

(a) Based on actual costs incurred by The Otay Ranch Company to construct bridge.

(b) Village 2 to fund approximately one-half of the South La Media Bridge and the West Olympic Parkway Bridge.