

DRAFT
OTAY RANCH FREEWAY COMMERCIAL SPA PLAN
SUPPLEMENTAL
PUBLIC FACILITIES FINANCE PLAN

Otay Ranch Freeway Commercial SPA Plan PFFP
Approved by:
Chula Vista City Council
Date: April 1, 2003 Resolution 2003-132

Otay Ranch Freeway Commercial SPA Plan Amendment
Supplemental PFFP
Approved by:
Chula Vista City Council
Date: September 14, 2004 Resolution 2004-300

Otay Ranch Freeway Commercial SPA Plan Amendment
Supplemental PFFP
Approved by:
Chula Vista City Council
Date: _____, 2016, Resolution _____

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Prepared by:
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TABLE OF CONTENTS

EXECUTIVE SUMMARY4

GENERAL CONDITIONS7

II. INTRODUCTION.....8

 II.1. Background 8

 II.2. Purpose..... 9

 II.3. Assumptions..... 10

 II.4. Threshold Standards..... 12

 II.5. PFFP Boundaries 13

 II.6. Development Summary..... 13

 II.7. Project Phasing..... 18

 II.8. Development Impact Fees..... 23

III. FACILITY ANALYSIS25

**IV. PUBLIC FACILITIES THRESHOLD STANDARDS AND
INFRASTRUCTURE26**

 IV.1. Traffic 26

 IV.2. Police..... 37

 IV.3. Fire and Emergency Medical Services..... 42

 IV.4. Schools..... 45

 IV.5. Libraries 54

 IV.6. Parks, Trails and Open Space 59

 IV.7. Water..... 67

 IV.8. Sewer..... 79

 IV.9. Drainage..... 89

 IV.10. Air Quality 99

 IV.11. Civic Center/Corporation Yard/Other Public Facilities..... 102

 IV.12. Fiscal Analysis 104

 IV.13. Public Facilities Finance 116

APPENDIX A - FISCAL IMPACT ANALYSIS.....122

LIST OF EXHIBITS

Exhibit 1 Regional Vicinity Map..... 15

Exhibit 2 Location/SPA Boundaries..... 16

Exhibit 3 Aerial Photograph..... 17

Exhibit 4 Phasing..... 19

Exhibit 5 Site Utilization Plan..... 21

Exhibit 5A Conceptual Site Plan FC-2..... 22

Exhibit 6 Circulation 29

Exhibit 7 Transit 31

Exhibit 8 SB BRT Plan for Otay Ranch Town Center 32

Exhibit 9 SB BRT Plan between Otay Ranch Town Center and Magdalena Road..... 33

Exhibit	10	Pedestrian Circulation.....	34
Exhibit	11	Landscape Concept.....	66
Exhibit	12	Potable Water.....	77
Exhibit	13	Recycled Water.....	78
Exhibit	14	Poggi Interceptor Map.....	87
Exhibit	15	Sewer Plan.....	88
Exhibit	16	Drainage Plan.....	98

LIST OF TABLES

Table	A.1	Summary of Facilities.....	6
Table	A.2	Chula Vista Threshold Standards.....	12
Table	A.3	Land Use.....	13
Table	A.4	Phasing Plan Summary.....	18
Table	A.5	Chula Vista Five Year Growth Forecast.....	20
Table	A.6	TDIF Schedule East of I-805.....	23
Table	A.7	Estimated DIF Components.....	24
Table	B.1	Level of Analysis.....	25
Table	C.1	FC-2 Trip Generation.....	27
Table	C.2	Peak Hour Intersection LOS Results.....	28
Table	C.3	FC-2 Estimated TDIF Fees.....	35
Table	C.4	FC-2 Estimated Traffic Signal Fees.....	36
Table	D.1	Historic Response Times Priority I.....	38
Table	D.2	Historic Response Times Priority II.....	39
Table	D.3	Police Fees.....	40
Table	E.1	Current Fire Station Facilities.....	42
Table	E.2	Fire/EMS Response Times.....	43
Table	E.3	Fire/EMS Fee.....	44
Table	F.1	Chula Vista Elementary School District Enrollment vs. Capacity.....	47
Table	F.2	Sweetwater Union High School District Enrollment vs. Capacity.....	48
Table	F.3	Student Generation Rates.....	49
Table	F.4	Estimated Project Student Generation.....	50
Table	G.1	Existing Library Facilities.....	54
Table	G.2	Library Space Demand vs. Supply.....	56
Table	G.3	FC-2 Estimated Library Fee.....	56
Table	H.1	Quimby Act Parkland Requirements.....	60
Table	H.2	Parkland Dedication Ordinance Standards.....	61
Table	H.3	Preliminary Parkland Dedication Requirements.....	61
Table	H.4	Estimated Park Acreage Demand Compared to Supply East of I-805.....	61
Table	H.5	Park Acquisition and Development (PAD) Fees Development Component.....	63
Table	H.6	Public Facilities Fees For Recreation.....	64
Table	I.1	Average/Normal Water Year.....	70
Table	I.2	Single Dry Water Year.....	70
Table	I.3	FC-2 SPA Amendment.....	73
Table	I.4	FC-2 SPA Amendment Water Demand Summary.....	73
Table	I.5	FC-2 SPA Amendment Projected Recycled Water Demands.....	74
Table	J.1	FC-2 SPA Amendment.....	80
Table	J.2	Sewer Flow Summary.....	81

Table	J.3	Sewage Flow & Treatment Capacity	81
Table	J.4	FC-2 SPA Amendment Poggi Basin EDU Summary	82
Table	J.5	Estimated Poggi Canyon Basin Impact Fees	84
Table	J.6	Estimated Sewer Participation Fees.....	84
Table	J.7	Poggi Canyon Interceptor Sewer	86
Table	K.1	Site Runoff Flows – Interim Condition	92
Table	K.2	Site Runoff Flows – Ultimate Condition	92
Table	L.1	Civic Fees	102
Table	L.2	Corporation Yard Fees.....	102
Table	L.3	Public Facilities Fees	103
Table	M.1	Land Use Program	105
Table	M.2	Benchmark Retail Demand.....	106
Table	M.3	FC-2 Amendment Projected Absorption	108
Table	M.4	Approved FC-2 Projected Absorption	109
Table	M.5	FC-2 Amendment Fiscal Impact.....	111
Table	M.7	Approved FC SPA Fiscal Impact.....	113
Table	M.8	Annual Comparison of FC-2 Amendment to Approved FC SPA Plan.....	115

I. EXECUTIVE SUMMARY

The Otay Ranch Area 12 Freeway Commercial Sectional Planning Area (SPA) Plan project site currently consists of approximately 120-acres within two districts. The approximate 35-acre northern district is called Freeway Commercial North (FC-2) is graded but undeveloped. The southern approximate 85-acre district is called FC-1, which is developed with the approximately 860,000 square foot Otay Ranch Town Center Regional Shopping Center.

On April 1, 2003, the Chula Vista City Council adopted Resolution 2003-132, which approved the Otay Ranch Area 12 FC Sectional Planning Area (SPA) Plan including the Public Facilities Financing Plan (PFFP). An amendment to the SPA Plan and PFFP was approved by the City Council on September 14, 2004, by Resolution 2004-300. The Amendment was required due to project design changes by Corky McMillin Companies, applicant. The changes included reconfigured onsite roadways and transit line relocation to accommodate the Regional Shopping Center concept. The 2004 Freeway Commercial SPA Amendment included approximately 1.2 million square feet of commercial uses for the FC site and eliminated the Spine Road. The Spine Road connected FC-1 and FC-2 together and provided a connection between Olympic Parkway and Birch Road. The Spine Road (Town Center Road) was eliminated from FC-1 but the original alignment was retained for FC-2. An internal Ring Road was built for internal circulation for FC-1.

The Chula Vista City Council on June 16, 2015, approved two related FC-2 items. The first item was Resolution 2015-114, which approved amendments to the Chula Vista General Plan and the Otay Ranch General Development Plan that permits the proposed FC-2 mixed use. The second item was Ordinance 3345, which approved a Development Agreement between the City of Chula Vista and the Developer including their affiliates for the FC-2 site.

Baldwin & Sons, the current developer/owner of the FC-2 site, have proposed a transit supportive mixed-use project that would add up to 600 Multi-Family Residential Units, retain a minimum of 15,000 square feet of Commercial Retail, a new 2-acre urban park and two hotels with a minimum of 300 rooms. This Supplemental PFFP addresses the public facility needs associated with the Otay Ranch Planning Area 12 SPA Plan Amendment to accommodate the proposed FC-2 mixed-use project. The Supplemental PFFP has been prepared under the requirements of the City of Chula Vista's Growth Management Program and Chapter 9, Growth Management of the Otay Ranch GDP. The preparation of the Supplemental PFFP is required in conjunction with the preparation of the SPA Plan Amendment to ensure that the phased development of the project is consistent with the overall goals and policies of the City's GP, Growth Management Program, and the Otay Ranch GDP, which was adopted by the Chula Vista City Council on October 28, 1993, to ensure that the development of the project will not adversely impact the City's Quality of Life Standards. This Supplemental PFFP meets the policy objectives of the Otay Ranch GDP.

This Supplemental PFFP is based upon the phasing and project information that has been presented in the FC-2 SPA Plan Amendment draft dated January 19, 2016, and the supporting technical studies that have been submitted by the developer. These technical studies are referenced in subsequent sections of this Supplemental PFFP. This document begins by analyzing the existing demand for facilities based upon the demand from existing development and those projects with various entitlements through the year 2019, when the developer expect full build-out.

When specific thresholds are projected to be reached or exceeded based upon the analysis of the phased development of the FC-2 project, the Supplemental PFFP provides recommended mitigation necessary for the continued compliance with the Growth Management Program and Quality of Life Threshold Standards. The Supplemental PFFP may indicate that the development phasing should be limited or reduced until certain actions are taken to guarantee public facilities will be available or provided to meet the Quality of Life Threshold Standards.

A. Public Facility Cost and Fee Summary Freeway Commercial North SPA

The following discussion and table identify and summarize the various facility costs associated with development of the FC-2 mixed-use project. The facilities and their cost are identified in detail in subsequent sections of this document. The tables indicate a recommended financing alternative based upon current Chula Vista practices and policies. However, where another financing mechanism may be shown at a later date to be more effective, the City may implement such other mechanisms in accordance with City policies. This will allow the City maximum flexibility in determining the best use of public financing to fund public infrastructure improvements.

Otay Ranch PA12 Trip Generation Review – Revised by Chen Ryan Associates, dated March 28, 2016, concluded that the proposed FC-2 mixed-use project land use change would generate less daily and peak hour trips than the entitled land uses. Further, that the FC-2 Amendment would not result in additional traffic impacts. Therefore, no offsite public street improvement projects are anticipated. Public street improvement projects are eligible for funding through the City's Transportation Development Impact Fee (TDIF) program. In the event the developer constructs a TDIF improvement, the cost of the improvement shall be eligible for credit against TDIF fees pursuant to Municipal Code Section 3.54. Construction of non-TDIF eligible improvements is the responsibility of the developer.

The estimated TDIF Fees, including traffic signal fees are \$7,316,928. Funding alternatives for street improvements may be accomplished by one or more of the following:

- Payment of TDIF fees.
- Construction of improvements by developer with DIF credits towards building permits.
- Financing through assessment districts or Community Facility Districts.
- Expenditure of available DIF account funds.
- Construction of improvements by other developers.
- Federal Funds

Some off-site sewer, drainage and water facilities may be the responsibility of the developer if the facility is needed to support the proposed development. The estimated fees for the Poggi Canyon Basin Fee and the Sewerage Participation Fee is \$2,135,205.

The FC-2 Amendment project will trigger development impact fees for parks and libraries. The estimated Public Facilities Development Impact Fee (PFDIF) for the Library is \$972,200. The estimated Park Acquisition and Development (PAD) Fee is \$8,773,800. The Freeway Commercial project is within Mello-Roos Community Facilities District No. 1. All properties, including non-residential, are assessed a special tax to fully mitigate impacts on school facilities caused by residential development.

**Table A.1
Freeway Commercial Summary of Facilities¹**

Facility	Facility Description	Fee Estimate	DIF Program	Timing	Funding Source	Financing
Transportation	Transportation Facilities	\$7,094,962	Transportation Facilities in Eastern Territories	Pay prior to issuance of Building Permit	DIF const./exaction	Fee Program
	Traffic Signal	\$221,966	Traffic Signal Fee		DIF exaction	Fee Program
Subtotal		\$7,316,928				
Potable Water	980 Zone	To be Determined by OWD	City DIF fees do not apply to the OWD	Provide City Engineer OWD water availability letter and required improvements prior to approval of the Final Map.	OWD CIP Fees	Capacity Fees and Exactions
Recycled Water (If Required)	950 Zone	To be Determined by OWD	City DIF fees do not apply to the OWD		OWD CIP Fees	Capacity Fees and Exactions
Sewer	Connect to exist sewer	\$155,291	Poggi Canyon Basin Fee	Pay prior to issuance of Building Permit	DIF exaction	Fee Program
		\$1,979,914	Sewer Participation Fee ²		CIP/Development	Fee Program
Drainage	Connect to exist SD	N/A	DIF not required for Salt Creek	N/A	Developer funded	Exaction
Schools	No specific facility	N/A	School Fees	Provide documentation that school fees have been paid prior to issuance of Building Permit	Mello-Roos CFD	CFD
Parks	PAD Fees ³	\$8,032,800	PAD Fees	Prior to issuance of Bldg Permit	PAD Fees	Fee Program
Recreation	Pay PFDIF Fee	\$741,000	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Library	Pay PFDIF Fee	\$976,200	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Fire & EMS	Pay PFDIF Fee	\$641,852	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Police	Pay PFDIF Fee	\$1,169,758	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Civic	Pay PFDIF Fee	\$1,329,206	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Corporate Yard	Pay PFDIF Fee	\$275,221	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Administrative	Pay PFDIF Fee	\$364,661	Public Facilities DIF	Prior to issuance of Bldg Permit	SF/Com'l PFDIF	Fee Program
Subtotal		\$15,665,903				
Total		\$22,982,831				

¹ Fees presented in this table are estimates only. The actual fee will be calculated prior to building permit issuance.

² Multi-Family Residential units and Hotel units were calculated based on the FC-2 SPA SPA Amendment dated June 2015.

³ See Table H.5 in Section IV.6.8 for the details of the Park Acquisition and Development Fee.

Capital Facilities for police, fire and emergency medical services, civic center, corporation yard, and other city public facilities will be funded, in part, from revenues generated from the payment of Public Facilities Development Impact Fees (PFDIF) at building permit issuance. These fee revenues total approximately \$3,784,698 for the FC-2 Amendment.

Altogether, the City's estimated development impact fees by phase and facility for the FC-2 project total **\$22,982,831** as shown on the following Table A.1.

B. General Conditions for Supplemental PFFP

1. All development within the boundaries of the Supplemental PFFP for the Freeway Commercial North SPA Amendment shall conform to the provisions of Section 19.09 of the Chula Vista Municipal Code (Growth Management Ordinance) as may be amended from time to time and to the provisions and conditions of this Supplemental PFFP.
2. All new development within the boundaries of the Freeway Commercial North SPA shall be required to pay development impact fees, unless the developer has entered into a separate agreement with the City, for public facilities, transportation and other applicable fees pursuant to the most recently adopted program by the City Council, and as amended from time to time.
3. Approval of this Supplemental PFFP does not constitute prior environmental review for projects within the boundaries of this Plan. All future projects within the boundaries of this Supplemental PFFP shall undergo environmental review as determined appropriate by the City of Chula Vista.
4. Approval of this Supplemental PFFP does not constitute prior discretionary review or approval for projects within the boundaries of the Plan. All future projects within the boundaries of the Freeway Commercial North SPA Amendment shall undergo review in accordance with the Chula Vista Municipal Code. This Supplemental PFFP analyzes the maximum allowable development potential for planning purposes only. The approval of this plan does not guarantee specific development densities.
5. The facilities and phasing requirements identified in this Supplemental PFFP are based on the Freeway Commercial North SPA Plan Amendment, which assumes a mixed-use development on the northern district referred to as FC-2, which is currently vacant and consists of approximately 35 acres.
6. The Supplemental PFFP analysis is based upon the phasing presented in the SPA document. Any substantive changes to the phasing shall be accomplished pursuant to Municipal Code Section 19.09.100.

II. INTRODUCTION:

This Supplemental PFFP identifies each improvement needed to service the Freeway Commercial North project, with the appropriate funding sources.

The implementing actions covered by the PFFP are:

- Use of Public Financing Mechanisms where applicable.
- Construction of major streets, sewer, water and drainage facilities.
- Internal subdivision improvements pursuant to the Subdivision Map Act.
- Provision of other public facilities.
- Maintenance of certain facilities such as open space areas and street medians.

II.1. Background:

The Otay Ranch lies within the approximately 37,585-acre Eastern Territories Planning Area of the City of Chula Vista. Interstate 805 bounds this area on the west, San Miguel Mountain and State Route 54 on the north, the Otay Reservoirs and the Jamul foothills on the east, and the Otay River Valley on the south. The Otay Ranch Freeway Commercial North SPA project is located within the northern one-third of Planning Area 12. The Otay Ranch Freeway Commercial North SPA project is located in the eastern portion of the Otay Ranch GDP (see Exhibit 1).

The FC SPA project area consists of approximately 120 acres within two districts. The northern approximate 35-acres district is the FC-2 site that is the subject of this supplemental PFFP. The southern approximate 85-acre district is FC-1 is currently developed as the Otay Ranch Town Center Shopping Center. The FC SPA Plan approved a total of 1,215,000 square feet of commercial uses that included administrative and professional office services, general commercial uses, and public and semipublic uses. FC-1 was approved for 867,000 square feet of Freeway Commercial North uses while FC-2 was approved for 347,000 square feet of Freeway Commercial North uses. The approved project also included a light rail alignment or transit way and a station site for the San Diego Trolley accompanied by a park-and-ride facility. Subsequent to the original approval, the plan for the trolley was replaced with a plan for a Bus Rapid Transit line. Under the proposed SPA Plan Amendment, no changes to the FC-1 area are included. All proposed modifications would occur within the FC-2 portion of the site. Town Center Drive, a north-south oriented road, runs through the center of FC-2 to connect Olympic Parkway to FC-1

The environmental impacts of the FC SPA Plan were previously addressed in the *Final Environmental Impact Report for the Otay Ranch Freeway Commercial Sectional Planning Area 12, 2003, City of Chula Vista* (EIR). In May 2015, the City Council approved the General Plan and Otay Ranch GDP Amendments, as well as entitlements, for proposed FC-2 site modifications through approval of the First Addendum to the EIR. The First Addendum and the EIR are referred to collectively as the “FEIR.”

The *Second Addendum to the EIR Otay Ranch Freeway Commercial Sectional Planning Area (SPA) Plan Planning Area 12, June 1, 2016, City of Chula Vista* provides more specific project detail for the FC-2 SPA Plan Amendment, Tentative Map, and Freeway Commercial North Master Precise Plan. Specifically the Second Addendum addresses the proposed modifications

to the designations in the SPA Plan for the FC-2 site, which would allow for the construction of 600 multi-family residential units; a minimum of 15,000 square feet of commercial space within a mixed use format. Two hotels are proposed with a minimum of 300 rooms within a Marriot Residence Inn and a Marriot Courtyard. A highly amenitized 2-acre public park is included in the new FC-2 plan. Multi-Family residential uses would account for approximately 14.0 acres while the Mixed-Use units would account for approximately 10 acres. The proposed modification in land use requires an amendment to the Freeway Commercial SPA Plan and a new Tentative Map.

Commercial space under the proposed modifications would decrease on the overall site from the approved project as analyzed in the FEIR from 1,215,000 square feet to approximately 1,092,000 square feet. Between the hotels and the mixed use retail, approximately 225,000 square feet of the originally approved 347,000 square feet of commercial uses will still be utilized on the FC-2 Project site.

The FC-2 project area is east of the Hillsborough Neighborhood of Otay Ranch (Village 6 in the Otay Ranch GDP), which is separated by State Route-125. The Hillsborough Community is fully built out and includes the Mater Dei Catholic High School. North of the project area is the EastLake Greens neighborhood of the Eastlake I GDP. The neighboring EastLake Greens land use designation is FC and is built out with a Walmart, Home Depot and other commercial oriented stores. The Winding Walk Community (Village 11 in the Otay Ranch GDP) is located east of EastLake Parkway. Winding Walk is mostly built out. Located south of the FC-2 site is the aforementioned Otay Ranch Town Center Shopping Center.

Olympic Parkway defines the FC-2 northern boundary. Access to the FC-2 site is via Town Center Drive, a north-south street that intersects with Olympic Parkway. A freeway interchange at SR-125 and Olympic Parkway is adjacent the FC-2 site.

II.2. Purpose

The purpose of this document is to supplement the original 2003 Otay Ranch Freeway Commercial SPA PFFP, as amended, and applies only to Otay Ranch Freeway Commercial SPA Plan. Where this Supplemental PFFP conflicts with or requires more stringent standards than the approved Otay Ranch Freeway Commercial SPA PFFP, the requirements of this Supplemental PFFP shall apply. The purpose of all PFFPs in the City of Chula Vista is to implement the City's Growth Management Program and to meet the General Plan goals and objectives, specifically those of the Growth Management Element. The Growth Management Program ensures that development occurs only when the necessary public facilities and services exist or are provided concurrent with the demands of new development. The Growth Management Program requires a PFFP be prepared for every new development project which requires either SPA Plan or tentative map approval. Similarly, amendments to a SPA Plan require an amendment or a supplement to the PFFP.

In the City of Chula Vista, the PFFP is intended to ensure adequate levels of service are achieved for all public services and facilities impacted by a project. It is understood that assumed growth projections and related public facility needs are subject to a number of external factors, such as the local economy, the City's future land use approval decisions, etc. It is also understood the funding sources specified herein may change due to financing programs available in the future or requirements of either state or federal law. It is intended for revisions to cost estimates and funding programs be handled as administrative revisions, whereas

revisions to the facilities-driven growth phases are to be accomplished through an update process via an amendment to or a supplement to the PFFP.

II.3. Assumptions

A. Purpose

The purpose of this section is to quantify how the FC-2 project will be analyzed in relationship to all other projects, which are at some stage in the City's development process. The Growth Management Program addressed the issue of development phasing in relationship to location, timing, and fiscal/economic considerations.

Based upon the overall elements to be considered when projecting the phasing of development and policies contained in the Growth Management Program, the City forecasts where and when residential development will take place. This forecast is updated annually and is referred to as the Annual Residential Growth Forecast. The September 22, 2014, forecast is summarized on Table A.5.

The specific factors that affect the development-phasing forecast include the status of development approvals, binding development agreements and specific road and intersection improvements. These components were reviewed as part of this PFFP in conjunction with the requirement to provide facilities and services, concurrent with the demand created by the FC to maintain compliance with the threshold standards.

The management of future growth includes increased coordination of activities between the various City departments as well as with both School Districts and the Water Districts that serve the City of Chula Vista. The Annual Residential Growth Forecast is a component of the City of Chula Vista's Growth Management Program. The Development Services Department provides annual residential growth forecasts for a 5-year period. This information enables City departments and the other aforementioned service agencies to assess the probable impacts that growth may have on maintaining compliance with the City's facilities and service Threshold Standards. In addition, with this data City departments and the other service agencies will be able to report potential impacts to the Growth Management Oversight Commission (GMOC).

B. Existing Development

As a starting point, the PFFP considers existing development up to December 2015 as the base condition. This information is based upon City of Chula Vista Development Services Department growth management monitoring data. According to this and other data, the population of the City as of December 2015 was estimated to be 263,639 based on the estimate from the California Department of Finance (DOF).⁴

For the purposes of projecting facility demands for the Otay Ranch FC-2 project a city staff recommended population coefficient of 2.61 persons per multi-family dwelling unit is used. This factor may be used in this PFFP for converting Equivalent Dwelling Units (EDUs) for the project. The coefficient has been confirmed for use in the PFFP by the Development Services Department. The FC-2 facility demands are based on the criteria of Title Three of the Municipal Code and the technical studies that are referenced by this document.

⁴ GMOC 2016.

C. Key Assumptions

There are a number of key assumptions implicit to this supplemental PFFP Amendment. The assumptions play a major part in determining public facility needs, the timing of those needs and the staging of growth corresponding to the various facilities. Key land use and phasing assumptions can be summarized as follows:

1. The proposed project requires: a Otay Ranch Planning Area 12 Freeway Commercial SPA Amendment
2. This PFFP supplements the Amendment to the Otay Ranch Planning Area 12 – Freeway Commercial SPA Plan that was adopted on September 14, 2004.
3. The SPA Plan Amendment and PC District Regulations will regulate land use allocation and intensity of development for the proposed FC-2 project.
4. The proposed project consists of permitting mixed-use on approximately 28.7 acres of Freeway Commercial designated land. This action if approved by the City Council would and permit a total of 600 mixed-use residential units in the FC-2 site.
5. One primary phase of development is envisioned to complete all the infrastructure improvements in a single increment. Build-out of all building sites may occur over a several year period.

II.4. Threshold Standards:

Chapter 19.09 of the Chula Vista Municipal Code provides the requirements for the Chula Vista Growth Management Plan. Subsection 19.09.040 provides for eight city facilities and services threshold standard topics: police, fire, libraries, parks and recreation, traffic, drainage, sewer, and fiscal. Subsection 19.09.050 provides for three external facilities and services threshold standard topics: air quality and climate protection, schools, and water. Each of the 11 threshold standards topics is stated in terms of a goal, objectives, one or more standards, and implementation. Table A.2 provides a summary for the eleven threshold standards for the eleven topics.

A. The Threshold Standards fall into three general categories:

1. *A performance standard measuring overall level of service* is established for police, fire and emergency medical services, sewers, drainage facilities, and traffic;
2. *A ratio of facilities to population* is established for park and recreation facilities, and libraries; and
3. *A qualitative standard* is established for schools, water, air quality and climate protection, and fiscal impacts.

Schools are provided by the Chula Vista Elementary School District and the Sweetwater Union High School District; water service is provided by two independent water districts (Otay Water District and Sweetwater Authority); and sewer service is provided by the City of Chula Vista and has an agreement with the City of San Diego to treat the waste water. Finally, the air quality and climate protection and fiscal threshold standards do not relate to specific public services but are intended to determine whether growth is having an adverse impact on two other measures of quality of life: the air quality within the region and the city's overall fiscal health.

Table A.2 Chula Vista's Threshold Standards	
Air Quality & Climate Protection	Annual report required from Air Pollution Control District on impact of growth on air quality. The city shall pursue a greenhouse gas emissions reduction target consistent with appropriate city climate change and energy efficiency regulations in effect at the time of project application.
Fiscal	Fiscal Impact Analyses and Public Facilities Financing Plans, at the time they are adopted, shall ensure that new development generates sufficient revenue to offset the cost of providing municipal services and facilities to that development.
Police	Respond to at least 81 percent of Priority 1 calls within 7 minutes 30 seconds and shall maintain an average response time of six minutes or less for all Priority 1 calls. Respond to all Priority 2 calls within 12 minutes or less.
Fire/EMS	Respond to calls throughout the city in at least 7 minutes in at least 80% of the cases.
Schools	The city shall annually provide the Chula Vista Elementary School District and the Sweetwater Union High School District with the city's annual 5-year residential growth forecast and request an evaluation of their ability to accommodate forecasted growth.
Library	The city will not fall below the citywide ratio of 500 gross square feet (GSF) of library space, adequately equipped and staffed, per 1,000 population.
Parks & Recreation	Maintain 3 acres of neighborhood and community parkland with appropriate facilities per 1,000 residents east of Interstate 805.
Water	Adequate water supply must be available to serve new development. Therefore, developers shall provide the city with a service availability letter from the appropriate water district for each project. Annual report from San Diego Water Authority, Otay Municipal Water District and Sweetwater Authority on their ability to accommodate forecasted growth.
Sewer	Existing and projected facility sewage flows and volumes shall not exceed city engineering standards for the current system and for budgeted improvements, as set forth in the Subdivision Manual. The city shall annually ensure adequate contracted capacity in the San Diego Metropolitan Sewer Authority or other means sufficient to meet the projected needs of development.
Drainage	Storm water flows and volumes shall not exceed city engineering standards and shall comply with current local, state and federal regulations. The GMOC shall annually review the performance of the city's storm drain system, with respect to the impacts of new development.
Traffic	Arterial Level of Service (ALOS) for Nonurban Streets. Those traffic monitoring (TMP) roadway segments classified as other than urban streets in the Land Use and Transportation Element of the City's General Plan shall maintain LOS "C" or better as measured by observed average travel speed on those segments, except that during peak hours LOS "D" can occur for no more than two hours of the day. Urban Street Level of Service (ULOS). Those TMP roadway segments classified as urban streets in the Land Use and Transportation Element of the City's General Plan shall maintain LOS "D" or better, as measured by observed or predicted average travel speed, except that during peak hours LOS "E" can occur for no more than two hours per day.

B. The Threshold Standards are applied in three ways:

1. Many of the standards were used in the development and evaluation of the city's General Plan to ensure that quality-of-life objectives are met at the time of General Plan build-out during a 20-to-25 year period;
2. Certain standards are used in the evaluation of individual development projects to determine the possible impacts of the project and to apply appropriate conditions and requirements in order to mitigate those impacts; and
3. All of the standards are monitored by the Growth Management Oversight Commission (GMOC) on an annual basis to ensure that the cumulative impacts of new growth do not result in a deterioration of quality of life, as measured by these standards.

Threshold standards are used to identify when new or upgraded public facilities are needed to mitigate the impacts of new development. Building permits will not be issued unless compliance with these standards can be met. These threshold standards have been prepared to guarantee that public facilities or infrastructure improvements will keep pace with the demands of growth.

II.5. PFFP Boundaries:

The “Growth Management” ordinance requires that the City shall establish the boundaries of the PFFP at the time a SPA Plan or Tentative Map is submitted by the applicant. The boundaries shall be based upon the impact created by the Project on existing and future need for facilities. The project boundaries will correlate the proposed development project with existing and future development proposed for the area of impact to provide for the economically efficient and timely installation of both onsite and offsite facilities and improvements required by the development. In establishing the boundaries for the PFFP, the City shall be guided by the following considerations:

- A. Service areas, drainage, sewer basins, and pressure zones that serve the Project;
- B. Extent to which facilities or improvements are in place or available;
- C. Ownership of property;
- D. Project impact on public facilities relationships, especially the impact on the City's planned major circulation network;
- E. Special district service territories;
- F. Approved fire, drainage, sewer, or other facilities or improvement master plans.

The boundary of the Freeway Commercial Condominium Project was established using the above criterion. The Supplemental PFFP Amendment boundaries are congruent with the Adopted GDP (see Exhibit 3) Area and the EastLake III SPA Plan Area (See Site Utilization Plan, Exhibit 4).

II.6. Development Summary

The Otay Ranch Freeway Commercial (FC) SPA project area is located in the eastern central portion of the Otay Ranch GDP. The area of the proposed SPA Amendment is consistent with the FC designated Planning Area 12 as identified in the Otay Ranch GDP (as amended). The FC SPA project area includes approximately 120-acres of gently rolling terrain and is bounded by the existing SR-125 freeway on the west, Olympic Parkway on the north, EastLake Parkway on the east and Birch Road on the south (see Exhibit 2).

The FC SPA area consists of two separate parcels with a combined area of approximately 121.0 acres. The FC-1 district consists of approximately 86.2 acres of FC uses and the FC-2 district consists of approximately 35.3 acres of FC uses. Table B.2 below summarizes the land use and acreage for each district. The Site Utilization Plan (Exhibit 3) illustrates the location of each district.

Parcel	Land Use	Gross Acreage⁵
FC-1	Freeway Commercial	86.2
FC-2	Freeway Commercial	35.3
Subtotal		121.5

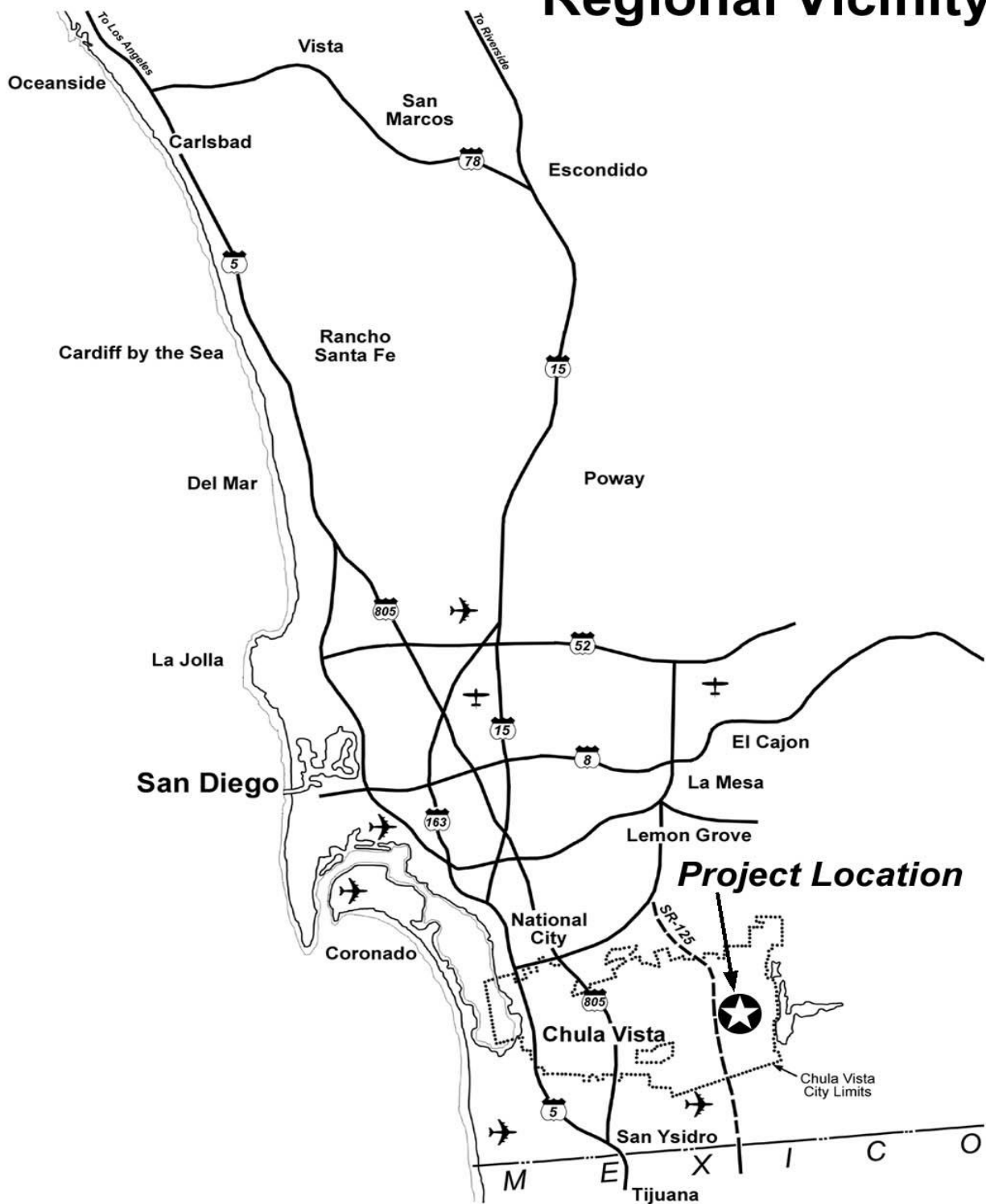
⁵ Freeway Commercial SPA Plan, Otay Ranch – Planning Area 12

The FC SPA Amendment dated January 19, 2016, proposes to modify the FC-2 district only. If approved, this modification will permit the following FC-2 project:

- Permit two hotels containing a total of 300 or more rooms.
- This planning area is envisioned to include up to 600-units of high density residential in the mixed-use land use designation category with a density range of 20 to 30 units per acre.
- Provide an urban park including amenities that will be a public attraction in addition to serving the surrounding high density residential.
- A minimum of 15,000 square feet of commercial uses shall be provided in a mixed-use land use designation.

Access to the site will be provided via Town Center Drive, a north-south road, which bisects the FC-2 site. Town Center Drive intersects with Olympic Parkway, which borders the FC SPA area on the north. Town Center Drive terminates at the FC-1 site. The existing SR-125 borders the FC SPA area on the west. Freeway interchanges exist at SR-125 at both Birch Road and Olympic Parkway. Birch Road borders the FC SPA area on the south. EastLake Parkway borders the FC SPA area on the east.

Regional Vicinity



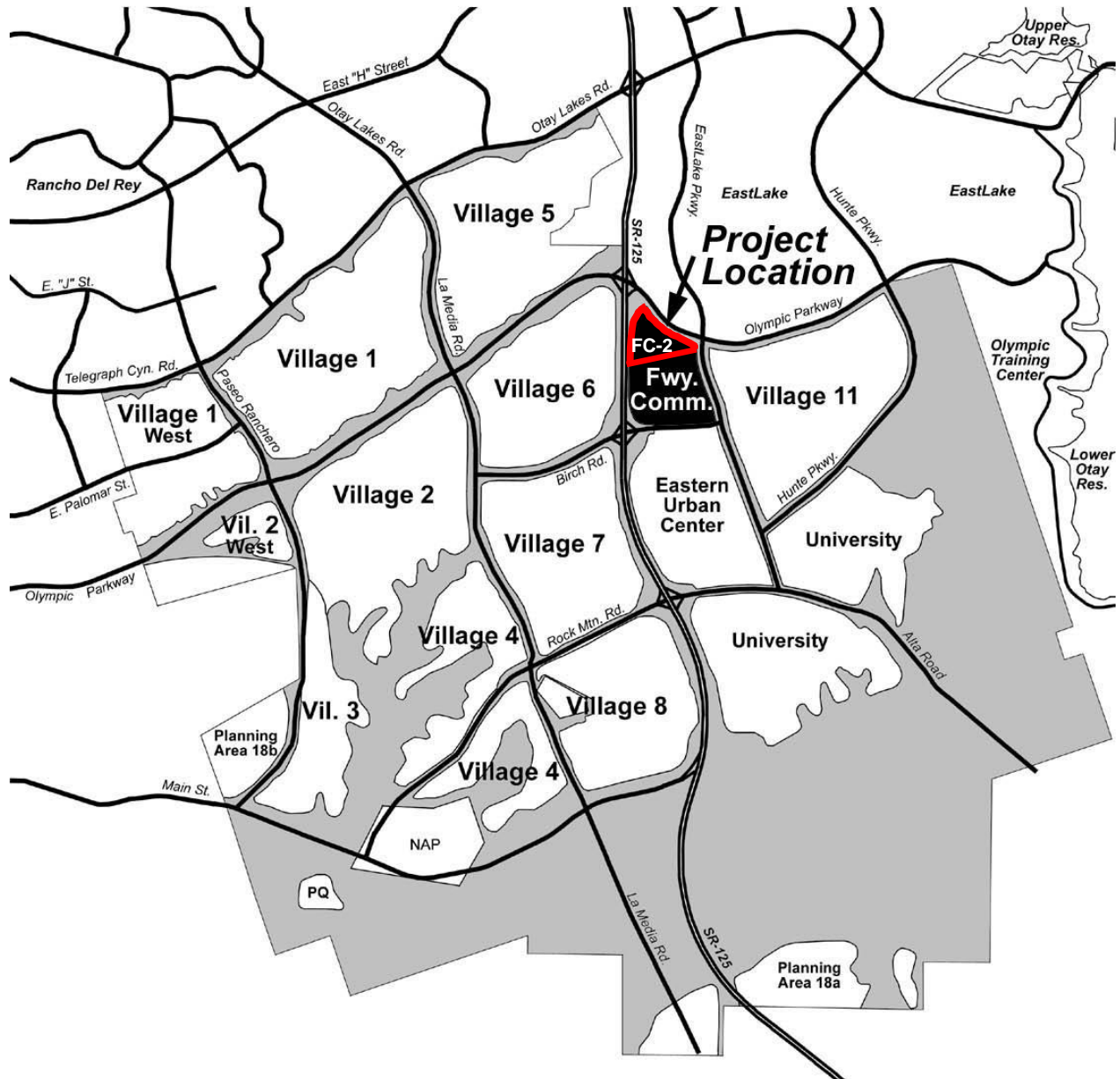
Freeway Commercial

OTAY RANCH



Exhibit 1

Location/SPA Boundaries



Source:
Adopted Otay Ranch GDP



Otay Valley Parcels
OTAY RANCH



Exhibit 2

Aerial Photograph



Source: Google Maps

Freeway Commercial SPA FC-1 and FC-2 Otay Ranch

Exhibit 3

II.7. Project Phasing:

A. FC-2 Phasing

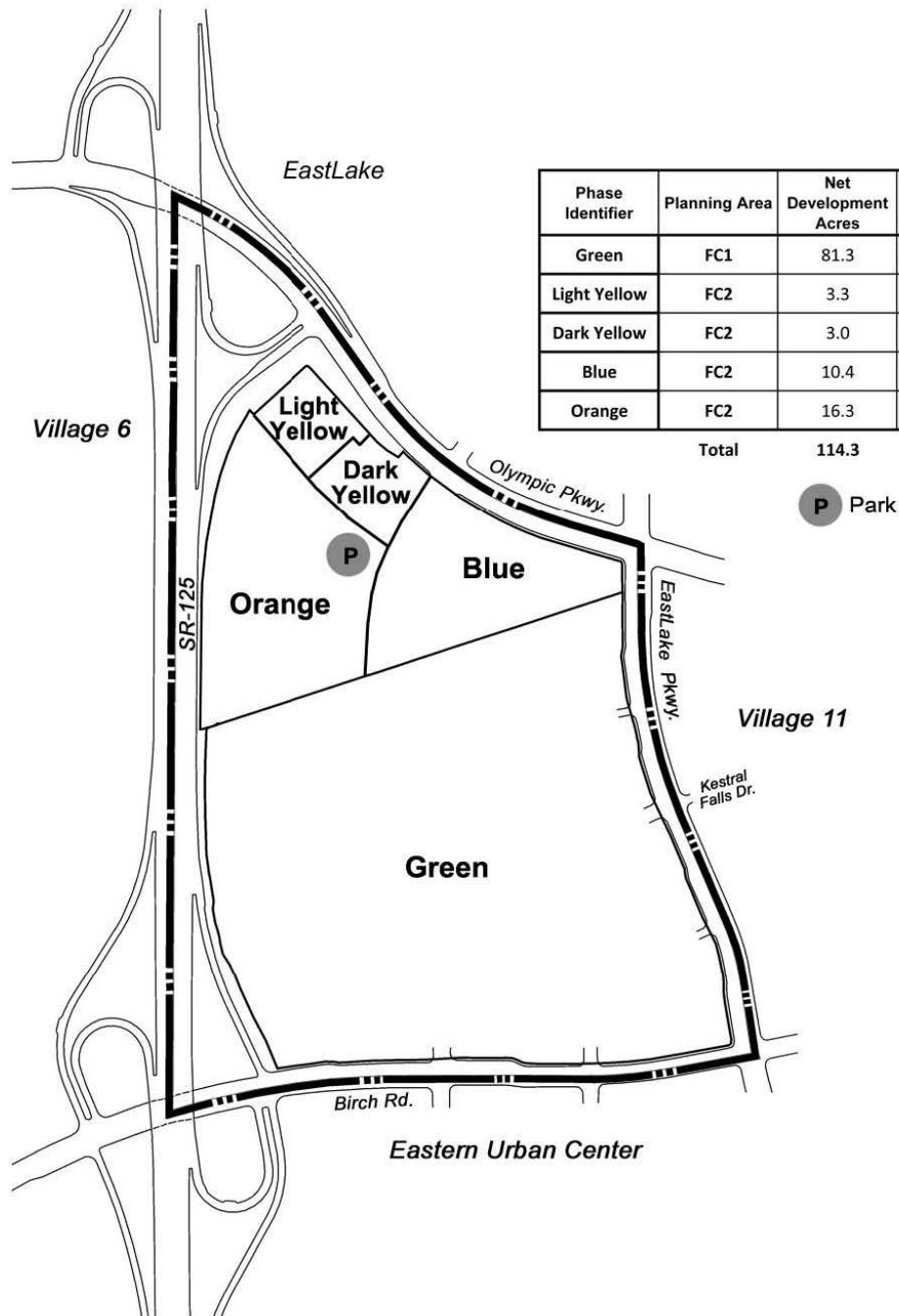
One phase of development is envisioned to complete the required infrastructure improvements. A summary of the infrastructure phasing is provided in the following table.

Table A.4 Otay Ranch FC-2 Phasing Plan Summary			
Facility	Facility Description	Triggers	Financing Method
Traffic⁶	Pay TDIF Fees	Concurrent w/ Bldg Permit	Fee Program
Potable Water	Service Letter from OWD to City	Concurrent w/ Final Map	N/A
	Water Improvements per OWD & SAMP	Concurrent w/ Bldg Permit	Capacity Fees and Exactions
	OWD CIP Fees	Concurrent w/ Bldg Permit	”
Recycled Water	Improvements per OWD & SAMP	Concurrent w/ Bldg Permit	Capacity Fees and Exactions
Sewer	Connection to existing sewer system	Concurrent w/ Phasing	Fee Program
	Sewer Improvements per City of Chula Vista	Concurrent w/ Phasing	Exaction
	Pay Poggi Canyon Fees	Concurrent w/ Bldg Permit	Fee Program
Storm Drain	Connect to Existing Drainage System	Concurrent w/ Grading Permit	Exaction
Schools	No specific facility subject to Fees	Pay School Fees ⁷	State Mandated Fees
Parks	Park dedication & construction	Pay @ Bldg Permit	PAD Fees
Recreation	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Library	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Fire & EMS	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Police	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Civic	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Corp Yard	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Other	Pay PFDIF Fee	Pay @ Bldg Permit	DIF Fee Program
Note: Fee payment timing shall be consistent with the City Municipal Code			

The development of the Otay Ranch Freeway Commercial North SPA will be completed in four non-sequential phases. The Conceptual Phasing Plan (Exhibit 4) reflects anticipated market demand for commercial development and the property ownership patterns within the Planning Area.

⁶ TDIF Streets will be constructed by Developer (receiving TDIF credits). Non TDIF Streets are developer exaction.
⁷ School fees may be waived in some Mello Roos Districts and required in others.

Phasing Proposed



Phase Identifier	Planning Area	Net Development Acres	Interior Streets, Park, & Buffers	Gross Area
Green	FC1	81.3	4.9	86.2
Light Yellow	FC2	3.3	0.0	3.3
Dark Yellow	FC2	3.0	0.0	3.0
Blue	FC2	10.4	2.3	12.7
Orange	FC2	16.3	2.0	18.3
Total		114.3	9.2	123.5

P Park

 **Freeway Commercial**
CITY OF CHULA VISTA OTAY RANCH

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San Diego, CA (619) 223-7405

9/26/14

Exhibit 4

Sequential phasing is frequently inaccurate because of unforeseen market changes or regulatory constraints. Therefore, the Freeway Commercial North SPA PFFP permits non-sequential phasing by imposing specific facilities requirements for each phase to ensure that new development is adequately served and City threshold standards are met. Construction of the on-site Village Entry street from Olympic Parkway, which serves both ownerships/parcels, shall be phased according to the provisions of the PFFP.

B. Eastern Chula Vista Growth Forecast

A summary of the Eastern Chula Vista development-phasing forecast is shown in Table A.5. The table presents an estimate of the amount of development activity anticipated annually from 2015 to 2020. The number of dwelling units forecasted annually is approximately 1,211 dwelling units. It should be noted that these projections are used for analytical purposes only and unless a development agreement or other legal instrument guarantees facility capacity, some projects with varying levels of entitlement may not have committed capacity.

Table A.5
City of Chula Vista Five Year Residential Growth Forecast 2015 Through 2020

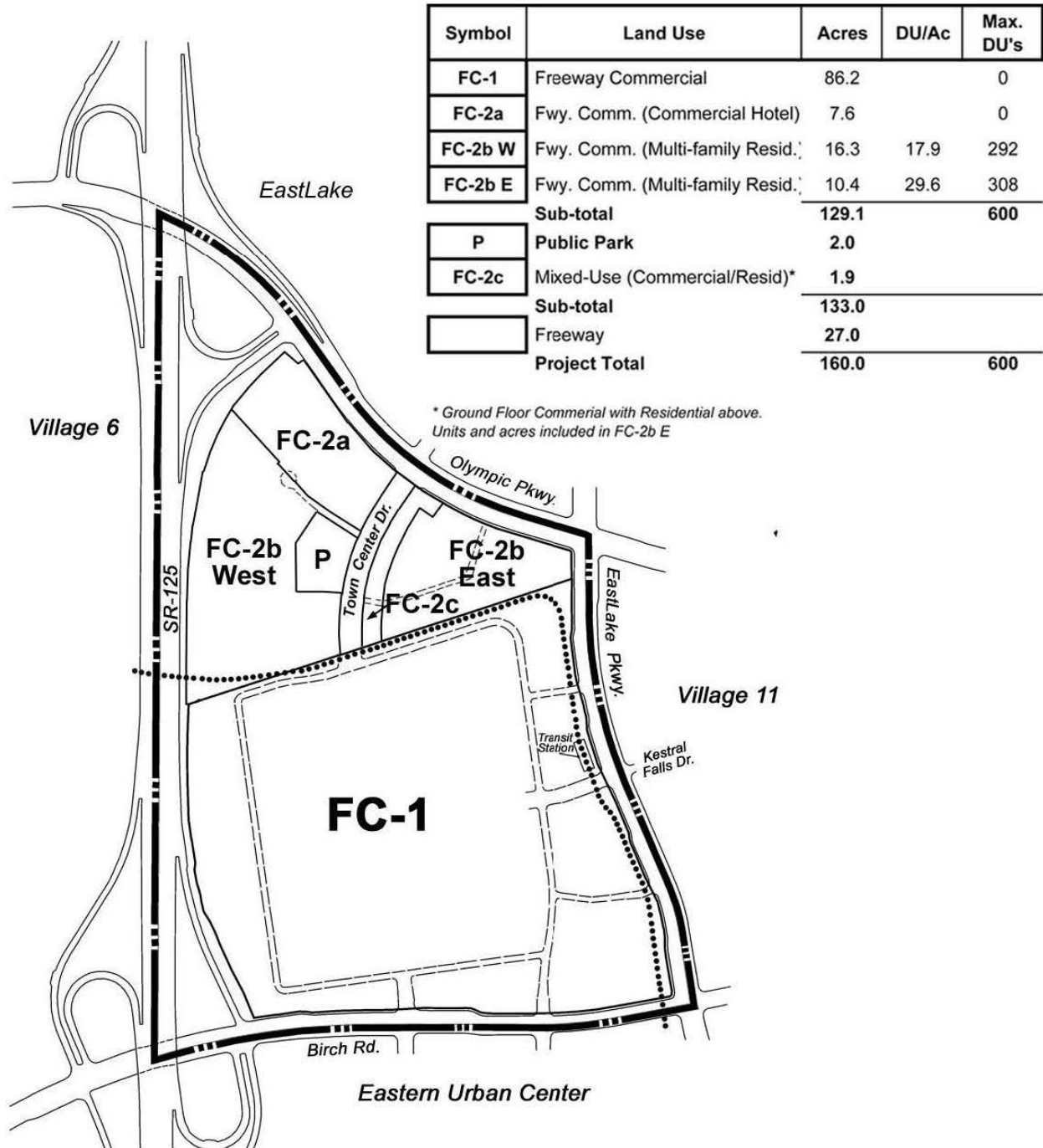
PROJECT	SEPTEMBER 2015 - DECEMBER 2020										Five Years Forecast	
	SEPTEMBER 2015 - DECEMBER 2016		JAN. - DECEMBER 2017		JAN. - DECEMBER 2018		JAN. - DECEMBER 2019		JAN. - DECEMBER 2020		SEPTEMBER 2015 - 2020	
	ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*		ISSUE*	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
OTAY RANCH												
Village 2 North - Baldwin & Sons	46	105	24	34	0	0	19	0	23	35	112	174
Village 2 East - Baldwin & Sons	0	0	0	300	0	0	14	0	15	0	29	300
Village 2 South - Baldwin & Sons	29	62	97	126	145	148	28	118	0	0	299	454
Village 2 West - Baldwin & Sons	0	0	0	0	0	0	44	44	40	60	84	104
Village 2 West - Homefed Village 2 West	0	0	0	0	0	0	30	0	32	0	62	0
Village 2 - JPB (Anacapa II R-9)	31	0	0	0	0	0	0	0	0	0	31	0
Village 2 - JPB (Presidio II R-7)	53	0	0	0	0	0	0	0	0	0	53	0
Village 2 - Bank-owned (R-28)	0	0	0	96	0	0	0	0	0	0	0	96
Village 3 North - Homefed Otay Land II	0	0	527	70	271	301	137	61	43	83	978	515
Village 8 East - Homefed Otay Land II	0	0	0	0	0	0	0	0	261	202	261	202
Village 8 West - Otay Land Co.	0	0	0	0	0	0	0	362	0	0	0	362
EUC - Millenia Real Estate Group	0	89	0	290	0	638	0	669	0	177	0	1,863
Freeway Commercial - Baldwin & Sons	0	26	0	0	0	0	0	0	0	0	0	26
Otay Ranch Sub-Total	159	282	648	916	416	1,087	272	1,254	414	557	1,909	4,096
BELLA LAGO - Bella Lago LLC	0	0	13	0	13	0	13	0	13	0	52	0
SUB-TOTAL	159	282	661	916	429	1,087	285	1,254	427	557	1,961	4,096
TOTAL UNITS	441		1,577		1,516		1,539		984		6,057	
	Annual Average:										1,211	

*ISSUE = Building Permit

Source: City of Chula Vista

Site Utilization Plan

Proposed



 **Freeway Commercial**
CITY OF CHULA VISTA OTAY RANCH

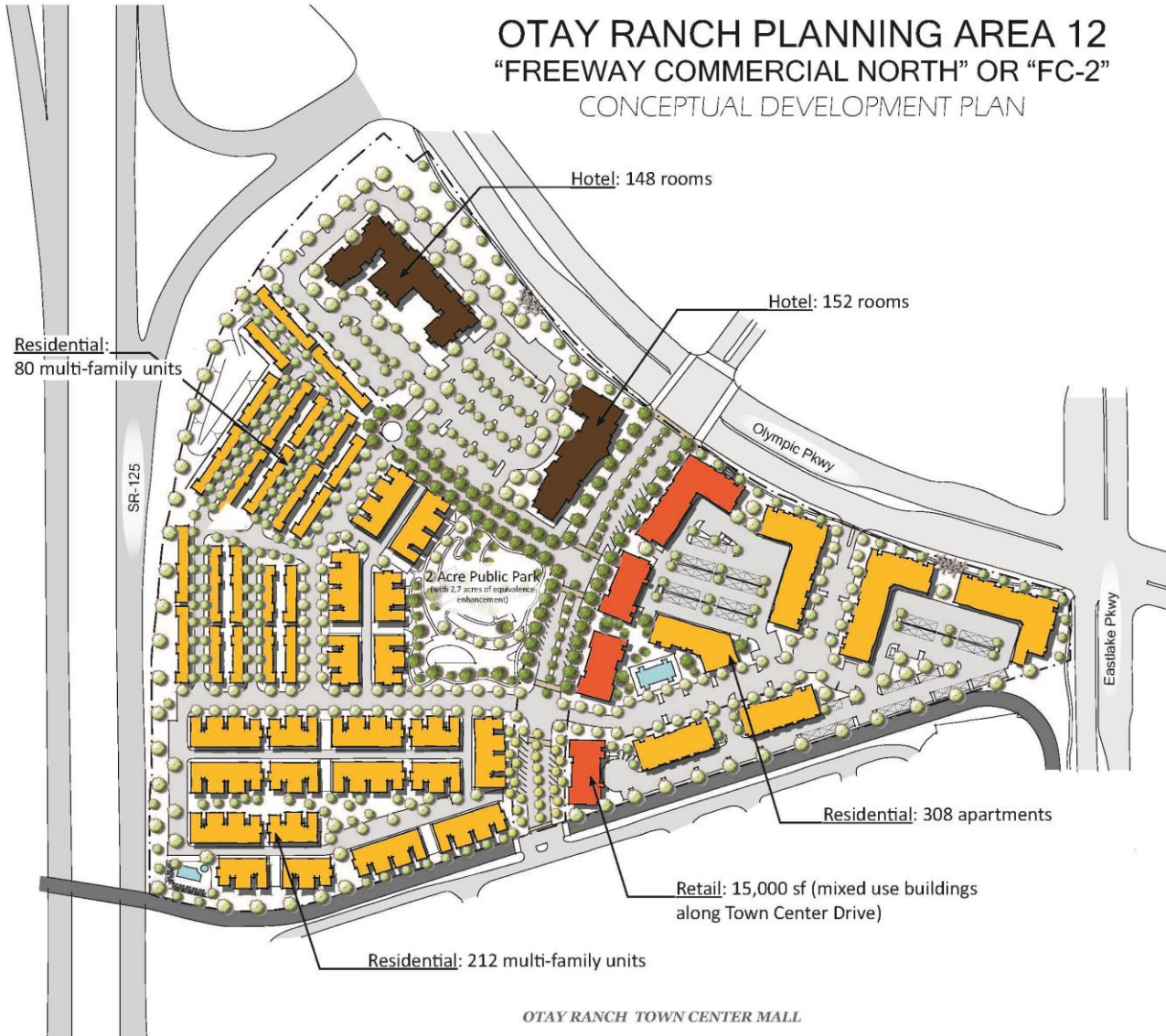
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6/1/2016

Exhibit 5

Conceptual Site Plan FC-2

OTAY RANCH PLANNING AREA 12 "FREEWAY COMMERCIAL NORTH" OR "FC-2" CONCEPTUAL DEVELOPMENT PLAN



Freeway Commercial

OTAY RANCH



6/1/2016

Exhibit 5A

II.8. Development Impact Fees

A. Transportation

The current Transportation Development Impact Fee (TDIF) Ordinance sets forth the calculation of development impact fees. This PFFP uses the CVMC Chapter 3.54 as the basis for the estimated TDIF fees. Table A.6 below illustrates the current fee schedule:

Land Use Classification		TDIF Rate
Residential (Low)	0-6 DU/Ac.	\$13,330 per EDU
Residential (Med.)	6.1-18 DU/Ac.	\$10,664 per EDU
Residential (High)	>18.1 DU/Ac.	\$7,998 per EDU
Senior housing	8 EDU/Ac.	\$5,332 per EDU
Residential mixed use	0.4 EDU/Ac. (+18 DU/Ac.)	\$5,332 per EDU
Commercial mixed use	16 EDU/20 KSF	\$213,288 per 20,000 sq. ft.
General Commercial (Ac)	16 EDU/Ac. (6 stories +)	\$213,288 per Acre
Regional Commercial (Ac)	11 EDU/Ac. (+60 acres or +800 KSF)	\$146,635 per Acre
High Rise Commercial (Ac)	28 EDU/Ac. (6 stories +)	\$373,254 per Acre
Office (Acre) 9 EDU/Acre	Up to 5 stories height	\$119,974 per Acre
Industrial (Acre)	9 EDU/Gross Acre	\$119,974 per Gross Acre
Regional Technology Park	8 EDU/Gross Acre	\$106,646 per Gross Acre
18-Hole Golf Course	70 EDU per Golf Course	\$933,134 per Gross Acre
Medical Center	65 EDU per Gross Acre	\$866,481 per Gross Acre

B. Public Facilities

The Public Facilities Development Impact Fee (PFDIF) was updated by the Chula Vista City Council on November 7, 2006 by adoption of Ordinance 3050. Current applicable fees for multi-family residential is \$9,398/unit and general commercial (including office) development is \$30,843/acre. The PFDIF amount is subject to change as it is amended from time to time. Both residential and non-residential development impact fees apply to the project. The calculations of the PFDIF due for each facility are addressed in the following sections of this report. Table A.7 provides a break-down of what facilities the fee funds.

⁸ TDIF Fees based on Form 5509 dated 10/16/2015. Actual fee may be different, please verify with the City of Chula Vista at the time of building permit.

Table A.7⁹				
Public Facilities Estimated DIF Fee Components				
Component	Single Family /DU	Multi-Family /DU	Commercial /Acre	Industrial /Acre
Civic Center	\$2,835	\$2,685	\$9,044	\$2,859
Police	\$1,725	\$1,863	\$8,152	\$1,758
Corporation Yard	\$465	\$372	\$7,882	\$3,713
Libraries	\$1,627	\$1,627	\$0	\$0
Fire Suppression	\$1,433	\$1,030	\$3,786	\$752
GIS, Computers, Telecom & Records Management	\$0	\$0	\$0	\$0
Administration	\$620	\$586	\$1,979	\$626
Recreation (residential only)	\$1,235	\$1,235	\$0	\$0
Total per Residential Unit	\$9,940	\$9,398		
Total per Com'l/Ind. Acre			\$30,843	\$9,708

The calculations of the PFDIF due for each facility are addressed in the following sections of this report.

⁹ DIF Fees based on Form 5509 dated 10/16/2015. Actual fee may be different, please verify with the City of Chula Vista at the time of building permit.

III. FACILITY ANALYSIS

This portion of the PFFP contains 13 separate subsections for each facility addressed by this report. Of the 13 facilities, 11 have adopted threshold standards; the Civic Center and Corporation Yard do not. Table B.1 highlights the level of analysis for each facility.

Facility	Citywide	East of I-805	Service Area Sub-basin	Special District
Traffic	✓	✓		
Police	✓			
Fire/EMS	✓		✓	
Schools				✓
Libraries	✓			
Parks, Recreation & Open Space		✓		
Water			✓	✓
Sewer			✓	
Drainage			✓	
Air Quality	✓			
Civic Center ¹⁰	✓			
Corp. Yard	✓			
Fiscal	✓		✓	

Each subsection analyzes the impact of the Freeway Commercial Project based upon the adopted Quality of Life Standards. The analysis is based upon the specific goal, objective, threshold standard and implementation measures. The proposed SPA plan is used to determine facility adequacy and is referenced within the facility section.

Each analysis is based upon the specific project processing requirements for that facility, as adopted in the Growth Management Program. These indicate the requirements for evaluating the project consistency with the threshold ordinance at various stages (General Development Plan, SPA Plan/Public Facilities Finance Plan, Tentative Map, Final Map and Building Permit) in the development review process.

A service analysis section is included which identifies the service provided by each facility. The existing plus forecasted demands for the specific facility are identified in the subsection based upon the adopted threshold standard.

Each facility subsection contains an adequacy analysis followed by a detailed discussion indicating how the facility is to be financed. The adequacy analysis provides a determination of whether or not the threshold standard is being met and the finance section provides a determination if funds are available to guarantee the improvement. If the threshold standard is not being met, mitigation is recommended in the Threshold Compliance and Recommendations subsection which proposes the appropriate conditions or mitigation to bring the facility into conformance with the threshold standard.

¹⁰ Specific Threshold Standards have not been developed for these facilities

IV. PUBLIC FACILITIES THRESHOLDS STANDARDS AND INFRASTRUCTURE REQUIREMENTS

IV.1. TRAFFIC

IV.1.1 GMOC Threshold Standard

- A. Arterial Level of Service (ALOS) for Nonurban Streets. Those traffic monitoring (TMP) roadway segments classified as other than urban streets in the Land Use and Transportation Element of the City's General Plan shall maintain LOS "C" or better as measured by observed average travel speed on those segments, except that during peak hours LOS "D" can occur for no more than two hours of the day.
- B. Urban Street Level of Service (ULOS). Those TMP roadway segments classified as urban streets in the Land Use and Transportation Element of the City's General Plan shall maintain LOS "D" or better, as measured by observed or predicted average travel speed, except that during peak hours LOS "E" can occur for no more than two hours per day.

Notes to Standards:

1. Arterial Segment: LOS measurements shall be for the average weekday peak hours, excluding seasonal and special circumstance variations.
2. The LOS measurement of arterial segments at freeway ramps shall be a growth management consideration in situations where proposed developments have a significant impact at interchanges.
3. Circulation improvements should be implemented prior to the anticipated deterioration of LOS below established standards.
4. The criteria for calculating arterial LOS and defining arterial lengths and classifications shall follow the procedures detailed in the most recent Highway Capacity Manual (HCM) and shall be confirmed by the city's traffic engineer.
5. Level of service values for arterial segments shall be based on the HCM

IV.1.2 Service Analysis

The Public Works Department of the City of Chula Vista is responsible for ensuring that traffic improvements are provided to maintain a safe and efficient street system within the City. Through project review, City staff ensures the timely provision of adequate local circulation system capacity in response to planned development while maintaining acceptable LOS. To accomplish their review the Public Works Department has adopted guidelines for Traffic Impact Studies (January, 2001). These guidelines ensure uniformity in the preparation of traffic studies. Further, the guidelines assist in maintaining acceptable standards for planned new roadway segments and signalized intersections at the build out of the City's General Plan and Circulation Element. The Circulation Element of the General Plan serves as the overall facility master plan.

In response to a change in the FC-2 District portion of the project, an analysis was prepared entitled *Otay Ranch PA 12 – Trip Generation Review – Revised by Chen-Ryan Associates, dated 2015*. This report was the basis of the First Addendum to the EIR (FEIR). The FEIR concluded that "the FC-2 site would generate approximately 7,506 daily trips, which is lower than the entitled land use trip generation of approximately 12,145 daily trips for the FC-2 site. Since the proposed modified land uses would generate less traffic than the entitled land uses, there would be no additional traffic impacts associated with the proposed modifications."

In conformance with city requirements, an analysis of the traffic operations on Town Center Drive was required for this project. This analysis, *Otay Ranch PA 12 Freeway Commercial North-Traffic Operations along Town Center Drive, by Chen-Ryan Associates, dated March 28, 2016*, was prepared for the City of Chula Vista. This document is referred to as the "Chen-Ryan Analysis" in this PFFP. The Chen-Ryan Analysis addresses the estimated site generated traffic

and assess its impact on the local street system and to identify on-site improvements that might be needed as a result of the FC-2 project.

IV.1.3 Trip Generation and Phasing

The following is a description of the proposed project trip generation calculations and proposed phasing.

A. Proposed Project

The Chen Ryan Analysis indicates that the project trip generation for the project is shown in Table 1 below. With a 15% transit and mixed-use reduction, the FC-2 project would generate approximately 6,164 daily trips including 423 and 555 trips during the AM and PM peak hours, respectively.

Land Use	Quantity	Rate	Daily Trips	AM Peak Hour	PM Peak Hour
Apartment (density >20 du/acre)	582 units	6 / unit AM: 8% (2:8) PM: 9% (7:3)	3,492	279 (56-in / 223-out)	314 (220-in / 94-out)
Business Hotel	300 rooms	7 / room AM: 8% (4:6) PM: 9% (6:4)	2,100	168 (67-in / 101-out)	189 (113-in / 76-out)
Mixed-Use Commercial Center	15 KSF	110 / 1ksf AM: 3% (6:4) PM: 9% (5:5)	1,650	50 (30-in / 20-out)	148 (74-in / 74-out)
Neighborhood Park	2 Acre	5 / Acre AM: 4% (5:5) PM: 4% (5:5)	10	0 (0-in / 0-out)	2 (1-in / 1-out)
Sub-Total			7,252	497 (153-in / 344-out)	653 (409-in / 245-out)
15% Transit and Mixed-Use Reduction			1,088	75 (23-in / 52-out)	98 (61-in / 37-out)
Total			6,164	423 (130-in / 293-out)	555 (347-in / 208-out)

Source: Chen-Ryan

Exhibit 5A illustrates the project Conceptual Development Plan. Exhibit 6 indicates the project two accesses along Olympic Parkway and the project driveways along Town Center Drive. These accesses and driveways are as follows:

1. Town Center Dr. / Olympic Parkway – a signalized full access intersection.
2. Town Center Dr./ Town Center Loop - a signalized T-Intersection.
3. Hotel Driveway @ Town Center Dr. - One-Way Stop Control.
4. Project Driveway @ Town Center Dr. – a signalized 4-way intersection.
5. Project Driveway @ Olympic Parkway - Right-in/Right out

The Chen-Ryan Analysis includes a projection of the project trip distribution patterns associated with the FC-2 project. See the Chen-Ryan Analysis for the details of the trip distribution analysis

B. Project Phasing

Subsection C of the Municipal Code Section 19.09.100 (Growth Management Ordinance) requires that if the City Manager determines that facilities or improvements within a PFFP are inadequate to accommodate any further development within that area the City Manager shall immediately report the deficiency to the City Council. If the City Council determines that such events or changed circumstances adversely affect the health, safety or welfare of the City of Chula Vista, the city may require amendment, modification, suspension or termination of an approved PFFP.

The Phasing Plan is non-sequential. Sequential phasing is frequently inaccurate because of unforeseen market changes or regulatory constraints. Therefore, the Freeway Commercial SPA permits non-sequential phasing by imposing specific facilities requirements for each phase to ensure that new Freeway Commercial SPA development is adequately served and City threshold standards are met. Construction of the one of the hotels is anticipated to proceed before the residential parcels are developed.

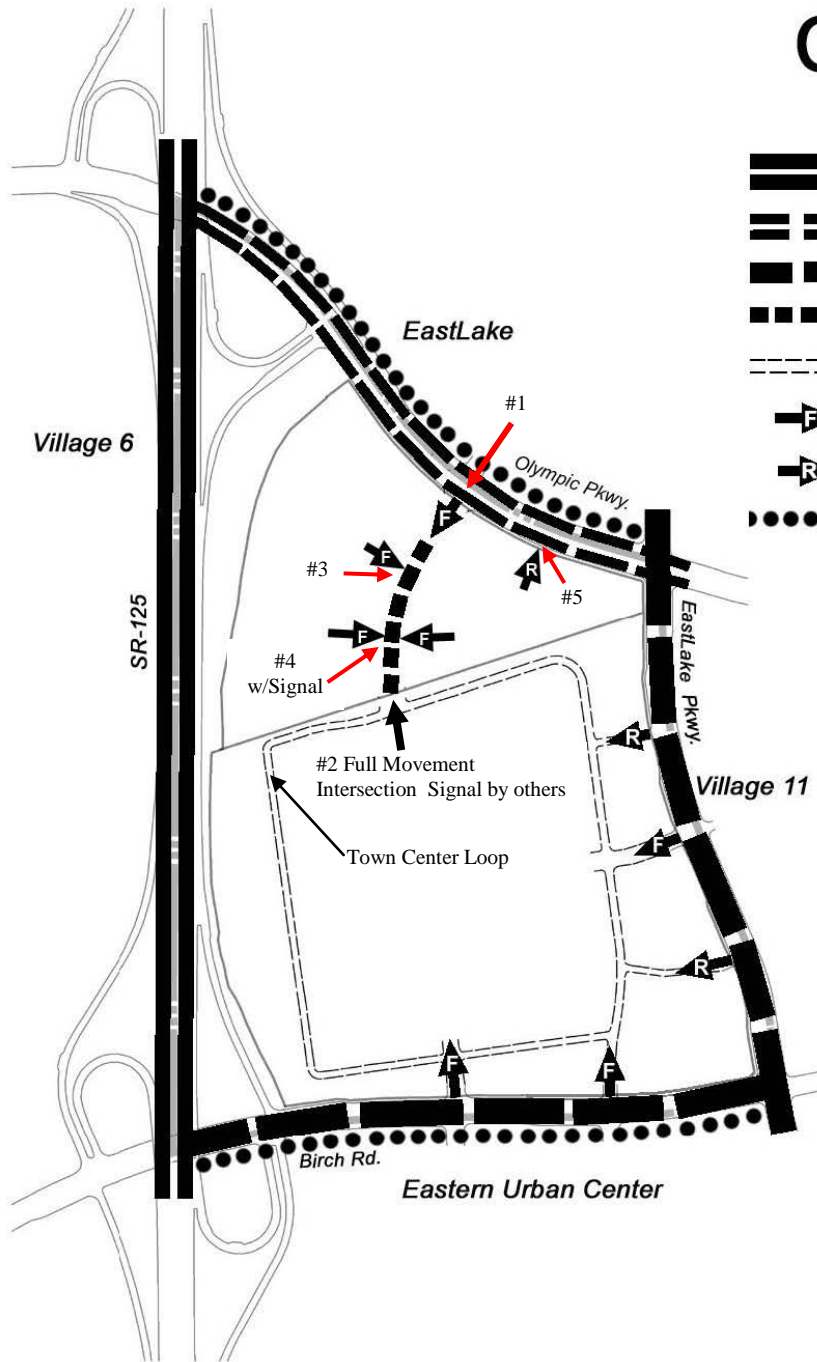
IV.1.4 Traffic Operations

Table C.2 below indicates that both intersections of Town Center Drive / Olympic Parkway and Town Center Drive / Town Center Loop would continue to operate at acceptable LOS D or better with addition of the project traffic. All three proposed project driveways would operate at acceptable LOS D or better under Existing Plus Project conditions. The addition of project traffic would not result in any traffic impact within the project study area.

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour		Delay w/o Project (sec)	LOS w/o Project AM/PM	Project % of Entering Volume (>5%)	Significant Impact
		Avg. Delay (sec)	LOS	Avg. Delay (sec)	LOS				
1. Town Center Dr. / Olympic Parkway	Signal	28.3	C	40.5	D	20.4/32.2	C / C	11.9% / 11.8%	No
2. Town Center Dr./ Town Center Loop	Two-Way Stop Control*	9.3	A	19.4	C	9.1/16.9	A / C	26.4% / 7.7%	No
3. Hotel Driveway @ Town Center Dr.	One-Way Stop Control*	10.9	B	16.9	C	NA	NA	NA	No
4. Project Driveway @ Town Center Dr.	Signal	8.5	A	9.4	A	NA	NA	NA	No
5. Project Driveway @ Olympic Prkwy	Right-in/Right out*	12.5	B	16.1	C	NA	NA	NA	No
Notes: *Indicates one or two-way stop controlled intersections, the delay shown is the worst delay experienced by any of the approaches. A traffic signal will be installed at the intersection of Town Center Drive / Town Center Loop in order to accommodate the future BRT. NA = This scenario was not analyzed by Chen-Ryan.									

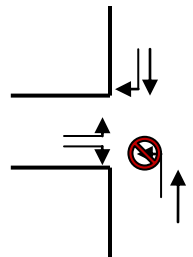
Source: Chen-Ryan

Circulation Proposed



- SR-125
- 8 Lane Arterial Highway
- 6 Lane Arterial Highway
- Commercial Promenade Street
- Conceptual Internal Private Streets & Drives
- Access Point (Full Movement)
- Access Point (Right turns only)
- Regional Trail

Note: Intersection #3 is "One Way Stop Controlled" with prohibited NB Left Turns.



Note: All internal streets are intended for circulation at low speeds (25 mph design speed) to provide access to and between permitted uses.

The Chen-Ryan Analysis indicates that the Year 2030 geometrics of the project are adequate to accommodate the projected ADT. The projected 2030 with FC-2 project daily traffic volumes along Town Center Drive are:

- Town Center Drive, north of the project driveway – 13,820 ADT;
- Town Center Drive, south of the project driveway – 7,590 ADT.

Based on these forecast traffic volumes, Town Center Drive a Class II Collector (3-lanes) would be sufficient to accommodate the project traffic along Town Center Drive.

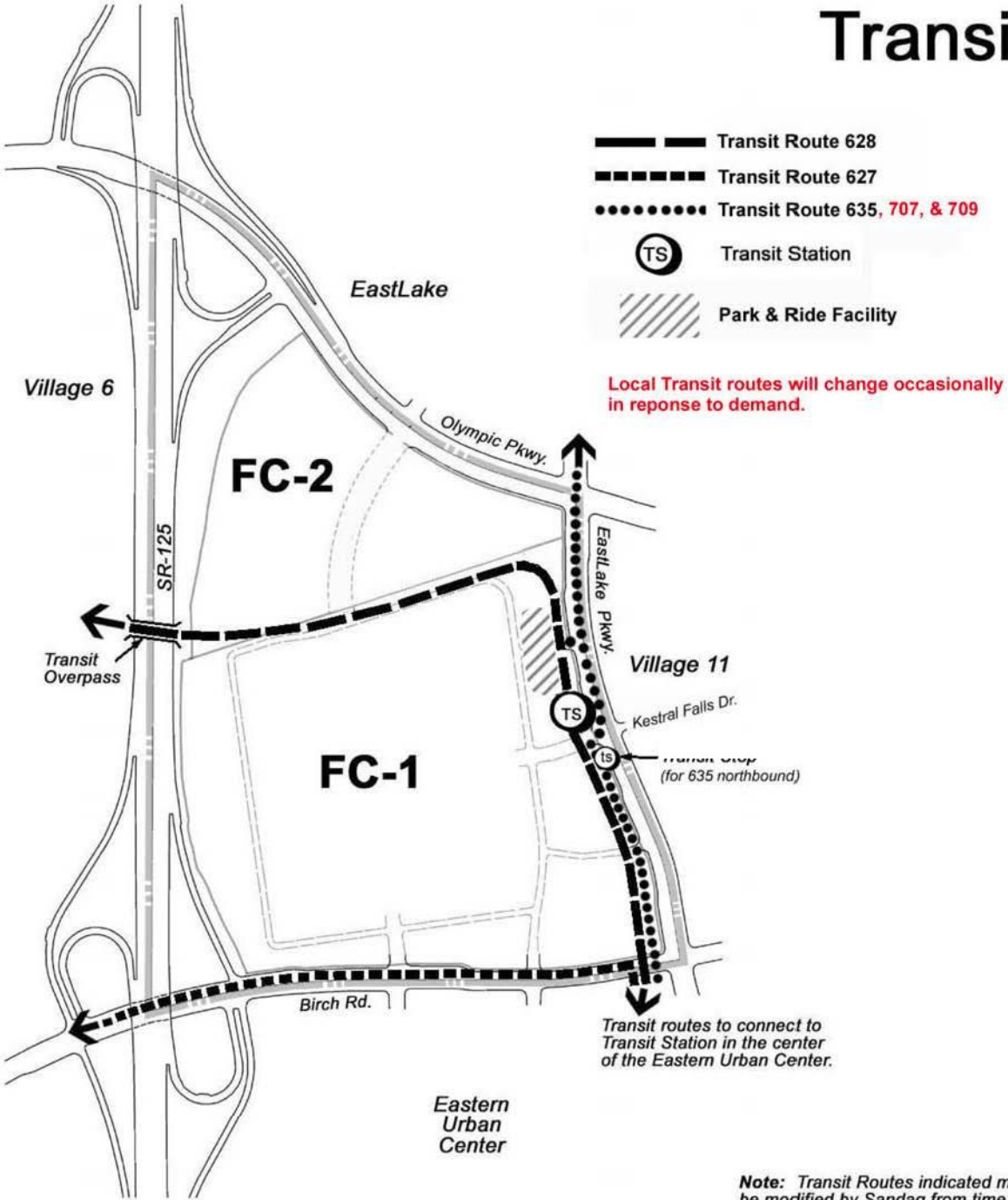
The Chen-Ryan Analysis concludes that:

- Town Center Drive should be classified as a Class II Collector to accommodate the future traffic on Town Center Drive.
- The main signalized project driveway should be located at a minimum 260 feet (60 feet taper assumed) south of the Town Center Drive / Olympic Parkway intersection, and at a minimum 160 feet (60 feet taper assumed) north of the Town Center Drive / Town Center Loop intersection.

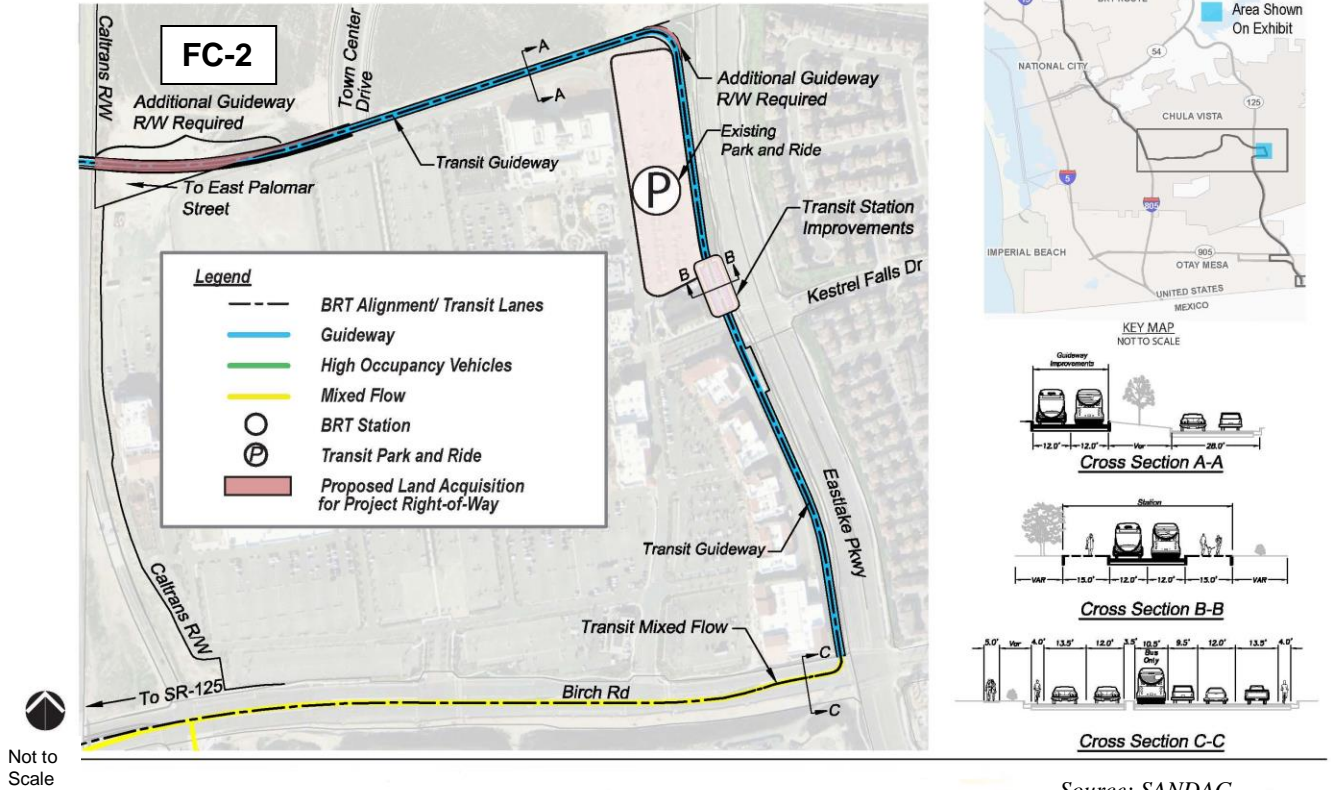
IV.1.5 Transit

The Otay Ranch Freeway Commercial site is served by the Metropolitan Transit System. Routes 703, 707 and 709 provide transit service along FC-2's frontage on Olympic Parkway. The San Diego Association of Governments (SANDAG) is proposing the South Bay Bus Rapid Transit (BRT) project to implement high speed transit service between a proposed Intermodal Transportation Center (ITC) at the Otay Mesa International Border Crossing Port of Entry (POE) in the City of San Diego, the Otay Ranch communities in eastern Chula Vista, and downtown San Diego, a distance of approximately 21.6 miles. Construction of the proposed Project was planned to begin in 2014 but was delayed until 2016.

Transit



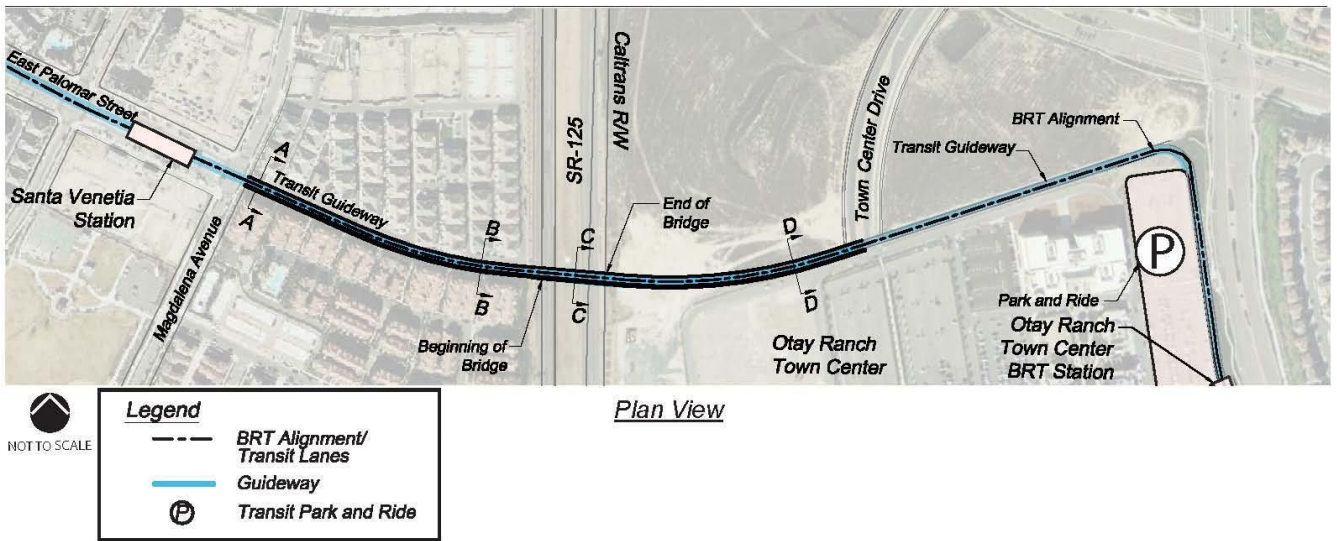
Note: Transit Routes indicated may be modified by Sandag from time to time. Park & Ride facilities will be included in FC-1 as shared parking.



Proposed East Palomar Street Guideway Overcrossing (Town Center Drive over SR-125 to Magdalena Avenue) – From the north side of the ORTC, the guideway would cross over SR-125 via guideway and pedestrian bridge (see Exhibit 8 & 9).

SOUTH BAY BRT

Plan View and Typical Sections for Proposed Guideway Overcrossing between ORTC and Magdalena Avenue



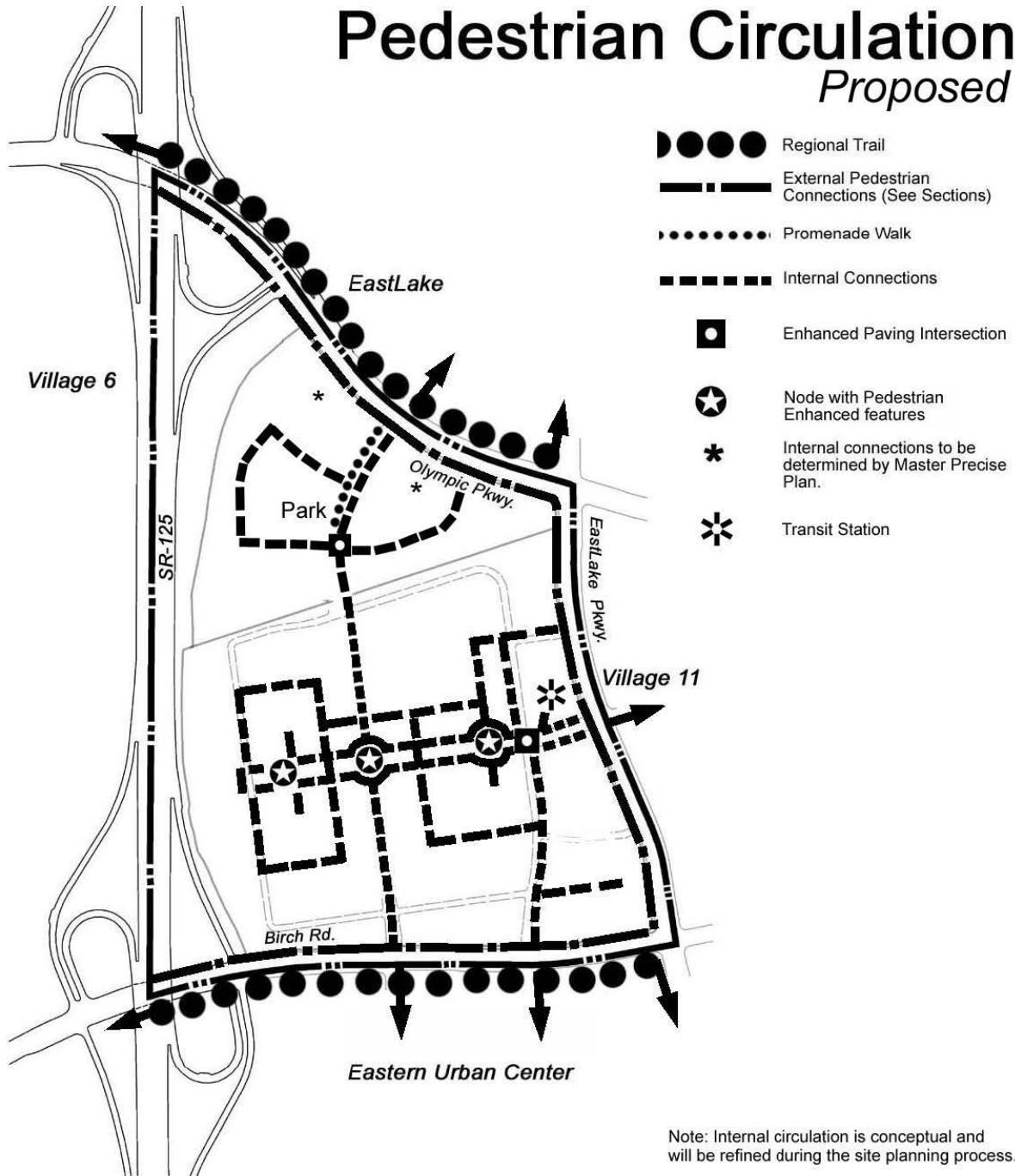
Source: SANDAG
Exhibit 9

IV.1.6 Bicycle Routes & Pedestrian Trails

Off-street trail routes that connect to the community-wide system of Otay Ranch as well as the city's regional system are included as components of the perimeter arterials of the FC-2 project. The proposed Pedestrian Circulation system, based on the current site plan for parcel FC-2, is illustrated in Exhibit 10.

Bicycles will share the traffic lanes with motor vehicles on the internal streets due to the low (25 mph) speed limit. The proposed Pedestrian Circulation system is based on the current conceptual development plan for parcel FC-2. Bicycles will share the traffic lanes with motor vehicles on the internal streets due to the low (25 mph) speed limit.

Pedestrian Circulation *Proposed*



Freeway Commercial

OTAY RANCH



1/19/2016

Exhibit 10

IV.1.6 Cost & Financing Traffic Improvements

A. Street Improvements

The FC-2 project will improve Town Center Drive and provide signalization improvements, as required, during the first phase of development.

B. Transportation Development Impact Fee (TDIF)

The Freeway Commercial project is within the boundaries of the TDIF program and, as such, the project is subject to the payment of the fees at the rates in effect at the time building permits are issued.

The TDIF that set the fee was adopted by City Council Ordinance 2802 on November 30, 1999. This fee is adjusted on October 1st of each year automatically without further council action. The amount is also subject to change as the code is amended from time to time. The City's Master Fee Schedule considers Low Density Residential Developments to have a density of 0 to 6 DU/Acre. The current TDIF for Low Density is \$13,330 per Equivalent Dwelling Unit (EDU). Medium Density Residential Developments have a 6.1 to 18 DU/Acre density. Medium Density Residential are charged \$10,664/EDU. High Residential Developments have a 18.1 or higher DU/Acre density. High Density Residential is charged \$7,998/EDU. General Commercial is charged at the rate of \$213,288 per acre of land. Commercial Mixed Use is charged at the rate of \$213,288 per 20,000 square feet. The total number of estimated TDIF by phase for FC-2 project is presented in Table C.3.

Phase	MF >18.1 DU/Ac.	Fee/MF DU	MF <18.1 DU/Ac.	Fee/MF DU	Com MU/20K sf	Com MU Fee/20K sf	Gen. Com	Gen. Com Fee/20K sf	Fees
Blue	310	\$10,664			15K	\$213,288			\$3,465,806
Orange			279	\$7,998					\$2,231,442
Light Yellow							3.3	\$213,288	\$703,850
Dark Yellow							3.0	\$213,288	\$693,864
Total	310		279				9.6		\$7,094,962

¹ Estimated TDIF is based on the Revised October 16, 2015, City of Chula Vista Development Checklist for Municipal Code Requirements (Form 5509) and is subject to annual adjustments. Actual TDIF may be different.

Signal Fee

Future development within Freeway Commercial will be required to pay Traffic Signal Fees in accordance with Chula Vista Council Policy No. 475-01. The estimated total signal fee is calculated at \$221,966 (see Table C.4).

Development Phase	Trips	Traffic Signal Fee @ \$36.01/Trip
FC-2	6,164	\$221,966
Total	6,164	\$221,966

D. Non-DIF Streets and Signals

The FC-2 project contains internal public streets and signals that by city policy are not eligible for DIF credit. These streets and signals will be funded by the development.

IV.1.7 Threshold Compliance

- A.** Threshold compliance will continue to be monitored through the Chula Vista Traffic Monitoring Program.
- B.** The FC-2 Project shall be conditioned to pay TDIF Fees at the rate in effect at the time building permits are issued.
- C.** The measures outlined in the Environmental Documentation are required to mitigate cumulative and direct project impacts.
- D.** The applicant shall comply with all the requirements of the Chen-Ryan Analysis.
- E.** Prior to the first final map for the project, Applicant shall dedicate to the City, any right-of-way as required by the City of Chula Vista for the BRT project.
- F.** Prior to the first EDU, a signal at Town Center Drive and Project Driveway shall be constructed as shown as #4 on Table C.2.

¹¹ Table is provided as an estimate only. Fees may change depending upon the actual number of square feet of buildings and multi-family units. Final square foot calculations and the actual number of residential units will be known at time building permits are applied for.

IV.2 POLICE

IV.2.1. Threshold Standard

- A. Priority 1- Emergency Calls¹² - Properly equipped and staffed police units shall respond to at least 81 percent of Priority 1 calls within seven minutes 30 seconds and shall maintain an average response time of six minutes or less for all Priority 1 calls (measured annually).
- B. Priority 2 - Urgent Calls¹³ - Properly equipped and staff police units shall respond to all Priority 2 calls within 12 minutes or less (measured annually).

Note: For growth management purposes, response time includes dispatch and travel time to the building or site address, otherwise referred to as “received to arrive.”

IV.2.2. Service Analysis

The City of Chula Vista Police Department provides police services. The purpose of the Threshold Standard is to maintain or improve the current level of police services throughout the City by ensuring that adequate levels of staff, equipment and training are provided. Police threshold performance was analyzed in the “Report on Police Threshold Performance 1990-1999”, completed April 13, 2000. In response to Police Department and GMOC concerns the City Council amended the threshold standards for Police Emergency Response on May 28, 2002, with adoption of Ordinance 2860. Police Facilities are also addressed in *A Master Plan for the Chula Vista Civic Center Solving City Space Needs Through Year 2010*, dated May 8, 1989.

IV.2.3. Project Processing Requirements

The PFFP is required by the Growth Management Program to address the following issues for Police Services.

- A. Services reviewed must be consistent with the proposed phasing of the project.
- B. Able to demonstrate conformance with *A Master Plan for the Chula Vista Civic Center* dated May 8, 1989, as amended.

IV.2.3. Existing Conditions

The Chula Vista Police Department (CVPD) provides law enforcement services to the area encompassing the project. The CVPD is located 315 Fourth Avenue in Chula Vista. This facility is expected to be adequate through the build-out of eastern Chula Vista. Currently, CVPD maintains a staff of approximately 223 sworn officers and approximately 89 civilian support personnel. The Project is within Police Patrol Beat 32 that is served by at least one Beat Officer per shift.

IV.2.4. Adequacy Analysis

The City Priority 1 Threshold Standard was changed from 7 minutes to 7 minutes 30 seconds, with an average response time changed from 5 minutes 30 seconds to 6 minutes.

¹² Priority 1 - Emergency calls are life-threatening calls; felony in progress; probability of injury {crime or accident}; robbery or panic alarms; urgent cover calls from officers. Response: Immediate response by two officers from any source or assignment, immediate response by paramedics/fire if injuries are believed to have occurred.

¹³ Priority 2 - Urgent calls are misdemeanor in progress; possibility of injury; serious non-routine calls {domestic violence or other disturbances with potential for violence}; burglar alarms. Response: Immediate response by one or more officers from clear units or those on interruptible activities {traffic, field interviews, etc.}.

The implementation of the new Threshold Standard included changing the reporting methodology by:

- Starting the clock at “received to arrive” rather than “route to arrive”;
- Eliminating a “normalization” calculation that was created due to higher reporting times in eastern versus western Chula Vista;
- Adding false alarms to the call volume.

According to the GMOC 2016 Annual Report the response times for Priority 1 Calls for Service (CFS) were not met during the 2014-2015 time period (see Table D.1). The CVPD responded to 71.2 percent of Priority 1 emergency response calls within 7 minutes and 30 seconds, which is 9.8 percent below the threshold standard of 81 percent, and 1.7 percent below the percentage reported for the previous year. Using the new methodology, the average response time was 6 minutes and 49 seconds, which is 49 seconds short of the threshold standard.

The Department attributed the shortfalls to “chronically low staffing in the Community Patrol Division.” During the current review period, however, staffing has increased significantly (as of October 2015, there were 98 officers on patrol, just 5 short of the desired 103); several Community Service Officers (CSOs have been added); and fleet mobile data computers (MDCs) were updated in the patrol fleet. Therefore, improvements are expected by the Department.

Fiscal Year	Call Volume	% of Call Response w/in 7:30 Minutes	Average Response Time (Old Methodolgy*)	Average Response Time (New Methodolgy)
Threshold Standard		81.0%	5:30	6:00
2014-15	675 of 64,008	71.2%	5:17	6:49
		% of Call Response w/in 7:30 Minutes	Average Response Time (Old Methodolgy*)	Average Response Time
Threshold Standard		81.0%	5:30	6:00
2013-14	711 of 65,645	79.3%	4:57	6:45
2012-13	738 of 65,741	81.5%	4:57	6:42
2011-12	726 of 64,386	78.4%	5:01	6:31
2010-11	657 of 64,695	85.7%	4:40	6:03
2009-10	673 of 68,145	85.1%	4:28	5:50
2008-09	788 of 70,051	84.6%	4:26	5:58
2007-08	1,006 of 74,192	87.9%	4:19	6:13
2006-07	976 of 74,277	84.5%	4:59	5:52
2005-06	1,068 of 73,075	82.3%	4:51	6:19
2004-05	1,289 of 74,106	80.0%	5:11	6:37
* Old Methodology criteria: 1) Calculated from "route to arrive" rather than "received to arrive"; 2) Includes normalization calculation; and 3) Excludes false alarm calls for service.				

Source: GMOC 2016 Annual Report

Priority 2 CFS during the FY 2014-15 time period were not met. The Priority 2 CFS has not been met for several years. Table D.2 indicates that the Priority 2 Average Response Time came in 1:50 short of the new Threshold Standard.

As with the Priority 1 Threshold Standard, a revised Priority 2 Threshold Standard adopted in 2015. The new Priority 2 “Average Response Time” was changed from 7 minutes 30 seconds to 12 minutes, and the “percentage of calls responded to within 7 minutes” portion of the Threshold Standard was eliminated. Implementation of the new Priority 2 Threshold Standard follows the same methodology used for the new Priority 1 Threshold Standard, including: 1) Starting the clock at “received to arrive” rather than “route to arrive”; 2) Eliminating a “normalization” calculation that was created due to higher reporting times in eastern versus western Chula Vista; and 3) Adding false alarms to the call volume.

Fiscal Year	Call Volume	Average Response Time (Old Methodolgy)	Average Response Time (New Methodolgy)
Threshold Standard		7:30	12:00
FY 2013-14	17,817 of 65,645	11:26	13:50
FY 2013-14	17,817 of 65,645	11:26	13:36
FY 2011-12	18,505 of 65,741	11:37	13:44
FY 2011-12	22,121 of 64,386	11:54	14:20
FY 2010-11	21,500 of 64,95	10:06	12:52
FY 2009-10	22,240 of 68,145	9:55	12:40
FY 2008-09	22,686 of 70,051	9:16	12:00
FY 2007-08	23,955 of 74,192	9:18	12:07
FY 2006-07	24,407 of 74,277	11:18	14:21
FY 2005-06	24,876 of 73,075	12:33	15:28
FY 2004-05	24,923 of 74,106	11:40	14:38

Source: GMOC 2016 Annual Report

The non-compliance with the Priority 2 Response Times is attributed by the Department to the same reasons that the Priority 1 Threshold Standard was not met.

IV.2.5. Financing Police Facilities

The Public Facilities Development Impact Fee (PFDIF) was updated by the Chula Vista City Council on November 19, 2002 by adoption of Ordinance 2847. The PFDIF is adjusted every October 1st pursuant to Ordinance 3050, which was adopted by the City Council on November 7, 2006. The Police PDIF Fee for Multi-Family Development is \$1,863/unit (see Table A.7)¹⁴. The Police PFDIF for Commercial development is \$8,152

¹⁴ Fee based on Form 5509 dated 10/16/2015. Actual fee may be different, please verify with the City of Chula Vista at the time of building permit.

per acre. This amount is subject to change as it is amended from time to time. The project will be subject to the payment of the fee at the rate in effect at the time building permits are issued. At the current fee rate, the project Police Fee obligation at build-out is \$1,169,758.

Development	Number of DUs	MF PFDIF/DU	Com'l Acres	Com'l PFDIF/AC.	Police Fee for Freeway Commercial
Multi-Family Residential	600	\$1,863			\$1,117,800
Commercial			6.30	\$8,152	\$51,358
Totals	600		6.30		\$1,169,758

The projected fee illustrated in Table D.3 is an estimate only. Actual fees may be different. PFDIF Fees are subject to change depending upon City Council actions and or Developer actions that change residential densities, industrial acreage or commercial acreages.

IV.2.6. Threshold Compliance

Compliance will be satisfied with the payment of Public Facilities Fees. The proposed project will be required to pay public facilities fees for police services, based on the number of dwelling units and commercial acreage, prior to the issuance of building permits; the fees shall be paid at the rate in effect at the time payment is made.

IV.3 FIRE AND EMERGENCY MEDICAL SERVICES

IV.3.1. Threshold Standard

Emergency response: Properly equipped and staffed fire and medical units shall respond to calls throughout the City within seven (7) minutes in 80 percent of the cases.

IV.3.2. Service Analysis

The City of Chula Vista Fire Department (CVFD) provides Fire and Emergency Medical Services (EMS). EMS is provided on a contract basis with American Medical Response (AMR). The City also has countywide mutual and automatic aid agreements with surrounding agencies, should the need arise for their assistance. The purpose of the Threshold Standard and the monitoring of response times are to maintain and improve the current level of fire protection EMS in the City. Fire/EMS facilities are provided for in the recently City Council Adopted (1/28/2014) Fire Facility, Equipment and Deployment Master Plan (FFMP). The FFMP indicates that the number and location of fire stations primarily determine response time. The FFMP evaluates the planning area's fire coverage needs, and recommends a twelve (12) station network at build out to maintain compliance with the Threshold Standard (see Table E.1).

IV.3.3. Existing Conditions

There are currently nine (9) fire stations serving the City of Chula Vista. The existing station network is listed below:

Table E.1 Current Fire Station Facilities			
Station	Location	Equipment	Staffing
Current Fire Station Facilities			
Station 1	447 F St.	Engine 51/Truck 51/Battalion 51	Assigned: 24 - On Duty: 8
Station 2	80 East J St.	Engine 52	Assigned: 9 - On Duty: 3
Station 3	1410 Brandywine Ave.	US&R ¹⁵ 53 + Tender & Trailer	Assigned: 12 - On Duty: 4
Station 4	850 Paseo Rancho	Engine 54	Assigned: 9 On Duty: 3
Station 5	391 Oxford St.	Engine 55	Assigned: 9 On Duty: 3
Station 6	605 Mt. Miguel Rd.	Engine 56/Brush 56	Assigned: 9 On Duty: 3
Station 7	1640 Santa Venetia Rd.	Engine 57/Truck 57/Battalion 52	Assigned: 24 On Duty: 8
Station 8	1180 Woods Dr.	Engine 58	Assigned: 9 On Duty: 3
Station 9	291 E. Oneida Street	Engine 59	Assigned: 9 On Duty: 3
Planned Fire Station Facilities			
	EUC	New Engine/ New Truck	Unknown
	Bayfront	New Engine/ New Truck	Unknown
	Village 8 West	New Engine/ New Truck	Unknown

Source: CVFD

The adopted FFMP sets forth a plan for a Fire/Emergency Medical Services delivery system within the City of Chula Vista that can, upon build-out, meet the expected growth of the City. The FFMP recommends the expansion of one existing fire station and the addition of three new fire stations for a total of 12 fire stations. The FFMP anticipated

¹⁵ National Urban Search and Rescue (US&R) Response System Team

the University Villages development. Two of the new fire stations are within Otay Ranch, one in Village 8 West, the other in the Millennia project, which is consistent with the Otay Ranch GDP and EUC SPA Plan. Additionally, a third fire station would serve the Bayfront. All future growth projected in the City will be served by the station locations and configuration as outlined within the FFMP.

During the City's next comprehensive update of the PFDIF program, the level of capital program financial support required from both the General Fund and the PFDIF will be determined. The City's Public Facilities Development Impact Fee (PFDIF) program is the primary funding source for the one-time fire related facility capital expenditures; the General Fund is the funding source for the operating costs. Cost sharing between the City and the PFDIF will also be determined during the PFDIF update and the new aforementioned development related facilities will be added to the PFDIF program fee calculation.

American Medical Response (AMR) is contracted by the City of Chula Vista to provide Emergency Medical Services. There are four AMR units that provide paramedics to the City of Chula Vista exclusively. Currently two full-time units are stationed within the city limits and are dedicated to Chula Vista, while two other full-time units are shared with other cities. The Chula Vista Fire Department is also providing an Advance Life Support (ALS) program to provide residents with the most appropriate emergency medical care in a timely manner.

IV.3.4. Adequacy Analysis

The City of Chula Vista Fire Department (CVFD) currently serves areas within the City's boundaries, including the Freeway Commercial project. The closest CVFD stations to the project site are:

- Fire Station #7, located in Village 2 – 1.5 miles.
- Fire Station #8, located in EastLake III – 2.5 miles

The station nearest to the Freeway Commercial Condominium project is Station #7. This station is approximately 1.5 miles from the Freeway Commercial Condominium project. Station #8 is located in the EastLake Woods neighborhood, which is approximately 2.5 miles away. The department's standard response to a fire at the project site with the proposed uses could include: Four Fire Engines from Stations 4, 6, 7 & 8; Two Trucks from Stations 1 & 7; Two Battalion Chiefs from Stations 1 & 7; and One Urban Search & Rescue team from Station 3.

According to the GMOC 2016 Annual Report "the percentage of "Calls Responded to Within 7 Minutes" fell just 1.7% short of the 80% Threshold Standard, which was a 1.8% improvement from the previous review period. The average response time for all calls was 12 seconds slower." Similar to last year, the Department's slowest times were reported from stations 6, 7 and 8. These three stations were 21.6% below the Threshold Standard. The Department will be conducting an in-depth statistical analysis to provide more detailed information regarding specific response times to improve the response times from fire stations 6, 7 and 8.

Table E.2 FC-2 SPA Fire and EMS Response Times						
Years	Call Volume	% of All Call Responded to Within 7:00 Minutes (Threshold = 80%)	Average Response Time for all Calls ²	Average Travel Time	Average Dispatch Time	Average Turn-out Time
FY 2015	12,561	78.3	6:14	3:51	1:12	1:10
FY 2014	11,721	76.5	6:02	3:34	1:07	1:21
FY 2013	12,316	75.7	6:02	3:48	1:05	1:08
FY 2012	11,132	76.4	5:59	3:43		
FY 2011	9,916	78.1	6:46	3:41		
FY 2010	10,296	85.0	5:09	3:40		
FY 2009	9,363	84.0	4:46	3:33		
FY 2008	9,883	86.9	6:31	3:17		
FY 2007	10,020	88.1	6:24	3:30		
CY 2006	10,390	85.2	6:43	3:36		
CY 2005	9,907	81.6	7:05	3:31		
FY 2003-04	8,420	72.9	7:38	3:32		
FY 2002-03 ¹	8,088	75.5	7:35	3:43		
FY 2001-02 ¹	7,626	69.7	7:53	3:39		
FY 2000-01	7,128	80.8	7:02	3:18		
Note 1: Reporting period for FY 2001-02 and 2002-03 is for October 1, 2002 to September 30, 2003. The difference in 2004 performance when compared to 2003 is within the 2.5% range of expected yearly variation and not statistically significant.						
Note 2: Through FY 2012, the data was for "Average Response Time for 80% of Calls."						

Source: GIOC 2016 Annual Report

The FFMP includes additions to the existing network of fire stations. According to the plan, these additions to the network will allow fire department emergency response time improvement to 7 minutes 90% of the time. The improvement in response times will not be noticed until completion of the aforementioned fire station network improvements. The FFMP does not specify definitive dates or triggers for fire station construction to begin; nor has a funding mechanism been identified.

The fire department has determined that the following system improvements are required to make significant improvements in compliance:

- Additional fire stations within the network
- Additional improvements in call for service dispatch processes
- Improved management of response time performance to include interactive discussion with fire crews, use of mapping capabilities, and shared data with stakeholders.

IV.3.5. Fire & EMS Facility Analysis:

The CVFD has four fire stations west of Interstate 805 and 6 fire stations east of I-805. Response times are good for west side stations since they are located within a traditional

grid street pattern plus fewer calls for service than the eastern stations. New developments in the eastern portion of the city will require better street connectivity and an increased awareness for emergency vehicle access to improve response times. The CVFD has indicated that new fire stations and associated apparatus is necessary to accommodate new growth over the next five years.

IV.3.6. Financing Fire & EMS Facilities:

The Public Facilities Development Impact Fee (PFDIF) was updated by the Chula Vista City Council on November 19, 2002 by adoption of Ordinance 2847. The PFDIF is adjusted every October 1st pursuant to Ordinance 3050, which was adopted by the City Council on November 7, 2006. The Fire PFDIF Fee for Multi-Family Development is \$1,030/unit (see Table A.7)¹⁶. The Fire PFDIF for Commercial development is \$3,786 per acre. This amount is subject to change as it is amended from time to time. The project will be subject to the payment of the fee at the rate in effect at the time building permits are issued. At the current fee rate, the project Fire Fee obligation at build-out is \$641,852.

Development	DU's	MF PFDIF/DU	Acres	Com'l PFDIF/AC.	Fire/EMS Fee
Multi-Family Residential	600	\$1,030			\$618,000
Commercial			6.30	\$3,786	\$23,852
Totals	600	\$1,030	6.30	\$3,786	\$641,852

The projected fee illustrated in Table E.3 is an estimate only. Actual fees may be different. PFDIF Fees are subject to change depending upon City Council actions and or Developer actions that change residential densities, industrial acreage or commercial acreages.

IV.3.7 Threshold Compliance:

- A. The City will continue to monitor fire department responses to emergency fire and medical calls and report the results to the GMOC on an annual basis.
- B. Prior to the issuance of each building permit for any residential dwelling units, the applicant(s) shall pay PFDIF in accordance with the fees in effect at the time of building permit issuance and phasing approved in this document, unless stated otherwise in a separate development agreement.

¹⁶ Fee based on Form 5509 dated 10/16/2015. Actual fee may be different, please verify with the City of Chula Vista at the time of building permit.

IV.4. SCHOOLS

IV.4.1. Threshold Standard

The city shall annually provide the Chula Vista Elementary School District (CVESD) and the Sweetwater Union High School District (SUHSD) with the city's annual 5-year residential growth forecast and request an evaluation of their ability to accommodate forecasted growth, both citywide and by subarea. Replies from the school districts should address the following:

- A. Amount of current classroom and "essential facility" (as defined in the Facility Master Plan) capacity now used or committed;
- B. Ability to absorb forecasted growth in affected facilities and identification of what facilities need to be upgraded or added over the next five years;
- C. Evaluation of funding and site availability for projected new facilities identified; and
- D. Other relevant information the school district(s) desire(s) to communicate to the City and GMOC.

IV.4.2. Service Analysis

School facilities and services in Chula Vista are provided by two school districts. The Chula Vista Elementary School District (CVESD) administers education for kindergarten through sixth grades. The Sweetwater Union High School District (SUHSD) administers education for the Junior/Middle and Senior High Schools of a large district, which includes the City of Chula Vista. The purpose of the threshold standard is to ensure that the districts have the necessary school sites and funds to meet the needs of students in newly developing areas in a timely manner, and to prevent the negative impacts of overcrowding on the existing schools. Through the provision of development forecasts, school district personnel can plan and implement school facility construction and program allocation in line with development.

On November 3, 1998, California voters approved Proposition 1A, the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998. Prior to the passage of Proposition 1A, school districts relied on statutory school fees established by Assembly Bill 2926 ("School Fee Legislation") which was adopted in 1986, as well as judicial authority (i.e., Mira-Hart-Murrieta court decisions) to mitigate the impacts of new residential development. In a post Proposition 1A environment, the statutory fees provided for in the School Fee Legislation remains in effect and any mitigation requirements or conditions of approval not memorialized in a mitigation agreement, after January 1, 2000, will be replaced by Alternative Fees (sometimes referred to as Level II and Level III Fees). The statutory fee for residential development is referred to in these circumstances as the Level I Fee (i.e., currently for unified school districts at \$3.48 per square foot for new residential construction and \$0.56 per square foot for new commercial and industrial construction).

CVESD utilizes their current *Fee Justification Report*, by SDFEA, to quantify the impacts of new residential development on the district's school facilities, and to calculate the permissible Alternative Fees to be collected from such new residential development. To ensure the timely construction of school facilities to house students from residential development, alternative fees or implementation of a Mello Roos Community Facilities District (CFD) will be necessary.

Both CVESD and SUHSD are justified per Gov't Code to collect the maximum fee of \$3.48 per square foot for new residential construction. CVESD has an agreement with SUHSD specifying the amount of the development fee that each district collects from new residential development.

Sweetwater Union High School District utilizes their current "Sweetwater Union High School District Long Range Comprehensive Master Plan." Implementation of the SUHSD Plan is ongoing and has resulted in the upgrading of older schools and accommodating growth. In November 2006, the community supported Proposition O, a 644 million dollar bond measure. This bond measure addresses the critical and urgent safety needs of the district's campuses. The types of repairs and improvements that Prop O addresses included: improving handicap accessibility, removing asbestos and lead paint, and upgrading fire and life safety systems.

In November 2012, the community supported Proposition E, a 90 million dollar bond measure. This bond measure addressed the renovation and upgrades of the existing campuses within the CVESD.

IV.4.3 Project Processing Requirements

The PFFP is required by the Growth Management Program to address the following issues for School Services:

- A. Identify student generation by phase of development.
- B. Specific siting of proposed school facilities will take place in conformance with the *Sweetwater Union High School District Long Range Comprehensive Plan*, and Chula Vista Elementary School District's Standards and Criteria.
- C. Reserve school sites, if necessary, or coordinate with the district for additional school classrooms.
- D. Provide cost estimates for facilities.
- E. Identify facilities consistent with proposed phasing.
- F. Demonstrate the ability to provide adequate facilities to access public schools in conjunction with the construction of water and sewer facilities.
- G. Secure financing.

IV.4.4 Existing Conditions

A. School Facilities Inventory, Chula Vista Elementary School District

Currently, the CVESD's inventory consists of 45 elementary schools including 6 Charter schools. Table F.1 lists existing schools together with the capacity and enrollment of each. Capacity using existing facilities is approximately 30,000. Estimated enrollment for the 2015-2016 school year is approximately 28,580. Thirty-nine of the districts 45 schools are located within the City of Chula Vista. Most of the District's 40 schools have some capacity (see Table F.1). The existing district schools in the vicinity of the Freeway Commercial project (Wolf Canyon, Arroyo Vista Charter, Corky McMillin, Olympic View, Salt Creek and Veterans) have little or no capacity at this time. However, according to the GMOC 2016 Annual Report, the CVESD reported that, within the next five years, they should be able to provide the facilities necessary to accommodate additional students in eastern Chula Vista.

**Table F.1
Chula Vista Elementary School District
Enrollments vs. Capacity**

Schools	2015/2016 Projected Enrollment	Approximate Capacity	Remaining Capacity
Allen	382	438	56
Arroyo Vista Charter	849	850	1
Burton C. Tiffany	543	586	43
Camarena	1058	1000	-58
Casillas	542	577	35
Castle Park	401	489	88
Chula Vista Hills	498	588	90
Chula Vista LCC	962	888	-74
Clear View Charter	480	586	106
Cook	356	513	157
Discovery Charter	810	938	128
EastLake	580	702	122
Feaster/Ed Charter	1,029	1,113	84
Finney	383	586	203
Halecrest	511	577	66
Harborside	687	864	177
Hedenkamp	1,065	1,150	85
Heritage	857	900	43
Hilltop Drive	556	564	8
Juarez-Lincoln	571	727	156
Kellogg	288	427	139
Lauderbach	783	1052	269
Liberty	745	752	7
Loma Verde	556	650	94
Los Altos	379	489	110
Marshall	658	686	28
McMillin	851	813	-38
Montgomery	380	513	133
Mueller Charter	902	900	-2
Olympic View	817	825	8
Otay	550	713	163
Palomar	383	436	53
Parkview	385	536	151
Rice	636	739	103
Rogers	465	639	174
Rohr	285	489	204
Rosebank	574	727	153
Salt Creek	958	975	17
Silver Wing	416	488	72
Sunnyside	468	489	21
Valle Lindo	540	677	137
Valley Vista	563	634	71
Veterans	890	901	11
Vista Square	627	689	62
Wolf Canyon	1361	927	-434
Totals	28,580	31,802	3,222

Source: Gmoc 2016 Annual Report

Table F.2 Sweetwater Union High School District Enrollments vs. Capacity			
School Site	12/31/16 Projected Enrollment	Approximate Capacity	Capacity vs. Projected
Middle Schools			
Bonita Vista	1,191	1,187	-4 ¹
Castle Park	873	1,129	256
Chula Vista	816	1,030	214
EastLake	1,684	1,523	-161 ¹
Hilltop	1,030	1,148	118
Rancho del Rey	1,789	1,414	-375 ¹
Subtotal	7,383	7,431	48
High Schools			
Bonita Vista	2,415	2,056	-359 ¹
Castle Park	1,443	1,681	238
Chula Vista	2,503	2,162	-331 ¹
EastLake	3,037	2,291	-746 ¹
Hilltop	2,096	2,096	0
Olympian	2,583	1,913	-670 ¹
Otay Ranch	2,523	2,126	-397 ¹
Palomar	291	479	188
Subtotal	16,891	14,804	-2,087
Total	24,274	22,235	-2,039
Note 1: Per the District: This enrollment is accommodated on-site through master scheduling and travelling teachers which allow classrooms to be used an extra period each day.			

Source: GMOC 2016 Annual Report

B. School Facilities Inventory, Sweetwater Union High School District

The SUHSD currently administers eleven (11) junior high/middle schools and thirteen (13) senior high schools including one continuation high school within the District. Planned for the future is middle school #12 and high school #14. Last year the district projected the need for Middle School #12 and High School #14 after 2015. The new high school will relieve EastLake, Otay Ranch and Olympian High Schools. The district has not established attendance boundaries and therefore cannot project exactly how the affected school's enrollment will be reduced. However, according to the GMOC 2016 Annual Report, the SUHSD reported that, within the next five years, they should be able to provide the facilities necessary to accommodate additional students in eastern Chula Vista.

C. Community Facilities District (CFD)

Several master-planned communities within eastern Chula Vista are currently in a CFD while other communities have entered into agreements with the District to form a CFD. Because these developments have already secured mitigation to ensure the timely construction of school facilities to house students generated from these developments they are deemed Mitigated Developments by the district and are excluded from the payment of Alternative Fees. Residential development projects that have currently not mitigated the impacts that result from their development projects are considered “Unmitigated Developments.”

In the event that schools are overcapacity, the school district uses relocateable classrooms to temporarily house additional students until a new facility opens. In recognition of the impact on school facilities created by new development, the District and developers may enter into various mitigation agreements in order to ensure the timely construction of school facilities to house students from new residential development (“Mitigation Agreement”). Historically, developers and school districts have entered into School Mitigation Agreements and community facilities district (“CFD”), pursuant to the Mello-Roos Community Facilities District Act of 1982 (CVESD), to finance school facilities. However, per AB 2926, in the absence of a mitigation agreement, the developer shall pay the statutory school fees under state law in effect at the time of building permit issuance.

IV.4.5 School Sizing and Location

The project is proposed to consist of 600 multi-family residential dwelling units at build out. At completion, the proposed project could generate approximately 353 students using the following Student Generation Factors:

District	Single Family Detached	Single Family Attached	Multi-Family
CVESD	N/A	N/A	.3 students/d.u.
SUHSD	N/A	N/A	.286 students/d.u.

Source: CVESD & SUHSD

By school category, the project is expected to generate the following students:

Table F.4 Estimated Project Student Generation				
Multi- Family Dwelling Units	Elementary (K-6)	Middle (7-8)	High School (9-12)	Total Students
600	180	52	121	353

School Size Standards:

Elementary	750-1,000 students
Middle	1,500 students
Senior High	2,400 students

Chula Vista Elementary School District

As noted in Table E.4, the build-out of the project would generate the need to house approximately 180 elementary school age students within the Wolf Canyon attendance area. A portion of the project is within CFD 1, however, the district and the developer have agreed to detach the project from CFD 1 and annex into the new CFD 19 that will include the FC-2 project and a portion of Village 2. The new CFD 19 will assess a new annual tax per the mitigation agreement and Rate and Method of Apportionment. This CFD is being formed to cover the costs of the District's capital facilities required to serve the development area.

The construction of a new 800-student school (#46) in Otay Ranch Village 2 is projected to open in July 2017, providing relief to Wolf Canyon Elementary, which is nearing capacity. A second school in Village 2, which will accommodate 600 students, is also planned. New schools will also be added in Village 3 and the Eastern Urban Center (Millenia). The school district is limiting and eventually discontinuing zone transfers (from the west side to the east side) so that students that live in the new communities can attend their home school.

Sweetwater Union High School District

The proposed project is anticipated to generate approximately 52 middle school students and 121 high school students. The project is currently within the EastLake Middle School and Olympian High School attendance areas. Both schools are at capacity and the Project will generate additional need for new schools. All eastside schools are at capacity and closed to new intradistrict transfers.

The school district is working on updating its Long-Range Facilities Master Plan and has met with the City to discuss potential high school and middle school sites. Current plans are to begin construction of high school #14 on the northeast corner of Eastlake Parkway and Hunte Parkway, and middle school #12 in Otay Ranch Village 8 West in 2017 and open in July 2019. The district will need to acquire another 25-50-acre site to accommodate future growth.

The SUHSD formed CFD 1, which most of the Freeway Commercial Project was annexed into in 1993. The property annexed into CFD 1 will be assessed an annual tax pursuant to the mitigation agreement and Rate and Method of Apportionment for CFD 1. The property outside of CFD 1 will have the option of annexing into the CFD or paying the State mandated school fee.

Demand for adult school facilities will be satisfied within existing facilities in the Sweetwater Union High School District, until a new facility can be constructed in the Eastern Urban Center (EUC) or a site reserved pursuant to the Otay Ranch GDP.

IV.4.6 Financing School Facilities

California Government Code section 65995 et. seq. and Education Code Section 17620 et. seq. authorizes school districts to impose facility mitigation exactions on new development as a way to address increasing enrollment caused by that development.

Although the collection of school fees is one method available to defray the cost of new development, it is not an acceptable solution since the maximum amount that could be collected by law represents less than one-fourth the cost to construct schools. The SUHSD is unable to meet the needs of this project with current school facilities and it is unable to construct new facilities to meet the impacts of this project through the provision of school fees.

In recognition of this funding deficiency, it is the policy of each district to fully mitigate the facility impacts caused by a master planned community via the creation of a Mello Roos Community Facilities District. The following Mello-Roos Districts have been created by each district:

SUHSD		CVED	
CFD Number	Location	CFD Number	Location
1	EastLake	1	EastLake
2	Bonita Long Canyon	2	Bonita Long Canyon
3	Rancho del Rey	3	Rancho del Rey
4	Sunbow	4	Sunbow
5	Annexable	5	Annexable
6	Otay Ranch	6	Otay Ranch
7	Rolling Hills Estate	10	Annexable for future annexations
8	Coral Gate (Otay Mesa)	11	Otay Ranch (Lomas Verde)
9	Ocean View Hills	12	Otay Ranch (Village 1, West)
10	Remington Hills/Annexable	13	San Miguel Ranch
11	Lomas Verdes	14	Otay Ranch Village 11 (Brookfield/Shea)
12	Otay Ranch (Village 1 West)	15	Otay Ranch Village 6 (ORC)
13	San Miguel Ranch	17	Otay Ranch Village 2 & portion of V7
14	Otay Ranch Village 11	18	Eastern Urban Center (Millennia)
		19	Portion of PA12 & Village 2

Based on historical data available from each district an estimate of costs for the construction of school facilities on a per student basis is provided. Both districts follow state standards for determining the costs and size for school construction. The cost for a high school, including land acquisition, is approximately \$38,500 per student (2010 dollars). Excluding land, the cost for a high school is approximately \$32,000 per student. The cost for a middle school, including land acquisition, is approximately \$36,000 per student (2010 dollars). Excluding land, the cost for a middle school is \$32,000 per student. The cost for an elementary school, including land acquisition, is approximately \$33,500 per student (2010 dollars). Excluding the land, the cost for an elementary school is approximately \$30,000 per student. Land acquisition cost is calculated at approximately \$350,000/net usable acre (10 acre elementary school site). Using the

forementioned costs per student together with the school size, the following costs per facility can be anticipated.

<u>Elementary School Cost</u>	
(1000 students) (\$30,000/student w/o land cost)	\$30,000,000
(1000 students) (\$33,500/student w/land cost)	\$33,500,000
<u>Middle School Cost</u>	
(1,500 students) (\$32,000/student w/o land cost)	\$48,000,000
(1,500 students) (\$36,000/student w/ land cost)	\$54,000,000
<u>High School Cost</u>	
(2,400 students) (\$32,000/student w/o land cost)	\$80,000,000
(2,400 students) (\$38,500/student w/ land cost)	\$92,500,000

IV.4.7 Threshold Compliance

Prior to the issuance of each building permit for any residential dwelling units, the applicant(s) shall provide evidence or certification by the SUHSD and CVESD that any fee charge, dedication or other requirement levied by the school district has been complied with or that the district has determined the fee, charge, dedication or other requirements do not apply to the construction or that the applicant has entered into a school mitigation agreement. School Facility Mitigation Fees shall be in accordance with the fees in effect at the time of building permit issuance.

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IV.5 LIBRARIES

IV.5.1 Threshold Standard

The city will not fall below the citywide ratio of 500 gross square feet (GSF) of library space, adequately equipped and staffed, per 1,000 population.

IV.5.2 Service Analysis

The City of Chula Vista Library Department provides library facilities.

IV.5.3 Project Processing Requirements

The PFFP is required by the Growth Management Program to address the following issues for Library services:

- A. Identify phased demands in conjunction with the construction of streets, water and sewer facilities.
- B. Specifically identify facility sites in conformance with the Chula Vista Library Master Plan.

IV.5.4 Existing Conditions

The City provides library services through the Civic Center Branch Library, the South Chula Vista Branch Library and, Otay Ranch Town Center Branch Library. The Civic Center Branch Library is located at 365 F Street, approximately seven miles from the FC-2 project and is the largest library facility within the city, consisting of a two-story, 55,000-square-foot building. The South Chula Vista Branch Library is located at 389 Orange Avenue, approximately six miles from the project and consists of approximately 37,000 square feet. The Otay Ranch Branch Library is located at 2015 Birch Road in the Otay Ranch Town Center, approximately one-quarter mile from the project and consists of approximately 5,400 square feet. The existing and future libraries are listed on the Table G.1 and Table G.2, respectively.

Existing Libraries	Square Footage
Civic Center	55,000
South Chula Vista	37,000
Otay Ranch Town Center	5,400
Total Existing Square Feet	97,400

The Chula Vista Public Library Strategic Facilities Plan identified ways to improve library service delivery to the community, particularly to residents of eastern Chula Vista. The plan indicates that the additional needed library square footage can be developed as multiple smaller branches, or as one large library. However, the library's operating budget has been significantly reduced and capital funding is not currently available. Therefore, the facilities plan does not determine which option would be implemented. The options will be evaluated when capital and operating funds become available. Additional measures such as mall outlets, book vending machines, a bookmobile, and service partnerships are identified as possible interim measures. One recent interim measure was the mall branch at Otay Ranch Town Center, which opened in April 2012, which was augmented with a 2,000 square foot expansion in 2014.

IV.5.5 Adequacy Analysis

Using the Threshold Standard of 500 square feet of library space per 1,000 population, the demand for library space based on Chula Vista's estimated population of 261,187¹⁷ as of 12/31/2016 is approximately 130,594 square feet. Chula Vista currently provides approximately 97,400 square feet of library space. This represents an approximate 33,200 square-foot deficit. The demand generated by the 6,630 forecasted dwelling units (GMOC 2016 Annual Report) is approximately 10,600 square feet (6,630 x 3.21¹⁸/1,000) x 500). By 2019, the demand for library space generated by the existing and forecasted dwelling units totals approximately 141,200 (130,600 + 10,600) square feet. Comparing this demand to the existing library square footage of 97,400 square feet results in a deficit of approximately 43,800 square feet unless the city completes the Rancho Del Rey or Millennia Regional Library or a combination of a Regional Library and numerous branch libraries before 2020.

Table G.2 illustrates the need to increase Library Facilities over the next five years to keep pace with the city's projected growth. The table assumes the Millenia Library is completed and the Otay Ranch Branch is closed. The SANDAG 2030 build-out population for Chula Vista is approximately 289,044. This population will require approximately 144,500 square feet of Library Facilities.

The GMOC Threshold Standard for libraries is 500 square feet of library space per 1,000 residents. According to the 2016 GMOC Annual Report, the current service ratio for FY 2014-2015 was approximately 380 square feet for every 1,000 residents. Therefore, the City does not currently meet the threshold standard for libraries.

Construction of the proposed 30-35,000 square foot Library at the Millenia project may not achieve the City's Threshold Standard compliance. The GMOC Annual Report indicated that "either doubling the size of the Millenia library to 70,000 square feet or constructing two 35,000 square-foot libraries – one in Millenia and one on the Rancho del Rey library site – will be necessary to achieve compliance at build-out."

¹⁷ GMOC 2016 Annual Report

¹⁸ City forecasting Population coefficient of 3.21 persons per household.

Table G.2 Library Space Demand vs. Supply				
	Estimated Population	Demand Square Footage	Estimated Supply Square Footage	Above/(Below) Standard
Estimated Existing Citywide 12/31/16	261,187	130,594	97,412	(33,182)
Regional library at Millenia (EUC) 2020			32,500	(682)
Forecasted Projects to 2020	21,000	10,500		(10,500)
Subtotal	282,187	141,094	129,912¹	(11,182)

Note 1: Assumes the Millenia Library completed with the closing of the Otay Ranch Branch

Source: 2016 GMOC Annual Report

IV.5.6 Financing Library Facilities

The Public Facilities Development Impact Fee (PFDIF) was updated by the Chula Vista City Council on November 19, 2002 by adoption of Ordinance 2847. The PFDIF is adjusted every October 1st pursuant to Ordinance 3050, which was adopted by the City Council on November 7, 2006. The current PFDIF for single-family residential and multi-family development is \$1,627/unit. This amount is subject to change with the adoption of Ordinance 3010. The PFDIF amount is subject to change as it is amended from time to time. Both residential and non-residential development impact fees apply to the project. The calculations of the PFDIF due for each facility are addressed in the following sections of this report. At the current library fee rate, the Otay Ranch FC-2 Library Fee obligation at build-out is \$976,200 (see Table G.3).

Table G.4 FC-2 Estimated Library Fee¹⁹					
Development	DU's	MF PFDIF/DU	Acres	Com'l PFDIF/AC.	Library Fee
Multi-Family Residential	600	\$1,627	N/A	N/A	\$976,200
Totals	600				\$976,200

The projected fee illustrated in Table G.4 is an estimate only. Actual fees may be different. PFDIF Fees are subject to change depending upon City Council actions and or Developer actions that change residential densities.

¹⁹ Fee based on Form 5509 dated 10/16/2015. Actual fee may be different, please verify with the City of Chula Vista at the time of building permit.

IV.5.7. Threshold Compliance

- A. Project compliance will be satisfied with the payment of Public Facilities Fees. The proposed project will be required to pay public facilities fees for Library services, based on the number of dwelling units, prior to the issuance of building permits; the fees shall be paid at the rate in effect at the time payment is made.
- B. Prior to the issuance of each building permit for any residential dwelling units, the applicant shall pay the required PFDIF in accordance with the fees in effect at the time of building permit issuance and phasing approved. Payment of the PFDIF would represent the project's fair share contribution to meet the City's Threshold Standard for library space.
- C. The City of Chula Vista shall continue to monitor library facilities and services and report the results to the GMOC on an annual basis.

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IV.6 PARKS, TRAILS AND OPEN SPACE

IV.6.1 Park Threshold Standard

Population Ratio: Three (3) acres of neighborhood and community park land with appropriate facilities per 1,000 residents east of I-805.

IV.6.2 Service Analysis

The City of Chula Vista provides public park and recreational facilities and programs through the Public Works and Recreation Departments which are responsible for the acquisition and development of parkland. All park development plans are reviewed by City staff and presented to the Parks and Recreation Commission for review. A recommendation is made by this Commission to the City Council.

The Otay Ranch Parks and Recreation Facility Implementation Plan was adopted by the City Council on October 28, 1993. This plan identifies the parks facility improvement standards for the Otay Ranch.

The Otay Ranch Freeway Commercial (FC) SPA must conform to the Chula Vista Parks and Recreation Master Plan, as amended, which provides the guidance for planning, siting and implementation of neighborhood and community parks. Further, the SPA Plan must conform to the City of Chula Vista Greenbelt Master Plan and the Otay Valley Regional Park Concept Plan.

IV.6.3 Project Processing Requirements

- A. Identify park demands in conformance with the number of dwelling unit's constructed, street improvements and in coordination with the construction of water and sewer facilities.
- B. The specific siting of public parks and recreation facilities shall be in conformance with the Chula Vista Parks and Recreation Master Plan.
- C. Site/s reserved for park purposes within the project.

IV.6.4 Existing Conditions

The Freeway Commercial SPA Plan was approved in September, 2004, for the 120-acre Freeway Commercial Site. The SPA provided 1,214,000 square feet of commercial uses with approximately 867,000 square feet on the approximate 85-acre FC-1 ("Freeway Commercial South") parcel and approximately 347,000 square feet for the remaining 35-acre FC-2 ("Freeway Commercial North") parcel. The Freeway Commercial SPA Plan identifies the FC-1 and the FC-2 sites separately because of different ownerships.

In 2006, the Otay Ranch Town Center Mall was constructed on FC-1, and in 2007 a SPA amendment was approved which raised the total commercial area allowed on FC-1 (by 93,000 sq. ft. from 867,000 sq. ft. to 960,000) to accommodate another department store. Today, the FC-2 site remains vacant and undeveloped.

On May 26, 2015, the Chula Vista City Council adopted Resolution 2015-114 that approved amendments to the City General Plan and Otay Ranch General Development

Plan for the FC-2 site. These amendments accommodate a transit-supportive mixed use development with ancillary commercial and an urban park.

The Developer has proposed a development plan that is consistent with the City General Plan and Otay Ranch General Development Plan. The proposed FC-2 project proposes a mixed use residential development with 600 multi-family dwelling units, 15,000 square feet of ancillary commercial and a 2-acre urban park on approximately 28.7 acres of the approximate 35-acre FC-2 site. The remaining portion of the site is planned for two hotels with at least 300 total rooms.

On June 16, 2015, the Chula Vista City Council approved and adopted Ordinance 3345 that approved a Development Agreement between the City and the Developer. The Development Agreement provides the assurance for two hotels totaling 300 rooms to be constructed; allows for a 4.69 acre park requirement to be met through the construction, programming and maintenance of a 2-acre enhanced urban park that is valued at or greater than 4.69 acres of park; and dedicates right of way and construction easements for completion of the South Bay Bus Rapid Transit (BRT) line.

The City of Chula Vista’s existing and future parks are depicted in the Park and Recreation Element of the General Plan. Current information is contained in the city’s Parks and Recreation Master Plan.

IV.6.5 Project Park Requirements

Compliance with Public Park Standards

The Freeway Commercial Condominium Project generates an estimated population of 1,566 (600 dwelling units x 2.61²⁰ population factor). To meet the city threshold requirements the amount of parkland dedicated is based on a standard of 3 acres per 1,000 populations (see Table H.1). The standard is based on State of California Government Code 66477, also known as the Quimby Act that allows a city to require by ordinance, the dedication of land or payment of fees for park or recreational purposes.

Table H.1 Quimby Act Parkland Requirements		
Freeway Commercial Population	Standard	Parkland Acres Required
1,566	3 acres per 1,000 population	4.69

All new development in the City of Chula Vista is subject to the requirements contained in the City's Parkland Dedication Ordinance CVMC Chapter 17.10. The ordinance establishes fees for park land acquisition and development, sets standards for dedication and establishes criteria for acceptance of parks and open space by the City of Chula Vista. Fees vary depending upon the type of dwelling unit that is proposed. There are four types of housing; Single Family dwelling units (defined as all types of single family detached housing and condominiums), Multi-Family dwelling units (defined as all types of attached housing including townhouses, attached condominiums, duplexes, triplexes

²⁰ City of Chula Vista staff recommendation.

and apartments) and Mobile Homes. Single Family Housing is defined as a freestanding structure with one residential unit. Multi-Family Housing is defined as any freestanding structure that contains two or more residential units. Parkland dedication requirements are shown below on Table H.2.

Table H.2 City of Chula Vista Parkland Dedication Ordinance Standards		
Dwelling Unit Type	Land Dedication per Unit	Dwelling Units per Park Acre
Single-Family	460 sf/du	95 du/ac.
Multi-Family	341 sf/du	128 du/ac.

Table H.3 Freeway Commercial Project Preliminary Parkland Dedication Requirements			
Dwelling Unit Type*	Number of D.U.	Parkland Required/DU	Required Acres
Single Family	0	460 sf	0
Multiple Family	600	341 sf	4.69
TOTALS	600		4.69

The City’s Parklands and Public Facilities Ordinance (CVMC 17.10) is based on the Quimby Act. Based on the City’s Parklands and Public Facilities Ordinance, the parkland requirement for the FC-2 Project is approximately 4.69 acres (see Table H.3).

IV.6.6 Park Adequacy Analysis

Table H.4 is a comparison of park acreage demands and supply east of Interstate 805 for existing, approved projects, as well as the phased addition of the project. A review of the existing and approved park demands for Chula Vista east of I-805 including the project indicates the estimated 2016 demand of approximately 427.64 acres of Neighborhood and Community Parks. The 2016 estimated supply of park acreage east of I-805, 418.44 acres, which is 21.17 acres less than the projected demand.

Table H.4 Estimated Park Acreage Demand Compared to Supply East of Interstate 805					
	Population East of I-805²¹	Demand Park Acres²²	Existing Park Acres	Eligible Credit Acres	Net Acres +/-Standard
Estimated 6/30/15	142,547	427.64	418.44 ²³	418.44	- 9.2
Forecasted 2020	19,226 ²⁴	57.68	36.51 ²⁵	36.51	- 21.17
Total	161,773	485.32	454.95	454.95	- 30.37

Source: GMOC 2016 Annual Report

²¹ Population figures are from the GMOC 2016 Annual Report.

²² City of Chula Vista's Threshold requirement is 3 acres of parkland per 1,000 residents that are east of I-805.

²³ Existing Park Acreage is from the GMOC 2016 Annual Report.

²⁴ Population figure derived from the GMOC 2016 Annual Report.

²⁵ Assumes completion of: V2, P-3 (Ph1) 3.9 acres. V2, P-2 7.10 acres. Millenia, Strata Park 1.51 acres. Village 3, P-1 6.7 acres. Village 8 West, P-17.5 acres. Village 8 West Town Square 3 acres. V8 East, Neighborhood Park 6.8 acres.

IV.6.7 Open Space, Trails and Recreation

A. Open Space

Open space within the FC-2 site will be provided by an enhanced buffer area along Olympic Parkway and EastLake Parkway. Open space lands are indicated on the Landscape Plan (Exhibit 12).

B. Trails

Off-street trail routes which connect to the community-wide system of Otay Ranch as well as the regional system described in the Circulation Element of the Chula Vista General Plan are included as components of the perimeter arterials of the Freeway Commercial Center. The FC-2 project is surrounded by large-scale commercial and residential nature, there is an opportunity to connect uses via pedestrian routes and pedestrian oriented design features within the project along the internal streets, including and extending from the project entries to major destinations within the commercial center. The intersections of the internal streets are designated as "pedestrian enhanced intersection," where pedestrian oriented features (such as pedestrian plazas, shop fronts on sidewalk, etc.) will be provided.

The "Village Pathway," providing community-wide pedestrian and bicycle circulation connections will be located off-site on the south side of Birch Road and the Regional Trail located along Olympic Parkway. Bicycles will share the traffic lanes with motor vehicles on the FC-2 internal streets due to the low (25 mph) speed limit.

IV.6.8 Financing Park Facilities

Chapter 17.10 of the Chula Vista Municipal Code, as amended, governs the financing of parkland and improvements. Included as part of the regulations are Park Acquisition and Development (PAD) fees established for the purpose of providing neighborhood and community parks. The Ordinance provides that fees be paid to the City prior to approval of a final subdivision map, or in the case of a residential development that is not required to submit a final map, at the time of the final building permit application.

Pursuant to Ordinance Number 3345, a Development Agreement exists between the FC-2 Developer and the City of Chula Vista, which was approved and adopted by the Chula Vista City Council on June 16, 2015. The agreement provides the Developer's park obligation requirements. Generally, the developer's satisfaction of the city's 4.69 acre parkland dedication and improvement is satisfied by the following:

- Dedicate 2 (two) acres in a permanent park easement.
- Develop a highly amenitized "Turnkey Park."
- Developer shall invest the value equivalent of the dedication and improvement requirement for the 4.69 park development than would be typical for a 2-acre park.
- Based on City standards in effect as of January 2015.

The Developer's value equivalency is based on the acquisition and development components of the PAD Fees as required by the City. The estimated multi-family acquisition and development component of the PAD Fee is approximately \$8,032,800 (see Table H.5).

Table H.5 FC-2 Multi-Family Acquisition and Development (PAD) Fees (Preliminary Calculation)*			
MF Units	MF Acquisition Fee \$9,408	MF Development Fee \$3,980	Total
600 MF	\$5,644,800	\$2,388,000	\$8,032,800
* Figures in this table are preliminary estimates, and shall be recalculated at the time when the obligations are due as determined by the Development Agreement. This table does not include credit for the 2 acre park and Development Agreement required park enhancements			

Table H.5 identifies the estimated City of Chula Vista June 2016 fees for the parkland Acquisition and Development Component of the PAD fees. These fees are estimates only and are dependent upon the actual numbers of units filed on the final map. The table does not include the provisions of Ordinance 3345 and the Development Agreement that requires the applicant to provide a 2-acre enhanced urban park. Recalculation of the Acquisition Fee at the time the obligation is due shall be based on the Development Agreement and the value of the 2-acre park. Acquisition and Development Fees are also subject to change by the City Council. Multi-Family dwelling units are defined as all types of attached housing including townhouses, attached condominiums, duplexes, triplexes and apartments.

IV.6.9 Financing Recreation Facilities

Chapter 17.10 of the CVMC, which requires the collection of fees from residential developments to pay for parkland acquisition and various park facilities within the City of Chula Vista, is subject to changes by the City Council from time to time. Ordinance 2886 was approved by the Chula Vista City Council, which amended Chapter 17.10 of the CVMC to update the Parks Acquisition and Development Fees on November 19, 2002. On July 13, 2004, the City Council approved Ordinance 2945, which amended the CVMC Chapter 17.10 master fee schedule to adjust the Parkland Acquisition and Development (PAD) Fees for Neighborhood and Community Park requirements and the collection of In-Lieu PAD Fees from Residential developments that are not required to submit a subdivision map or parcel map.

On October 25, 2005, the Chula Vista City Council approved Ordinance 3026, which amended CVMC Chapter 17.10 to adjust the Park Acquisition and Development Fees to pay for new park facilities. Ordinance 3303 was approved by the Chula Vista City Council on February 11, 2014 to amend Chapter 17.10 by deleting the Hotel and Motel requirement.

Ordinance 2887, approved by the Chula Vista City Council on November 19, 2002, amended CVMC Chapter 3.50 of the Municipal Code, as detailed in the *"Public Facilities DIF, November 2002 Amendment"*, adding a new recreation component to the Public Facilities DIF, updating the impact fee structure and increasing the overall fee. Ordinance 3010 approved by the Council on June 14, 2005, amended Chapter 3.50 to update the public facilities DIF and made the fee adjustments to be automatically updated annually based on the building construction cost index and the U.S. Department of Labor Index (see Ordinance 3010). Also, Chapter 3.50 was also updated by Ordinance 3050 on November 7, 2006, to update the public facilities DIF.

Chapter 17.10 of the Chula Vista Municipal Code, first adopted in 1971, details requirements for parkland dedication, park improvements and the collection of in-lieu fees (i.e., PAD fees) from developers of residential housing in subdivisions or in divisions created by parcel maps, both east and west of I-805. PAD fees cover parkland acquisition and the cost of related capital items associated with parkland development, including:

- Grading
- Improvements including:
 - Drainage Systems
 - Street Improvements
 - Lighted Parking Lots
 - Concrete Circulation Systems
 - Security Lighting
 - Park Fixtures (*drinking fountains, trash receptacles, bicycle racks, etc.*)
 - Landscaping (*Trees, Shrubs, Ground Cover and Turf*)
 - Automatic Irrigation Systems
 - Restrooms and Maintenance Storage
 - Play Areas (*including preschoolers and primary school-age children, with disabled accessible surfacing, as required*)
 - Picnic Shelters and Tables
 - Outdoor Sports Venues (*tennis courts, baseball/softball/soccer fields, basketball courts, multi-purpose sports fields, skateboard and roller blade venues*)
- Utilities

Major recreation facilities are funded through a component of the Public Facilities DIF. The major capital items to be included are community centers, gymnasiums, swimming pools, and senior/teen centers. Since the demand for major public recreation facilities is created by residential development, facilities costs are not spread to commercial/industrial development. Table H.6 provides an estimate of the Recreational PDIF Fees for the project.

Table H.6					
FC-2 Multi-Family Project					
Public Facilities Fees for Recreation²⁶ (Preliminary Calculation)					
Development	Dwelling Units		Recreation Fee		Total
	SF	MF	\$1,235/SF Unit	\$1,235/MF Unit	
Multi-Family	0	600	0	\$741,000	\$741,000

²⁶ Fee based City of Chula Vista Form 5509, 10/16/2015, requirements. Actual fee may be different, please verify with the City of Chula Vista at the time of building permit.

The projected fee illustrated in Table H.6 is an estimate only. Actual fees may be different. Recreation Fees are subject to change depending upon City Council actions and or Developer actions that change residential densities.

IV.6.10 Threshold Compliance

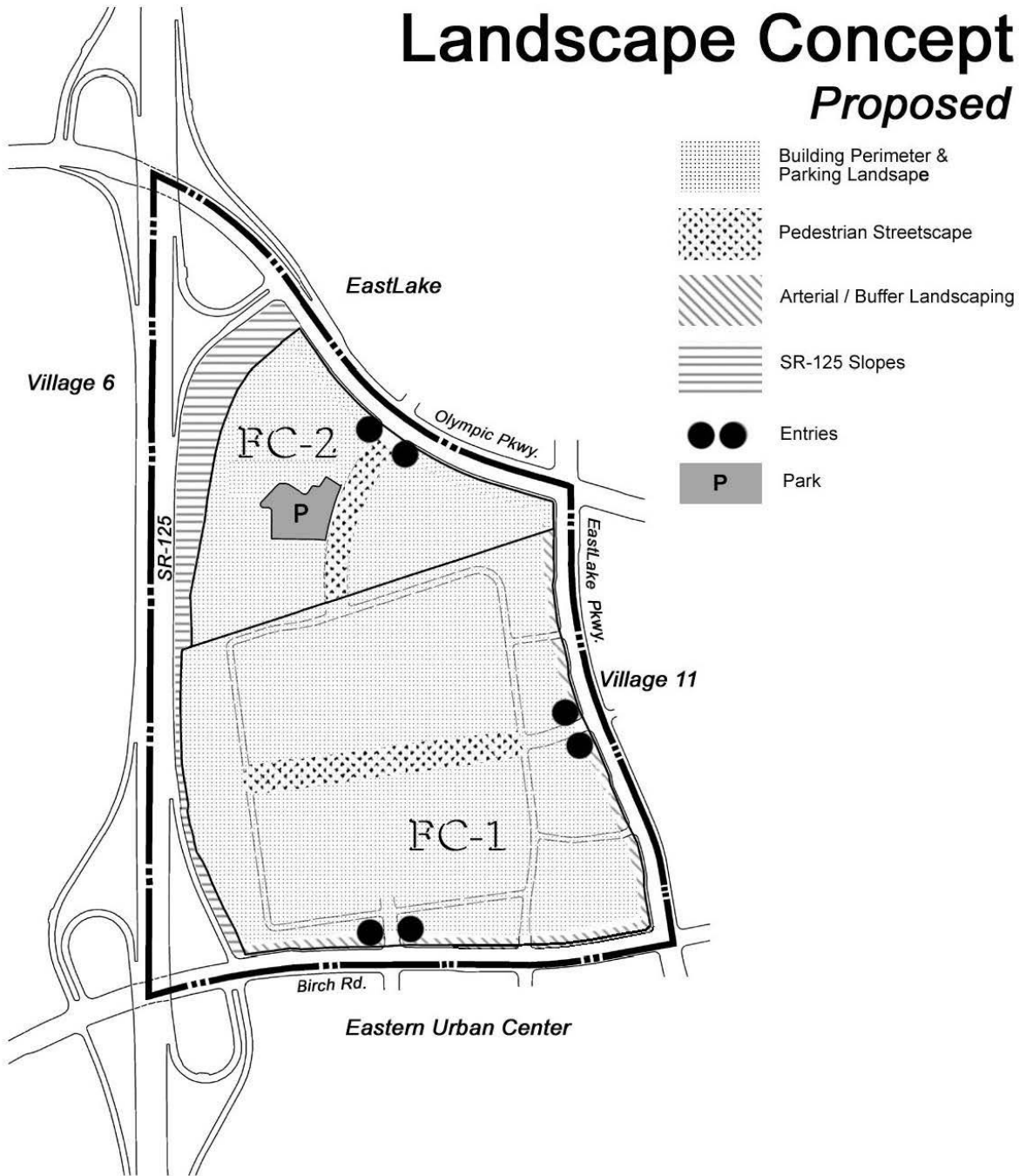
Park obligation will be satisfied pursuant to Ordinance 3345 and the City approved Development Agreement between the City and the Developer. The Developer's Acquisition and Development park obligations related to the Project would require the dedication and the improvement to City standards of up to a 4.69 acre park on the Property. The Developer's actual baseline park obligations shall be calculated at the time park obligations become due for the Project in accordance with City standards, including, but not limited to, Chapter 17.10 of the Chula Vista Municipal Code. Owner shall receive PAD credits by satisfying its actual park obligations by the following:

The Developer shall grant 2 (two) acres of the FC-2 site to the City in a permanent easement for public usage, shall develop a highly amenitized, "turnkey" park" on the Park Site, as described in the Agreement, to the satisfaction of the Director of Development Services. The Park shall generally be located as depicted in Exhibit 12 (Development Agreement), with the final location subject to City approval. In order to create an extraordinary public space, the Park shall generally consist of the elements described in the Development Agreement. Developer shall invest substantially more to the development and granting of the Park than would be typical for a City standard park, up to and including the value equivalent to the dedication and improvement required to achieve the Developer's full park obligations, as calculated at the time park obligations for the Project become due. Developer shall commence construction of the Park prior to the issuance of the three hundredth (300th) residential building permit and substantially complete the Park within fifteen (15) months of commencement of construction.

The Developer shall pay to the City the applicable Recreation fee in accordance with CVMC Chapter 3.50, Development Impact Fees to Pay Various Public Facilities.

Landscape Concept

Proposed



 **Freeway Commercial**
CITY OF CHULA VISTA OTAY RANCH


Cinti Land Planning
San Diego, CA (619) 223-7408

8/5/15

Exhibit 11

IV.7 WATER

IV.7.1 Threshold Standard

- A. Adequate water supply must be available to serve new development. Therefore, developers shall provide the city with a service availability letter from the appropriate water district for each project.
- B. The city shall annually provide the San Diego County Water Authority, the Sweetwater Authority and the Otay Municipal Water District with the city's annual 5-year residential growth forecast and request that they provide an evaluation of their ability to accommodate forecasted growth. Replies should address the following:
 1. Water availability to the city, considering both short- and long-term perspectives.
 2. Identify current and projected demand, and the amount of current capacity, including storage capacity, now used or committed.
 3. Ability of current and projected facilities to absorb forecasted growth.
 4. Evaluation of funding and site availability for projected new facilities.
 5. Other relevant information the district(s) desire to communicate to the city and the Growth Management Oversight Commission (GMOC).

IV.7.2 Service Analysis:

The Otay Water District (OWD) provides water service for the existing Otay Ranch Town Center (FC-1) and the proposed FC-2 project. The FC-2 project is located within Improvement Districts 22 and 27. The district has existing facilities in the vicinity of the project site that can provide sufficient water services to support the proposed FC-2 project. *The Sub-Area Water Master Plan Freeway Commercial, dated August 2002, by PBS&J* was approved by the OWD on October 7, 2002. The Sub-Area Master Plan (SAMP) for the Freeway Commercial project addresses the facilities necessary to support the project. In addition the projected water demands for the Approved Freeway Commercial project were included in the *Otay Water District's 2010 Water Resources Master Plan, prepared by PBS&J and adopted November 2010*.

Water service and facilities were addressed in the *Freeway Commercial Conceptual Water and Recycled Water Study, dated September 2002, by PBS&J*. A subsequent project design change required an *update letter, dated March 3, 2004, by PBS&J*, indicated the original report is still valid. A second update letter entitled *Memorandum, dated December 17, 2014 by Dexter Wilson* updated the original report on the redesigned project. The phasing and financing of water facilities in this PFFP is based on the Dexter Wilson Memorandum.

The design criteria implemented to evaluate the potable and recycled water systems for the Freeway Commercial project are established in accordance with the Otay Water District Master Plan. The design criteria are utilized for analysis of the existing water system as well as for design and sizing of proposed improvements and expansions to the existing system to accommodate demands in the study area.

California Senate Bills 610/221 require a Water Supply Assessment and Verification (WSAV) report to be prepared for projects proposing 500 or more residential dwelling units, or projects that demand an amount of water equivalent to, or greater than, the

amount of water required by a 500 dwelling unit project. Since the proposed Freeway Commercial SPA amendment proposes an equivalent development of more than 500 residential units, a WSAV was prepared for the project entitled: *Water Supply Assessment and Verification Report, February 2015, by Lisa Coburn-Boyd and Robert Kennedy, P.E., in consultation with Dexter Wilson, Inc., and the San Diego County Water Authority.*

IV.7.3 Project Processing Requirements

The SPA Plan and the PFFP are required by the Growth Management Program to address the following issues for water services.

- A. Identify phased demands in conformance with street improvements and in coordination with the construction of sewer facilities.
- B. Identify location of facilities for onsite and offsite improvements in conformance with the master plan of the water district serving the proposed project.
- C. Provide cost estimates and proposed financing responsibilities.
- D. Identify financing methods.
- E. A Water Conservation Plan shall be required for all major development projects (50 dwelling units or greater, or commercial and industrial projects with 50 EDUs of water demand or greater).

IV.7.4 Existing Conditions

The California Urban Water Management Planning Act (UWMP) requires that each urban water supplier providing water for municipal purposes, either to more than 3,000 customers, or more than 3,000 acre feet of water annually, must prepare, adopt, and update a UWMP at least once every five years. This applies to Metropolitan Water District (MWD), San Diego County Water Authority SDCWA, and its member agencies, including the OWD. The intent of an UWMP is to present information on water supply, water usage/demand, recycled water, and water use efficiency programs within a water district's service area over a 25 year time frame.

The UWMP process ensures that water supplies are being planned to meet future growth. The most current supply and demand projections are contained in the 2010 UWMPs of MWD, SDCWA, and OWD. San Diego County Water Authority member districts rely on the UWMPs and Integrated Resources Plans (IRPs) of MWD and the Regional Water Facilities Master Plan of SDCWA to document supplies available to meet projected demands.

In the 2010 UWMPs, MWD, SDCWA, and all SDCWA member agencies, including OWD, have determined that adequate water supplies would be available to serve existing service areas under normal year, single dry year, and multiple dry year conditions through the year 2035.

The GMOC annually distributes a questionnaire to relevant city departments and public facility and service agencies to monitor the status of Threshold Standards compliance. The response from OWD in the 2016 GMOC Annual Report included the topic of existing water system adequacy to serve projected growth for Chula Vista. The response identified OWD's capital improvement programs required to serve the forecasted water demands and identified a list of capital improvement projects (CIPs) that would need to be implemented in order to meet projected demand. The OWD

concluded that the existing potable and recycled water systems including their CIP projects should be adequate to meet Chula Vista's forecasted growth over the next five-years.

The Otay Water District reported to the GMOC that despite the State of California's water conservation mandates between June 1, 2015 and February 13, 2016, Chula Vista's water supply is in good shape because customers have been exceeding water conservation goals for several years, in preparation for the drought. The district also noted that City's required Water Conservation Plans for all SPA Plans, Tentative Maps, and major development projects has been positive for water conservation within the City. The GMOC 2016 Annual Report indicated that water was compliant with the threshold standards.

With ample water in storage, the Otay Water District's water supply is very high—well over what is currently demanded. They continue to pursue a future desalination plant in Rosarito, Mexico as another source of water, however, saying that doing so may provide price stability.

A. Metropolitan Water District:

In November 2010, MWD adopted their 2010 Regional UWMP, which evaluates water supply reliability, over a 20-year period, for average, single-dry, and multiple-dry years within its service area. MWD developed estimates of total retail demands for the region, factoring in the impacts of conservation. The water reliability analysis identifies both the current supplies and supplies under development to meet projected demands. MWD's reliability assessment showed that MWD can maintain reliable water supplies to meet projected demands through the year 2035. MWD also identified a planning buffer supply intended to protect against the risk that future demands could be higher than projected. As part of its implementation of the planning buffer, MWD periodically evaluates water supply development, supply conditions, and projected demands to ensure that the region is not under or over developing supplies. The planning buffer will ensure that Southern California, including San Diego County, will have adequate water supplies to meet long-term future demands.

B. San Diego County Water Authority:

The SDCWA service area covers approximately 951,000 acres and encompasses the western third of San Diego County. SDCWA has 24 member agencies, including OWD. SDCWA is responsible for ensuring a safe and reliable water supply to support the region's economy and quality of life for over three million residents. SDCWA imports between 70% and 95% of the water used in the San Diego region from MWD. In 2008, MWD provided 71% of the San Diego region's water supply. Most of this water is obtained from the Colorado River and the State Water Project (SWP) through a system of pipes, aqueducts, and associated facilities. Historically, SDCWA has relied on imported water supplies purchased from MWD to meet the needs of its member agencies. SDCWA is the largest MWD member agency in terms of deliveries, accounting for nearly 25% of MWD's delivered water.

According to the SDCWA 2010 UWMP, the San Diego region has reduced water usage over 50,000 acre feet average during the past three years. Conserved agricultural transfer water from the Imperial Valley has begun flowing to the San Diego region. This source provided approximately 70,000 acre feet in 2010 and will provide approximately 200,000 acre feet by 2021. This relatively new source of

water is the result of SDCWA entering into the Quantification Settlement Agreement (QSA) with other water agencies in October 2003. The QSA resolved long-standing disputes regarding Colorado River water use among several agencies, and established a water budget for the agricultural agencies. This resolution permitted the implementation of several water conservation and transfer agreements, including the SDCWA/Imperial Irrigation District (IID) transfer agreement.

Table I.1					
Average/Normal Water Year Supply and Demand Assessment (acre feet/year)					
Local Supplies	2015	2020	2025	2030	2035
Surface Water	48,206	47,940	47,878	47,542	47,289
Water Recycling	38,660	43,728	46,603	48,278	49,998
Groundwater	11,710	11,100	12,100	12,840	12,840
Groundwater Recovery	10,320	15,520	15,520	15,520	15,520
Seawater Desalinization	0	56,000	56,000	56,000	56,000
<i>Imported Supplies</i>					
IID Water Transfer	100,000	190,000	200,000	200,000	200,000
Supply from MWD	358,189	230,601	259,694	293,239	323,838
Coachella Canal and All American Canal Lining Projects	80,200	80,200	80,200	80,200	80,200
Total Projected Supplies	647,285	675,089	717,995	753,619	785,685
Total Estimated Demands¹	647,285	675,089	717,995	753,619	785,685
Difference	0	0	0	0	0
¹ With Conservation					

Source: University Villages Project Environmental Impact Report

Table I.2					
Single Dry Water Year Supply and Demand Assessment (acre feet/year)					
Local Supplies	2015	2020	2025	2030	2035
Surface Water	17,932	17,932	17,932	17,932	17,932
Water Recycling	38,660	43,728	46,603	48,278	49,998
Groundwater	9,977	9,977	9,977	9,977	9,977
Groundwater Recovery	10,320	15,520	15,520	15,520	15,520
Seawater Desalinization	0	56,000	56,000	56,000	56,000
<i>Imported Supplies</i>					
IID Water Transfer	100,000	190,000	200,000	200,000	200,000
Supply from MWD	430,431	305,101	338,501	376,023	409,389
Coachella Canal and All American Canal Lining Projects	80,200	80,200	80,200	80,200	80,200
Total Projected Supplies	687,520	718,458	764,733	803,930	839,016
Total Estimated Demands¹	687,520	718,458	764,733	803,930	839,016
Difference	0	0	0	0	0
¹ With Conservation					

Source: University Villages Project Environmental Impact Report

The SDCWA UWMP contains documentation of existing and planned water supplies. These supplies include MWD (imported Colorado River water and SWP water), and local member agency supplies that include (1) IID water transfer supplies; (2) supplies from conservation projects to line the Imperial Valley's All-American Canal and the Coachella Valley's Coachella Canal; and (3) development of a seawater desalination facility at the Encina Power Plant in Carlsbad, which is anticipated to produce 56,000 acre feet per year of water supplies. Additionally, since 1980, approximately 5 to 30% of member agency water has come from local sources, primarily from surface water reservoirs. Recycled water and groundwater recovery projects are growing in importance in the region. These projects coupled with water conservation efforts have made SDCWA member agencies less dependent on imported water.

Based on the imported and member agency local water sources, SDCWA estimates that it, along with member agency local sources, will be able to supply 647,284 acre feet of water in 2015. Therefore, according to the MWD and SDCWA 2010 UWMPs, there is available water to meet all of the region's anticipated demand, as shown in Table I.1, and I.2.

C. Otay Water District:

The Project is within the boundaries of the OWD, which provides water services to a large portion of San Diego East County and Eastern Chula Vista, including the EastLake community, Otay Ranch, and Otay Mesa along the U.S./Mexico International Border. OWD covers 137 square miles with approximately 450 miles of pipelines, 21 pump stations, and 37 reservoirs with a total storage capacity of approximately 190 million gallons. OWD provides approximately 90% of its water service to residential and approximately 10% to commercial, industrial, and other land uses. Average daily consumption is approximately 40,324 acre feet. OWD also operates the Ralph W. Chapman Water Recycling Facility.

The OWD 2010 UWMP provides an overview of OWD's service area, its current water supply sources, supply reliability, water demands, and measures to reduce water demand, and planned water supply projects and programs. Reliability for water service is based on the documentation in the UWMP's prepared by MWD and SDCWA and that these agencies have determined that they will be able to meet potable water demands through 2035, during normal and dry year conditions. The OWD 2010 UWMP relies on MWD and SDCWA for its potable supply, and OWD works with these agencies to prepare consistent demand projections for OWD's service area.

The OWD has several connections to SDCWA Pipeline No. 4 which delivers filtered water from the Metropolitan Water District's filtration plant at Lake Skinner in Riverside County. The OWD also has a connection to the La Mesa - Sweetwater Extension Pipeline, which delivers, filtered water from Helix Water District's (HWD) R.M. Levy Water Treatment Plant. Recently, OWD service reliability levels were enhanced with additional major facilities including an increase in supply capacity from the Levy Water Treatment Plant.

1. **Existing Potable Water System:** The project can be served by the Central Service Area of OWD. This area is supplied water from Connection Nos. 10 and 12 to the SDCWA aqueduct, which fills 624 Zone reservoirs. Water is then distributed within the 624 Zone. Water is then pumped to the 980 service zones. There is water service from the existing 16" water line within the adjacent Olympic Parkway.
2. **Recycled Water:** The Ralph W. Chapman Water Recycling Facility has a rated capacity of 1.3 million gallons per day (mgd) with a maximum production of approximately 1.1 mgd and could be expanded to an ultimate capacity of 2.50 mgd. Typically the summer demands exceed the 1.1 mgd plant capacity. Recycled water supply is also available from the South Bay Water Treatment Plant, which has an ultimate rated capacity of 15 mgd and OWD has capacity rights to 8.0 mgd of recycled water. This additional source of recycled water will allow OWD to meet existing and future recycled water demands. The OWD has master planned a series of pump stations, reservoirs, and transmission lines to integrate this source of water into the existing recycled water system. Currently, there is an 12-inch recycled water main within the adjacent EastLake Parkway.

IV.7.5 Adequacy Analysis Water

A. **Water Conservation Plan**

A Water Conservation Plan is required for all major development projects (50 dwelling units or greater, or commercial and industrial projects with 50 EDUs of water demand or greater). This plan is required at the Sectional Planning Area (SPA) Plan level or equivalent for projects which are not processed through a Planned Community Zone.

The Otay Ranch Planning Area 12 SPA Amendment Water Conservation Plan, dated June 2016, by Dexter Wilson Engineering, Inc. addresses the water usage requirements of the proposed project, as well as a detailed plan of proposed measures for water conservation, use of reclaimed water, and other means of reducing per capita water consumption from the proposed project, as well as defining a program to monitor compliance. The Water Conservation Plan is included with the SPA Plan documentation.

As detailed in the Water Conservation Plan, the FC-2 project is committed to being water efficient through the use of recycled water for irrigation and utilizing other water conservation devices and measures. Through the use of recycled water and other water conservation measures the FC-2 project is expected to reduce the potential potable water usage by 46,938 gpd, or 21 percent of the baseline usage.

As evidenced by the information contained in the Water Conservation Plan, the objectives of the Otay Ranch GDP to incorporate water saving fixtures, drought tolerant landscaping, and recycled water usage into the development are being met. Based on information contained in the 1989 San Diego County Water Authority Annual Report, average water use within the Otay Water District was 220 gallons per day per capita (20,469.7 AF for a population of 83,000). Based on 2007 data from the OWD 2008 Master Plan, per capita water usage has dropped to approximately 189 gpd (33.26 mgd for a population of 186,000). These per capita numbers include non-residential demands and indicate the effectiveness that the conservation

measures are having. It is expected that this trend will continue as adopted guidelines are increasingly focused on reducing per capita water use.

B. FC-2 Potable Water Demand

Table I.3 summarizes the previously approved development in the FC-2 SPA Amendment area along with the proposed development. The 2010 Water Resources Master Plan (WRMP) projected water demands for the Approved Freeway Commercial project.

Table I.3 FC-2 SPA Amendment		
Land Use	Approved	Proposed
MF Residential Units	---	600 units
Hotels	---	300 units
Park	---	2.0 acres
Commercial	34.5 acres	4.0 acres

Source: Dexter Wilson Engineering, Inc.

Table I.4 FC-2 SPA Amendment Water Demand Summary				
Land Use	Acres	Building Units	Unit Demand Factor	Total Demand (gpd)
Approved Water Demand (2010 WRMP)				
Commercial	29.9	---	1,785 gpd/ac	53,372
Proposed Water Demand				
Multi-Family Residential	---	600	255 gpd/unit ¹	153,000
Hotels	---	300	115 gpd/unit	34,500
Commercial	4.0	---	1,607 gpd/ac ¹	6,428
Park	2.0			1,000 ²
Subtotal				194,928
Increased Water Demand ³				141,556
¹ Assumes recycled water to be used for irrigation				
² Estimated potable water use for restrooms, drinking fountains, etc. based on other similar facilities				
³ Excludes water Conservation measures				

Source: Dexter Wilson Engineering, Inc.

Table I.4 summarizes the projected water demands based on the proposed SPA Amendment. As shown, the projected water demand is increased by 141,928 gallons per day (gpd) increase. According to the Water Conservation Plan, the water demand will be reduced approximately 21 percent through the use of recycled water and other water conservation measures to approximately 94,990 gpd.

As shown by Table I.4, the projected water demand for the amended project is higher than the previously estimated 2010 WRMP. This information will be provided by the developer to OWD for their use in regional water supply planning.

The sizing of the existing 16-inch water line in Olympic Parkway, 20-inch line in Eastlake Parkway, and proposed 12-inch line in Town Center Drive is adequate to support the proposed development and, thus, no changes to the proposed Freeway Commercial water system are necessary as a result of the proposed development.

California Senate Bills 610/221 require a Water Supply Assessment and Verification (WSAV) report to be prepared for projects proposing 500 or more residential dwelling units, or projects that demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project. The proposed PA-12 SPA amendment includes a WSAV report dated 1015.

The City of Chula Vista utilizes the Uniform Fire Code for determining required fire flows and durations for new development. Specific flows will ultimately depend on building type and size. The approved Freeway Commercial Project was based on the 1995 OWD Master Plan that used 5,000 gallons per minute (gpm) flow for 5-hours in assessing storage capacity adequacy, necessary pumping capacity and distribution piping requirements. The WRMP requires a fire flow of 5,000 gpm for a minimum 4-hour duration and 20 psi residual pressure for the Hotel uses.

C. FC-2 Recycled Water Demand

Within the FC-2 Project, recycled water will be used to irrigate street parkway landscaping, manufactured slopes along the circulation areas, commercial landscaping, open space and park area. Dexter Wilson estimated projected recycled water demands for the proposed project are approximately 32,388 gpd. Table I.5 contains a summary of the projected recycled water demands for the FC-2 SPA Amendment.

Table I.5 FC-2 SPA Amendment Projected Recycled Water Demands					
Land Use²⁷	Quantity	Recycled Water Factor²⁸	Net Recycled Acreage	gpd/ac.	Average Demand (gpd)
Approved					
FC-2 Freeway Commercial	29.9	10%	2.99	2,155	6,444 gpd
Proposed					
Multi-Family Residential	600 units	15%		45	27,000
Commercial	4.0 ac.	10%	0.4	2,155	1,078
Park	2.0 ac.	100%	2.0	2,155	4,310
Subtotal	-				32,388
Increased Recycled Demand					25,944 gpd

Source: Dexter Wilson Engineering, Inc.

²⁷ Acreages based on Site Utilization Plan prepared by Cinti Land Planning (August 1, 2004)

²⁸ Percentage irrigated is based on WRMP

D. Otay Water District Master Plan

The OWD's master plan includes water demands for this project as part of the overall demands in the area based upon the City of Chula Vista land use data.

IV.7.6 Existing Potable Water Facilities

The Central Service Area of the OWD serves the Freeway Commercial project. This area of the District is supplied water from Connection Number 10 and 12 to the SDCWA aqueduct that fills 624 Zone reservoirs. Water is then distributed within the 624 Zone where it is pumped up to the 711 Zone (1st lift) storage and distribution system. Water is supplied to the 980 Zone storage and distribution system by the EastLake Pump Station, which takes suction from the 1st lift (711) Zone. The EastLake pump station supplies the entire 2nd lift zone.

The entire FC-2 site has been graded. Elevations on the FC-2 parcel range in elevation from low of approximately 645 to a high of approximately 657 feet. The project is within the 980 water service zone (2" lift zone) and is supplied from the 711 water service zone (1st lift zone).

IV.7.7 Existing Recycled Water Facilities

Currently, the source of recycled water for the OWD is the Ralph W. Chapman Water Recycling Facility. This facility has a capacity of 1.3 MGD and can be expanded to an ultimate capacity of 3.84 MGD. Two ponds in the District's Recycled Use Area near the two existing 980 Zone potable water tanks provide storage of the treated effluent.

The recycled water storage ponds have a high water line of approximately 944 feet and provide the storage and supply for the 944 Zone distribution system. Recycled water pressure range between 135 psi to 165 psi for the FC-2 Project and is sufficient to provide fire protection. The 944 Zone's recycled water supply will be ultimately augmented by the South Bay Water Reclamation Plant, which will supply the 680 Zone and then pumped to the 944 Zone. There are currently no 944 Zone pipelines in place to supply recycled water to the FC-2 Project. Facilities within both of these zones are planned within Olympic Parkway along the northern boundary of the project.

IV.7.8 Proposed Facilities:

The proposed FC-2 project shall be responsible for constructing all potable and recycled water improvements necessary to serve the project, which includes but are not limited to the proposed 12" water line in Town Center Drive and associated connections and upgrades (see Exhibit 12 and 13). Further, the proposed project shall adequately provide potable and recycled water service without relying on any proposed water construction phasing by other developments.

IV.7.9 Financing Water Facilities:

The financing and construction of potable water facilities is provided by two methods:

Capacity Fees:

Otay Water District's Capital Improvement Program (CIP) wherein the District facilitates design and construction of facilities and collects an appropriate share of the

cost from developers through collection of capacity fees from water meter purchases. Capital Improvement Projects typically include supply sources, pumping facilities, operational storage, terminal storage, and transmission mains.

The Otay Water District may use bond debt financing from Improvement Districts 22 and 27 to assist in the financing of the District's CIP program. CIP projects are paid for by capacity fees collected on the sale of water meters after building permit issuance.

Exaction:

The developer is required to finance, construct, dedicate water and recycled water facilities that serve only his/her development to the Otay Water District.

Potable Water Improvement Costs

The total capital cost for potable water facilities will be determined at the time the system is designed and approved by OWD. In accordance with District Policy No. 26, the District may provide reimbursement for construction and design costs associated with development of these improvements.

Recycled Water Improvement Costs

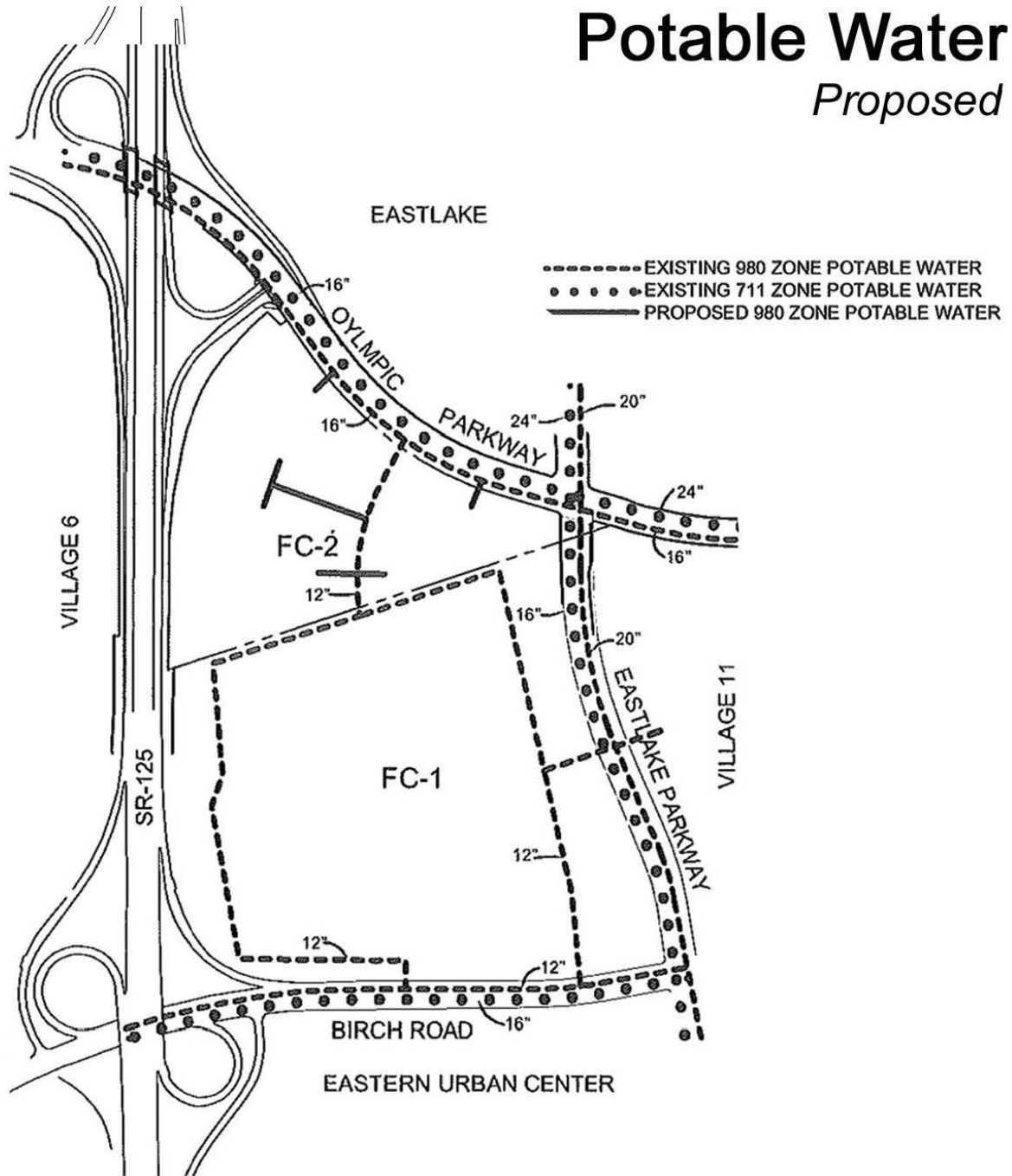
The total capital cost for recycled water facilities will be determined at the time the system is designed and approved by OWD. The District may provide reimbursement for construction and design costs associated with development of these improvements.

IV.7.10 Threshold Compliance

- A. The approved *SAMP Freeway Commercial, dated August 2002, by PBS&J* identify water facilities to be constructed to provide the appropriate level of water service to meet the criteria established within the plans. The potable and recycled water systems have been designed and the costs identified by phase of development. The Developer shall be responsible for constructing all potable and recycled water improvements necessary to adequately serve the FC-2 SPA Amendment Project.
- B. The developer shall request and deliver to the City a service availability letter from the OWD prior to a final map being approved for the FC-2 parcel of the Freeway Commercial Project.
- C. The developer shall provide the OWD the projected increased water demand for the FC-2 SPA Amendment project.

Potable Water

Proposed



Sources: Powell/PBSJ
and P&D

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San Diego, CA (619) 223-7408

8/5/15

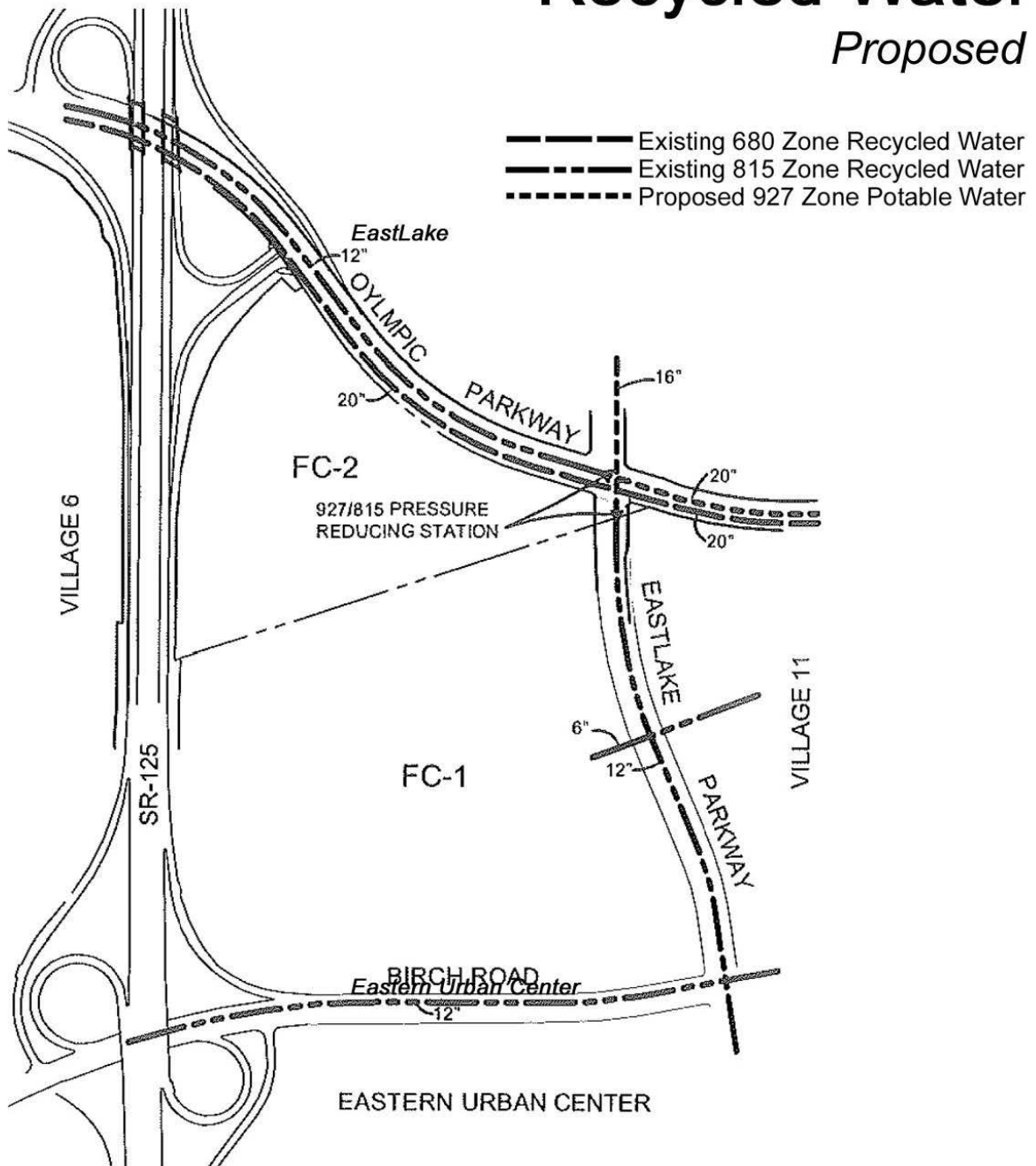
Freeway Commercial
CITY OF CHULA VISTA

OTAY RANCH

Exhibit 12

Recycled Water

Proposed



Sources: Powell/PBSJ
and P&D

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Freeway Commercial
CITY OF CHULA VISTA
OTAY RANCH

Exhibit 13

IV.8 SEWER

IV.8.1 Threshold Standard

- A. Existing and projected facility sewage flows and volumes shall not exceed city engineering standards for the current system and for budgeted improvements, as set forth in the Subdivision Manual.
- B. The city shall annually ensure adequate contracted capacity in the San Diego Metropolitan Sewer Authority or other means sufficient to meet the projected needs of development.

IV.8.2 Service Analysis

The City of San Diego Metro provides sewer treatment services for the City of Chula Vista and 14 other participating agencies in accordance with the terms of a multi-agency agreement (Metro Agreement). The Metro system currently has adequate sewage treatment capacity to serve the region until approximately 2025. The Developer shall pay capacity fees prior to building permit issuance. Development shall not occur without adequate sewer capacity as determined by the City Engineer. Building permits will not be issued if the City Engineer has determined that adequate sewer capacity does not exist. All development must comply with the Municipal Code, specifically Municipal Code sections 19.09.010(A) 6 and 13.14.030.

Sewer service to the project site is provided by the City of Chula Vista. Future development of the FC-2 site will require a connection to the Poggi Canyon Interceptor located in Olympic Parkway. The capacity of the off-site sewer facilities to serve the FC-2 SPA Amendment project has been analyzed by the *Otay Ranch Planning Area 12 Freeway Commercial SPA Amendment Sewer System Evaluation, dated December 17, 2014, by Dexter Wilson Engineering, Inc.* This study is referred to as the Dexter Wilson Sewer Study throughout this PFFP. The study includes an analysis of a connection to the Poggi Creek Interceptor Sewer located in the adjacent Olympic Parkway.

The base source of information regarding the existing and recommended sewer facilities is from the *Freeway Commercial Conceptual Sewer Study, dated July 2002 by PBS&J* and city engineering. This study is referred to as the PBS&J Sewer Study throughout this PFFP. An update letter dated March 3, 2004, was provided by PBS&J, indicating the original 2002 report is still valid for the reconfigured FC-1 SPA project.

IV.8.3 Project Processing Requirements

The SPA Plan and the PFFP are required by the Growth Management Program to address the following issues for Sewer Services:

1. Identify phased demands for all sewer trunk lines in conformance with the street improvements and in coordination with the construction of water facilities.
2. Identify location of facilities for onsite and offsite improvements, including reclaimed water facilities, in conformance with the Dexter Wilson Sewer Study.
3. Provide cost estimates for all facilities and proposed financing responsibilities.
4. Identify financing methods.

IV.8.4 Existing Conditions

The Project area is within the City of Chula Vista's Poggi Canyon Sewer Basin. Sewage generated within the Project will ultimately flow to the Poggi Canyon Interceptor in Olympic Parkway. The proposed on-site collection system serving the FC-2 parcel will drain northward to a connection to the Interceptor just west of EastLake Parkway.

The existing Poggi Canyon Interceptor currently flows west along Olympic Parkway to Brandywine eventually connecting to the Salt Creek Interceptor, which ultimately connects to the Metro system facilities just west of Interstate 5. As a part of other Projects, the 18-inch Poggi Canyon Interceptor in Olympic Parkway was extended to the Project entrance at the FC-2 Entry Street.

IV.8.5 Proposed Land Use Change

Table J.1 summarizes the previously approved development in the FC-2 SPA Amendment area along with the new development currently being proposed.

Land Use	Approved	Proposed
MF Residential Units		600 units
Hotels		300 units
Park		2.0 acres
Commercial	34.5 acres	4.0 acres

Dexter Wilson Engineering, Inc.

An evaluation of the proposed land use change impact will have on the sewer collection system has been prepared by Dexter Wilson Engineering. This evaluation includes an estimate of the projected sewage flows. The August 2004 approved SPA plan provided the projected sewer flows when the project was initially approved. Table J.2 provides a comparison between projected sewer flows from the approved sewer study and the current land use plan proposal, per the proposed FC-2 Amendment. The result of the evaluation is that there is a total increase of approximately 227 EDUs over and above the 2004 SPA Plan.

Table J.2 FC-2 SPA Amendment Sewer Flow Summary				
Land Use	Acres	Building Units	Generation Factor	Average Flow (gpd)
FC-2 Approved Sewer Flow				
Commercial	34.5	---	2,500 gpd/ac	86,250
FC-2 Proposed Sewer Flow				
MF Residential Units	---	600	182 gpd/unit	109,200
Hotels	---	300	76 gpd/unit ¹	22,800
Park	2.0	---	410 gpd/ac	820
Commercial	4.0	---	1,401 gpd/ac	5,604
Subtotal				138,424
Increased Sewer Flow				52,174
Increased Sewer EDUs ²				227

¹ Based on 0.33 EDU/Rm.

Dexter Wilson Engineering, Inc.

² Based on 230 gpd/EDU.

IV.8.6 Adequacy Analysis

The wastewater master plan evaluates sewer facilities from two aspects, the current and future adequacy of trunk sewers and the future wastewater treatment facilities.

A. Wastewater Treatment:

According to the GMOC 2016 Annual Report, the city’s sewer facilities are in compliance with the Threshold Standard and it is projected to remain in compliance for the next five years (See Table J.3). However, additional treatment capacity will be required as the city begins to approach build-out projections

Table J.3 City of Chula Vista Sewage Flow & Treatment Capacity						
Million Gallons per Day (mgd)	12/13 Fiscal Year	13/14 Fiscal Year	14/15 Fiscal Year	Projection for next 18 months	Projection for next 5 years	Projection for “Build-out”*
Average Flow	15.734	15.466	15.729	16.59	18.6	29.89
Capacity	20.864	20.864	20.864	20.864	20.864	20.864

* Buildout Projection based on Chula Vista Wastewater Master Plan (2005).

Source: GMOC 2016 Annual Report

B. Poggi Canyon Basin:

Wastewater generated within the Poggi Canyon Sewer Basin is conveyed to the City of San Diego Metropolitan Wastewater Department (Metro) sewerage system via the Poggi Canyon Interceptor, which generally follows from Olympic Parkway to Brandywine Avenue and then extends southerly to the Salt Creek Interceptor near the intersection of Palm Avenue and Main Street.

In accordance with the City of Chula Vista Subdivision Manual, Dexter Wilson used the city’s sewage generation rates for commercial, residential and hotel land use to estimate the total annual average wastewater flows produced from the FC-2 SPA Amendment project (see Table J.2). On-site and off-site collection, trunk, and interceptor facilities were evaluated by Dexter Wilson Engineering based on this sewage flow. In addition, the design criteria are used for analysis of the existing sewer system as well as for design and sizing of proposed improvements and expansions to the system to accommodate the flows anticipated to be generated by the project.

Dexter Wilson Engineering’s evaluation of the Poggi Canyon Interceptor is based on the April 2009 Poggi Canyon Basin Gravity Sewer Development Impact Fee Update (DIF Report). A comparison of the current FC-2 plan and the proposed FC-2 SPA amendment versus the assumptions in the DIF Report was prepared. Table J.4 provides the sewer flow projections for the current land use plan for the proposed amendment compared to the 2009 DIF Report. As shown, the Poggi Basin projections in the 2009 DIF Report would be increased by approximately 166 EDUs based on the current plan for the proposed FC-2 SPA Amendment.

Table J.4 FC-2 SPA Amendment Poggi Basin EDU Summary				
Description	Quantity	Unit Flow Factor	Average Flow, gpd	EDUs
2009 DIF Study				
C-1	30.4 Ac	2,500 gpd/Ac	76,000	330.4
C-2	8.2 Ac	2,500 gpd/Ac	20,500	89.1
Subtotal 2009 DIF Study				420
Current Plan with Amendment				
Res. Apartments	600 units	182 gpd/unit	109,200	474.8
Hotels	300 units	76 gpd/unit	22,800	99.1
Park	2.0 Ac.	410 gpd/Ac	820	3.6
Commercial	4.0 Ac.	1,401 gpd/Ac	1,960	8.5
Subtotal Current Plan with Amendment				586
Increase				166

Dexter Wilson Engineering, Inc.

C. Poggi Canyon Trunk Sewer:

The Poggi Canyon Interceptor available capacity was evaluated by the Dexter Wilson Sewer Study considering the proposed land use changes. Data on the Poggi Canyon Interceptor was obtained from the April 2009 Poggi Canyon Basin Gravity Sewer Development Impact Fee Update prepared by PMC. Data from this report includes

existing permitted EDUs in the basin as well as committed EDUs based on previous project approvals.

Since the preparation of the 2009 PMC Study, a few proposed have the potential of increasing the number of units that will flow into the Poggi Interceptor. A brief description of these projects from the Dexter Wilson Sewer Study is provided below:

1. Village 2 Unit Transfer. As outlined in an August 4, 2011 memorandum, Baldwin and Sons processed a unit transfer that did not change the total unit count in Village 2, but transferred units between neighborhoods. The net effect of these transfers was a shift of 84 EDUs from the Wolf Canyon Basin to the Poggi Basin. These EDUs were considered in the Dexter Wilson Sewer Study.
2. JPB Village 2 SPA Amendment. The JPB Village 2 SPA Amendment increased the unit count in Village 2 by 197 units. Per the November 21, 2011 Sewer System Evaluation that was done for this project, the net effect of this land use change was the addition of 160 EDUs to the Poggi Basin. These additional EDUs were considered in the Dexter Wilson Sewer Study.
3. Village 2 Comprehensive SPA Amendment. Baldwin and Sons has proposed a comprehensive SPA Amendment that could increase the number of units in Village 2 by approximately 1,500 units. The impact of this would be an increase of between 900 EDUs and 1,000 EDUs in the Poggi Basin. The potential impact of these additional units was not considered in the Dexter Wilson Sewer Study.
4. Eastern Urban Center (EUC). The EUC was approved in September 2009, shortly after the 2009 PMC Study was prepared. The PMC Study did, however, anticipate the EUC project and included 429 EDUs from the EUC in the calculation of the Poggi Interceptor Fee. These units include 189 EDUs within the Poggi Basin and 240 EDUs that are proposed to be permanently diverted from the Salt Creek Basin to the Poggi Basin. Since the 2009 PMC Study already accounts for units from the EUC, no additional EDUs from the EUC have been considered the Dexter Wilson Sewer Study.

Table J.7 on page provides a reach by reach summary of permitted and committed EDUs and provides the impact that the FC-2 SPA Amendment would have on remaining capacity. Exhibit 14 identifies the reach locations and indicates where the FC-2 SPA Amendment EDUs will connect to the Poggi Interceptor. As shown in Table J.7, only the two reaches already identified for future replacement are shown as being over capacity. The proposed amendment does not require additional reaches of the Poggi Canyon Interceptor to be upgraded in the future. Upon approval of the proposed FC-2 SPA Amendment, the Poggi Basin Gravity Sewer Development Impact Fee should be updated to reflect the additional units.

IV.8.7 Recommended Sewerage Facilities

The recommended onsite sewer system for the FC-2 SPA Amendment area consists of gravity sewer lines that will convey flow to the Poggi Canyon Interceptor in Olympic Parkway. Based on the average flow presented in Table J.2 and a peak factor of 2.28 from the City Subdivision Manual, the projected peak flow for the project is 0.31 mgd. An 8-inch gravity sewer line with a minimum slope of 0.53% is adequate to convey this total project flow.

IV.8.8 Freeway Commercial North Improvements

The proposed FC-2 SPA Amendment will exceed the units foreseen in the 2009 Poggi DIF update, however, the limits of the required DIF improvements remain the same. The cost related to the DIF improvements has been identified in the Poggi DIF program and the FC-2 SPA Amendment project will be required to update the Poggi DIF study as a condition of approval for the project. The developer proposes an onsite sewer system consisting of 8-inch sewer lines with a single point of connection to the Poggi Canyon Interceptor at Town Center Drive.

IV.8.9 Financing Sewerage Facilities

The Poggi Basin Plan established a fee for funding capital improvements. City of Chula Vista Ordinance Number 2716 established the fee to be paid by future development within the Poggi Canyon Basin. Table J.5 summarizes the Poggi Canyon Basin Impact Fees to be paid for the proposed project.

Table J.5			
Estimated Poggi Canyon Basin Impact Fees			
Land Use	Quantity	EDUs	Impact Fee @ \$265/EDU
MF Residential	600 units	474.8	\$125,822
Hotels	300 units	99.1	\$26,262
Park	2.0 Ac.	3.6	\$954
Commercial	4.0 Ac.	8.5	\$2,253
Total		586	\$155,291

Table J.6			
Estimated Sewerage Participation Fees			
Land Use	Quantity	EDUs	Fee @ \$3,528/EDU
MF Residential	600 units	474.8	\$1,587,600
Hotels	300 units	99.1	\$349,625
Park	2.0 Ac.	3.6	\$12,701
Commercial	4.0 Ac.	8.5	\$29,988
Total		586	\$1,979,914

II.8.10 Threshold Compliance

- A. All gravity sewers will be designed to convey peak wet weather flow. For pipes with diameter of 12 inches and smaller, the sewers will be designed to convey this flow when flowing half full. All new sewers will be designed to maintain a minimum velocity of two feet per second (fps) at design capacity to prevent the deposition of solids.
- B. The applicant for the FC-2 SPA Amendment project shall:
 - 1. Pay all current sewer fees required by the City of Chula Vista.
 - 2. Comply with Section 3-303 of the City of Chula Vista Subdivision Manual.
 - 3. Construct all on and off-site sewer lines and connections as required by the City Engineer to serve the project.
- C. Prior to each final map the developer shall either demonstrate that Poggi Sewer has adequate capacity or upsize the inadequate segment, all to the satisfaction of the Director of Development Services.
- D. Prior to the first final map, Developer shall fund the updates of the Poggi Canyon Sewer DIF to include the projects proposed additional units. Further, prior to the first final map developer shall agree not to protest the update of the Poggi Canyon Sewer DIF.

Table J.7
Poggi Canyon Interceptor Sewer
FC-2 SPA Amendment

Reach	Capacity at ¹ d/D=0.85 EDUs	Permitted EDUs		Committed EDUs ³		Freeway Commercial Amendment		
		Current ²	Remaining Capacity	Current ²	Remaining Capacity	Additional EDUs ⁴	Net EDUs Permitted Remaining	Net Committed Remaining EDUs
P102 to P140	21,162	11,602	9,560	16,204	4,958	1,292	8,268	3,666
P140 to P175R	25,569	11,602	13,967	16,204	9,365	1,292	12,675	8,073
P175R to P195	41,361	11,602	29,759	16,204	25,157	1,292	28,467	23,865
P195 to P230	21,162	10,726	10,436	15,328	5,834	1,292	9,144	4,542
P230 to P240	18,927	10,053	8,874	14,655	4,262	1,292	7,582	2,970
P240 to P253R	18,927	10,053	8,874	14,655	4,262	1,292	7,582	2,970
R253R to P270	14,028	9,763	4,265	14,365	(337)	1,292	2,973	(1,629)
P270 to P305	14,028	8,587	5,441	13,125	903	1,292	4,149	(389)
P305 to P310	44,362	8,587	35,775	12,609	31,753	1,292	34,483	30,461
P310 to P345	19,641	8,447	11,194	12,469	7,172	1,292	9,902	5,880
P345 to P365	15,369	8,289	7,080	12,312	3,057	1,292	5,788	1,765
P365 to P405	19,938	8,289	11,649	11,590	8,348	1,292	10,357	7,056
P405 to P410	15,369	7,770	7,599	11,070	4,299	1,292	6,307	3,007
w/s P410 to SR125	15,369	6,605	8,764	9,906	5,463	1,292	7,472	4,171

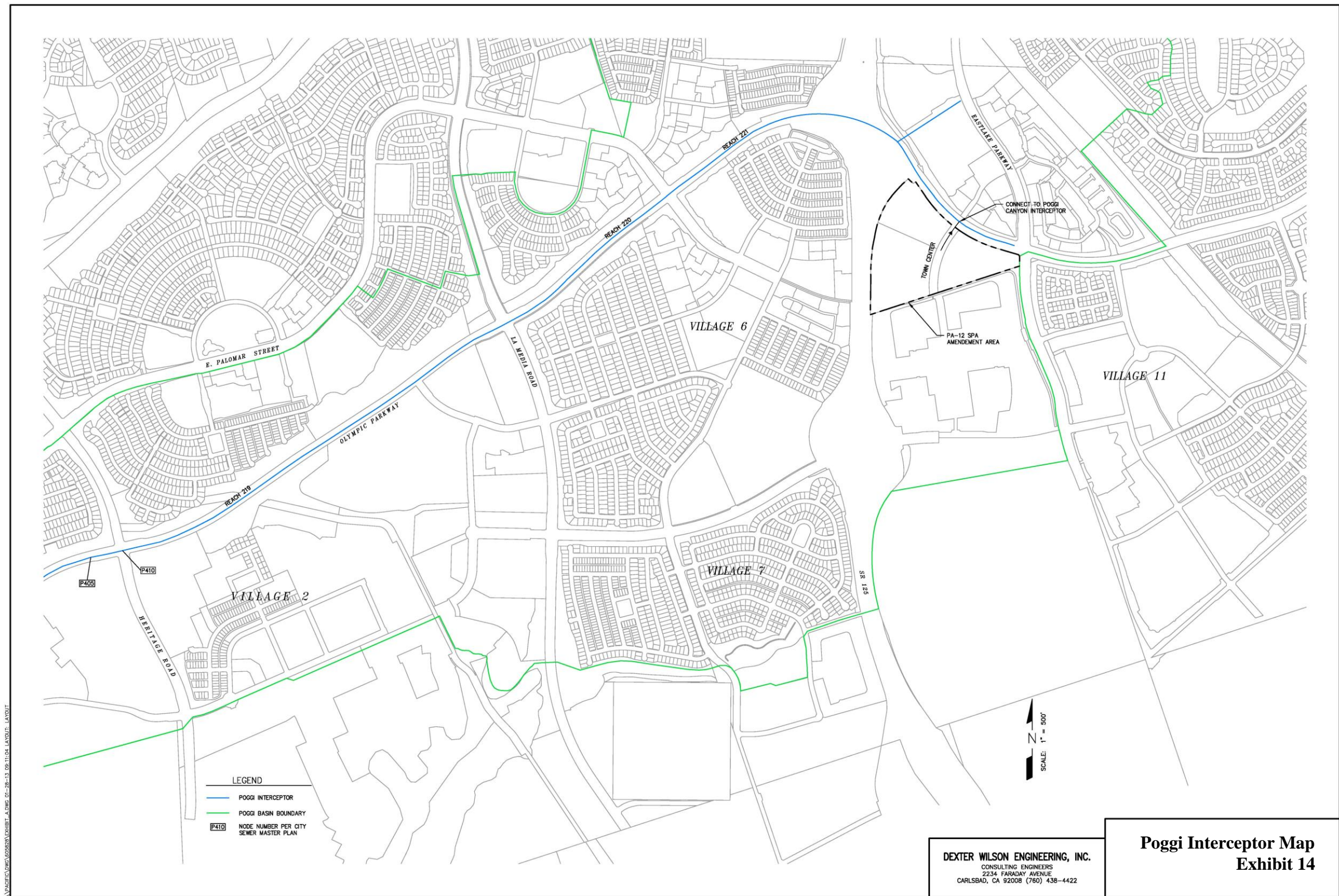
¹ Revised based on current factor of 230 gpd/EDU

² These numbers have not been updated based on the current sewer generation factors.

³ Committed EDUs do not include interim 464 EDUs from Village 7, 281 EDUs from EUC.

⁴ Includes 1,098 EDUs from Village 2, 28 EDUs from the EUC, and 166 units from PA-12.

Source: Dexter Wilson Engineering, Inc.



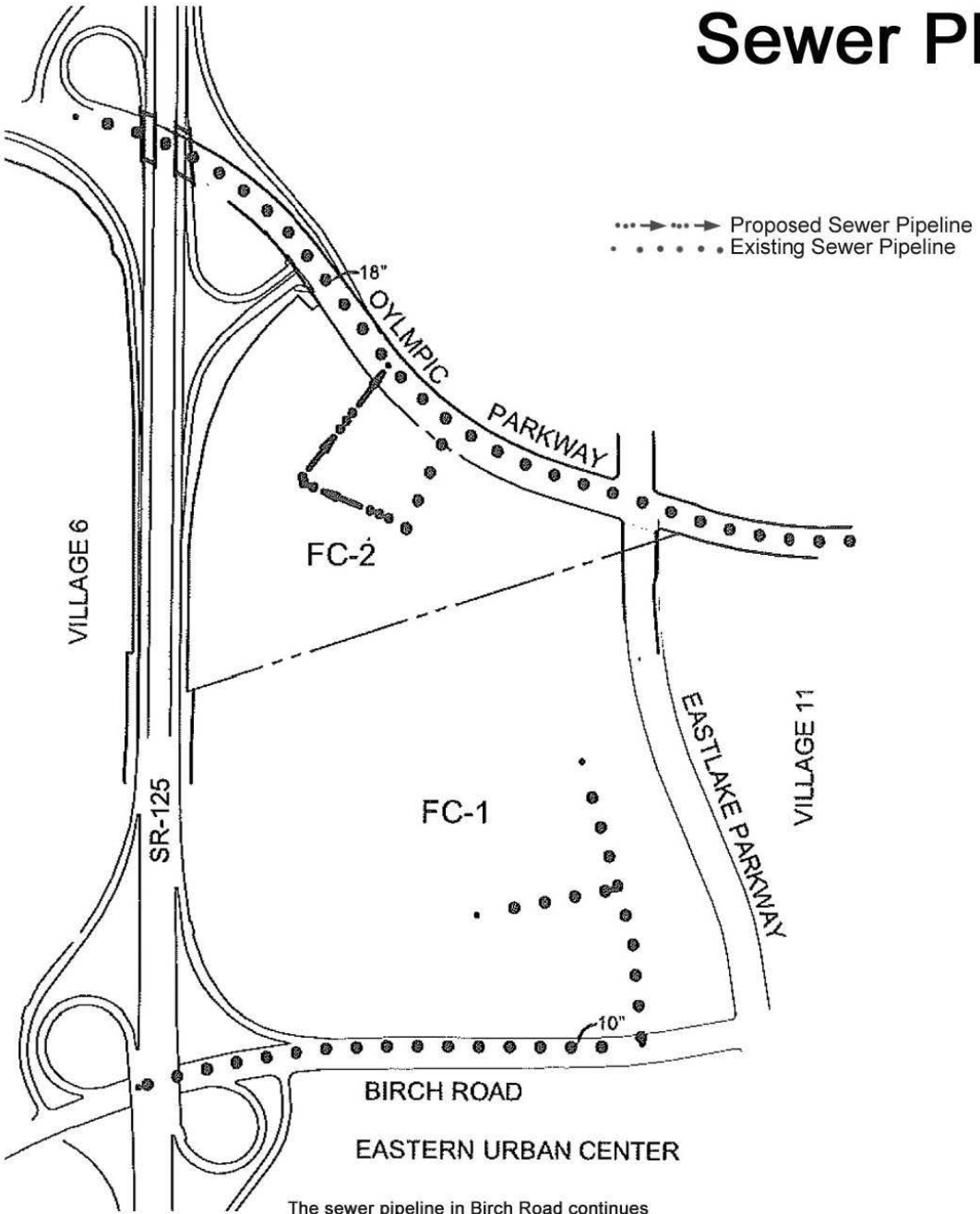
LEGEND
 — POGGI INTERCEPTOR
 — POGGI BASIN BOUNDARY
 P410 NODE NUMBER PER CITY SEWER MASTER PLAN

DEXTER WILSON ENGINEERING, INC.
 CONSULTING ENGINEERS
 2234 FARADAY AVENUE
 CARLSBAD, CA 92008 (760) 438-4422

Poggi Interceptor Map
Exhibit 14

\\PACIFIC\DWG\050520\EXHIBIT_14.DWG 01-28-13 09:11:04 LAYOUT: LAYOUT

Sewer Plan



The sewer pipeline in Birch Road continues west to La Media Road. At La Media Road it continues north to the Poggi Canyon Interceptor.

Sources: Powell/PBSJ and P&D

Cinti Land Planning
 San Diego, CA (619) 223-7408

 8/5/15


Freeway Commercial
 CITY OF CHULA VISTA
 OTAY RANCH

Exhibit 15

IV.9 Drainage

IV.9.1 Threshold Standard

- A. Storm water flows and volumes shall not exceed city engineering standards and shall comply with current local, state and federal regulations, as may be amended from time to time.
- B. The GMOC shall annually review the performance of the city's storm drain system, with respect to the impacts of new development, to determine its ability to meet the goal and objective for drainage.

IV.9.2 Service Analysis

The City of Chula Vista Public Works Department is responsible for ensuring that safe and efficient storm water drainage systems are provided concurrent with development in order to protect the residents and property within the city. City staff is required to review individual projects to ensure that improvements are provided which are consistent with the drainage master plan(s) and that the project complies with all City engineering drainage standards.

The City of Chula Vista Public Facilities Plan Flood Control Summary Report, dated March 1989 (Phase II) provides details for the city planned drainage facilities.

Otay Ranch FC-2 project existing conditions and proposed drainage improvements are identified in the *Otay Ranch Planning Area 12, Drainage Study, October 7, 2014, by Hunsaker & Associates*, which is referred as the Hunsaker Drainage Study throughout this PFFP. The Hunsaker Drainage Study identifies the Pre-Development and Post-Development Conditions flow rates for 50-year and 100-year storm events; the required size of the proposed storm drain facilities needed to route the expected runoff through the developed site; and a capacity analysis and recommendation for the existing storm drain capacity once the site is developed.

The existing project storm water quality conditions and proposed water quality improvements are identified in three reports. Each report focuses on a specific area within FC-2 and are referred collectively as the Hunsaker WQTR throughout this PFFP. The reports include the following:

- The Hotel Site: *Water Quality Technical Report (Major WQTR) for Otay Ranch Village 12, PA-12 West Residential October 20, 2014 by Hunsaker & Associates.*
- The Eastern Residential area: *Water Quality Technical Report (Major WQTR) for Otay Ranch Planning Area 12 East, November 9, 2015 by Hunsaker & Associates.*
- The Western Residential area: *Water Quality Technical Report (Major WQTR) for Otay Ranch Village 12, PA-12 West Residential December 31, 2015 by Hunsaker & Associates.*

The Hunsaker WQTR has been prepared to implement the methods and procedures as described in the City of Chula Vista Storm Water Manual and Standard Urban Stormwater Mitigation Plan (SUSMP) for BMP design. The treatment of the runoff from the project is addressed in the WQTR. The proposed design will utilize on-site Low Impact Development

(LID), Best Management Practices (BMPs) and Bioretention Integrated Management Practices (IMP's) Treatment Controls to treat the 85th percentile flow from the development.

Previous drainage and WQTR studies for the Otay Ranch Freeway Commercial project include the following reports:

- *Preliminary Regional Drainage Study, Major Drainage Patterns and Facilities, for Otay Ranch Village 6, revised September 4, 2001 by P&D consultants.*
- *Preliminary Regional Drainage Study, Major Drainage Patterns and Facilities, for Otay Ranch Freeway Commercial, October 1, 2002(4th Revision) by P&D consultants*
- *Storm Water Quality Technical Report for Otay Ranch SPA Village 12 – Freeway Commercial in the City of Chula Vista, revised October 4, 2002 by Rick Engineering Company.*

The *Preliminary Regional Drainage Study, Major Drainage Patterns and Facilities, for Otay Ranch Freeway Commercial, October 1, 2002 (4th Revision) by P&D consultants* was prepared in conjunction with the SPA application for the Freeway Commercial North area of the McMillin Otay Ranch project. It also was prepared for the McMillin Otay Ranch Tentative Map application for parcel FC-1, a portion of the Freeway Commercial SPA area. The intent of this study was to establish general design procedures and calculations identify preliminary flows and major drainage facilities and set preliminary guidelines for the subsequent phase(s) of the project. The design procedures and calculations referenced herein were established in the report titled *Preliminary Regional Drainage Study, Major Drainage Patterns and Facilities, for Otay Ranch Village 6, revised September 4, 2001 by P&D consultants*. The scope of this study was not intended to be for final engineering, therefore it does not include detailed analysis of all related drainage facilities (i.e., peak run off at each inlet, outlet, interceptor, and concentration or confluence point).

Storm Water Quality Technical Report for Otay Ranch SPA Village 12 – Freeway Commercial in the City of Chula Vista, revised October 4, 2002 by Rick Engineering was prepared in conjunction with the original application for a Tentative Map for parcel FC-1 of the Freeway Commercial site. This report no longer meets current the compliance standards of the City of Chula Vista Storm Water Municipal Code.

The FC-2 project is under the jurisdiction of the San Diego Regional Water Quality Control Board (SDRWQCB). The FC-2 project is subject to the National Pollutant Discharge Elimination System (NPDES) requirements both during and after construction. NPDES requirements stem from the Federal Clean Water Act and are enforced either by the State Water Resources Control Board (SWRCB) or the Regional Water Quality Control Board (RWQCB) for the region in which the project is located.

The *City of Chula Vista BMP Design Manual, December 2015*, addresses the onsite post-construction storm water requirements for Standard Projects and Priority Development Projects (PDPs) and provides procedures for planning, preliminary design, selection, and design of permanent storm water BMPs based on the performance standards as required by the Municipal Storm Water Permit for the San Diego Region [Order No. R9-2013-0001 as amended by R9-2015-0001 and R9-2015-0100].

The requirements in the Chula Vista BMP Design Manual were effective February 16, 2016 and replaced the City of Chula Vista Storm Water Manual (January 2011). All development projects must comply with the requirements

IV.9.3 Project Processing Requirements

The SPA Plan and the PFFP are required to address the following issues for drainage issues:

- A. Identify phased demands.
- B. Identify locations of facilities for onsite and offsite improvements.
- C. Provide cost estimates.
- D. Identify financing methods.

IV.9.4 Existing Conditions

The FC-2 site is located within the northwest portion of the overall Otay Ranch Planning Area 12 or Freeway Commercial North site, which is bisected by Town Center Drive. The FC-2 site has been mass graded with an average slope of 1.1%. Sediment basins are located at the southwest and southeast corner of the Olympic Parkway-Town Center Drive intersection to desilt runoff from the site. Runoff from these basins is conveyed towards the existing storm drain along Town Center Drive. This storm drain ties into the existing Olympic Parkway storm drain system and Poggi Canyon Creek downstream. The existing storm drain was designed as part of the Improvement Plans for Olympic Parkway (from SR-125 to the SDG&E Easement). The flowrates for the existing storm drain were based on ultimate buildout of Otay Ranch Planning Area 12 using runoff coefficients consistent with a commercial development. Therefore, problems with capacity of the downstream storm drain system are not anticipated by the Hunsaker Drainage Study.

The *City of Chula Vista Public Facilities Plan, Flood Control Summary Report*, March, 1989, by the City of Chula Vista, shows fifteen major drainage basins in Chula Vista. These drainage basin boundaries were determined by existing topography, drainage conditions and land uses. Four of these are essentially developed and not expected to have significant changes in runoff. Eleven drainage basins are east of I-805 with one of the basins, Long Canyon, is mostly developed to the predicted densities in Scenario 4 of the general plan. Only the remaining ten basins will experience major development and the subsequent changes in drainage conditions.

The City's Drainage Master Plan analyzed current and future requirements for drainage facilities. The report details three alternative solutions for drainage in each basin. Because drainage facilities are directly related to the type and location of future development, it is not possible to determine which specific improvements will be required until the development project is presented and reviewed by staff at which time specific requirements will be determined and applied to the project.

The hydrologic calculations were performed by Hunsaker for various areas within Planning Area 12 west of Town Center Drive. Runoff values obtained were based on the interim and ultimate buildout of the areas west of Town Center Drive in order to verify that the existing downstream storm drain had sufficient capacity. The values in Table K.1 below are the cumulative flows from the area west of Town Center Drive for the Interim Conditions.

Table K.1			
Site Runoff Flows - Interim Condition			
Project Subarea	Area (acres)	Q50 (cfs)	Q100 (cfs)
PA 12 West, north portion	5.77	16.68	18.81
PA 12 West, south portion	17.45	15.58	17.84
PA 12 West (cumulative)	23.22	32.26	36.65

Source: Hunsaker & Associates

IV.9.5 Proposed Facilities

A. Storm Drainage

The values in Table K.2 below are the cumulative flows from the area west of Town Center Drive for the Ultimate Conditions.

Table K.2			
Site Runoff Flows - Ultimate Condition			
Project Subarea	Area (acres)	Q50 (cfs)	Q100 (cfs)
PA 12 West, north portion	22.59	59.70	68.05
PA 12 West, south portion	0.63	2.56	2.91
PA 12 West (cumulative)	23.22	62.26	70.96

Source: Hunsaker & Associates

The existing storm drain along Town Center Drive, which connects to the Olympic Parkway storm drain system was sized per the *Grading Plans for Olympic Parkway (from SR125 to the SDG&E Easement)*. The storm drain was sized based on the assumption that PA12 would be developed as a commercial development with a runoff coefficient of 0.85. Those calculations determined a runoff of 78.3 cfs from the PA 12 site based on hydrologic methodology being used in 2002. Subsequent changes to the hydrologic methodology dictated by the City of Chula Vista and the County of San Diego in 2003 have typically shown significant flow increases relative to values obtained in 2002 or earlier. Thus, the discrepancy in flows generated by PA 12 are expected although the land use and area have not changed. A preliminary hydraulic analysis by Hunsaker was performed on the existing storm drain along Town Center Drive using the calculated flows from the PA 12 site (west of Town Center Drive) to verify that it was not compromised. The Hunsaker Drainage Study includes this analysis, as well as the reference 'As- Built' drawings for the existing storm drain along Town Center Drive.

According to the Hunsaker Drainage Study the northeast and southern portion of the R-12 site will remain undeveloped in an interim condition. A new sediment basin within the southern portion will be constructed until this portion is developed. The new basin was sized per the City of Chula Vista Subdivision Manual (Section 3-204.4). The basin size required to desilt the southern portion of the site was determined to be 89' wide by 179' long and 6.5' deep. The basin will require a 48" perforated pipe extending to a height of 3.5' from the base of the basin. This riser will produce a head of 0.54 feet based on a Q100 flowrate. Please reference the Hunsaker Drainage Study for sediment basin

calculations. Hunsaker concludes that the proposed site layout of FC-2 site as presented in the current grading plans will not present any unanticipated hydrologic concerns on the existing downstream storm drain infrastructure (see Exhibit 16 Drainage Plan).

B. Storm Water Quality

Urban runoff discharged from municipal storm water conveyance systems has been identified by local, regional, and national research programs as one of the principal causes of water quality problems in most urban areas. The Municipal Storm Water Pollutant Discharge Elimination System (NPDES) Permit (Municipal Permit), issued on February 21, 2001 to the City of Chula Vista, the County of San Diego, the Port of San Diego, and 17 other cities in the region by the San Diego Regional Water Quality Control Board (SDRWQCB), requires the development and implementation of storm water regulations addressing storm water pollution issues in development planning and construction associated with private and public development projects.

The City requires that sufficient information and analysis on how the project will meet the water quality requirements shall be provided as part of the Tentative Map and/or Site Plan review process. In this manner, the type, location, cost, and maintenance characteristics of the selected BMPs will be given consideration during the project planning and design. Therefore, the City requires that prior to approval of any Tentative Map and/or Site Plan for the project, whichever occurs first, the applicant shall obtain the approval of the City Engineer of a Water Quality Technical Report containing specific information and analysis on how the project will meet the requirements of the City of Chula Vista Storm Water and Discharge Control Ordinance and the NPDES Municipal Permit (including the Final Model SUSMP for the San Diego Region).

The overall FC-2 development site is currently graded and slopes towards the existing sediment basins. Town Center Drive divides PA 12 into two parcels. A sediment basin is located at the southeast corner of the Olympic Parkway- Town Center Drive intersection to desilt runoff from the area east of Town Center Drive. Runoff from this basin is conveyed towards the existing storm drain along Town Center Drive. This storm drain ties into the existing Olympic Parkway storm drain system and Poggi Canyon Creek downstream.

The Hunsaker WQTR indicates that due to the FC-1 onsite type “D” soils that infiltration is not recommended. Therefore, infiltration BMP’s or LID features are not proposed. Hunsaker designed the storm drain system and layout to address peak flows as well as to integrate water quality features needed to comply with the City of Chula Vista Standard Urban Stormwater Mitigation Plan (SUSMP) requirements for water quality.

1. FC-2 Hotel Site:

The Hotel Site is located within the northwest portion of the Planning Area 12 or FC-2 site. It is South of Olympic Parkway, west of Town Center Drive, east of SR-125, and north of Birch Road. Two hotels are proposed west of Town Center Drive. However, the westernmost hotel will be phased in before the easternmost hotel. The site will eventually consist of two hotel buildings, parking spaces, and storm drain and water quality facilities to collect and treat all runoff from the site. On an interim basis, the existing sediment basin located at the future location of the second hotel site will be converted into a hydromod basin to address hydromodification of the westernmost hotel site.

The aforementioned existing sediment basin immediately west of Town Center Drive currently collects all onsite runoff (from areas west of Town Center Drive). An existing riser and storm drain connect to the existing storm drain on Town Center Drive, which connects to the Olympic Parkway storm drain system. Runoff from the first hotel site will be collected by inlets and piped towards the existing sediment basin and existing storm drain within Town Center Drive. The developed site will contain drainage facilities such as inlets, storm drain, and street gutters to direct flow to the existing storm drain at Olympic Parkway.

The hotel site will include a few open landscaped areas that are planned to be used as water quality facilities. In addition, some of these areas will serve as collection points for peak flow runoff. Permeable pavement areas within the hotel parking areas will serve for LID treatment for those respective areas. Peak flows for those areas will be directed towards downstream storm drain inlets.

Biofiltration units (Bio –Clean Modular Wetland Units or approved equal) will be specified at the two inlets along the entry road to the site. These units will be flow-based and will treat the Q85th flow being delivered towards each unit from the respective street.

2. FC-2 West Residential Site:

The West Residential Site is located within the southern portion of the overall Planning Area 12 or FC-2 west site. It is South of Olympic Parkway, west of Town Center Drive, east of SR125. The site will consist of multifamily dwelling units, a park, a biofiltration basin, and associated improvements typical of multi-family sites. Utilities such as sewer, water, and storm drain will connect to existing facilities adjacent to the site. Water quality and hydromodification facilities will also be constructed onsite for mitigation of site runoff. The site will be accessed by two entry roads from Town Center Drive.

Drainage facilities will be built as part of the FC-2 West Residential development and will include storm drain, inlets, headwalls, cleanouts and rip rap outlet dissipation devices. The storm drain from the site will connect downstream to the storm drain which will be constructed as part of the Hotel site improvements. The proposed flows from the residential areas have been considered in the design of the hotel site storm drain design.

Similar to the other areas within the FC-2 site, infiltration is not recommended for this site because of the type “D” soils. Therefore, infiltration BMPs or LID features are not proposed. Storm drain from this residential area and park site will connect to the storm drain which will be built as part of the Hotel improvement plans. Therefore, storm drain inverts will be constrained to those set per the Hotel plans. The western boundary of the site includes open space which can be utilized as a location for a water quality/HMP facility.

The park area will be considered self-treating since it will consist of pervious areas. The residential areas propose to use a biofiltration facility as treatment control BMPs. The biofiltration basins were sized to treat the design capture volume (DCV) from the area, which is tributary to it. The BMP surface area, which is the bottom area of the bioretention area, was sized to ensure that the entire water quality runoff would filter

through the amended soil layer. The total DCV will be accounted for within the engineered fill and gravel layers as well as the ponded volume above the basin bottom.

3. **FC-2 East Residential Site:**

The FC-2 East Residential or Planning Area 12 East site is located within the eastern portion of the FC-2. It is South of Olympic Parkway, east of Town Center Drive, west of Eastlake Parkway, and north of Birch Road. The western boundary is the existing Town Center Drive that connects to Olympic Parkway at its northern end. The site will consist of residential units as well as retail shops, a swimming pool, parking lots, and open spaces. Utilities such as sewer, water, and storm drain will connect to existing facilities adjacent to the site. Water quality and hydromodification facilities will also be constructed onsite for mitigation of site runoff. In addition, the proposed residential project will include a few open landscaped areas that will be used to construct water quality facilities.

The overall FC-2 is currently graded. Town Center Drive divides it into two parcels. A sediment basin is located at the southeast corner of the Olympic Parkway- Town Center Drive intersection to desilt runoff from the area east of Town Center Drive. Runoff from this basin is conveyed towards the existing storm drain along Town Center Drive. This storm drain ties into the existing Olympic Parkway storm drain system and Poggi Canyon Creek downstream.

This project proposes to use biofiltration areas as treatment control BMPs sized as per the Hunsaker WQTR. The minor slopes along the exterior of the PA 12 East site will be considered a self-treating areas as they will not include any impervious areas.

The onsite biofiltration areas were sized by Hunsaker to treat the runoff volume from an 85th percentile event. The BMP surface area, which is the bottom area of the biofiltration area, was sized to ensure that the entire water quality runoff would filter through the amended soil layer.

After review and analysis of various treatment options, Hunsaker selected the Site Design BMPs that were deemed to be the most effective and feasible BMP treatment for the project. The following summarizes the City of Chula Vista's standard water quality mitigation measures to be implemented for this project.

- **Storm Water Pollution Prevention Plan:** Prior to issuance of each grading permit for Otay Ranch FC-2 project or any land development permit, including clearing and grading, the project applicant shall submit a notice of intent and obtain coverage under the NPDES permit for construction activity from the SWRCB.
- **Supplemental Water Quality Report:** Prior to issuance of each grading permit, the applicant shall submit a supplemental report to the Hunsaker WQTR that identifies which on-site storm water management measures from the Master Water Quality Technical Report have been incorporated into the project to the satisfaction of the City Engineer.
- **Post-Construction/Permanent BMPs:** Prior to issuance of each grading permit, the City Engineer shall verify that parcel owners have incorporated and will implement post-construction BMPs in accordance with current regulations.

- **Limitation of Grading:** The project applicant shall comply with the Chula Vista Development Storm Water Manual limitation of grading requirements.
- **Hydromodification Criteria:** The project applicant shall comply, to the satisfaction of the City Engineer, with city Hydromodification Criteria or the hydrograph modification management plan, as applicable.

The combination of proposed construction and permanent BMP's will reduce, to the maximum extent practicable, the expected project pollutants and will not adversely impact the beneficial uses of the receiving waters. If new technology that increases treatment capacity at the time of construction is developed, it will also be utilized.

IV.9.6 Financing Drainage Facilities

A. Onsite Facilities

City policy requires that all master planned developments provide for the conveyance of storm waters throughout the project to City engineering standards. The Freeway Commercial North project will be required to construct all onsite facilities needed for the project.

In the newly developing areas east of I-805, it is the City's policy that development projects assume the burden of funding all maintenance activities associated with drainage facilities. As such, the City will enter into an agreement with the project applicant whereby maintenance of drainage facilities will be assured by one of the following funding methods:

1. A property owner's association that would raise funds through fees paid by each property owner; or
2. A Community Facilities District (CFD) established over the entire project to raise funds through the creation of a special tax for drainage maintenance purposes.

B. Offsite Facilities

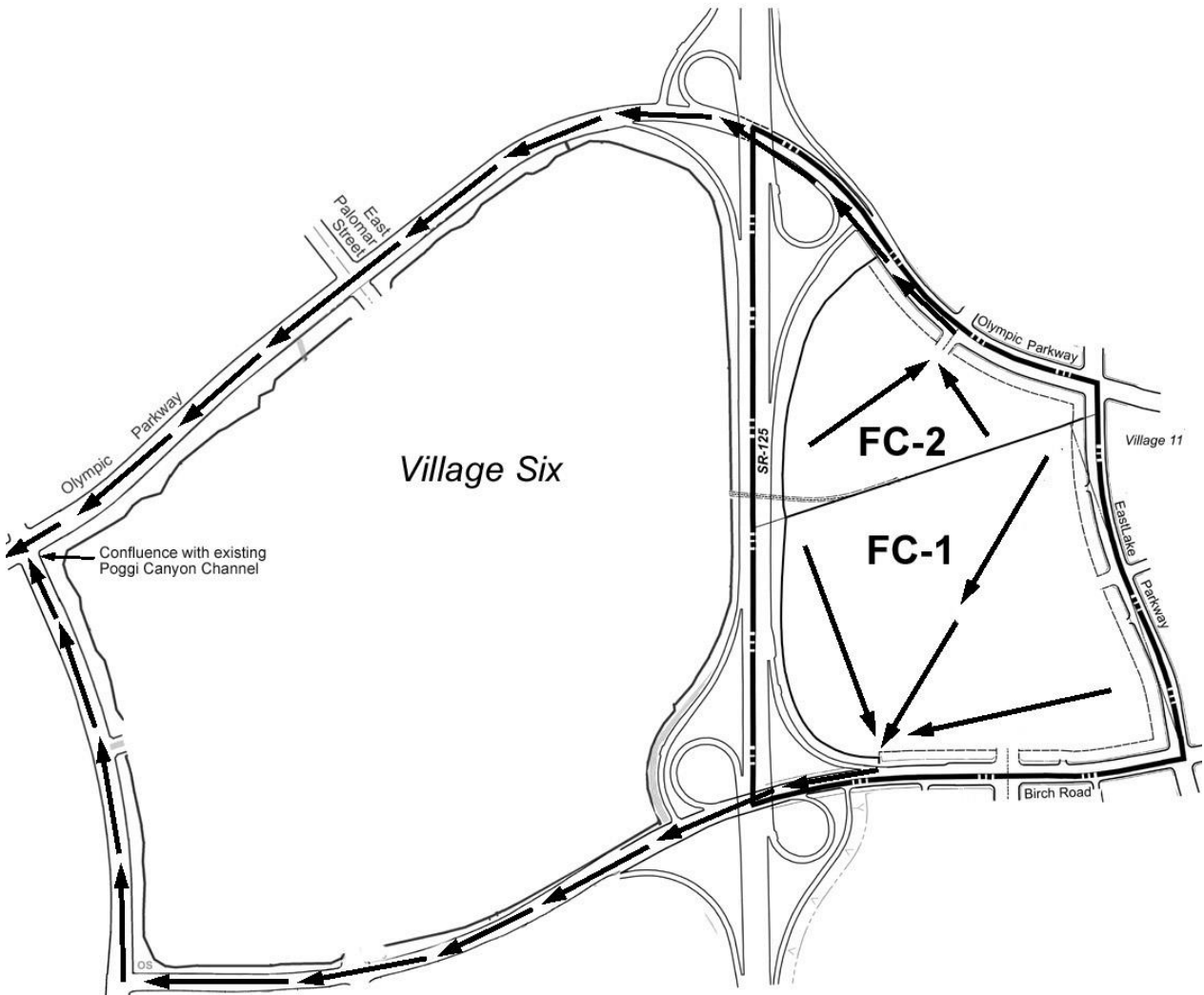
Off-site drainage facilities that are necessary to support the proposed project are either constructed or are in the process of being designed and processed with the City of Chula Vista by other projects. There are no off-site drainage facilities required of the project. However, if other projects do not complete an off-site drainage facility that is necessary for this project the applicant may be required to complete the facility.

The proposed project modifications shall comply with all applicable Federal, State and local rules and regulations including compliance with NPDES permit requirements for urban runoff and storm water discharge. Best Management Practices (BMPs) for design, treatment and monitoring for storm water quality will be implemented as delineated in the approved WQTR with respect to municipal and construction permits. Compliance with all applicable rules and regulations governing water quality as well as implementation of all mitigation measures outlined in the FEIR would ensure no additional impacts to water quality beyond those previously analyzed would occur as a result of the proposed modifications.

IV.9.7 Threshold Compliance

- A. Prior to approval of the Tentative Map and/or Site Plan by the Design Review Committee, whichever occurs first, applicant shall demonstrate compliance with the City of Chula Vista Storm Water and Discharge Control Ordinance and the NPDES Municipal Permit (including the Final Model SUSMP for the San Diego Region). The Applicant shall obtain the approval of the City Engineer of a WQTR.
- B. The project shall comply with the recommended mitigation measures provided in the Hunsaker Drainage Study and the Hunsaker WQTR and the Environmental Impact Report for the Otay Ranch University Villages Project.
- C. The project shall be responsible for the conveyance of storm water flows in accordance with City Engineering Standards. The City Engineering Division will review all plans to ensure compliance with such standards.
- D. The project shall incorporate urban runoff planning in the Tentative Map and/or Site Plan.
- E. The project shall be required to comply with all current regulations related to water quality for the construction and post construction phases of the project. Both the future land development construction drawings and associated reports shall be required to include details, notes and discussions relative to the required or recommended BMPs.
- F. The project applicant will assure the maintenance of drainage facilities by a property owner's association that would raise funds through fees paid by each property owner and/or participation in a CFD established over the entire project to raise funds through the creation of a special tax for drainage maintenance purposes.
- G. Additional drainage analysis may be required at the tentative map phase of the project to demonstrate the adequacy of the proposed on-site storm drain system(s) and the existing storm drain connections.
- H. Future drainage reports shall be prepared by the Applicant, as required by the City of Chula Vista, for the final engineering phase(s) of the project.
- I. The project applicant shall comply with the Project FEIR Water Quality & Hydrology mitigation measures. A full discussion of these mitigation measures can be found in the Project FEIR.

Drainage Plan



→ Drainage Flow Direction

IV.10 AIR QUALITY AND CLIMATE PROTECTION

IV.10.1 Threshold Standard

The city shall pursue a greenhouse gas emissions reduction target consistent with appropriate city climate change and energy efficiency regulations in effect at the time of project application for SPA plans or for the following, subject to the discretion of the Development Services Director:

- A. Residential projects of 50 or more residential dwelling units;
- B. Commercial projects of 12 or more acres (or equivalent square footage);
- C. Industrial projects of 24 or more acres (or equivalent square footage); or
- D. Mixed use projects of 50 equivalent dwelling units or greater.

IV.10.2 Service Analysis

The City of Chula Vista has a Growth Management Element (GME) in its General Plan. One of the stated objectives of the GME is to be proactive in its planning to meet federal and state air quality standards. This objective is incorporated into the GME's action program.

To implement the GME, the City Council has adopted the Growth Management Program that requires Air Quality Improvement Plans (AQIP) for major development projects (50 residential units or commercial/industrial projects with equivalent air quality impacts). Title 19 (Sec. 19.09.0508) of the Chula Vista Municipal Code requires that a SPA submittal contain an AQIP. The AQIP shall include an assessment of how the project has been designed to reduce emissions as well as identify mitigation measures in accordance with the adopted AQIP Guidelines.

The Chula Vista City Council adopted the 2008 state Energy Code (Title 24) with an amendment requiring an increased energy efficiency standard. This amendment went into effect on February 26, 2010, as Section 15.26.030 of the Municipal Code. As required by this amendment, all building permits applied for and submitted on or after this date are subject to these increased energy efficiency standards. The increase in energy efficiency is a percentage above the new 2008 Energy Code and is dependent on climate zone and type of development proposed.

- New residential and nonresidential projects that fall within climate zone 7 must be at least 15% more energy efficient than the 2008 Energy Code.
- New low-rise residential projects (three-stories or less) that fall within climate zone 10 must be at least 20% more energy efficient than the 2008 Energy Code.

In Addition, per Section 15.12 of the City's Municipal Code, all new residential construction, remodels, additions, and alterations must provide a schedule of plumbing fixture fittings that will reduce the overall use of potable water by 20%.

The City of Chula Vista has developed a number of strategies and plans aimed at improving air quality. The City is a part of the Cities for Climate Protection Program, which is headed by the International Council of Local Environmental Initiatives (ICLEI). In November 2002, Chula Vista adopted the CO₂ Reduction Plan to lower the community's major greenhouse gas emissions, strengthen the local economy, and improve the global environment. The CO₂

Reduction Plan focuses on reducing fossil fuel consumption and decreasing reliance on power generated by fossil fuels, which would have a corollary effect in the reduction of air pollutant emissions into the atmosphere.

IV.10.3 Adequacy Analysis

In 1983, the California Legislature enacted a program to identify the health effects of Toxic Air Contaminants (TACs) and to reduce exposure to these contaminants to protect the public health. The Health and Safety Code defines a TAC as “an air pollutant which may cause or contribute to an increase in mortality or in serious illness, or which may pose a present or potential hazard to human health.” The California Health and Safety Code defines a TAC as an air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health.

Impacts to air quality are addressed in *Final Environmental Impact Report for the Otay Ranch Freeway Commercial Sectional Planning Area 12 (FEIR), 2003, City of Chula Vista*. The proposed modifications addressed in this Addendum would not result in an increase in overall land use intensity or substantially change traffic distribution patterns, and would result in a decrease in traffic generation.

In May 2015, the City approved the General Plan and Otay Ranch GDP Amendments, as well as entitlements, for the proposed modifications through approval of the First Addendum to the FEIR. The FEIR and the First Addendum are collectively referred to as the "FEIR."

A Second Addendum to the EIR Otay Ranch Freeway Commercial Sectional Planning Area (SPA) Plan Planning Area 12, April 14, 2016, City of Chula Vista provides more specific detail regarding the proposed modifications for the approval of the SPA Plan Amendment, Tentative Map, and Freeway Commercial North Master Precise Plan. Specifically the Second Addendum addresses the proposed modifications to the designations in the SPA Plan for the FC-2 site, which would allow for the construction of 600 multi-family residential units, 15,000 square-foot of commercial space in a mixed use format, and 2.0 acres of public parkland. To achieve this, the definition of the current freeway commercial zone would be modified to allow for residential uses. These proposed residential uses would account for approximately 26.7 acres of the FC-2 site.

The *Air Toxics Health Risk Assessment for the Otay Ranch Planning Area 12 Project, dated March 24 2016, by SRA (SRA Report)*, is the basis of the Second Addendum. The SRA Report evaluated the potential for adverse impacts to the ambient air quality due to construction and operational emissions resulting from the Project. The report indicates that construction would result in a temporary addition of pollutants to the local air shed caused by soil disturbance, fugitive dust emissions, and combustion pollutants from on-site construction equipment, as well as from off-site trucks hauling construction materials.

Construction emissions as estimated in the SRA Report would be below all significance thresholds for criteria air pollutants, and would not exceed those levels identified in the FEIR. The site would be watered at least three times daily to control fugitive dust emissions, and vehicle speeds would not exceed 15 miles per hour, per FEIR mitigation measure 5.4-2. In addition, low-VOC paints would be utilized during architectural coatings. With incorporation of these design features, construction emissions were estimated to be below construction emissions estimated in the FEIR. The FEIR also identified mitigation measures 5.4-1 and 5.4-2, which reflect dust control measures and measures to reduce VOC and NO emissions.

With the proposed modifications to land uses, operational emissions would be well below the levels identified in the FEIR. As discussed, the proposed modifications would result in fewer trips than the approved project; therefore, mobile emissions resulting from the proposed modifications would be lower than that previously analyzed in the FOR. Additionally, mitigation measures 5.4-3 and 5.4-4 are identified in the FEIR, which would further reduce operational emissions.

The SRA Report determined that there are no new significant sources of construction or operational air emissions or health risk impacts beyond those identified in the FEIR that would occur with implementation of the proposed modifications to the approved project.

IV.10.4 Threshold Compliance

The project applicant shall comply with the FEIR and SRA Report Air Quality mitigation measures. A full discussion of these mitigation measures can be found in the aforementioned documents.

IV.11. CIVIC CENTER/CORPORATE YARD/OTHER PUBLIC FACILITY FEES:

There are no adopted Threshold Standards for the Civic Center, Corporate Yard and other Public Facilities. Funds for the most recent renovation of the Civic Center are tied to the collection of the PFDIF fees in effect at the time building permits are issued. The information regarding the Corporate Yard and other Public Facilities is being provided in this section of the PFFP to aid in calculating the required PFDIF.

The Public Facilities Development Impact Fee (PFDIF) was updated by the Chula Vista City Council on November 7, 2006 by adoption of Ordinance 3050. Current applicable fees for multi-family residential is \$9,398/unit and general commercial (including office) development is \$30,843/acre. The PFDIF amount is subject to change as it is amended from time to time. Both residential and non-residential development impact fees apply to the project. The calculations of the PFDIF due for each facility are addressed in the following tables of this report.

At the current fee rate, the FC-2 SPA Amendment Other Public Facilities Fee obligation at build-out is approximately \$1,329,206 (see Table L.1).

Table L.1 Civic Center Fees					
Development	DU's	MF PFDIF/DU	Acres	Com'l PFDIF/AC.	Estimated Civic Center Fee
Multi-Family Residential	600	\$2,685			\$1,148,672
Commercial*			6.6	\$9,044	\$180,534
Totals	600		6.6		\$1,329,206
*Includes 15,000 square feet of commercial mixed use					

At the current fee rate, the FC-2 SPA Amendment Corporate Yard Fee obligation at build-out is approximately \$275,221 (see Table L.2).

Table L.2 Corporate Yard Fees					
Development	DU's	MF PFDIF/DU	Acres	Com'l PFDIF/AC.	Estimated Fee Corporate Yard
Multi-Family Residential	600	\$372			\$223,200
Commercial			6.6	\$7,882	\$52,021
Totals	600		6.6		\$275,221
*Includes 15,000 square feet of commercial mixed use					

At the current fee rate, the FC-2 SPA Amendment Administration Public Facilities Fee obligation at build-out is approximately \$364,661 (see Table L.3).

Table L.3					
Public Facilities Fees For Administration Facilities					
Development	DU's	MF PFDIF/DU	Acres	Com'l PFDIF/AC.	Estimated Admin. Fee
Multi-Family Residential	600	\$563			\$351,600
Commercial			6.6	\$1,979	\$13,061
Totals	600		6.6		\$364,661
*Includes 15,000 square feet of commercial mixed use					

The projected fees, illustrated in Tables L.1, M.2 and M.3, are estimates only. Actual fees may be different. PFDIF Fees are subject to change depending upon City Council actions and or Developer actions that change residential densities, industrial acreage or commercial acreages.

Civic Center, Corporate Yard and Administration Facilities fees shall be paid prior to the issuance of building permits, at the rate in effect at the time payment is made.

IV.12. FISCAL ANALYSIS

IV.12.1 Threshold Standard

- A. Fiscal Impact Analyses and Public Facilities Financing Plans, at the time they are adopted, shall ensure that new development generates sufficient revenue to offset the cost of providing municipal services and facilities to that development.
- B. The city shall establish and maintain, at sufficient levels to ensure the timely delivery of infrastructure and services needed to support growth, consistent with the threshold standards, a Development Impact Fee, capital improvement funding, and other necessary funding programs or mechanisms.

IV.12.2 Facility Master Plan

There is no existing Master Plan for fiscal issues. However, an economic base study and a long range fiscal impact study was included as part of the Chula Vista General Plan.

IV.12.3 Project Processing Requirements

The SPA Plan and the PFFP are required by the Growth Management Program to prepare a phased fiscal/economic report dealing with revenue vs. expenditures including maintenance and operations.

IV.12.4 Fiscal Analysis of Project

IV.12.4.1 Introduction

This section of the PFFP is based upon the *Fiscal Impact Analysis of the Freeway Commercial SPA FC2 Amendment, Inc. dated March 17, 2015 by HR&R Advisors, Inc.*. This report is referred to as the HR&R FIA throughout this Supplemental PFFP. The HR&R FIA identifies the estimated fiscal impact that the FC-2 Amendment will have on the operation and maintenance budgets of the City of Chula Vista (general fund). Information pertaining to the scope of development was supplied by the developer and the City.

The FC-2 SPA Amendment fiscal impact analysis was prepared in accordance with the City's previously developed SPA Fiscal Impact Analysis (FIA) Framework to create consistency between fiscal impact analyses. HR&R used revenue and expenditure factors from the SPA Fiscal Impact Framework to estimate fiscal revenues and expenditures expected to grow proportionally with new development. Special analysis models were used to estimate revenues, such as property tax revenues, transient occupancy tax, vehicle license fee (VLF) revenues, and sales taxes that may not grow proportionately with new development.

The detailed methodology of the SPA Fiscal Impact Framework is described in the memorandum *SPA Fiscal Analysis – Fiscal Model Methodology Including the Development of Fiscal Factors in the Analysis of SPA Proposals, dated February 2008.*

IV.12.4.2 SPA Amendment

The Freeway Commercial SPA Plan was approved in 2004 and includes 1,214,000 square feet of commercial uses, 867,000 square feet on FC-1 and 347,000 square feet on FC-2. Otay Ranch Town Center Mall was constructed and is operating on FC-1, but FC-2 remains vacant.

The Developer (Baldwin and Sons) has proposed a mixed-use plan for the FC2 site that includes residential, hotel, and commercial uses. The proposed project amends existing commercial entitlements on the approximately 35 acre FC2 site to implement 600 multi-family dwelling units and a 2-acre park. The residential development is planned as high quality multi-family rental apartments and for-sale multi-family townhomes, with the possibility of multi-family detached units. Commercial development is planned to include 15,000 square feet of mixed-use retail uses and two hotels, with a total of 300 rooms.

The proposed project is projected to fill its Community Purpose Facility (CPF) obligations using excess CPF from developments in the Village 2 SPA. Park requirements will be met onsite through an equivalency program and maintenance will be satisfied through a Community Facilities District. The table below presents the land use program for the Approved FC SPA at build out and the FC-2 SPA Amendment at build out.

Table M.1 Land Use Program		
Land Use	Approved SPA	FC-2 SPA Amendment
Multi-Family Residential Units		600
<i>Residential Acres</i>		26.70
Retail SF	1,214,000	882,000
<i>Retail Acres</i>	120.7	86.20
Hotel (Rooms)	0	300
<i>Hotel Acres</i>		6.30
Park Acres	0.0	2.0
CPF Acres	0.0	0.0
<i>Subtotal Developed Acres</i>	120.7	121.2
Open Space	0	0.0
Preserve	0	0.0
Other Acres/ROW	0	0.0
Total Acres	120.7	121.2

Source: H&R Advisors, Inc.

IV.12.4.3 Absorption Schedule

HR&R prepared absorption schedules based on input from the Otay Ranch Town Shopping Center, the FC-2 Developer, and a review of the historical absorption of single-family and multi-family units in the City of Chula Vista across the last 10 years.

A. Existing Development (FC-1 Parcel)

The Otay Ranch Town Shopping Center has constructed approximately 655,000 square feet of building area on the FC-1 site. An estimated 26,000 square feet of open air common area exists in addition to the building area. The HR&R FIA uses an estimate of 680,000 square feet of existing retail and projects another 187,000 square feet of for the future development on FC-1.

B. Retail Absorption

The table below calculates total City of Chula Vista retail gross leasable area on a per dwelling unit basis and applies this estimate to the projected dwelling unit development from the latest City of Chula Vista growth management plan, to estimate a benchmark of demand²⁹ for new retail. On average, there is benchmark demand for 155,000 square feet of gross leasable area. This includes all types of retail.

HR&R assumed the FC-2 SPA Amendment would capture approximately 50 percent of the benchmarked demand and that the remaining balance of the FC-1 parcel retail, 187,000 square feet, will be built out at approximately 80,000 square feet a year.

The proposed 15,000 square feet of retail on the FC-2 site is expected to be absorbed in line with the development of the rental multi-family in Year 4.

Table M.2 Benchmark Retail Demand Shopping Center Retail per Household Calculation						
Chula Vista Shopping Center Retail (4Q-2014) ¹		7,264,655 SF				
City of Chula Vista Households (2012) ²		82,026				
Shopping Center SF Per HH		88.57				
Benchmark Retail Demand Estimate		2014	2015	2016	2017	2018
Eastern Chula Vista Forecast Dwelling Units ³		1,480	1,692	1,902	1,868	1,845
Benchmark Retail Demand @	88.57/HH	128,420	149,852	168,451	165,440	163,403
¹ Costar ² California Department of Finance ³ City of Chula Vista Growth Management Plan						

Source: HR&R Advisors

²⁹ Based on a market review, not a detailed market analysis.

C. Residential Absorption

The FC-2 Developer anticipates development of the apartments in one phase with construction starting in early 2016 and move-ins in late fall and across 2017. Based on historical absorption of residential units in Chula Vista the FIA used 400 as the average annual multi-family residential being added.

G. Hotel Absorption

The Developer anticipates this hotel will begin construction in 2016 and will open in 2017. The second hotel has been estimated to be absorbed in 2019.

H. Absorption of Other Uses

Park and CPF land uses are projected to develop in line with residential uses. The open space is land that cannot be developed that is located within the proposed hospitality portion of FC-2. It is absorbed in line with the hotel uses.

I. Population

Estimated population for the project site under the FC-2 Amendment are based on an estimated 2.61 persons per household for multi-family residences. The Approved FC SPA does not have any residential units and thus no projected population.

J. Employment

HR&R projected the employment in the FC-2 SPA Amendment at buildout and is Retail employment is estimated at an industry average of approximately one employee per 450 square feet of occupied building space. Hotel employees for comparable limited-service upper to midscale hotels are approximately 0.8 to 1 employee per room.

**Table M.3
FC-2 Amendment Projected Absorption**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Land Use Program											
Land Use											
Multi-Family Residential Units (Includes Multi-Use Residential)	0	0	0	120	370	600	600	600	600	600	600
MF Attached Townhomes	0	0	0	90	190	290	290	290	290	290	290
MF Attached Apartments (Mixed Use)	0	0	0	30	180	310	310	310	310	310	310
Retail Commercial SF	680,000	680,000	760,000	840,000	882,000	882,000	882,000	882,000	882,000	882,000	882,000
Freeway Commercial - Parcel 1	680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
Mixed Use Commercial - Parcel 2	0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Retail Commercial Acres	67.6	67.6	75.6	83.5	86.2	86.2	86.2	86.2	86.2	86.2	86.2
Hotel Rooms	0	0	148	148	148	300	300	300	300	300	300
Hotel Acres	0	0	3	3	3	6	6	6	6	6	6
Parks	0.0	0.0	0.0	0.4	1.2	2.0	2.0	2.0	2.0	2.0	2.0
CPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Acres	67.6	67.6	78.7	92.4	107.0	121.2	121.2	121.2	121.2	121.2	121.2
Cumulative Population											
Multi Family Persons/DU@	2.6	0.0	0.0	0.0	313	966	1,566	1,566	1,566	1,566	1,566
Total Est. Population	0.0	0.0	0.0	313	966	1,566	1,566	1,566	1,566	1,566	1,566
Employment											
Retail SF/Emp@	450	1,511	1,511	1,689	1,867	1,960	1,960	1,960	1,960	1,960	1,960
Hotel Employees per Room	0.9	0	0	133	133	133	270	270	270	270	270
Total Est. Employment	1,511	1,511	1,822	2,000	2,093	2,230	2,230	2,230	2,230	2,230	2,230

Source: HR&R

**Table M.4
Approved FC-2 SPA Projected Absorption**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Land Use Program											
Land Use											
Multi-Family Residential Units (Includes Multi-Use Residential)	0	0	0	0	0	0	0	0	0	0	0
MF Attached Townhomes	0	0	0	0	0	0	0	0	0	0	0
MF Attached Apartments	0	0	0	0	0	0	0	0	0	0	0
Retail Commercial SF	680,000	680,000	760,000	887,000	1,064,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000
Freeway Commercial - Parcel 1	680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
Freeway Commercial - Parcel 2	0	0	0	47,000	197,000	347,000	347,000	347,000	347,000	347,000	347,000
Retail Commercial Acres	67.6	67.6	75.6	88.2	105.8	120.7	120.7	120.7	120.7	120.7	120.7
Hotel Rooms	0	0	0	0	0	0	0	0	0	0	0
Hotel Acres	0	0	0	0	0	0	0	0	0	0	0
Parks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Acres	67.6	67.6	75.6	88.2	105.8	120.7	120.7	120.7	120.7	120.7	120.7
Cumulative Population											
Multi Family Persons/DU@	2.6	0.0	0.0	0.0	0	0	0	0	0	0	0
Total Est. Population	0.0	0.0	0.0	0	0	0	0	0	0	0	0
Employment											
Retail SF/Emp@	450	1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698
Hotel Employees per Room	0.9	0	0	0	0	0	0	0	0	0	0
Total Est. Employment	1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698	2,698

Source: HR&R

IV.12.4 Fiscal Impact Methodology

The FC-2 Amendment fiscal impact analysis was prepared in accordance with the City's previously developed SPA Fiscal Impact Analysis (FIA) Framework (see *SPA Fiscal Analysis –Fiscal Model Methodology Including the Development of Fiscal Factors in the Analysis of SPA Proposals, dated February 2008* for details) to create consistency between fiscal impact analyses. As prescribed in the SPA Fiscal Impact Framework, HR&R Advisors used revenue and expenditure factors from the SPA Fiscal Impact Framework to estimate fiscal revenues and expenditures expected to grow proportionally with new development. Special analysis models were used to estimate revenues, such as property tax revenues, transient occupancy tax, vehicle license fee (VLF) revenues, and sales taxes that may not grow proportionately with new development.

IV.12.5 Fiscal Impact Analysis Results

The fiscal impacts generated by the FC-2 Amendment and the approved SPA Site are presented in this section. Table M.6 and Table M.7 present the annual fiscal revenues and annual fiscal expenditures of the proposed FC-2 Amendment and the approved SPA.

The tables present anticipated revenues estimated based on special models such as property taxes, MVLFF in-lieu fee revenues, transient occupancy tax, and sales and use tax, and other revenues, calculated on a pro rata basis, are summarized. Estimated expenditures are calculated and presented by land use category³⁰. The figures in these tables have been adjusted to reflect 2015 dollars

IV.12.6 FC-2 SPA Amendment

Table M.6 presents the annual fiscal revenues and fiscal expenditures of the FC-2 Amendment. The FIA is included in Appendix A, which includes a detailed analysis of the FC-2 Amendment. Based on the FIA prepared by Pro Forma, the FC-2 Amendment will generate annual fiscal revenues of approximately \$4.80 million in Year 10 (2015 dollars).

The FC-2 SPA Amendment is projected to generate annual expenditures of \$2.26 million in Year 10 (2015 dollars). Public safety costs are the City's greatest fiscal costs and are expected to be the greatest costs generated as a result of new development. Including both the dwelling unit allocation and allocations of public safety costs from other land uses, the FC-2 Amendment will generate approximately \$1.26 million in public safety costs.

In Year 10, the FC-2 Amendment is expected to generate a positive net fiscal impact of approximately \$2.54 million. The FC-2 SPA Amendment, including all onsite retail tax receipts, currently generates approximately 1.0 million dollars in net fiscal revenue to the City annually. This net fiscal revenue grows with the build out of the retail developments and hotel developments. One-time property transfer and the incremental property taxes create small spikes after the inclusion of the hotels in Year 2 and Year 5. Net fiscal revenues grow on a constant basis after Year 7.

³⁰ Also includes expenditures calculated based on population.

**Table M.6
FC2 Amendment Fiscal Impact (2015 \$)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>2015 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Revenues											
Property Taxes	\$151,249	\$151,249	\$151,400	\$193,236	\$252,906	\$343,356	\$445,798	\$447,556	\$449,842	\$452,634	\$455,908
Property Transfer Taxes	\$0	\$3,911	\$3,989	\$29,665	\$41,154	\$60,156	\$69,862	\$16,514	\$16,844	\$17,181	\$17,525
VLFF Revenues	\$107,880	\$107,987	\$137,828	\$180,388	\$244,902	\$317,970	\$319,224	\$320,855	\$322,846	\$325,181	\$327,848
Sales and Use Tax	\$1,841,152	\$2,012,317	\$2,249,251	\$2,489,140	\$2,613,250	\$2,619,223	\$2,619,223	\$2,619,223	\$2,619,223	\$2,619,223	\$2,619,223
Transient Occupancy Tax		\$0	\$414,009	\$579,613	\$579,613	\$1,004,812	\$1,174,891	\$1,174,891	\$1,174,891	\$1,174,891	\$1,174,891
Other Revenues	\$95,869	\$95,869	\$113,690	\$137,786	\$170,410	\$201,696	\$201,696	\$201,696	\$201,696	\$201,696	\$201,696
Total Annual Revenues	\$2,196,150	\$2,371,333	\$3,070,167	\$3,609,828	\$3,902,236	\$4,547,213	\$4,830,694	\$4,780,735	\$4,785,342	\$4,790,806	\$4,797,091
Expenditures											
Retail (SF)	\$1,181,099	\$1,181,099	\$1,320,051	\$1,459,004	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954
Hotel (Acres)	\$0	\$0	\$46,150	\$46,150	\$46,150	\$93,548	\$93,548	\$93,548	\$93,548	\$93,548	\$93,548
Park (Acres)	\$0	\$0	\$0	\$82	\$254	\$411	\$411	\$411	\$411	\$411	\$411
Population (Persons)	\$0	\$0	\$0	\$30,723	\$94,730	\$153,616	\$153,616	\$153,616	\$153,616	\$153,616	\$153,616
Expenditures Allocated to DUs (excluding Public Safety)	\$0	\$0	\$0	\$18,367	\$56,630	\$91,833	\$91,833	\$91,833	\$91,833	\$91,833	\$91,833
Public Safety Costs Allocated to DUs	\$0	\$0	\$0	\$77,577	\$239,195	\$387,884	\$387,884	\$387,884	\$387,884	\$387,884	\$387,884
Total Annual Expenditures	\$1,181,099	\$1,181,099	\$1,366,202	\$1,631,904	\$1,968,914	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247
Net Fiscal Impact	\$1,015,051	\$1,190,234	\$1,703,965	\$1,977,925	\$1,933,322	\$2,287,966	\$2,571,447	\$2,521,488	\$2,526,095	\$2,531,559	\$2,537,844

Source: HR&R

IV.12.7. Approved FC SPA Plan

Table M.7 illustrates the annual fiscal revenues and fiscal expenditures of the Approved FC SPA Plan. Using the methodology described in the FIA, HR&R calculated that the Approved FC SPA Plan will generate fiscal revenues of approximately \$4.11 million in Year 10 (2015 dollars).

The greatest sources of fiscal revenue in the Approved FC SPA Plan are sales and use tax receipts. Sales tax receipts make up approximately 85 percent of total revenues. Current sales tax receipts are estimated at \$1.81 million annually. There is a greater amount of retail in the approved FC SPA Plan and sales tax receipts are expected to grow by \$1.6 million at buildout of retail properties.

The Approved FC SPA Plan is projected to generate annual expenditures of \$2.11 million in Year 10 (2015 dollars). Public safety costs are also expected to be the greatest costs generated as a result of new development. Within the retail land use factor, public safety costs account for approximately 50 percent of the costs, or \$1.14 million.

HR&R projects by Year 10 that the approved FC SPA Plan is expected to generate a positive net fiscal impact of approximately \$2.0 million. Similar to the FC-2 Amendment, the Approved FC SPA Plan currently generates a projected net fiscal revenue of \$1.0 million to the City.

**Table M.7
Approved FC SPA Fiscal Impact (2015\$)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>2014 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Revenues											
Property Taxes	\$151,249	\$151,249	\$151,400	\$169,222	\$198,245	\$239,763	\$276,205	\$277,401	\$278,876	\$280,623	\$282,635
Property Transfer Taxes	\$0	\$3,911	\$3,989	\$16,119	\$24,277	\$33,593	\$31,363	\$8,757	\$8,932	\$9,111	\$9,293
VLF Revenues	\$107,880	\$107,987	\$120,699	\$141,400	\$171,014	\$197,006	\$197,859	\$198,911	\$200,157	\$201,592	\$203,212
Sales and Use Tax	\$1,841,152	\$2,012,317	\$2,249,060	\$2,604,744	\$3,064,243	\$3,443,841	\$3,443,841	\$3,443,841	\$3,443,841	\$3,443,841	\$3,443,841
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$95,869	\$95,869	\$107,148	\$125,053	\$150,007	\$171,154	\$171,154	\$171,154	\$171,154	\$171,154	\$171,154
Total Annual Revenues	\$2,196,150	\$2,371,333	\$2,632,296	\$3,056,538	\$3,607,785	\$4,085,358	\$4,120,423	\$4,100,065	\$4,102,961	\$4,106,321	\$4,110,135
Expenditures											
Retail (SF)	\$1,181,099	\$1,181,099	\$1,320,051	\$1,540,639	\$1,848,072	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609
Hotel (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Park (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Population (Persons)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Open Space (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Use (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures Allocated to DUs (excluding Public Safety)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety Costs Allocated to DUs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Annual Expenditures	\$1,181,099	\$1,181,099	\$1,320,051	\$1,540,639	\$1,848,072	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609
Net Fiscal Impact	\$1,015,051	\$1,190,234	\$1,312,245	\$1,515,899	\$1,759,713	\$1,976,749	\$2,011,815	\$1,991,456	\$1,994,352	\$1,997,713	\$2,001,526

Source: HR&R Advisors

IV.12.8. Net Fiscal Impact Conclusions

According to HR&R, both the FC-2 Amendment and Approved FC SPA Plan are projected to generate a positive net fiscal revenue to the City of Chula Vista in Year 10. The FC-2 Amendment is expected to generate \$540,000 more than the Approved FC SPA in Year 10. Table N.8 presents the annual opportunity (cost)/benefit between the FC-2 Amendment and the Approved FC SPA Plan. The key variations in the fiscal impacts include sales tax differences, TOT differences, and property tax receipt differences.

HR&R concluded that the FC-2 Amendment generates \$840,000 less in sales tax revenues than the Approved FC SPA Plan, but generates \$1.17 million in TOT that is not generated in the Approved FC SPA, assuming it is built fully as retail. Further, the FC-2 Amendment is not expected to adversely impact the City of Chula Vista's quality of life. However, since the TOT receipts are a key fiscal revenue, HR&R prepared a sensitivity analysis to evaluate the variation in net fiscal impact at various room rates and at different levels of hotel room absorption. The analysis can be found in the HR&R FIA.

**Table M.8
Annual Comparison of FC2 Amendment Relative to Approved FC SPA (2015 \$)**

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenue Δ	\$0	\$0	\$437,871	\$553,290	\$294,450	\$461,855	\$710,271	\$680,670	\$682,381	\$684,485	\$686,956
Total Expenditure Δ	\$0	\$0	\$46,150	\$91,264	\$120,842	\$150,639	\$150,639	\$150,639	\$150,639	\$150,639	\$150,639
Difference in Net Fiscal Impacts (2015 Dollars)	\$0	\$0	\$391,720	\$462,026	\$173,608	\$311,217	\$559,632	\$530,031	\$531,743	\$533,847	\$536,318

Source: HR&R Advisors

V.1 PUBLIC FACILITY FINANCE

V.1.1 Overview

The City will ensure the appropriate public facilities financing mechanisms are utilized to fund the acquisition, construction and maintenance of public facilities required to support the planned development of the Freeway Commercial North project in compliance with the City's Growth Management Program.

Public facilities are generally provided or financed in one of the following three ways:

1. Subdivision Exaction: Developer constructed and financed as a condition of project approval.
2. Development Impact Fee: Funded through the collection of an impact fee. Constructed by the public agency or developer constructed with a reimbursement or credit against specific fees.
3. Debt Financing: Funded using one of several debt finance mechanisms. Constructed by the public agency or developer.

It is anticipated that all three methods will be utilized for the Freeway Commercial North project to construct and finance public facilities.

V.1.2 Subdivision Exactions

Neighborhood level public improvements will be developed simultaneously with related residential and non-residential subdivisions. Through the Subdivision Map Act, it is the responsibility of the developer to provide for all local street, utility and recreation improvements. The use of subdivision conditions and exactions, where appropriate, will insure that the construction of neighborhood facilities is timed with actual development.

The imposition of subdivision conditions and exactions does not preclude the use of other public facilities financing mechanisms to finance the public improvement, when appropriate.

V.1.3 Development Impact Fee Programs

Development Impact Fees are imposed by various governmental agencies, consist with State law, to contribute to the financing of capital facilities improvements within the City of Chula Vista. The distinguishing factor between a fee and a subdivision exaction is that exactions are requested of a specific developer for a specific project whereas fees are levied on all development projects throughout the City or benefit area pursuant to an established formula and in compliance with State law.

Freeway Commercial North, through policy decisions of the City of Chula Vista and other governing agencies, is subject to fees established to help defray the cost of facilities that benefit Freeway Commercial North and areas beyond this specific project. These fees may include but not be limited to:

1. Eastern Chula Vista TDIF — established to provide financing for circulation element road projects of regional significance in the area east of I-805.
2. Traffic Signal Fee — to pay for traffic signals associated with circulation element streets.
3. Public Facilities Development Impact Fee — Public Facilities DIF established to collect funds for Civic Center Facilities, Police Facilities, Corporation Yard Relocation, Libraries, Fire Suppression System, Geographical Information System (GIS), Mainframe Computer, Telephone System Upgrade and a Records Management System.
4. Park Acquisition and Development Fee — PAD Fee established to pay for the acquisition and development of park facilities.
5. Poggi Canyon Sewer Basin Development Impact Fee — to pay for constructing sewer improvements within the Poggi Canyon basin.
6. Sewerage Participation Fee — established fee to aid in the cost of processing sewerage generated in the city.
7. Otay Water District Fees — It should be noted that the Water District may require the formation of or annexation to an existing improvement district or creation of some other finance mechanism which may result in specific fees being waived.

V.1.4 Debt Finance Programs

The City of Chula Vista has used assessment districts to finance a number of street improvements, as well as sewer and drainage facilities. Both school districts have implemented Mello-Roos Community Facilities Districts to finance school facilities.

Assessment Districts

Special assessment districts may be proposed for the purpose of acquiring, constructing, maintaining certain public improvements under the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, the Benefit Assessment Act of 1982, and the Lighting and Landscape Act of 1972. The general administration of the special assessment district is the responsibility of the public agency.

Special assessment financing may be appropriate when the value or benefit of the public facility can be assigned to a specific property. Assessments are levied in specific amounts against each individual property on the basis of relative benefit. Special assessments may be used for both publicly dedicated on-site and off-site improvements and maintenance.

As a matter of policy, the City limits the type of improvements, which can be financed by assessment district bonding in residential projects. Such improvements are generally limited to collector streets and larger serving entire neighborhood areas or larger. This policy applies to backbone infrastructure including streets, water, sewer, storm drain, and dry utility systems.

Mello-Roos Community Facilities Act of 1982

The Mello-Roos Community Facilities Act of 1982 authorizes formation of community facilities districts, which impose special taxes to provide the financing of certain public facilities or services. Facilities that can be provided under the Mello-Roos Act include the purchase, construction, expansion, or rehabilitation of the following:

1. Local park, recreation, or parkway facilities;
2. Elementary and secondary school sites and structures;
3. Libraries;
4. Any other governmental facilities that legislative bodies are authorized to construct, own or operate including certain improvements to private property.

V.1.5 Other Methods Used to Finance Facilities

General Fund

The City of Chula Vista's general fund serves to pay for many public services throughout the City. Those facilities and services identified as being funded by general fund sources represent those that will benefit not only the residents of the proposed project, but also Chula Vista residents throughout the City. In most cases, other financing mechanisms are available to initially construct or provide the facility or service, then general fund monies would only be expected to fund the maintenance costs once the facility is accepted by the City.

State and Federal Funding

Although rarely available to fund an entire project. Federal and State financial and technical assistance programs have been available to public agencies, in particular the public school districts.

Dedications

Dedication of sites by developers for public capital facilities is a common financing tool used by many cities. In the case of Freeway Commercial North, the following public sites are proposed to be dedicated:

1. Roads (if public)
2. Open space and public trail systems

Homeowners Associations

One or more Community Homeowner Associations may be established by the developer to manage, operate and maintain private facilities and common areas within FC-2.

Developer Reimbursement Agreements

Certain facilities that are off-site and/or provide regional benefits may be constructed in conjunction with the development of FC-2 SPA Amendment. In such instances, developer reimbursement agreements will be executed to provide for a future payback to the developer for the additional cost of these facilities. Future developments are required to pay back their fair share of the costs for the shared facility when development occurs.

Special Agreements/Development Agreement

An approved development agreement exists between the City of Chula Vista and the Developer of FC-2. This development agreement will play an essential role in the implementation of the Public Facilities Financing Plan. The Public Facilities Financing Plan clearly details all public facility responsibilities and assures that the construction of all necessary public improvements will be appropriately phased with actual development, while the development agreement identifies the obligations and requirements of both parties.

V.1.6 Public Facility Finance Policies

The following finance policies were included and approved with the Growth Management Program to maintain a financial management system that will be implemented consistently when considering future development applications. These policies will enable the City to effectively manage its fiscal resources in response to the demands placed on the City by future growth.

1. Prior to receiving final approval, developers shall demonstrate and guarantee that compliance is maintained with the City's adopted threshold standards.
2. The Capital Improvement Program Budget will be consistent with the goals and objectives of the Growth Management Program. The Capital Improvement Program Budget establishes the timing for funding of all fee related public improvements.
3. The priority and timing of public facility improvements identified in the various City fee programs shall be made at the sole discretion of the City Council.
4. Priority for funding from the City's various fee programs shall be given to those projects which facilitate the logical extension or provision of public facilities as defined in the Growth Management Program.
5. Fee credits, reimbursement agreements, developer agreements or public financing mechanisms shall be considered only when it is in the public interest to use them or these financing methods are needed to rectify an existing facility threshold deficiency. Such action shall not induce growth by prematurely extending or upgrading public facilities.
6. All fee credit arrangements or reimbursement agreements will be made based upon the City's plans for the timing and funding of public facilities contained in the Capital Improvement Program Budget.
7. Public facility improvements made ahead of the City's plans to construct the facilities will result in the need for additional operating and maintenance funds. Therefore all such costs associated with the facility construction shall become the responsibility of the developer until such time as the City had previously planned the facility improvement to be made.

V.1.7 Lifecycle Cost

Section 19.09.060 Analysis subsection F(2) of the Growth Management Ordinance requires the following:

"...The inventory shall include Life Cycle Cost ("LCC") projections for each element in 19.09.060(E)...as they pertain to City fiscal responsibility. The LCC projections shall be for estimated life cycle for each element analyzed. The model used shall be able to identify and estimate initial and recurring life cycle costs for the elements..."

Background

The following material presents information on the general aspects of life cycle cost analysis as well as its specific application to the City of Chula Vista operations. The discussion regarding the general benefits and process of LCC is meant to provide a common base of understanding upon which further analysis can take place.

Life cycle costing (LCC) is a method of calculating the total cost of asset ownership over the life span of the asset. Initial costs and all subsequent expected costs of significance are included in the life cycle cost analysis as well as disposal value and any other quantifiable benefits to be derived as a result of owning the asset. Operating and maintenance costs over the life of an asset often times far exceed initial costs and must be factored into the (decision) process.

Life cycle cost analysis should not be used in each and every purchase of an asset. The process itself carries a cost and therefore can add to the cost of the asset. Life Cycle Cost analysis can be justified only in those cases in which the cost of the analysis can be more than offset by the savings derived through the purchase of the asset.

Four major factors, which may influence the economic feasibility of applying LCC analysis, are:

1. Energy Intensiveness — LCC should be considered when the anticipated energy costs of the purchase are expected to be large throughout its life.
2. Life Expectancy — For assets with long lives (i.e., greater than five years), costs other than purchase price take on added importance. For assets with short lives, the initial costs become a more important factor.
3. Efficiency — The efficiency of operation and maintenance can have significant impact on overall costs. LCC is beneficial when savings can be achieved through reduction of maintenance costs.
4. Investment Cost — As a general rule, the larger the investment the more important LCC analysis becomes.

The four major factors listed above are not, however, necessary ingredients for life cycle cost analysis. A quick test to determine whether life cycle costing would apply to a purchase is to ask whether there are any post-purchase costs associated with it. Life cycle costs are a combination of initial and post-purchase costs.

Applications for LCC Analysis

The City of Chula Vista utilizes the concepts of life cycle cost analysis in determining the most cost effective purchase of capital equipment as well as in the determination of replacement costs for a variety of rolling stock. City staff uses LCC techniques in the preparation of the City's Five Year Capital Improvement Budget (CIP) as well as in the Capital Outlay sections of the annual Operating Budget.

City Codes and Regulations provide the standards and design specifications that are required for infrastructure. Developers and contractors are required to meet city standards and design regulations. These standards and specifications have been developed over time to achieve the maximum life cycle of infrastructure that will be owned and maintained by the city. Prior to approval of new infrastructure, City Staff thoroughly reviews all plans and specifications to insure the maximum life cycle.

The initial construction of roads, traffic signals, sewers, drainage, lighting, etc., usually accounts for the bulk of the costs associated with a project. The initial construction activities consist of preliminary engineering, construction engineering, traffic control, etc. Subsequent to initial construction, the City of Chula Vista is responsible for maintenance, rehabilitation and eventual reconstruction/replacement over a projected 50 year life expectancy.

All project public facilities for the Otay Ranch Freeway Commercial North SPA Plan are subject to the City's life cycle cost analysis before construction. The City uses LCC analysis prior to or concurrent with the design of public facilities required by new development. Such requirement assists in the determination of the most cost effective selection of public facilities.

APPENDICES

A. HR&R Advisors Fiscal Impact Analysis

Fiscal Impact Analysis of the Freeway Commercial SPA FC2 Amendment

Prepared for:
The City of Chula Vista
March 17, 2015

Prepared by:
HR&A Advisors, Inc.
700 South Flower Street, Suite 2730
Los Angeles, CA 90017



Executive Summary

The City of Chula Vista (“City”) retained HR&A Advisors (“HR&A”) to evaluate the fiscal impacts of a proposed amendment to the Freeway Commercial Sectional Planning Area (“SPA”) to the City of Chula Vista’s General Fund.

The Freeway Commercial SPA includes approximately 1,215,000 square feet of commercial uses, 867,000 square feet on the FC1 site and 347,000 square feet on the FC2 site. The Otay Ranch Town Center Mall was constructed and is operating on the bulk of the FC1 site, but the FC2 site remains vacant. The proposed amendment will allow for the addition of 600 residential units and a 2-acre park on the designated FC2 site. The proposed amendment also includes two hotels with a total of 300 rooms on the FC2 site.

Purpose of the Study

A fiscal impact analysis of the proposed Freeway Commercial SPA FC2 Amendment is required as part of the supplemental Public Facilities Financing Plan (PFFP). The Supplemental PFFP ensures that the future development of the Freeway Commercial SPA is consistent with the overall goals and policies of the City’s General Plan, Growth Management Program and that the development of the project will not adversely impact the City’s Quality of Life Standards.

The following analysis evaluates the net fiscal impact of the Freeway Commercial SPA FC2 Amendment (“FC2 Amendment”) across a 10-year period, including build out, and reviews the annual net fiscal impact of the approved Freeway Commercial SPA (“Approved FC SPA”) across a similar 10-year period as a point of comparison. For the purposes of this analysis, net fiscal impacts refer to the fiscal revenues of the SPA less the fiscal costs generated by the SPA. A positive net fiscal impact means that the SPA’s fiscal revenues cover the costs generated by the SPA. The FC2 Amendment’s net fiscal impact above or below the Approved FC SPA net fiscal impact is the opportunity cost or benefit generated as a result of the amendment.

As part of this study, we also include a sensitivity analysis to understand the performance of the Approved FC SPA relative to the FC2 Amendment if specific land uses, particularly the hotels, are not fully built out. The sensitivity analysis reviews the net fiscal performance of the FC2 Amendment in the scenario that only one hotel is built out or a lower number of rooms are developed and also provides an understanding of net fiscal performance at different price levels.

Results

Including sales tax receipts based on onsite sales¹ generated from the Otay Ranch Town Center, the Freeway Commercial SPA has a current (Year 0) positive annual impact of \$1.00 million that is expected to grow based on the proposed development.

¹ This sales tax receipt approach is an adjustment from the standard SPA Framework. The SPA Framework evaluates sales tax receipts based on spending of residents within a SPA. The approach was adjusted in this study because the standard approach would not provide an understanding of the impact of the proposed commercial changes in the FC2 Amendment.

Using the City of Chula Vista's SPA Fiscal Impact Analysis Framework, the FC2 Amendment is expected to generate an annual positive net fiscal impact of approximately \$2.54 million in Year 10.

The FC2 Amendment is expected to generate total fiscal revenues of approximately \$4.80 million in Year 10. Sales tax receipts and transient occupancy tax (hotel tax) receipts are the greatest sources of fiscal revenue. Sales and use tax receipts represent 55 percent of fiscal revenues while transient occupancy tax represent 25 percent of fiscal revenues.

The FC2 Amendment is expected to generate annual fiscal expenditures of \$2.26 million in Year 10. Public safety costs make up the majority of anticipated fiscal expenditures.

The Approved FC SPA is projected to generate annual net fiscal revenues of \$2.00 million in Year 10.

The Approved FC SPA, which is projected to consist solely of retail commercial uses, will generate annual fiscal revenues of \$4.11 million in Year 10. Sales and use tax receipts represent approximately 85 percent of total fiscal revenues for the Approved FC SPA. Annual fiscal expenditures generated by the Approved FC SPA are estimated at \$2.11 million annually.

Conclusions

Both the FC2 Amendment and Approved FC SPA are projected to generate positive net fiscal revenues to the City of Chula Vista throughout the study period. However, starting in Year 2, the FC2 Amendment will generate more fiscal revenues than the Approved FC SPA. In Year 10, the FC2 Amendment is expected to generate approximately \$540,000 more than the Approved FC SPA.

Transient occupancy taxes are a key factor in the greater fiscal performance of the FC2 Amendment and further analysis was completed to understand the sensitivity of the overall land use program to variation in the number of hotel rooms developed and the hotel room rate.

The sensitivity analysis revealed that, at an average room rate of \$140 per night, 175 hotel rooms is the point of neutrality between the FC2 Amendment and Approved FC SPA, i.e. the number of developed rooms in which the net fiscal revenues both scenarios generate are approximately equal. If less than 175 rooms are built the Approved FC SPA will outperform the FC2 Amendment.

Figure 1: FC2 Amendment (2015\$)

	2014 Year 0	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5	2020 Year 6	2021 Year 7	2022 Year 8	2023 Year 9	2024 Year 10
<i>2015 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Total Expenditures	\$1,181,099	\$1,181,099	\$1,366,202	\$1,631,904	\$1,968,914	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247
Total Revenues	\$2,196,150	\$2,371,333	\$3,070,167	\$3,609,828	\$3,902,236	\$4,547,213	\$4,830,694	\$4,780,735	\$4,785,342	\$4,790,806	\$4,797,091
Net Fiscal Impacts (2015 Dollars)	\$1,015,051	\$1,190,234	\$1,703,965	\$1,977,925	\$1,933,322	\$2,287,966	\$2,571,447	\$2,521,488	\$2,526,095	\$2,531,559	\$2,537,844

Source: HR&A

Figure 2: Approved FC SPA (2015 \$)

	2014 Year 0	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5	2020 Year 6	2021 Year 7	2022 Year 8	2023 Year 9	2024 Year 10
<i>2014 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Total Expenditures	\$1,181,099	\$1,181,099	\$1,320,051	\$1,540,639	\$1,848,072	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609
Total Revenues	\$2,196,150	\$2,371,333	\$2,632,296	\$3,056,538	\$3,607,785	\$4,085,358	\$4,120,423	\$4,100,065	\$4,102,961	\$4,106,321	\$4,110,135
Net Fiscal Impacts (2015 Dollars)	\$1,015,051	\$1,190,234	\$1,312,245	\$1,515,899	\$1,759,713	\$1,976,749	\$2,011,815	\$1,991,456	\$1,994,352	\$1,997,713	\$2,001,526

Source: HR&A

Table of Contents

Executive Summary.....	2
Introduction.....	6
Project.....	7
Land Use Program	7
Population and Employment	7
Employment	7
Projected Absorption Schedule	9
Development Program Absorption	9
Existing Development (FC1 Site).....	9
Retail Absorption.....	9
Residential Absorption.....	10
Hotel Absorption.....	10
Absorption of Other Uses	10
Methodology	13
Budget and Revenue Factors.....	13
Service Standard Adjustment (Real Inflation Adjustment)	13
Retail Expenditure Density Factor	13
2015 Dollar Adjustment.....	14
Revenue Methodology	14
Expenditure Methodology.....	18
Fiscal Impacts.....	20
Approved FC SPA.....	22
Net Fiscal Impact Conclusions	24
Sensitivity Analysis	26
Appendices	28

Introduction

Baldwin and Sons (the “Developer”) is currently preparing an amendment to the previously approved Otay Ranch Planning Area 12 Freeway Commercial SPA to add 600 residential units, 300 hotel rooms, and a 2-acre park to the FC2 site.

The Freeway Commercial SPA was approved in 2004 and includes approximately 1,215,000 square feet of commercial uses, 867,000 square feet on the FC1 site and 347,000 square feet on the FC2 site. Otay Ranch Town Center Mall was constructed and is operating on the FC1 site, but the FC2 site remains vacant.

Figure 3: Freeway Commercial SPA FC1 and FC2 Site Map



Source: Google Maps and HR&A Advisors

Project

The Developer has proposed a mixed-use plan for the FC2 site that includes residential, hotel, and commercial uses. The proposed project amends existing commercial entitlements on the approximately 35 acre FC2 site to implement 600 multi-family dwelling units and a 2-acre park. The residential development is planned as high quality multi-family rental apartments and for-sale multi-family townhomes, with the possibility of multi-family detached units². Commercial development is planned to include 15,000 square feet of mixed-use retail uses and two hotels, with a total of 300 rooms.

The proposed project is projected to fill its Community Purpose Facility (CPF) obligations using excess CPF from developments in the Village 2 SPA. Park requirements will be met onsite through an equivalency program and maintenance will be satisfied through a Community Facilities District.

Land Use Program

Figure 4 presents the land use program for the Approved FC SPA at build out and the FC2 Amendment at build out.

Population and Employment

Estimated population for the project site under the FC2 Amendment are based on an estimated 2.61 persons per household for multi-family residences. The Approved FC SPA does not have any residential units and thus no projected population.

Employment

Retail employment is estimated at an industry average of approximately one employee per 450 square feet of occupied building space. Hotel employees for comparable limited-service upper to midscale hotels are approximately 0.8 to 1 employee per room.

² For the purposes of this analysis, all for-sale multi-family products are assumed to be townhouses.

Figure 4: Land Use Program

	Approved SPA		Freeway Commercial Amendment	
Land Use				
Single Family Residential Units		0		0
Multi-Family Residential Units		0		600 (26.70 Ac.)
<i>MF Attached - For Sale Townhomes</i>		0		290
<i>MF Attached - Rental Apartments</i>		0		310
Retail Commercial Square Feet (SF) ¹		1,214,000 (120.7 Ac)		882,000 (86.20 Ac.)
Hotels (Rooms)		0		300 (6.30 Ac.)
Parks		0.0		2.0 (2 Ac. onsite)
CPF		0.00		
School		0.0		0.0
<i>Subtotal Developed Acres</i>		<i>120.7</i>		<i>121.2</i>
Open Space		0		0
Preserve		0		0
Other Acres/ROW		0		0
Total Acres		120.7		121.2
Population				
Multi Family Persons/DU@	2.61	0		1,566
Total Est. Population		0		1,566
Employment				
Retail SF/Emp	450	2,698		1,960
Hotel Employees per Room	0.90	0		270
Total Est. Employment		2,698		2,230

¹Mixed Use retail acreage is included with residential

Source: Baldwin and Sons, City of Chula Vista and HR&A Advisors

Projected Absorption Schedule

The absorption schedules shown in Figure 6 and Figure 7 were developed based on input from the Otay Ranch Town Shopping Center, the FC2 site Developer, and a review of the historical absorption of single-family and multi-family units in the City of Chula Vista across the last 10 years.

Development Program Absorption

Existing Development (FC1 Site)

The Otay Ranch Town Shopping Center reports that they currently have 655,000 square feet of building area on the FC1 site. An estimated 26,000 square feet of open air common area exists in addition to the building area.

For purposes of this analysis, existing retail square feet on the FC1 site is estimated at 680,000 square feet and 187,000 square feet of retail is estimated for future development on the FC1 site.

Retail Absorption

The retail absorption was estimated based on a brief benchmark of future retail demand. The table below calculates total City of Chula Vista retail gross leasable area on a per dwelling unit basis and applies this estimate to the projected dwelling unit development from the latest City of Chula Vista Growth Management Plan, to estimate a benchmark of demand³ for new retail. On average, there is benchmark demand for 155,000 square feet of gross leasable area. This includes all types of retail.

Assuming the Freeway Commercial SPA is able to capture approximately 50 percent of the benchmarked demand, we estimate that the remaining balance of the FC1 parcel retail, 187,000 square feet, will be built out at approximately 80,000 square feet a year.

The proposed 15,000 square feet of retail on the FC2 site is expected to be absorbed in line with the development of the rental multi-family in Year 4.

Figure 5: Benchmark Retail Demand

Shopping Center Retail per Household Calculation					
Chula Vista Shopping Center Retail(4Q2014) ¹	7,264,655				
City of Chula Vista Households (2014) ²	82,026				
Shopping Center SF Per HH	88.57				
Benchmark Retail Demand Estimate	2014	2015	2016	2017	2018
Eastern Chula Vista Forecast Dwelling Units ³	1,450	1,692	1,902	1,868	1,845
Benchmark Retail Demand @ 88.57	128,420	149,852	168,451	165,440	163,403

¹ Costar

² CA Dept. of Finance

³ City of Chula Vista 2013 Growth Management Plan

Source: HR&A Advisors

³ Based on a market review, not a detailed market analysis.

Residential Absorption

The FC2 site Developer anticipates development of the rental apartments and for-sale units starting at the end of 2016 with absorption starting in 2017.

The historical absorption of residential units in Chula Vista is shown in the Appendix Table A-2. Between 2008 and 2014, an average of approximately 400 multi-family units were added in Chula Vista.

For the FIA, we assume absorption starting in mid-2017 and use 250 units as the max annual multi-family residential absorption in 2018 and 2019.

Hotel Absorption

There are a limited number of quality hotels in the Otay Ranch and Chula Vista areas. Actual hotel absorption will be linked with the ability to attract an interested hotel chain/developer.

The Developer anticipates the first hotel will open in 2016. The Developer anticipates the second hotel will be opened three years after the first. The FIA includes the first hotel in 2016 and the second hotel in 2019.

It should be noted that we assume a buildup period in occupancy when estimating transient occupancy tax.

Absorption of Other Uses

Park uses are projected to develop in line with residential uses.

Figure 6: FC2 Amendment Projected Absorption

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Land Use Program											
Land Use											
Multi-Family Residential Units (Includes Multi-Use Residential)	0	0	0	120	370	600	600	600	600	600	600
MF Attached Townhomes	0	0	0	90	190	290	290	290	290	290	290
MF Attached Apartments (Mixed Use)	0	0	0	30	180	310	310	310	310	310	310
Retail Commercial SF	680,000	680,000	760,000	840,000	882,000	882,000	882,000	882,000	882,000	882,000	882,000
Freeway Commercial - Parcel 1	680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
Mixed Use Commercial - Parcel 2	0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Retail Commercial Acres	67.6	67.6	75.6	83.5	86.2	86.2	86.2	86.2	86.2	86.2	86.2
Hotel Rooms	0	0	148	148	148	300	300	300	300	300	300
Hotel Acres	0	0	3	3	3	6	6	6	6	6	6
Parks	0.0	0.0	0.0	0.4	1.2	2.0	2.0	2.0	2.0	2.0	2.0
CPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Acres	67.6	67.6	78.7	92.4	107.0	121.2	121.2	121.2	121.2	121.2	121.2
Cumulative Population											
Multi Family Persons/DU@	2.6	0.0	0.0	0.0	313	966	1,566	1,566	1,566	1,566	1,566
Total Est. Population		0.0	0.0	0.0	313	966	1,566	1,566	1,566	1,566	1,566
Employment											
Retail SF/Emp@	450	1,511	1,511	1,689	1,867	1,960	1,960	1,960	1,960	1,960	1,960
Hotel Employees per Room	0.9	0	0	133	133	133	270	270	270	270	270
Total Est. Employment		1,511	1,511	1,822	2,000	2,093	2,230	2,230	2,230	2,230	2,230

Source: Baldwin and Sons, HR&A

Figure 7: Approved FC SPA Projection Absorption

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Land Use Program											
Land Use											
Multi-Family Residential Units (Includes Multi-Use Residential)	0	0	0	0	0	0	0	0	0	0	0
MF Attached Townhomes	0	0	0	0	0	0	0	0	0	0	0
MF Attached Apartments	0	0	0	0	0	0	0	0	0	0	0
Retail Commercial SF	680,000	680,000	760,000	887,000	1,064,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000
Freeway Commercial - Parcel 1	680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
Freeway Commercial - Parcel 2	0	0	0	47,000	197,000	347,000	347,000	347,000	347,000	347,000	347,000
Retail Commercial Acres	67.6	67.6	75.6	88.2	105.8	120.7	120.7	120.7	120.7	120.7	120.7
Hotel Rooms	0	0	0	0	0	0	0	0	0	0	0
Hotel Acres	0	0	0	0	0	0	0	0	0	0	0
Parks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Acres	67.6	67.6	75.6	88.2	105.8	120.7	120.7	120.7	120.7	120.7	120.7
Cumulative Population											
Multi Family Persons/DU@	2.6	0.0	0.0	0.0	0	0	0	0	0	0	0
Total Est. Population	0.0	0.0	0.0	0	0	0	0	0	0	0	0
Employment											
Retail SF/Emp@	450	1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698
Hotel Employees per Room	0.9	0	0	0	0	0	0	0	0	0	0
Total Est. Employment	1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698	2,698

Source: Baldwin and Sons, HR&A

Methodology

The FC2 Amendment fiscal impact analysis was prepared in accordance with the City’s previously developed SPA Fiscal Impact Analysis (FIA) Framework. As prescribed in the SPA Fiscal Impact Framework, HR&A used revenue and expenditure factors from the SPA Fiscal Impact Framework to estimate fiscal revenues and expenditures expected to grow proportionally with new development. Special analysis models were used to estimate revenues, such as property tax revenues, transient occupancy tax, vehicle license fee (VLF) revenues, and sales taxes that may not grow proportionately with new development.

The detailed methodology of the SPA Fiscal Impact Framework is described in the memorandum “SPA Fiscal Analysis—Fiscal Model Methodology Including the Development of Fiscal Factors in the Analysis of SPA Proposals”, dated February 2008. The following methodology section highlights key inputs and updates made to the methodology for the FC2 Amendment FIA.

Budget and Revenue Factors

The budget revenue and expenditure factors provided by the City are based on the FY 2009 City of Chula Vista budget. Adjustments have been made to these budget factors to provide a more accurate accounting of future impacts, including: (1) an expenditure and revenue adjustment to account for appropriate service standards, (2) a retail expenditure density adjustment, and (3) a 2015 dollar adjustment.

In addition, as described in the methodology section, the calculation of onsite retail sales differs from the calculation in the SPA Fiscal Impact Framework.

Service Standard Adjustment (Real Inflation Adjustment)

Due to the 2007 recession, the City of Chula Vista implemented several rounds of budget reduction between FY 2007 and FY 2009, cutting the City’s service standard below the desired level. The expenditure and revenue adjustment factors use a 5-year average of inflation adjusted per capita revenue and expenditures to determine an appropriate level of future expenditures and revenues.

Retail Expenditure Density Factor

Retail expenditure factors were developed based on historical citywide acres and account for a historical citywide floor-to-area (FAR) ratios. Based on the citywide FAR, a factor is determined that translates the retail expenditure budget acre factor into a square foot factor.

Figure 8: Retail Expenditure Factor Density Adjustment

Land Use	Citywide Density	Village Per SF Density Factor
Retail	0.28 FAR	0.00008

Source: City of Chula Vista, SPA Fiscal Framework

2015 Dollar Adjustment

Finally, given that the FIA is based on FY 2009 budget, the inflation adjustment adjusts final total revenues and expenditures from 2009 dollars to 2015 dollars. It should be noted that the 2015 dollar amount is approximated using the mid-year 2014 San Diego Consumer Price Index.

Revenue Methodology

Special Models

Special models were used to estimate fiscal impacts for property taxes, property transfer taxes, MVLF in-lieu fees, transient occupancy tax and sales tax. Special models were built based on the SPA Fiscal Framework with updated tax rates, as appropriate, and assessed value and household income inputs.

Assessed Values and Property Taxes

The incremental assessed value attributable to the Project is used to estimate property taxes, property transfer taxes, and MVLF in-lieu fees. The actual assessed building and improvement value for the FC1 site are used as the existing Year 0 value for the FC1 site. The current assessed value of the FC2 land reported by the County Assessor's Office and an estimate of the land value on the unimproved FC1 site are used as the base land value for undeveloped land.

HR&A reviewed current market residential and commercial data and the assessed value of comparable projects to determine appropriate assessed values for new FC2 development. The capitalized value approach was used to estimate the market value of the retail properties and hotel properties as shown in Appendix Table A-5 and B-4.

Retail Assessed Value

The average 2014 4th quarter rental rate for shopping center retail in the greater Eastlake retail submarket was approximately \$2.10 per gross leasable square foot according to CoStar. This average includes a variety of retail types. HR&A reviewed historic and current retail property rents to estimate the rents for the mixed use retail product that is planned for the FC2 Amendment. Mixed use retail tends to achieve more conservative rents relative to community center and neighborhood center retail. The mixed use commercial proposed in the FC2 Amendment is most likely to be similar to mixed use retail such as Heritage Town Center at 1392 E. Palomar Street. For the mixed-use retail in the FC2 Amendment, HR&A uses an average retail lease rent of \$1.85, and a conservative capitalization rate (cap rate) based on cap rates reported by the RERC Real Estate Report.

The capitalized value approach, as shown in Appendix Table A-5, provided an assessed value of approximately \$240.00 per square foot of building square foot for retail uses.

Figure 9: 3Q2013 East Chula Vista Retail Properties For Lease

Building Name	Building Address	Property Type	Rentable Building		Percent Leased	Average Monthly Weighted Rent
			Area	Year Built		
The Marketplace at Windingwalk	2110 Birch Rd	Community Center	8,686	2008	26.87	\$2.25
	1741 Eastlake Pky	Community Center	10,387	2008	62.74	\$2.25
	1745 Eastlake Pky	Community Center	106,000	2008	96.12	\$2.25
Heritage Town Center	2315 Otay Lakes Rd	Neighborhood Center	8,400	2004	82.9	\$3.50
	1392 E Palomar St	Mixed Use Retail	38,000	2003	93.61	\$1.95
	2318 Proctor Valley Rd	Neighborhood Center	12,109	2007	69.5	\$2.00
	2322 Proctor Valley Rd	Neighborhood Center	11,896	2007	57.91	\$2.00
	851-881 Showroom Pl	Community Center	162,967	2006	85.47	\$1.81
	891 Showroom Pl	Community Center	14,542	2006	87.19	\$2.45
Average					73.59	\$2.27

Source: CoStar and HR&A

Hotel Assessed Value

Current Chula Vista accommodations have low asking room rates of \$60 to \$120 per room. However, existing accommodations options include primarily economy-level limited service hotels. The Developer anticipates that the hotels located on the site may be similar to a Residence Inn or Courtyard by Marriott which are mid-scale to upscale in nature. The following table includes the asking room rates for comparable hotels in the San Diego area. HR&A estimates that a Residence Inn or Courtyard Marriott level hotel will have average asking rates of \$150 to \$200 and will achieve average revenue of between \$120 to \$160 per room night. Figure 11 shows average room metrics for San Diego County hotels.

Based on a review of comparable hotels and countywide averages, we use an estimated average room rate of \$140 to estimate the assessed value. Using standard industry margins and a current cap rate of approximate 9 percent, each hotel room is projected to have a value of approximately \$146,000 per room.

Figure 10: Comparable Hotel Room Rates

Hotel	Asking Room Rate	Property Type	Market Segment
Courtyard by Marriott Oceanside	\$150-\$180 / \$250-\$280 Peak	Limited-Service Hotel	Upscale - Limited
Residence Inn San Diego Oceanside	\$180 - \$230 / \$270 - \$370 Peak	Extended Stay Hotel	Upscale - Limited
Residence Inn San Marcos	\$160-\$170 / \$210-\$220 Peak	Extended Stay Hotel	Upscale - Limited

Source: HR&A Advisors

Figure 11: San Diego County Hotel Performance

Hotel	Market Occupancy	Average Daily Rate	REVPAR
2012	73.7%	\$155.76	\$114.80
2013(Estimated)	73.8%	\$158.10	\$116.65
2014 (Forecasted)	73.8%	\$163.46	\$120.67

Source: PKF 2014 Southern California Hotel Forecast Report and HR&A

Rental Residential Assessed Value

Average rental apartment rents were based on an analysis of comparable Otay Ranch apartment complexes. HR&A evaluated average monthly rental rents for various rental floor plans. Six rental complexes were reviewed. Figure 12 below presents select comparable project rents and their current assessed value per unit. Based on comparable rents, the projects average monthly rent is estimated at approximately \$1,850.

Figure 12: Select Otay Ranch Rental Residential Comparables

Apartment Rental Rates					
Residential Complex	Bedrooms	Baths	Unit Size	Average Monthly Rent	
Toscano at Rancho Del Rey	1	2	767	\$1,535 -	\$1,585
Toscano at Rancho Del Rey	2	2	1,000	\$1,835 -	\$1,985
Toscano at Rancho Del Rey	3	2	1,300	\$2,030 -	\$2,090
Sunbow Villas	1	2	715	\$1,460 -	\$1,820
Sunbow Villas	2	2	1,020	\$1,800 -	\$2,165
Camden Sierra at Otay Ranch	1	1	720	\$1,559 -	\$1,849
Camden Sierra at Otay Ranch	1	1	825	\$1,659 -	\$1,949
Terra Vista	1	1	709	\$1,516 -	\$1,636
Terra Vista	2	2	1,098	\$1,904 -	\$2,197
Terra Vista	3	2	1,356	\$1,979 -	\$2,201
Missions at Sunbow	2	2	1,111	\$1,726 -	\$1,886
Missions at Sunbow	3	2	1,327	\$2,189 -	\$2,336
Pinnacle at Otay Ranch	1	1	809	\$1,635 -	\$1,635
Pinnacle at Otay Ranch	2	2	1,186	\$1,849 -	\$1,849
Average			996	\$1,763 -	\$1,942

Source: HR&A

It should be noted that, currently, rental residential is the highest performing real estate land use in Southern California and is the most sought after land use by investors. The new rental apartment product included within the project will likely be considered Class A product. Assuming a gross expense estimate of 30 percent and 95 percent occupancy, expected apartment rents were capitalized using a capitalization rate of 6.00 percent. Based on these calculations, rental apartments were valued at approximately \$246,000.

For-Sale Residential Assessed Value

The assessed value for for-sale residential product was estimated based on recent sales of multi-family product in Otay Ranch, as shown in Figure 13.

An average sales price of \$325,000 was used as the assessed value for the for-sale multifamily units.

Figure 13: Sales of Multi-Family Product Built Since 2010

Address	City	State	SF	Bedrooms	Sales Date	Sales Price	Price per SF
1831 Crimson Ct #2	Chula Vista	CA	1,292	3	2/4/2015	\$320,000	\$ 247.68
1711 Rolling Water Dr #4	Chula Vista	CA	1,891	4	1/6/2015	\$390,000	\$ 206.24
1430 Trouville Ln #6	Chula Vista	CA	1,008	2	1/2/2015	\$275,000	\$ 272.82
2236 Antonio Dr #19	Chula Vista	CA	1,984	4	12/31/2014	\$409,000	\$ 206.15
1875 Violet Ct #1	Chula Vista	CA	1,565	3	12/29/2014	\$350,000	\$ 223.64
1432 Levant Ln #5	Chula Vista	CA	1,372	3	12/12/2014	\$315,000	\$ 229.59
1724 Rolling Water Dr #1	Chula Vista	CA	1,579	2	12/12/2014	\$310,000	\$ 196.33
1831 Crimson Ct #3	Chula Vista	CA	1,175	2	12/2/2014	\$280,000	\$ 238.30
1830 Crimson Ct #9	Chula Vista	CA	1,175	2	11/26/2014	\$275,000	\$ 234.04
1824 Peach Ct #3	Chula Vista	CA	1,175	2	11/24/2014	\$301,000	\$ 256.17
1823 Casa Morro St #21	Chula Vista	CA	1,860	3	11/14/2014	\$378,000	\$ 203.23
2161 Barrel Ct #93	Chula Vista	CA	1,581	3	11/7/2014	\$352,000	\$ 222.64
1713 Cripple Creek Dr #1	Chula Vista	CA	1,579	2	10/30/2014	\$330,000	\$ 208.99
1721 Cripple Creek #1	Chula Vista	CA	1,579	2	10/21/2014	\$347,500	\$ 220.08
1874 Violet Ct #1	Chula Vista	CA	1,292	2	10/2/2014	\$305,000	\$ 236.07
1875 Violet Ct #3	Chula Vista	CA	1,175	2	9/29/2014	\$299,000	\$ 254.47
1876 Caminito Treviana	Chula Vista	CA	1,400	2	9/4/2014	\$317,000	\$ 226.43
Average			1,452			\$326,676	\$ 228.40

Source: Trulia and HR&A Advisors

Property Tax Rates

The Freeway Commercial SPA is included in tax rate area 01265. The City's proportion of the 1 percent tax distribution is 10.64% within this tax rate area. Transfer taxes were assessed at \$0.55 per \$1000 of assessed value.

VLF Fees

Until July of 2011, 0.65 percent VLF revenues were estimated based on population increases while the property taxes in-lieu of VLF fees ("MVLF In-Lieu Fees") are based on incremental growth in assessed value.

The State of California's Legislature passed SB89 in 2011 that eliminates 0.65% VLF payments as of July 2011. The California League of Cities filed suit to challenge the law, but the State Superior Court recently ruled against the League in March of 2012.

The 0.65% VLF fees generated based on population have been excluded from this analysis. The MVLF In-Lieu Fees are still allocated proportionally, based on incremental growth in assessed value as described in the SPA Fiscal Impact Framework.

Sales Tax

It should be noted that the calculation of sales tax in this fiscal impact differs from the SPA FIA Framework.

In the SPA FIA Framework, sales tax receipts to the City are analyzed on the basis of the project’s incremental residents’ retail spending. The SPA Framework used this sales tax analysis approach to ensure that retail sales tax receipts were not double counted by both the developer of a new retail shopping center and by a separate developer of nearby residential whose spending will support the new center.

To better understand the variation in fiscal revenues generated from the different levels of commercial development in the FC2 Amendment and the Approved SPA, this analysis evaluates sales tax receipts based on the gross leasable square feet within each of the sites⁴.

Estimated taxable sales for the existing FC1 site is based on current Chula Vista taxable sales averages and the taxable sales for new retail was estimated based on average California taxable sales per square estimates produced by HdL. Taxables sales per square foot of \$270 and a 95 percent occupancy rate were used to estimate the taxables sales from both existing and future retail development.

Other Discretionary Revenues

As described above, revenue factors from the SPA Fiscal Framework were used to estimate revenues that are expected to grow proportionally with development. These are derived in Appendix Tables A-10 & A-11 and B-8 & B-9. These factors are summarized in the table below.

Figure 14: Other Discretionary Revenue Factors

Summary of Other Discretionary Revenue Factors	
Hotel Commercial (Per Acre)	\$839.44
Retail Commercial (Per SF)	\$0.07
Residential (Acre)	\$1,600.36
Residential (Per DU)	\$3.60
Employees (Per Employee)	\$19.45
Population (Per Resident)	\$3.86

Source: City of Chula Vista and HR&A Advisors

Expenditure Methodology

As described above, expenditure factors from the SPA Fiscal Framework were used to estimate expenditures that are expected to grow proportionally with development. The factors provided by the City of Chula Vista are shown in Appendix Table A-7 & B-6 and are summarized below.

Special models are used to estimate the allocation of public safety fiscal expenditures generated by dwelling units. The public safety expenditures allocated to dwelling units are estimated proportionally

⁴ As such, the FC Amendment FIA should not be considered additive to other fiscal impact analysis results in Otay Ranch.

(there are no adjustments at this time), but are presented in a special model because these costs are typically a major fiscal expenditure.

Figure 15: Expenditure Factors and Public Safety Dwelling Unit Factors

Expenditure Factors	
Retail (Per SF)	\$1.36
Hotel (Acres)	\$11,584
Population (Per Resident)	\$76.53
Private Parks (Acres)	\$160.46
Public Use (Per Acre)	\$2,710.85
Dwelling Unit Factor	\$119.40
(Not including Public Safety)	

Special Model Factors	Approved FC SPA	FC2 Amendment
Police (Per DU)	\$293.70	\$293.70
Fire (Per DU)	\$210.64	\$210.64

Source: City of Chula Vista and HR&A Advisors

Fiscal Impacts

The following section describes the fiscal impacts generated by the FC2 Amendment and the Approved FC SPA scenarios. Figure 16 and Figure 17 present the annual fiscal revenues and annual fiscal expenditures of each of the scenarios.

As described in the Methodology section, the tables present anticipated revenues estimated based on special models such as property taxes, MVLF in-lieu fee revenues, transient occupancy tax, and sales and use tax, and other revenues, calculated on a pro rata basis, are summarized. Estimated expenditures are calculated and presented by land use category.⁵ The figures in these tables have been adjusted to reflect 2015 dollars.

FC2 Amendment

Figure 16 presents the annual fiscal revenues and fiscal expenditures of the FC2 Amendment. The detailed analysis of the FC2 Amendment is included within Appendix A.

Using the methodology described above, the FC2 Amendment will generate annual fiscal revenues of approximately \$4.80 million in Year 10 (2015 dollars).

Sales and use tax receipts represent 55 percent of revenues and are the greatest sources of fiscal revenue. Annual sales tax receipts are currently estimated at \$1.84 million and are expected to grow by \$778,000 at buildout of retail properties in Year 5. Transient occupancy tax (TOT) are the second greatest source of revenue for the FC2 Amendment scenario. At approximately \$1.17 million annually at build out, TOT receipts are projected to generate approximately 25 percent of the total revenues. TOT will begin to be generated with the first hotel in Year 2, which will reach full occupancy (70%) in Year 3. The second hotel and its related TOT taxes are projected to come online in Year 5 with TOT growing at full occupancy in Year 6.

The FC2 Amendment is projected to generate annual expenditures of \$2.26 million in Year 10 (2015 dollars). Public safety (police and fire) are the City's greatest fiscal costs and are expected to be the greatest costs generated as a result of new development. Including both the dwelling unit allocation and allocations of public safety costs from other land uses, the FC2 Amendment will generate approximately \$1.26 million in public safety costs.

In Year 10, the FC2 Amendment is expected to generate a positive net fiscal impact of approximately \$2.54 million. The Freeway Commercial SPA, including all onsite retail tax receipts, currently generates an estimated \$1.00 million positive net fiscal revenue to the City annually. This net fiscal revenue grows with the build out of the retail developments and hotel developments. One-time property transfer and the incremental property taxes create the largest spikes after the inclusion of the hotels in Year 2 and Year 5. Net fiscal revenues grow on a constant basis after Year 7.

⁵ Also includes expenditures calculated based on population.

Figure 16: FC2 Amendment Fiscal Impact (2015 \$)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>2015 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Revenues											
Property Taxes	\$151,249	\$151,249	\$151,400	\$193,236	\$252,906	\$343,356	\$445,798	\$447,556	\$449,842	\$452,634	\$455,908
Property Transfer Taxes	\$0	\$3,911	\$3,989	\$29,665	\$41,154	\$60,156	\$69,862	\$16,514	\$16,844	\$17,181	\$17,525
VLF Revenues	\$107,880	\$107,987	\$137,828	\$180,388	\$244,902	\$317,970	\$319,224	\$320,855	\$322,846	\$325,181	\$327,848
Sales and Use Tax	\$1,841,152	\$2,012,317	\$2,249,251	\$2,489,140	\$2,613,250	\$2,619,223	\$2,619,223	\$2,619,223	\$2,619,223	\$2,619,223	\$2,619,223
Transient Occupancy Tax		\$0	\$414,009	\$579,613	\$579,613	\$1,004,812	\$1,174,891	\$1,174,891	\$1,174,891	\$1,174,891	\$1,174,891
Other Revenues	\$95,869	\$95,869	\$113,690	\$137,786	\$170,410	\$201,696	\$201,696	\$201,696	\$201,696	\$201,696	\$201,696
Total Annual Revenues	\$2,196,150	\$2,371,333	\$3,070,167	\$3,609,828	\$3,902,236	\$4,547,213	\$4,830,694	\$4,780,735	\$4,785,342	\$4,790,806	\$4,797,091
Expenditures											
Retail (SF)	\$1,181,099	\$1,181,099	\$1,320,051	\$1,459,004	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954	\$1,531,954
Hotel (Acres)	\$0	\$0	\$46,150	\$46,150	\$46,150	\$93,548	\$93,548	\$93,548	\$93,548	\$93,548	\$93,548
Park (Acres)	\$0	\$0	\$0	\$82	\$254	\$411	\$411	\$411	\$411	\$411	\$411
Population (Persons)	\$0	\$0	\$0	\$30,723	\$94,730	\$153,616	\$153,616	\$153,616	\$153,616	\$153,616	\$153,616
Expenditures Allocated to DUs (excluding Public Safety)	\$0	\$0	\$0	\$18,367	\$56,630	\$91,833	\$91,833	\$91,833	\$91,833	\$91,833	\$91,833
Public Safety Costs Allocated to DUs	\$0	\$0	\$0	\$77,577	\$239,195	\$387,884	\$387,884	\$387,884	\$387,884	\$387,884	\$387,884
Total Annual Expenditures	\$1,181,099	\$1,181,099	\$1,366,202	\$1,631,904	\$1,968,914	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247	\$2,259,247
Net Fiscal Impact	\$1,015,051	\$1,190,234	\$1,703,965	\$1,977,925	\$1,933,322	\$2,287,966	\$2,571,447	\$2,521,488	\$2,526,095	\$2,531,559	\$2,537,844

Source: HR&A Advisors

Approved FC SPA

Figure 17 presents the annual fiscal revenues and fiscal expenditures of the Approved FC SPA.

Using the methodology described above, the Approved FC SPA will generate fiscal revenues of approximately \$4.11 million in Year 10 (2015 dollars).

Sales and use tax receipts are the greatest sources of fiscal revenue in the Approved FC SPA scenario. Sales tax receipts make up almost 85 percent of total revenues. Current sales tax receipts are estimated at \$1.84 million annually. With a greater amount of future retail in this scenario, sales tax receipts are expected to grow by \$1.60 million at buildout of retail properties in Year 5. After sales tax receipts, property tax, at \$280,000 annually, and VLF “in-lieu” fee revenues, \$200,000 annually, are the next greatest sources of revenue.

The Approved FC SPA is projected to generate annual expenditures of \$2.11 million in Year 10 (2015 dollars). Public safety costs are also expected to be the greatest costs generated as a result of new development. Within the retail land use factor, public safety costs account for more than 50 percent of the costs, or \$1.14 million.

In Year 10, the Approved FC SPA is expected to generate a positive net fiscal impact of approximately \$2.00 million. Similar to the FC2 Amendment, the Approved FC SPA currently generates a net fiscal revenue of \$1.00 million to the City. As additional retail development is absorbed, the annual net fiscal revenue increases. In this scenario, the retail is projected to be fully built out in Year 5. Net fiscal revenues stabilize in Year 6 and grow on a constant basis, thereafter.

Figure 17: Approved FC SPA Fiscal Impact (2015\$)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>2014 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Revenues											
Property Taxes	\$151,249	\$151,249	\$151,400	\$169,222	\$198,245	\$239,763	\$276,205	\$277,401	\$278,876	\$280,623	\$282,635
Property Transfer Taxes	\$0	\$3,911	\$3,989	\$16,119	\$24,277	\$33,593	\$31,363	\$8,757	\$8,932	\$9,111	\$9,293
VLF Revenues	\$107,880	\$107,987	\$120,699	\$141,400	\$171,014	\$197,006	\$197,859	\$198,911	\$200,157	\$201,592	\$203,212
Sales and Use Tax	\$1,841,152	\$2,012,317	\$2,249,060	\$2,604,744	\$3,064,243	\$3,443,841	\$3,443,841	\$3,443,841	\$3,443,841	\$3,443,841	\$3,443,841
Transient Occupancy Tax		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$95,869	\$95,869	\$107,148	\$125,053	\$150,007	\$171,154	\$171,154	\$171,154	\$171,154	\$171,154	\$171,154
Total Annual Revenues	\$2,196,150	\$2,371,333	\$2,632,296	\$3,056,538	\$3,607,785	\$4,085,358	\$4,120,423	\$4,100,065	\$4,102,961	\$4,106,321	\$4,110,135
Expenditures											
Retail (SF)	\$1,181,099	\$1,181,099	\$1,320,051	\$1,540,639	\$1,848,072	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609
Hotel (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Park (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Population (Persons)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Open Space (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Use (Acres)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures Allocated to DUs (excluding Public Safety)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety Costs Allocated to DUs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Annual Expenditures	\$1,181,099	\$1,181,099	\$1,320,051	\$1,540,639	\$1,848,072	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609
Net Fiscal Impact	\$1,015,051	\$1,190,234	\$1,312,245	\$1,515,899	\$1,759,713	\$1,976,749	\$2,011,815	\$1,991,456	\$1,994,352	\$1,997,713	\$2,001,526

Source: HR&A Advisors

Net Fiscal Impact Conclusions

Both the FC2 Amendment and Approved FC SPA are projected to generate a positive net fiscal revenue to the City of Chula Vista in Year 10.

In Year 10, the FC2 Amendment is expected to generate \$540,000 more than the Approved FC SPA. Figure 18 presents the annual opportunity (cost)/benefit between the two scenarios. Key variations in fiscal impacts include sales tax differences, TOT differences, and property tax receipt differences.

The FC2 Amendment generates \$820,000 less in sales tax revenues than the Approved FC SPA, but generates \$1.17 million in TOT that is not generated in the Approved FC SPA, assuming it is built fully as retail.

Overall, development of the FC2 Amendment is not expected to adversely impact the City of Chula Vista's quality of life. However, given that TOT receipts are key fiscal revenues, the timing and number of hotel rooms that are successful developed will impact the City net fiscal impacts

The next section presents a sensitivity analysis evaluating the variation in net fiscal impact at various room rates and at different levels of hotel room absorption.

Figure 18: Annual Comparison of FC2 Amendment Relative to Approved FC SPA (2015 \$)

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Revenue Δ	\$0	\$0	\$437,871	\$553,290	\$294,450	\$461,855	\$710,271	\$680,670	\$682,381	\$684,485	\$686,956
Total Expenditure Δ	\$0	\$0	\$46,150	\$91,264	\$120,842	\$150,639	\$150,639	\$150,639	\$150,639	\$150,639	\$150,639
Difference in Net Fiscal Impacts (2015 Dollars)	\$0	\$0	\$391,720	\$462,026	\$173,608	\$311,217	\$559,632	\$530,031	\$531,743	\$533,847	\$536,318

Source: HR&A

Sensitivity Analysis

The sensitivity matrix presents the opportunity (cost)/benefit of the FC2 Amendment relative to the Approved FC SPA for three different levels of hotel rooms and at three different estimated average hotel room rates. The opportunity (cost)/benefit represents the FC2 Amendment net fiscal impacts less the base Approved FC SPA scenario's net fiscal impacts.

Based on absorption information from the Developer and HR&A's brief survey of the San Diego and Chula Vista hotel market, the FIA includes the projected average room rate (\$140) and number of hotel rooms (300). The current assumption is highlighted in the sensitivity matrix. Three different hotel amounts have been modeled to provide the City with information regarding varying scenarios.

Hotel Room Scenarios:

- 148 Rooms. Only one hotel gets built in Year 2.
- 175 Rooms. Point of Neutrality. One hotel gets built in Year 2 and 27 additional rooms are built in Year 5⁶.
- 300 Rooms. The Developer anticipates the development of two hotels, one with 148 and another with 152 rooms each. The FIA models a 148-room hotel in Year 2 and a second hotel with 152 rooms in Year 5.

Figure 19: Hotel Sensitivity Analysis

FC2 Amendment Sensitivity Matrix		Average Room Rate		
		\$120	\$140	\$160
148 Hotel Rooms	Net Fiscal Impact	\$1,799,200	\$1,888,700	\$1,978,200
	Opportunity (Cost) /Gain	-\$202,315	-\$112,800	-\$23,300
175 Hotel Rooms (Point of Neutrality)	Net Fiscal Impact		\$2,004,037	
	Opportunity (Cost) /Gain		\$2,500	
300 Hotel Rooms	Net Fiscal Impact	\$2,356,088	\$2,537,800	\$2,719,500
	Opportunity (Cost) /Gain	\$354,600	\$536,300	\$718,000

Source: HR&A Advisors

Please note, the sensitivity analysis does not assume that changes in hotel rooms impact other uses, i.e the land planned for hotel is not assumed to be used for retail or any other interim or permanent purpose, but is instead assumed to remain vacant.

As shown above, the FC2 Amendment generates positive net fiscal impacts within the \$120 to \$160 average room rate range and 175 to 300 hotel rooms range. However, if only one hotel is built, of approximately 148 rooms, there will be an opportunity cost of the FC2 Amendment relative to the Approved FC SPA.

At an average room rate of \$140 per room night, 175 hotel rooms is the point of neutrality between the FC2 Amendment and Approved FC SPA. Assuming an average of \$140 per room night and assuming that

⁶ Note that it is not likely that a new hotel will be built with 27 rooms (though an expansion of an existing hotel may be possible). Instead, this number of rooms is included to understand the theoretical point of neutrality of the project in terms of hotel rooms.

the amount of land used for hotel uses does not change, every additional hotel room adds approximately \$4,000 in additional benefit above the approved scenario, 90 percent from additional TOT receipts and the balance from additional property taxes.⁷

⁷ Please note, this metric is not true on all scales, but near the 200 hotel room mark, the \$4,000 per room net fiscal impact variation is a reasonable benchmark.

Appendices

A - FC2 Amendment Fiscal Impact Analysis

B - Approved FC SPA Fiscal Impact Analysis

Appendix A

Freeway Commercial Amendment

Table A-1
Proposed Land Uses

	Approved SPA		Freeway Commercial Amendment	
Land Use				
Single Family Residential Units		0		0
Multi-Family Residential Units		0		600 (26.70 Ac.)
<i>MF Attached - For Sale Townhomes</i>		0		290
<i>MF Attached - Rental Apartments</i>		0		310
Retail Commercial Square Feet (SF) ¹		1,214,000 (120.7 Ac)		882,000 (86.20 Ac.)
Hotels (Rooms)		0		300 (6.30 Ac.)
Parks		0.0		2.0 (2 Ac. onsite)
CPF		0.00		
School		0.0		0.0
<i>Subtotal Developed Acres</i>		<i>120.7</i>		<i>121.2</i>
Open Space		0		0
Preserve		0		0
Other Acres/ROW		0		0
Total Acres		120.7		121.2
Population				
Multi Family Persons/DU@	2.61	0		1,566
Total Est. Population		0		1,566
Employment				
Retail SF/Emp	450	2,698		1,960
Hotel Employees per Room	0.90	0		270
Total Est. Employment		2,698		2,230

¹Mixed Use retail acreage is included with residential
Source: Baldwin and Sons, City of Chula Vista and HR&A Advisors

Table A-2
Historical Housing Absorption

Housing Units	Family	Multi Family	Total
2,000	35,671	19,975	55,646
2,001	37,215	20,441	57,656
2,002	39,286	21,305	60,591
2,003	40,969	22,545	63,514
2,004	42,986	23,235	66,221
2,005	45,163	24,066	69,229
2,006	46,446	25,308	71,754
2,007	47,133	26,067	73,200
2,008	47,614	26,417	74,031
2,009	47,817	26,722	74,539
2,010	51,938	27,478	79,416
2,011	52,155	27,625	79,780
2,012	52,522	27,886	80,408
2,013	52,912	28,339	81,251
2,014	53,251	28,775	82,026

Change in Housing Units	Family	Multi Family	Total
2000			
2001	1,544	466	2,010
2002	2,071	864	2,935
2003	1,683	1,240	2,923
2004	2,017	690	2,707
2005	2,177	831	3,008
2006	1,283	1,242	2,525
2007	687	759	1,446
2008	481	350	831
2009	203	305	508
2010	190	200	390
2011	217	147	364
2012	367	261	628
2013	390	453	843
2014	339	436	775

Source: California Department of Finance E-5

**Table A-3
Proposed Land Uses**

Freeway Commercial Amendment											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Land Use Program											
Land Use											
Multi-Family Residential Units (Includes Multi-Use Residential)	0	0	0	120	370	600	600	600	600	600	600
<i>MF Attached Townhomes</i>	0	0	0	90	190	290	290	290	290	290	290
<i>MF Attached Apartments (Mixed Use)</i>	0	0	0	30	180	310	310	310	310	310	310
Retail Commercial SF	680,000	680,000	760,000	840,000	882,000	882,000	882,000	882,000	882,000	882,000	882,000
<i>Freeway Commercial - Parcel 1</i>	680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
<i>Mixed Use Commercial - Parcel 2</i>	0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Retail Commercial Acres	67.6	67.6	75.6	83.5	86.2	86.2	86.2	86.2	86.2	86.2	86.2
Hotel Rooms	0	0	148	148	148	300	300	300	300	300	300
<i>Hotel Acres</i>	0	0	3	3	3	6	6	6	6	6	6
Parks	0.0	0.0	0.0	0.4	1.2	2.0	2.0	2.0	2.0	2.0	2.0
CPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>School</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Acres	67.6	67.6	78.7	92.4	107.0	121.2	121.2	121.2	121.2	121.2	121.2
Cumulative Population											
Multi Family Persons/DU@	2.6	0.0	0.0	0.0	313	966	1,566	1,566	1,566	1,566	1,566
<i>Total Est. Population</i>		0.0	0.0	0.0	313	966	1,566	1,566	1,566	1,566	1,566
Employment											
Retail SF/Emp@	450	1,511	1,511	1,689	1,867	1,960	1,960	1,960	1,960	1,960	1,960
Hotel Employees per Room	0.9	0	0	133	133	133	270	270	270	270	270
Total Est. Employment		1,511	1,511	1,822	2,000	2,093	2,230	2,230	2,230	2,230	2,230

Source: Baldwin and Sons and HR&A Advisors

Table A-4
Chula Vista - Expenditure Real Inflation Adjustment¹

	2005	2006	2007	2008	2009
Population	216,961	223,604	227,850	231,157	234,011
Households	70,916	73,365	74,527	75,259	75,752
City Staff	1,169	1,227	1,264	1,249	1,110
Revenues (Actuals)	\$137,763,583	\$157,809,965	\$161,564,721	\$153,938,093	\$140,502,938
Expenditures (Actuals)	\$142,195,531	\$160,826,968	\$166,056,406	\$155,021,736	\$140,365,277
CPI (San Diego Area)	220.6	228.1	233.3	242.3	242.3
Expenditure/Capita	\$655.40	\$719.25	\$728.80	\$670.63	\$599.82
Revenues/Capita	\$634.97	\$705.76	\$709.08	\$665.95	\$600.41
2009 CPI Adjustment Factor	1.10	1.06	1.04	1.00	1.00
Exp/Cap in 2009 Dollars	\$719.87	\$764.02	\$756.91	\$670.63	\$599.82
Rev/Cap in 2009 Dollars	\$697.43	\$749.69	\$736.44	\$665.95	\$600.41
Expenditure Adjustment Factor	120%	127%	126%	112%	100%
Revenue Adjustment Factor (Relative to 2009 Levels)	116%	125%	123%	111%	100%

¹Provided by the City of Chula Vista

Source: City of Chula Vista and HR&A Advisors

**Table A-5
Chula Vista Estimated Commercial Assessed Value**

Commercial Land Uses									
Retail			Mo. Rent NNN/SF	Building Efficiency	Occupancy Rate	Admin /Vacancy Cost	Net Income/SF	Cap Rate	Assessed Value Per SF
			\$1.85	90%	95%	5%	\$18.03	7.5%	\$240.43
Hotel	Avg. Room Price per Night	Occupancy Rate	Avg. Annual Rev. Per Room	Other Revenues 5% of Room Revenues	Other Revenues	Hotel Net Income	Net Income/Unit	Cap Rate	Assessed Value per Unit
	\$140	70%	\$35,770		\$1,790	35%	\$13,146	9.0%	\$146,067
Rental Residential Land Use	Avg. Monthly Rent/Unit	Avg. Annual Rent/Unit		Gross Expense Estimate	Occupancy Rate	Net Income/Unit	Cap Rate	Assessed Value per Unit	
Rental Apartments	\$ 1,850	\$22,200		30%	95%	\$ 14,763	6.00%	\$246,050	

Source: Loopnet, RERC Real Estate Cap Rate Report, and HR&A Advisors

Table A-6
Projected Program Assessed Value

		Freeway Commercial Amendment										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0 ¹	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Program Assessed Value	Est. Assessed Value Per Unit	(Millions \$)										
Land Use												
MF Attached Townhomes	\$325,000	\$0.0	\$0.0	\$0.0	\$29.3	\$61.8	\$94.3	\$94.3	\$94.3	\$94.3	\$94.3	\$94.3
Total For Sale Product		0	0	0	29	62	94	94	94	94	94	94
Rental Residential - MF Attached Apartments	\$246,000		0	0	7	44	76	76	76	76	76	76
Retail Commercial SF ¹	\$240	130	130	149	168	178	178	178	178	178	178	178
Hotel (Rooms)	\$146,100	0	0	22	22	22	44	44	44	44	44	44
Total Income Generating Product		\$129.9	\$129.9	\$170.7	\$197.4	\$244.3	\$298.5	\$298.5	\$298.5	\$298.5	\$298.5	\$298.5
Total Assessed Value		\$129.9	\$129.9	\$170.7	\$226.6	\$306.1	\$392.8	\$392.8	\$392.8	\$392.8	\$392.8	\$392.8

¹The assessed value of existing retail square feet in Year 0 is based on reported assessed values for these properties.

Source: HR&A Advisors

Table A-7
Citywide Cost Factors by Function/Department¹

	Population (Per Person)	Retail (Per Acre)	Office (Per Acre)	Hotel (Per Acre)	Industrial (Per Acre)	Land Uses Parks (per acre)		Public Use (Per Acre)	Open Space (Per Acre)	Other (Per Acre)	Residential (Per DU)
						Private	Public				
Legislative and Administration											
City Council	\$2.00										
Boards and Commissions											
City Clerk	\$1.37										
City Attorney		\$80.11	\$86.52	\$51.21	\$21.13						\$12.11
Administration	\$0.29										\$0.35
Management and Information Services	\$4.60										
Human Resources											
Development and Maintenance Services											
Economic Development Function	\$0.00	\$301.43	\$325.55	\$192.68	\$79.51					\$0.00	
Planning and Building Services	\$0.00	\$203.44	\$219.57	\$130.70	\$55.00					\$31.70	\$30.69
Engineering		\$274.44	\$145.29	\$64.57	\$27.44		\$15.53			\$16.85	\$3.07
Public Works		\$5,914.17	\$3,131.03	\$1,391.57	\$591.42		\$69.58	\$347.89		\$347.89	\$68.43
General Services											
Public Safety											
Police (Excluding Residential)	\$11.01	\$6,836.27	\$6,836.27	\$6,836.27	\$1,006.09		\$2,202.49	\$2,202.49		\$2,202.49	
Fire (Excluding Residential)	\$1.05	\$2,917.22	\$2,917.22	\$2,917.22	\$396.88	\$160.46	\$160.46	\$160.46	\$160.46	\$160.46	
Culture and Leisure											
Parks and Recreation	\$18.90										
Library	\$37.32										\$4.77
Nature Center											
Sub-Total Unit Cost	\$76.53	\$16,527.08	\$13,661.45	\$11,584.21	\$2,177.48	\$160.46	\$2,448.06	\$2,710.85	\$160.46	\$2,759.40	\$119.40
Acre to SF Density Adjustment Factors		0.00008									
Total - Density Adjusted Unit Costs	\$76.53	\$1.36	\$13,661.45	\$11,584.21	\$2,177.48	\$160.46	\$2,448.06	\$2,710.85	\$160.46	\$2,759.40	\$119.40

¹All Cost Factors and Subtotal Cost factors provided by the City

Source: City of Chula Vista and HR&A Advisors

**Table A-8
Dwelling Unit Public Safety Costs
Freeway Commercial Amendment**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Project Residential Units	0	0	0	120	370	600	600	600	600	600	600
Current Service Costs											
Police Service Costs/ DU	\$293.70										
Fire Service Costs/ DU	\$210.64										
Annual Public Safety (Allocated to Project Dwelling Units)											
Police	\$0	\$0	\$0	\$35,244	\$108,669	\$176,220	\$176,220	\$176,220	\$176,220	\$176,220	\$176,220
Fire	\$0	\$0	\$0	\$25,277	\$77,937	\$126,384	\$126,384	\$126,384	\$126,384	\$126,384	\$126,384
Total Annual Public Safety Costs	\$0	\$0	\$0	\$60,521	\$186,606	\$302,604	\$302,604	\$302,604	\$302,604	\$302,604	\$302,604

Source: City of Chula Vista and HR&A Advisors

Table A-9
Expenditure Summary (2009 \$)
Freeway Commercial Amendment

Expense Drivers	Unit Cost	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Dwelling Units		0	0	0	120	370	600	600	600	600	600	600
Population		0	0	0	313	966	1,566	1,566	1,566	1,566	1,566	1,566
Retail (SF)		680,000	680,000	760,000	840,000	882,000	882,000	882,000	882,000	882,000	882,000	882,000
Hotel Acres		0.0	0.0	3.1	3.1	3.1	6.3	6.3	6.3	6.3	6.3	6.3
Park Acres		0.0	0.0	0.0	0.4	1.2	2.0	2.0	2.0	2.0	2.0	2.0
<i>Expenditure Adjustment Factor</i>		117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%
Retail (SF)	\$1.36	\$1,078,770	\$1,078,770	\$1,205,684	\$1,332,598	\$1,399,228	\$1,399,228	\$1,399,228	\$1,399,228	\$1,399,228	\$1,399,228	\$1,399,228
Hotel (Acres)	\$11,584.21	\$0	\$0	\$42,152	\$42,152	\$42,152	\$85,443	\$85,443	\$85,443	\$85,443	\$85,443	\$85,443
Park (Acres)	\$160.46	\$0	\$0	\$0	\$75	\$232	\$376	\$376	\$376	\$376	\$376	\$376
Population (Persons)	\$76.53	\$0	\$0	\$0	\$28,061	\$86,523	\$140,307	\$140,307	\$140,307	\$140,307	\$140,307	\$140,307
Expenditures Allocated to DUs (excluding Public Safety)	\$119.40	\$0	\$0	\$0	\$16,775	\$51,724	\$83,877	\$83,877	\$83,877	\$83,877	\$83,877	\$83,877
Public Safety Costs Allocated to DUs		\$0	\$0	\$0	\$70,856	\$218,472	\$354,278	\$354,278	\$354,278	\$354,278	\$354,278	\$354,278
Total Est. Annual Expenditures (2009 Dollars)		\$1,078,770	\$1,078,770	\$1,247,836	\$1,490,518	\$1,798,330	\$2,063,509	\$2,063,509	\$2,063,509	\$2,063,509	\$2,063,509	\$2,063,509

Source: HR&A Advisors

Table A-10
City of Chula Vista - Discretionary Revenues (Based on the FY 2009 Amended Budget)

Non-Departmental Revenue Categories	Discretionary Revenues		Program Revenues (Estimate)	Net Revenues	Revenue Distribution	
	Amended	Budget 2009			Fixed Revenues	Variable Revenues
Property Taxes						
Current Taxes - Secured		\$28,363,165		\$28,363,165		\$28,363,165
State Secured - Unitary		\$300,000		\$300,000		\$300,000
Current Taxes - Unsecured		\$979,200		\$979,200		\$979,200
Delinquent Taxes		\$590,000		\$590,000		\$590,000
<i>Subtotal</i>		\$30,232,365	\$0	\$30,232,365	\$0	\$30,232,365
Other Local Taxes						
Sales and Use Taxes		\$29,677,977		\$29,677,977		\$29,677,977
Franchise Fees		\$8,732,093		\$8,732,093		\$8,732,093
Utility Taxes		\$7,122,095		\$7,122,095		\$7,122,095
Business License Tax		\$1,322,847		\$1,322,847		\$1,322,847
Transient Occupancy Taxes		\$2,752,514		\$2,752,514		\$2,752,514
Real Property Transfer Tax		\$841,402		\$841,402		\$841,402
<i>Subtotal</i>		\$50,448,928	\$0	\$50,448,928	\$0	\$50,448,928
Use of Money and Property						
<i>Subtotal</i>		\$4,163,212	\$0	\$4,163,212	\$4,163,212	\$0
Revenues from other Agencies						
Sales Tax: Public Safety Augment		\$875,347		\$875,347		\$875,347
State Homeowners Property Tax Relief		\$282,800		\$282,800		\$282,800
State Motor Vehicle Licenses		\$20,215,866		\$20,215,866		\$20,215,866
Other Revenues from other Agencies		\$4,324,532		\$4,324,532		\$4,324,532
<i>Subtotal</i>		\$25,698,545		\$25,698,545		\$25,698,545
Charges for Services ¹						
<i>Subtotal</i>		\$8,854,774	\$0	\$8,854,774	\$8,854,774	\$0
Other Revenues (less CIP) ²						
<i>Subtotal</i>		\$10,580,609	\$0	\$10,580,609	\$10,580,609	\$0
Transfers In						
<i>Subtotal</i>		\$12,272,473	\$0	\$12,272,473	\$12,272,473	\$0
Total Discretionary Revenues (Less CIP Transfers)		\$142,250,906	\$0	\$142,250,906	\$35,871,068	\$106,379,838

¹Includes Licenses and Permits

²Other Revenue excludes funds from the CIP fund. Fines, Forfeitures, and Penalties are included in this category.

Source: City of Chula Vista

Table A-11
Chula Vista - Other Discretionary Revenue Allocation Factors (Based on 2009 Information)

2009 Citywide Conditions				
Population	226,694			
Dwelling Units	78,615			
Employees	71,153			
Land Uses	Developed Acres	Employees (estimated)	AV Share (Estimates)	
Commercial (Retail and Office)	2,048	46,842	25%	
Industrial	917	21,162	8%	
Residential	9,565		67%	
Subtotal Taxable	12,530	68,004		
Other (Parks, Public/Quasi-public, Open Space)	7,171	3,149		
Total	19,702	71,153		
Incremental Revenue Factors by Development Unit				
Revenue Category	2009 Revenues	Allocation Method	Share	Allocation Units
Property Taxes				
Current Taxes - Secured	\$28,363,165	Calculated Separately		
State Secured - Unitary	\$300,000	Commercial AV	25%	\$36.61 Acres
		Industrial AV	8%	\$26.17 Acres
		Residential AV	67%	\$21.01 Acres
Current Taxes - Unsecured	\$979,200	Commercial AV	25%	\$119.51 Acres
		Industrial AV	8%	\$85.42 Acres
		Residential AV	67%	\$68.59 Acres
Delinquent Taxes	\$590,000	Commercial AV	25%	\$72.01 Acres
		Industrial AV	8%	\$51.47 Acres
		Residential AV	67%	\$41.33 Acres
Other Local Taxes				
Sales and Use Taxes	\$29,677,977	Calculated Separately		
Franchise Fees¹				
Franchise Fees ¹	\$8,732,093	Commercial Land	7%	\$298.40 Acres
		Industrial Land	3%	\$285.66 Acres
		Residential Land	90%	\$821.63 Acres
Utility Taxes¹ with Adjustment				
Utility Taxes ¹ with Adjustment	\$7,122,095	Commercial Land	9%	\$312.92 Acres
		Industrial Land	4%	\$310.65 Acres
		Residential Land	87%	\$647.80 Acres
Business License Tax	\$1,322,847	Employees (Non-Public)		\$19.45 Employees
Transient Occupancy Taxes	\$2,752,514	Not Included		
Real Property Transfer Tax	\$841,402	Calculated Separately		
Revenues from Other Agencies				
Sales Tax: Public Safety Augment	\$875,347	People		\$3.86 Person
State Homeowners Property Tax Relief	\$282,800	Dwelling Units		\$3.60 DU
State Motor Vehicle Licenses	\$20,215,866	Calculated Separately		
Total Discretionary Revenues	\$102,055,306			
Summary of Other Discretionary Revenue Factors				
Commercial (Acres)	\$839.44			
Retail Commercial (SF)	\$0.07			
Industrial (Acres)	\$759.37			
Residential (Acres)	\$1,600.36			
Residential (DU)	\$3.60			
Employees	\$19.45			
Population	\$3.86			

¹ As presented in SPA Fiscal Impact Framework, allocation share by land use based on FIND model estimates

Source: City of Chula Vista and HR&A Advisors

Table A-12
Property Tax Estimate

		Freeway Commercial Amendment										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual For Sale Product AV (Millions)		\$0.0	\$0.0	\$0.0	\$29.3	\$32.5	\$32.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Annual Income Generating Product AV (Millions)		\$129.9	\$0.0	\$40.9	\$26.6	\$47.0	\$54.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Appreciation Factor:	<i>Annual Rate</i>	Year 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Real Appreciation Rate	2.00%	100%	102%	104%	106%	108%	110%	113%	115%	117%	120%	122%
Proposition 13 AV Limitation less Inflation of 2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Residential Annual Turnover Rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Commercial Turnover Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
For Sale Residential Product												
Year Property First Sold:												
	Yr 0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 1		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 2			\$0.00	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 3				\$31.0	\$31.1	\$31.2	\$31.4	\$31.6	\$31.9	\$32.2	\$32.5
	Yr 4					\$35.2	\$35.2	\$35.4	\$35.6	\$35.8	\$36.1	\$36.5
	Yr 5						\$35.9	\$36.0	\$36.1	\$36.3	\$36.5	\$36.9
	Yr 6							\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 7								\$0.0	\$0.0	\$0.0	\$0.0
	Yr 8									\$0.0	\$0.0	\$0.0
	Yr 9										\$0.0	\$0.0
	Yr 10											\$0.0
For Sale Residential Assessed Value (Millions)		\$0.0	\$0.0	\$0.0	\$31.0	\$66.3	\$102.4	\$102.7	\$103.3	\$104.0	\$104.9	\$105.9
Commercial and Rental Residential Product												
Year Property First Sold:												
	Yr 0	\$129.9	\$130.0	\$130.3	\$130.6	\$131.1	\$131.8	\$132.5	\$133.3	\$134.3	\$135.3	\$136.5
	Yr 1		\$0.00	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 2			\$42.51	\$42.6	\$42.6	\$42.8	\$42.9	\$43.1	\$43.4	\$43.6	\$43.9
	Yr 3				\$28.24	\$28.3	\$28.3	\$28.4	\$28.5	\$28.7	\$28.8	\$29.0
	Yr 4					\$50.87	\$50.9	\$51.0	\$51.2	\$51.4	\$51.6	\$51.9
	Yr 5						\$59.83	\$59.9	\$60.0	\$60.2	\$60.4	\$60.7
	Yr 6							\$0.00	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 7								\$0.00	\$0.0	\$0.0	\$0.0
	Yr 8									\$0.00	\$0.0	\$0.0
	Yr 9										\$0.00	\$0.0
	Yr 10											\$0.00
Commercial and Rental Residential Assessed Value (Millions)		\$129.9	\$130.0	\$172.8	\$201.4	\$252.9	\$313.6	\$314.7	\$316.1	\$317.8	\$319.8	\$322.0
Total Assessed Value (Residential and Commercial) (Millions)		\$129.9	\$130.0	\$172.8	\$232.5	\$319.2	\$415.9	\$417.5	\$419.4	\$421.8	\$424.6	\$427.8
Less Base Assessed Value		0.0	0.0	(6.8)	(15.3)	(24.4)	(33.1)	(33.1)	(33.1)	(33.1)	(33.1)	(33.1)
Incremental AV (Residential and Commercial) (Millions)		\$129.9	\$130.0	\$165.9	\$217.2	\$294.8	\$382.8	\$384.3	\$386.3	\$388.7	\$391.5	\$394.7
Total Incremental Property Taxes Collected ¹	1.00%	\$1,298,801	\$1,298,801	\$1,300,100	\$1,659,357	\$2,171,754	\$2,948,466	\$3,828,156	\$3,843,249	\$3,862,883	\$3,886,853	\$3,914,974
Property Tax Share to the City	10.64%	\$138,145	\$138,145	\$138,283	\$176,495	\$230,995	\$313,608	\$407,175	\$408,780	\$410,869	\$413,418	\$416,409

¹With a year lag to account for property tax receipt to the City. Given the Otay Ranch Town Center is built, property tax for this parcel is included in Year 0.

Table A-13
Annual Property Transfer Tax Estimate
 Freeway Commercial Amendment

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual For Sale Product AV (Millions)		\$0.0	\$0.0	\$0.0	\$29.3	\$32.5	\$32.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Annual Income Generating Product AV (Millions)		\$129.9	\$0.0	\$40.9	\$26.6	\$47.0	\$54.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Appreciation Factor:	<i>Annual Rate</i>	Year 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Real Appreciation Rate	2.00%	100%	102%	104%	106%	108%	110%	113%	115%	117%	120%	122%
Residential Annual Turnover Rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Commercial Turnover Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
For Sale Residential Property Transfer Taxes		\$0	\$0	\$0	\$17,072	\$21,090	\$23,485	\$5,838	\$5,954	\$6,074	\$6,195	\$6,319
Commercial and Rental Residential Product												
Year Property First Sold:												
	Yr 0 ¹	\$3,572	\$3,643	\$3,716	\$3,790	\$3,866	\$3,943	\$4,022	\$4,103	\$4,185	\$4,269	\$4,354
	Yr 1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Yr 2			\$23,379	\$1,192	\$1,216	\$1,241	\$1,265	\$1,291	\$1,316	\$1,343	\$1,370
	Yr 3				\$15,534	\$792	\$808	\$824	\$841	\$858	\$875	\$892
	Yr 4					\$27,980	\$1,427	\$1,455	\$1,485	\$1,514	\$1,545	\$1,575
	Yr 5						\$32,905	\$1,678	\$1,712	\$1,746	\$1,781	\$1,816
	Yr 6							\$0	\$0	\$0	\$0	\$0
	Yr 7								\$0	\$0	\$0	\$0
	Yr 8									\$0	\$0	\$0
	Yr 9										\$0	\$0
	Yr 10											\$0
Commercial and Rental Residential Property Transfer Tax		\$3,572	\$3,643	\$27,095	\$20,516	\$33,854	\$40,324	\$9,246	\$9,430	\$9,619	\$9,811	\$10,008
Total Annual Property Taxes to the City			\$3,572	\$3,643	\$27,095	\$37,589	\$54,944	\$63,809	\$15,083	\$15,385	\$15,693	\$16,006

¹The model accounts for only the property transfer tax annual allocation for the developed FC1 parcel.

Source: HR&A Advisors

Table A-14
Motor Vehicle License Fee Estimates

VLF Revenues¹
 2009 Population of the City 226,691
 2009 Allocation of the 0.65% \$1,328,857

	Freeway Commercial Amendment										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Motor Vehicle In Lieu Fee (MVLF) Adjustment											
Base Year (2004) Assessed Valuation of the City (Millions)	\$15,596										
Base Year (2004) Motor Vehicle In Lieu Fee Adjustment (MVLF) (Millions)	\$11.8										
Cumulative AV of New Development (Millions)	\$129.9	\$130.0	\$172.8	\$232.5	\$319.2	\$415.9	\$417.5	\$419.4	\$421.8	\$424.6	\$427.8
AV Adjustment of Base Value (Millions)	\$0.0	\$0.0	(\$6.8)	(\$15.3)	(\$24.4)	(\$33.1)	(\$33.1)	(\$33.1)	(\$33.1)	(\$33.1)	(\$33.1)
Adjusted Cumulative AV Development (Millions)	\$130	\$130	\$166	\$217	\$295	\$383	\$384	\$386	\$389	\$391	\$395
Cumulative Citywide AV Growth (Millions)	\$15,726	\$15,726	\$15,762	\$15,813	\$15,891	\$15,979	\$15,981	\$15,982	\$15,985	\$15,988	\$15,991
Percent Increase in AV	0.83%	0.83%	1.06%	1.39%	1.89%	2.45%	2.46%	2.48%	2.49%	2.51%	2.53%
Cumulative MVLF generated by the Project	\$98,533	\$98,632	\$125,887	\$164,759	\$223,684	\$290,422	\$291,567	\$293,056	\$294,875	\$297,008	\$299,444
Total Annual MVLF Fees	\$98,533	\$98,632	\$125,887	\$164,759	\$223,684	\$290,422	\$291,567	\$293,056	\$294,875	\$297,008	\$299,444

¹ As presented in the SPA Fiscal Impact Framework

Source: City of Chula Vista and HR&A Advisors

Table A-15
Estimated Onsite Retail Sales Tax

		Freeway Commercial Amendment										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Retail Absorption (Square Feet)												
FC 1 Site - Otay Ranch Town Center - Regional/Superregional		680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
FC 2 Site Retail		0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Gross Leasable Area		Building Efficiency										
FC 1 Site - Otay Ranch Town Center		654,840	654,840	731,880	808,920	834,921	834,921	834,921	834,921	834,921	834,921	834,921
FC 2 Site Retail - Neighborhood/Community Center		0	0	0	0	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Occupied GLA		Occupancy Rate										
FC 1 Site - Otay Ranch Town Center		622,098	622,098	695,286	768,474	793,175	793,175	793,175	793,175	793,175	793,175	793,175
FC 2 Site Retail - Neighborhood/Community Center		0	0	0	0	12,825	12,825	12,825	12,825	12,825	12,825	12,825
Taxable Sales Estimate												
FC1 Site Taxable Sales		Est. Taxables Sales PSF										
FC 1 - Site - Otay Ranch Town Center		\$270.00	\$167,966,460	\$183,600,000	\$205,200,000	\$226,800,000	\$234,090,000	\$234,090,000	\$234,090,000	\$234,090,000	\$234,090,000	\$234,090,000
FC 2 Site Taxable Sales		Taxables Sales PSF										
FC 2 Site Proposed Project		\$270.00	\$0	\$0	\$0	\$0	\$3,462,750	\$3,462,750	\$3,462,750	\$3,462,750	\$3,462,750	\$3,462,750
Total Taxable Retail Sales		\$167,966,460	\$183,600,000	\$205,200,000	\$226,800,000	\$237,552,750	\$237,552,750	\$237,552,750	\$237,552,750	\$237,552,750	\$237,552,750	\$237,552,750
Annual Sales Taxes to the City @		1%	\$1,679,665	\$1,836,000	\$2,052,000	\$2,268,000	\$2,375,528	\$2,375,528	\$2,375,528	\$2,375,528	\$2,375,528	\$2,375,528

¹Derived based on estimate of rental rate as 25% of income

²American Community Survey 2009

³Board of Equalization 2009 Annual Data per county capita

Source: HR&A Advisors

Table A-16
Estimated Offsite Retail Sales Tax

Average Est. HH Income¹

Multi Family Units	
For Sale Townhouses	\$78,000
Rental Apartments	\$68,000

Freeway Commercial Amendment

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Households												
Multi Family Units												
For Sale Townhouses		0	0	0	90	190	290	290	290	290	290	290
MF Attached		0	0	0	30	180	310	310	310	310	310	310
Total Units		0	0	0	120	370	600	600	600	600	600	600
Employees		1,511	1,511	1,822	2,000	2,093	2,230	2,230	2,230	2,230	2,230	2,230
Aggregate HH Income		\$0	\$0	\$0	\$9,060,000	\$27,060,000	\$43,700,000	\$43,700,000	\$43,700,000	\$43,700,000	\$43,700,000	\$43,700,000
Average Annual Income/HH		\$0	\$0	\$0	\$75,500	\$73,135	\$72,833	\$72,833	\$72,833	\$72,833	\$72,833	\$72,833
Countywide Income/HH ²	\$83,935											
Countywide Retail Exp/HH ³	\$36,583											
Retail Expenditure/HH Adj. Factor FC SPA		0%	0%	0%	90%	87%	87%	87%	87%	87%	87%	87%
Project Avg. Retail Expenditure/HH		\$0	\$0	\$0	\$32,907	\$31,876	\$31,745	\$31,745	\$31,745	\$31,745	\$31,745	\$31,745
Gross Retail Sales from Project												
Neighborhood Center	33%	\$0	\$0	\$0	\$1,303,112	\$3,892,078	\$6,285,432	\$6,285,432	\$6,285,432	\$6,285,432	\$6,285,432	\$6,285,432
Community Center	20%	0	0	0	789,765	2,358,835	3,809,353	3,809,353	3,809,353	3,809,353	3,809,353	3,809,353
Regional Center	4%	0	0	0	157,953	471,767	761,871	761,871	761,871	761,871	761,871	761,871
Super Regional Center	7%	0	0	0	276,418	825,592	1,333,273	1,333,273	1,333,273	1,333,273	1,333,273	1,333,273
Other Centers	36%	0	0	0	1,421,577	4,245,903	6,856,835	6,856,835	6,856,835	6,856,835	6,856,835	6,856,835
Off Site Share												
Neighborhood Center	10%	\$0	\$0	\$0	\$130,311	\$389,208	\$628,543	\$628,543	\$628,543	\$628,543	\$628,543	\$628,543
Community Center	20%	\$0	\$0	\$0	\$157,953	\$471,767	\$761,871	\$761,871	\$761,871	\$761,871	\$761,871	\$761,871
Regional Center	30%	\$0	\$0	\$0	\$47,386	\$141,530	\$228,561	\$228,561	\$228,561	\$228,561	\$228,561	\$228,561
Super Regional Center	30%	\$0	\$0	\$0	\$82,925	\$247,678	\$399,982	\$399,982	\$399,982	\$399,982	\$399,982	\$399,982
Other Centers	10%	\$0	\$0	\$0	\$142,158	\$424,590	\$685,683	\$685,683	\$685,683	\$685,683	\$685,683	\$685,683
Chula Vista Capture												
Neighborhood Center	80%	\$0	\$0	\$0	\$104,249	\$311,366	\$502,835	\$502,835	\$502,835	\$502,835	\$502,835	\$502,835
Community Center	80%	\$0	\$0	\$0	\$126,362	\$377,414	\$609,496	\$609,496	\$609,496	\$609,496	\$609,496	\$609,496
Regional Center	70%	\$0	\$0	\$0	\$33,170	\$99,071	\$159,993	\$159,993	\$159,993	\$159,993	\$159,993	\$159,993
Super Regional Center	60%	\$0	\$0	\$0	\$49,755	\$148,607	\$239,989	\$239,989	\$239,989	\$239,989	\$239,989	\$239,989
Other Centers	30%	\$0	\$0	\$0	\$42,647	\$127,377	\$205,705	\$205,705	\$205,705	\$205,705	\$205,705	\$205,705
Gross Retail Sales from SPA Employees												
Annual Expenditure/Employee	\$1,175											
Offsite Spending												
Neighborhood Center	10%	\$177,556	\$177,556	\$214,095	\$234,984	\$245,951	\$262,025	\$262,025	\$262,025	\$262,025	\$262,025	\$262,025
Community Center	5%	88,778	88,778	107,048	117,492	122,976	131,013	131,013	131,013	131,013	131,013	131,013
Regional Center	0%	0	0	0	0	0	0	0	0	0	0	0
Super Regional Center	0%	0	0	0	0	0	0	0	0	0	0	0
Other Centers	10%	177,556	177,556	214,095	234,984	245,951	262,025	262,025	262,025	262,025	262,025	262,025
Chula Vista Capture												
Neighborhood Center	80%	\$142,044	\$142,044	\$171,276	\$187,987	\$196,761	\$209,620	\$209,620	\$209,620	\$209,620	\$209,620	\$209,620
Community Center	80%	\$71,022	\$71,022	\$85,638	\$93,994	\$98,380	\$104,810	\$104,810	\$104,810	\$104,810	\$104,810	\$104,810
Regional Center	70%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super Regional Center	60%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Centers	30%	\$53,267	\$53,267	\$64,229	\$70,495	\$73,785	\$78,608	\$78,608	\$78,608	\$78,608	\$78,608	\$78,608
Taxable Retail Sales												
Neighborhood Center	64%	\$90,908	\$90,908	\$109,617	\$187,031	\$325,201	\$455,971	\$455,971	\$455,971	\$455,971	\$455,971	\$455,971
Community Center	77%	\$54,687	\$54,687	\$65,941	\$169,674	\$366,361	\$550,016	\$550,016	\$550,016	\$550,016	\$550,016	\$550,016
Regional Center	97%	\$0	\$0	\$0	\$32,175	\$96,099	\$155,193	\$155,193	\$155,193	\$155,193	\$155,193	\$155,193
Super Regional Center	100%	\$0	\$0	\$0	\$49,755	\$148,607	\$239,989	\$239,989	\$239,989	\$239,989	\$239,989	\$239,989
Other Centers	97%	\$51,669	\$51,669	\$62,302	\$109,748	\$195,128	\$275,783	\$275,783	\$275,783	\$275,783	\$275,783	\$275,783
Total Taxable Retail Sales		\$197,264	\$197,264	\$237,860	\$548,384	\$1,131,396	\$1,676,952	\$1,676,952	\$1,676,952	\$1,676,952	\$1,676,952	\$1,676,952
Annual Sales Taxes to the City @	1%	\$1,973	\$1,972.64	\$2,379	\$5,484	\$11,314	\$16,770	\$16,770	\$16,770	\$16,770	\$16,770	\$16,770

¹Derived based on estimate of rental rate as 32% of income

²American Community Survey 2009

³Board of Equalization 2009 Annual Data per county capita

Source: City of Chula Vista and HR&A Advisors

Table A- 17
Estimated Transient Occupancy Tax

		Freeway Commercial Amendment										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Hotel Rooms		0	0	148	148	148	300	300	300	300	300	300
	Occupancy											
Estimated Occupancy				50%	70%	70%	60%	70%	70%	70%	70%	70%
Estimated Hotel Room Nights	70%	0	0	27,010	37,814	37,814	65,554	76,650	76,650	76,650	76,650	76,650
	Avg. Room Rate											
Room Revenues	\$140.00	\$0	\$0	\$3,781,400	\$5,293,960	\$5,293,960	\$9,177,560	\$10,731,000	\$10,731,000	\$10,731,000	\$10,731,000	\$10,731,000
Annual Transient Occupancy Tax to the City @	10%	\$0	\$0	\$378,140	\$529,396	\$529,396	\$917,756	\$1,073,100	\$1,073,100	\$1,073,100	\$1,073,100	\$1,073,100

Source: HR&A Advisors

Table A-18

Revenue Summary (2009 \$)

		Freeway Commercial Amendment										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue Drivers												
Population(Persons)		0	0	0	313	966	1,566	1,566	1,566	1,566	1,566	1,566
Private Employment (Employees)		1,511	1,511	1,822	2,000	2,093	2,230	2,230	2,230	2,230	2,230	2,230
Dwelling Units		0	0	0	120	370	600	600	600	600	600	600
Retail Commercial (SF)		680,000	680,000	760,000	840,000	882,000	882,000	882,000	882,000	882,000	882,000	882,000
Hotel (Acres)		0.0	0.0	3.1	3.1	3.1	6.3	6.3	6.3	6.3	6.3	6.3
Residential Land (Acres)		0.0	0.0	0.0	5.3	16.5	26.7	26.7	26.7	26.7	26.7	26.7
Annual Revenues												
	Revenue Factors											
<i>Revenue Adjustment Factor</i>		<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>	<i>115%</i>
Population(Persons)	\$3.86	\$0	\$0	\$0	\$1,390	\$4,285	\$6,949	\$6,949	\$6,949	\$6,949	\$6,949	\$6,949
Private Employment (Employees)	\$19.45	\$33,780	\$33,780	\$40,732	\$44,706	\$46,792	\$49,851	\$49,851	\$49,851	\$49,851	\$49,851	\$49,851
Dwelling Units	\$3.60	\$0	\$0	\$0	\$496	\$1,530	\$2,480	\$2,480	\$2,480	\$2,480	\$2,480	\$2,480
Retail Commercial (SF)	\$0.07	\$53,783	\$53,783	\$60,110	\$66,438	\$69,760	\$69,760	\$69,760	\$69,760	\$69,760	\$69,760	\$69,760
Commercial (Acres)	\$839.44	\$0	\$0	\$2,998	\$2,998	\$2,998	\$6,077	\$6,077	\$6,077	\$6,077	\$6,077	\$6,077
Residential Land (Acres)	\$1,600.36	\$0	\$0	\$0	\$9,821	\$30,281	\$49,104	\$49,104	\$49,104	\$49,104	\$49,104	\$49,104
Property Taxes		\$138,145	\$138,145	\$138,283	\$176,495	\$230,995	\$313,608	\$407,175	\$408,780	\$410,869	\$413,418	\$416,409
Property Transfer Taxes		\$0	\$3,572	\$3,643	\$27,095	\$37,589	\$54,944	\$63,809	\$15,083	\$15,385	\$15,693	\$16,006
MVLF Revenues		\$98,533	\$98,632	\$125,887	\$164,759	\$223,684	\$290,422	\$291,567	\$293,056	\$294,875	\$297,008	\$299,444
Sales and Use Tax		\$1,681,637	\$1,837,973	\$2,054,379	\$2,273,484	\$2,386,841	\$2,392,297	\$2,392,297	\$2,392,297	\$2,392,297	\$2,392,297	\$2,392,297
Transient Occupancy Tax		\$0	\$0	\$378,140	\$529,396	\$529,396	\$917,756	\$1,073,100	\$1,073,100	\$1,073,100	\$1,073,100	\$1,073,100
Total Annual Revenues		\$2,005,878	\$2,165,884	\$2,804,172	\$3,297,078	\$3,564,151	\$4,153,248	\$4,412,169	\$4,366,538	\$4,370,747	\$4,375,737	\$4,381,478

Source: HR&A Advisors

Appendix B

Original Plan

Table B-1
Proposed Land Uses

	Approved SPA	
Land Use		
Single Family Residential Units		0
Multi-Family Residential Units		0
<i>MF Attached - For Sale Townhomes</i>		0
<i>MF Attached - Rental Apartments</i>		0
Retail Commercial Square Feet (SF) ¹	1,214,000	(120.70 Ac.)
Hotels (Rooms)		0
Parks		0.0
CPF		0.00
School		0.0
<i>Subtotal Developed Acres</i>	<i>120.7</i>	
Open Space		0
Preserve		0
Other Acres/ROW		0
Total Acres		120.7
Population		
Multi Family Persons/DU@	2.61	0
Total Est. Population		0
Employment		
Retail SF/Emp	450	2,698
Hotel Employees per Room	0.90	0
Total Est. Employment		2,698

¹Mixed Use retail acreage is included with residential

Source: Baldwin and Sons, City of Chula Vista and HR&A Advisors

**Table B-2
Proposed Land Uses**

	Original Plan										
	2014 Year 0	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5	2020 Year 6	2021 Year 7	2022 Year 8	2023 Year 9	2024 Year 10
Cumulative Land Use Program											
Land Use											
Multi-Family Residential Units (Includes Multi-Use Residential)	0	0	0	0	0	0	0	0	0	0	0
<i>MF Attached Townhomes</i>	0	0	0	0	0	0	0	0	0	0	0
<i>MF Attached Apartments</i>	0	0	0	0	0	0	0	0	0	0	0
<i>Mixed Use (Attached)</i>	0	0	0	0	0	0	0	0	0	0	0
SF Acres	0	0	0	0	0	0	0	0	0	0	0
MF Acres	0	0	0	0	0	0	0	0	0	0	0
Retail Commercial SF	680,000	680,000	760,000	887,000	1,064,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000
<i>Freeway Commercial - Parcel 1</i>	680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
<i>Freeway Commercial - Parcel 2</i>	0	0	0	47,000	197,000	347,000	347,000	347,000	347,000	347,000	347,000
Retail Commercial Acres	67.6	67.6	75.6	88.2	105.8	120.7	120.7	120.7	120.7	120.7	120.7
Hotel Rooms	0	0	0	0	0	0	0	0	0	0	0
<i>Hotel Acres</i>	0	0	0	0	0	0	0	0	0	0	0
Parks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>School</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Acres	67.6	67.6	75.6	88.2	105.8	120.7	120.7	120.7	120.7	120.7	120.7
Cumulative Population											
Multi Family Persons/DU@	2.6	0.0	0.0	0.0	0	0	0	0	0	0	0
<i>Total Est. Population</i>	0.0	0.0	0.0	0	0	0	0	0	0	0	0
Employment											
Retail SF/Emp@	450	1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698
Hotel Employees per Room	0.9	0	0	0	0	0	0	0	0	0	0
Total Est. Employment	1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698	2,698

Source: Baldwin and Sons and HR&A Advisors

Table B-3
Chula Vista - Expenditure Real Inflation Adjustment¹

	2005	2006	2007	2008	2009
Population	216,961	223,604	227,850	231,157	234,011
Households	70,916	73,365	74,527	75,259	75,752
City Staff	1,169	1,227	1,264	1,249	1,110
Revenues (Actuals)	\$137,763,583	\$157,809,965	\$161,564,721	\$153,938,093	\$140,502,938
Expenditures (Actuals)	\$142,195,531	\$160,826,968	\$166,056,406	\$155,021,736	\$140,365,277
CPI (San Diego Area)	220.6	228.1	233.3	242.3	242.3
Expenditure/Capita	\$655.40	\$719.25	\$728.80	\$670.63	\$599.82
Revenues/Capita	\$634.97	\$705.76	\$709.08	\$665.95	\$600.41
2009 CPI Adjustment Factor	1.10	1.06	1.04	1.00	1.00
Exp/Cap in 2009 Dollars	\$719.87	\$764.02	\$756.91	\$670.63	\$599.82
Rev/Cap in 2009 Dollars	\$697.43	\$749.69	\$736.44	\$665.95	\$600.41
Expenditure Adjustment Factor	120%	127%	126%	112%	100%
Revenue Adjustment Factor (Relative to 2009 Levels)	116%	125%	123%	111%	100%

¹ Provided by the City of Chula Vista

Source: City of Chula Vista and HR&A Advisors

Table B-4
Chula Vista Estimated Commercial Assessed Value

Commercial Land Uses								
	Mo. Rent NNN/SF	Building Efficiency	Occupancy Rate	Admin /Vacancy Cost	Net Income/SF	Cap Rate	Assessed Value Per SF	
Retail	\$1.85	90%	95%	5%	\$18.03	7.5%	\$240.43	

Source: Loopnet, RERC Real Estate Cap Rate Report, and HR&A Advisors

Table B-5
Projected Program Assessed Value

	Original Plan	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0 ¹	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Program Assessed Value	Est. Assessed Value Per Unit	(Millions \$)										
Land Use												
MF Attached Townhomes	\$325,000	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total For Sale Product		0	0	0	0	0	0	0	0	0	0	0
Rental Residential - MF Attached Apartments	\$246,000		0	0	0	0	0	0	0	0	0	0
Retail Commercial SF ¹	\$240	130	130	149	180	222	258	258	258	258	258	258
Hotel (Rooms)	\$146,100	0	0	0	0	0	0	0	0	0	0	0
Total Income Generating Product		\$129.9	\$129.9	\$149.1	\$179.6	\$222.2	\$258.3	\$258.3	\$258.3	\$258.3	\$258.3	\$258.3
Total Assessed Value		\$129.9	\$129.9	\$149.1	\$179.6	\$222.2	\$258.3	\$258.3	\$258.3	\$258.3	\$258.3	\$258.3

¹The assessed value of existing retail square feet in Year 0 is based on reported assessed values for these properties.

Source: HR&A Advisors

Table B-6
Citywide Cost Factors by Function/Department¹

	Population (Per Person)	Retail (Per Acre)	Office (Per Acre)	Hotel (Per Acre)	Industrial (Per Acre)	Land Uses		Public Use (Per Acre)	Open Space (Per Acre)	Other (Per Acre)	Residential (Per DU)
						Parks (per acre) Private	Public				
Legislative and Administration											
City Council	\$2.00										
Boards and Commissions											
City Clerk	\$1.37										
City Attorney		\$80.11	\$86.52	\$51.21	\$21.13						\$12.11
Administration	\$0.29										\$0.35
Management and Information Services	\$4.60										
Human Resources											
Development and Maintenance Services											
Economic Development Function	\$0.00	\$301.43	\$325.55	\$192.68	\$79.51					\$0.00	
Planning and Building Services	\$0.00	\$203.44	\$219.57	\$130.70	\$55.00					\$31.70	\$30.69
Engineering		\$274.44	\$145.29	\$64.57	\$27.44		\$15.53			\$16.85	\$3.07
Public Works		\$5,914.17	\$3,131.03	\$1,391.57	\$591.42		\$69.58	\$347.89		\$347.89	\$68.43
General Services											
Public Safety											
Police (Excluding Residential)	\$11.01	\$6,836.27	\$6,836.27	\$6,836.27	\$1,006.09		\$2,202.49	\$2,202.49		\$2,202.49	
Fire (Excluding Residential)	\$1.05	\$2,917.22	\$2,917.22	\$2,917.22	\$396.88	\$160.46	\$160.46	\$160.46	\$160.46	\$160.46	
Culture and Leisure											
Parks and Recreation	\$18.90										
Library	\$37.32										\$4.77
Nature Center											
Sub-Total Unit Cost	\$76.53	\$16,527.08	\$13,661.45	\$11,584.21	\$2,177.48	\$160.46	\$2,448.06	\$2,710.85	\$160.46	\$2,759.40	\$119.40
Acre to SF Density Adjustment Factors		0.00008									
Total - Density Adjusted Unit Costs	\$76.53	\$1.36	\$13,661.45	\$11,584.21	\$2,177.48	\$160.46	\$2,448.06	\$2,710.85	\$160.46	\$2,759.40	\$119.40

¹All Cost Factors and Subtotal Cost factors provided by the City

Source: City of Chula Vista and HR&A Advisors

Table B-7

Expenditure Summary (2009 \$)

Expense Drivers	Unit Cost	Original Plan										
		2014 Year 0	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5	2020 Year 6	2021 Year 7	2022 Year 8	2023 Year 9	2024 Year 10
Dwelling Units		0	0	0	0	0	0	0	0	0	0	0
Population		0	0	0	0	0	0	0	0	0	0	0
Retail (SF)		680,000	680,000	760,000	887,000	1,064,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000
Hotel Acres		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Park Acres		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Expenditure Adjustment Factor</i>		117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%
Retail (SF)	\$1.36	\$1,078,770	\$1,078,770	\$1,205,684	\$1,407,160	\$1,687,958	\$1,925,921	\$1,925,921	\$1,925,921	\$1,925,921	\$1,925,921	\$1,925,921
Hotel (Acres)	\$11,584.21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Park (Acres)	\$160.46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Population (Persons)	\$76.53	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures Allocated to DUs (excluding Public Safety)	\$119.40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety Costs Allocated to DUs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Est. Annual Expenditures (2009 Dollars)		\$1,078,770	\$1,078,770	\$1,205,684	\$1,407,160	\$1,687,958	\$1,925,921	\$1,925,921	\$1,925,921	\$1,925,921	\$1,925,921	\$1,925,921

Source: HR&A Advisors

Table B-8
City of Chula Vista - Discretionary Revenues (Based on the FY 2009 Amended Budget)

Non-Departmental Revenue Categories	Discretionary Revenues		Program Revenues (Estimate)	Net Revenues	Revenue Distribution	
	Amended	Budget 2009			Fixed Revenues	Variable Revenues
Property Taxes						
Current Taxes - Secured		\$28,363,165		\$28,363,165		\$28,363,165
State Secured - Unitary		\$300,000		\$300,000		\$300,000
Current Taxes - Unsecured		\$979,200		\$979,200		\$979,200
Delinquent Taxes		\$590,000		\$590,000		\$590,000
<i>Subtotal</i>		\$30,232,365	\$0	\$30,232,365	\$0	\$30,232,365
Other Local Taxes						
Sales and Use Taxes		\$29,677,977		\$29,677,977		\$29,677,977
Franchise Fees		\$8,732,093		\$8,732,093		\$8,732,093
Utility Taxes		\$7,122,095		\$7,122,095		\$7,122,095
Business License Tax		\$1,322,847		\$1,322,847		\$1,322,847
Transient Occupancy Taxes		\$2,752,514		\$2,752,514		\$2,752,514
Real Property Transfer Tax		\$841,402		\$841,402		\$841,402
<i>Subtotal</i>		\$50,448,928	\$0	\$50,448,928	\$0	\$50,448,928
Use of Money and Property						
<i>Subtotal</i>		\$4,163,212	\$0	\$4,163,212	\$4,163,212	\$0
Revenues from other Agencies						
Sales Tax: Public Safety Augment		\$875,347		\$875,347		\$875,347
State Homeowners Property Tax Relief		\$282,800		\$282,800		\$282,800
State Motor Vehicle Licenses		\$20,215,866		\$20,215,866		\$20,215,866
Other Revenues from other Agencies		\$4,324,532		\$4,324,532		\$4,324,532
<i>Subtotal</i>		\$25,698,545		\$25,698,545		\$25,698,545
Charges for Services¹						
<i>Subtotal</i>		\$8,854,774	\$0	\$8,854,774	\$8,854,774	\$0
Other Revenues (less CIP)²						
<i>Subtotal</i>		\$10,580,609	\$0	\$10,580,609	\$10,580,609	\$0
Transfers In						
<i>Subtotal</i>		\$12,272,473	\$0	\$12,272,473	\$12,272,473	\$0
Total Discretionary Revenues (Less CIP Transfers)		\$142,250,906	\$0	\$142,250,906	\$35,871,068	\$106,379,838

¹Includes Licenses and Permits

²Other Revenue excludes funds from the CIP fund. Fines, Forfeitures, and Penalties are included in this category.

Source: City of Chula Vista

Table B-9
Chula Vista - Other Discretionary Revenue Allocation Factors (Based on 2009 Information)

2009 Citywide Conditions			
Population	226,694		
Dwelling Units	78,615		
Employees	71,153		

Land Uses	Developed Acres	Employees (estimated)	AV Share (Estimates)
Commercial (Retail and Office)	2,048	46,842	25%
Industrial	917	21,162	8%
Residential	9,565		67%
Subtotal Taxable	12,530	68,004	
Other (Parks, Public/Quasi-public, Open Space)	7,171	3,149	
Total	19,702	71,153	

Incremental Revenue Factors by Development Unit				
Revenue Category	2009 Revenues	Allocation Method	Share	Allocation Units
Property Taxes				
Current Taxes - Secured	\$28,363,165	Calculated Separately		
State Secured - Unitary	\$300,000	Commercial AV	25%	\$36.61 Acres
		Industrial AV	8%	\$26.17 Acres
		Residential AV	67%	\$21.01 Acres
Current Taxes - Unsecured	\$979,200	Commercial AV	25%	\$119.51 Acres
		Industrial AV	8%	\$85.42 Acres
		Residential AV	67%	\$68.59 Acres
Delinquent Taxes	\$590,000	Commercial AV	25%	\$72.01 Acres
		Industrial AV	8%	\$51.47 Acres
		Residential AV	67%	\$41.33 Acres
Other Local Taxes				
Sales and Use Taxes	\$29,677,977	Calculated Separately		
Franchise Fees ¹	\$8,732,093	Commercial Land	7%	\$298.40 Acres
		Industrial Land	3%	\$285.66 Acres
		Residential Land	90%	\$821.63 Acres
Utility Taxes ¹ with Adjustment	\$7,122,095	Commercial Land	9%	\$312.92 Acres
		Industrial Land	4%	\$310.65 Acres
		Residential Land	87%	\$647.80 Acres
Business License Tax	\$1,322,847	Employees (Non-Public)		\$19.45 Employees
Transient Occupancy Taxes	\$2,752,514	Not Included		
Real Property Transfer Tax	\$841,402	Calculated Separately		
Revenues from Other Agencies				
Sales Tax: Public Safety Augment	\$875,347	People		\$3.86 Person
State Homeowners Property Tax Relief	\$282,800	Dwelling Units		\$3.60 DU
State Motor Vehicle Licenses	\$20,215,866	Calculated Separately		
Total Discretionary Revenues	\$102,055,306			

Summary of Other Discretionary Revenue Factors	
Commercial (Acres)	\$839.44
Retail Commercial (SF)	\$0.07
Industrial (Acres)	\$759.37
Residential (Acres)	\$1,600.36
Residential (DU)	\$3.60
Employees	\$19.45
Population	\$3.86

¹ As presented in SPA Fiscal Impact Framework, allocation share by land use based on FIND model estimates

Source: City of Chula Vista and HR&A Advisors

Table B-10
Property Tax Estimate

		Original Plan										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual For Sale Product AV (Millions)		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Annual Income Generating Product AV (Millions)		\$129.9	\$0.0	\$19.2	\$30.5	\$42.6	\$36.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Appreciation Factor:	<i>Annual Rate</i>	Year 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Real Appreciation Rate	2.00%	100%	102%	104%	106%	108%	110%	113%	115%	117%	120%	122%
Proposition 13 AV Limitation less Inflation of 2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Residential Annual Turnover Rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Commercial Turnover Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Commercial and Rental Residential Product												
Year Property First Sold:												
	Yr 0	\$129.9	\$130.0	\$130.3	\$130.6	\$131.1	\$131.8	\$132.5	\$133.3	\$134.3	\$135.3	\$136.5
	Yr 1		\$0.00	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 2			\$20.01	\$20.0	\$20.1	\$20.1	\$20.2	\$20.3	\$20.4	\$20.5	\$20.7
	Yr 3				\$32.40	\$32.4	\$32.5	\$32.6	\$32.7	\$32.9	\$33.1	\$33.3
	Yr 4					\$46.06	\$46.1	\$46.2	\$46.3	\$46.5	\$46.7	\$47.0
	Yr 5						\$39.82	\$39.9	\$39.9	\$40.1	\$40.2	\$40.4
	Yr 6							\$0.00	\$0.0	\$0.0	\$0.0	\$0.0
	Yr 7								\$0.00	\$0.0	\$0.0	\$0.0
	Yr 8									\$0.00	\$0.0	\$0.0
	Yr 9										\$0.00	\$0.0
	Yr 10											\$0.00
Commercial and Rental Residential Assessed Value (Millions)		\$129.9	\$130.0	\$150.3	\$183.1	\$229.7	\$270.3	\$271.3	\$272.6	\$274.1	\$275.8	\$277.8
Total Assessed Value (Residential and Commercial) (Millions)		\$129.9	\$130.0	\$150.3	\$183.1	\$229.7	\$270.3	\$271.3	\$272.6	\$274.1	\$275.8	\$277.8
Less Base Assessed Value		0.0	0.0	(5.0)	(12.8)	(23.8)	(33.1)	(33.1)	(33.1)	(33.1)	(33.1)	(33.1)
Incremental AV (Residential and Commercial) (Millions)		\$129.9	\$130.0	\$145.3	\$170.2	\$205.9	\$237.2	\$238.2	\$239.5	\$241.0	\$242.7	\$244.7
Total Incremental Property Taxes Collected ¹	1.00%	\$1,298,801	\$1,298,801	\$1,300,100	\$1,453,142	\$1,702,370	\$2,058,892	\$2,371,825	\$2,382,096	\$2,394,762	\$2,409,762	\$2,427,037
Property Tax Share to the City	10.64%	\$138,145	\$138,145	\$138,283	\$154,561	\$181,070	\$218,990	\$252,275	\$253,367	\$254,715	\$256,310	\$258,147

¹With a year lag to account for property tax receipt to the City. Given the Otay Ranch Town Center is built, property tax for this parcel is included in Year 0.

Source: HR&A Advisors

Table B-11
Annual Property Transfer Tax Estimate

Original Plan

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Annual For Sale Product AV (Millions)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Annual Income Generating Product AV (Millions)	\$129.9	\$0.0	\$19.2	\$30.5	\$42.6	\$36.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Appreciation Factor:	<i>Annual Rate</i>	Year 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Real Appreciation Rate	2.00%	100%	102%	104%	106%	108%	110%	113%	115%	117%	120%	122%
Residential Annual Turnover Rate	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Commercial Turnover Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
For Sale Residential Property Transfer Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Commercial and Rental Residential Product												
Year Property First Sold:												
	Yr 0 ¹	\$3,572	\$3,643	\$3,716	\$3,790	\$3,866	\$3,943	\$4,022	\$4,103	\$4,185	\$4,269	\$4,354
	Yr 1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Yr 2			\$11,006	\$561	\$573	\$584	\$596	\$608	\$620	\$632	\$645
	Yr 3				\$17,822	\$909	\$927	\$946	\$965	\$984	\$1,004	\$1,024
	Yr 4					\$25,335	\$1,292	\$1,318	\$1,344	\$1,371	\$1,399	\$1,427
	Yr 5						\$21,900	\$1,117	\$1,139	\$1,162	\$1,185	\$1,209
	Yr 6							\$0	\$0	\$0	\$0	\$0
	Yr 7								\$0	\$0	\$0	\$0
	Yr 8									\$0	\$0	\$0
	Yr 9										\$0	\$0
	Yr 10											\$0
Commercial and Rental Residential Property Transfer Tax	\$3,572	\$3,643	\$14,722	\$22,173	\$30,682	\$28,646	\$7,998	\$8,158	\$8,322	\$8,488	\$8,658	
Total Annual Property Taxes to the City		\$3,572	\$3,643	\$14,722	\$22,173	\$30,682	\$28,646	\$7,998	\$8,158	\$8,322	\$8,488	

¹The model accounts for only the property transfer tax annual allocation for the developed FC1 parcel.

Source: HR&A Advisors

Table B-12
Motor Vehicle License Fee Estimates

VLF Revenues¹
 2009 Population of the City 226,691
 2009 Allocation of the 0.65% \$1,328,857

	Original Plan										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Motor Vehicle In Lieu Fee (MVLF) Adjustment											
Base Year (2004) Assessed Valuation of the City (Millions)	\$15,596										
Base Year (2004) Motor Vehicle In Lieu Fee Adjustment (MVLF) (Millions)	\$11.8										
Cumulative AV of New Development (Millions)	\$129.9	\$130.0	\$150.3	\$183.1	\$229.7	\$270.3	\$271.3	\$272.6	\$274.1	\$275.8	\$277.8
AV Adjustment of Base Value (Millions)	\$0.0	\$0.0	(\$5.0)	(\$12.8)	(\$23.8)	(\$33.1)	(\$33.1)	(\$33.1)	(\$33.1)	(\$33.1)	(\$33.1)
Adjusted Cumulative AV Development (Millions)	\$130	\$130	\$145	\$170	\$206	\$237	\$238	\$239	\$241	\$243	\$245
Cumulative Citywide AV Growth (Millions)	\$15,726	\$15,726	\$15,742	\$15,766	\$15,802	\$15,833	\$15,834	\$15,836	\$15,837	\$15,839	\$15,841
Percent Increase in AV	0.83%	0.83%	0.93%	1.09%	1.32%	1.52%	1.53%	1.54%	1.55%	1.56%	1.57%
Cumulative MVLF generated by the Project	\$98,533	\$98,632	\$110,242	\$129,150	\$156,197	\$179,938	\$180,717	\$181,678	\$182,816	\$184,126	\$185,606
Total Annual MVLF Fees	\$98,533	\$98,632	\$110,242	\$129,150	\$156,197	\$179,938	\$180,717	\$181,678	\$182,816	\$184,126	\$185,606

¹ As presented in the SPA Fiscal Impact Framework

Source: City of Chula Vista and HR&A Advisors

Table B-13
Estimated Onsite Retail Sales Tax

		Original Plan										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cumulative Retail Absorption (Square Feet)												
FC 1 Site - Otay Ranch Town Center - Regional/Superregional		680,000	680,000	760,000	840,000	867,000	867,000	867,000	867,000	867,000	867,000	867,000
FC 2 Site Retail		0	0	0	47,000	197,000	347,000	347,000	347,000	347,000	347,000	347,000
Gross Leasable Area												
		Building Efficiency										
FC 1 Site - Otay Ranch Town Center		96%	654,840	654,840	731,880	808,920	834,921	834,921	834,921	834,921	834,921	834,921
FC 2 Site Retail - Neighborhood/Community Center		90%	0	0	0	42,300	177,300	312,300	312,300	312,300	312,300	312,300
Occupied GLA												
		Occupancy Rate										
FC 1 Site - Otay Ranch Town Center		95%	622,098	622,098	695,286	768,474	793,175	793,175	793,175	793,175	793,175	793,175
FC 2 Site Retail - Neighborhood/Community Center		95%	0	0	0	40,185	168,435	296,685	296,685	296,685	296,685	296,685
Taxable Sales Estimate												
FC1 Site Taxable Sales		Est. Taxables Sales PSF										
FC 1 - Site - Otay Ranch Town Center		\$270.00	\$167,966,460	\$183,600,000	\$205,200,000	\$226,800,000	\$234,090,000	\$234,090,000	\$234,090,000	\$234,090,000	\$234,090,000	\$234,090,000
FC 2 Site Taxable Sales		Taxables Sales PSF										
FC 2 Site Proposed Project		\$270.00	\$0	\$0	\$0	\$10,849,950	\$45,477,450	\$80,104,950	\$80,104,950	\$80,104,950	\$80,104,950	\$80,104,950
Total Taxable Retail Sales			\$167,966,460	\$183,600,000	\$205,200,000	\$237,649,950	\$279,567,450	\$314,194,950	\$314,194,950	\$314,194,950	\$314,194,950	\$314,194,950
Annual Sales Taxes to the City @		1%	\$1,679,665	\$1,836,000	\$2,052,000	\$2,376,500	\$2,795,675	\$3,141,950	\$3,141,950	\$3,141,950	\$3,141,950	\$3,141,950

Source: HR&A Advisors

Table B-14
Estimated Offsite Retail Sales Tax

Average Est. HH Income ¹	
Multi Family Units	
For Sale Townhouses	\$78,000
Rental Apartments	\$68,000

Original Plan

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Households												
Multi Family Units												
For Sale Townhouses		0	0	0	0	0	0	0	0	0	0	0
MF Attached		0	0	0	0	0	0	0	0	0	0	0
Total Units		0	0	0	0	0	0	0	0	0	0	0
Employees		1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698	2,698
Aggregate HH Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Annual Income/HH		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Countywide Income/HH ²	\$83,935											
Countywide Retail Exp/HH ³	\$36,583											
Retail Expenditure/HH Adj. Factor FC SPA		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Project Avg. Retail Expenditure/HH		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Retail Sales from Project												
Neighborhood Center	33%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Center	20%	0	0	0	0	0	0	0	0	0	0	0
Regional Center	4%	0	0	0	0	0	0	0	0	0	0	0
Super Regional Center	7%	0	0	0	0	0	0	0	0	0	0	0
Other Centers	36%	0	0	0	0	0	0	0	0	0	0	0
Off Site Share												
Neighborhood Center	10%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Center	20%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regional Center	30%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super Regional Center	30%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Centers	10%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chula Vista Capture												
Neighborhood Center	80%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Center	80%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regional Center	70%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super Regional Center	60%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Centers	30%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Retail Sales from SPA Employees												
Annual Expenditure/Employee		\$1,175										
Offsite Spending												
Neighborhood Center	10%	\$177,556	\$177,556	\$198,444	\$231,606	\$277,822	\$316,989	\$316,989	\$316,989	\$316,989	\$316,989	\$316,989
Community Center	5%	88,778	88,778	99,222	115,803	138,911	158,494	158,494	158,494	158,494	158,494	158,494
Regional Center	0%	0	0	0	0	0	0	0	0	0	0	0
Super Regional Center	0%	0	0	0	0	0	0	0	0	0	0	0
Other Centers	10%	177,556	177,556	198,444	231,606	277,822	316,989	316,989	316,989	316,989	316,989	316,989
Chula Vista Capture												
Neighborhood Center	80%	\$142,044	\$142,044	\$158,756	\$185,284	\$222,258	\$253,591	\$253,591	\$253,591	\$253,591	\$253,591	\$253,591
Community Center	80%	\$71,022	\$71,022	\$79,378	\$92,642	\$111,129	\$126,796	\$126,796	\$126,796	\$126,796	\$126,796	\$126,796
Regional Center	70%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super Regional Center	60%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Centers	30%	\$53,267	\$53,267	\$59,533	\$69,482	\$83,347	\$95,097	\$95,097	\$95,097	\$95,097	\$95,097	\$95,097
Taxable Retail Sales												
Neighborhood Center	64%	\$90,908	\$90,908	\$101,604	\$118,582	\$142,245	\$162,298	\$162,298	\$162,298	\$162,298	\$162,298	\$162,298
Community Center	77%	\$54,687	\$54,687	\$61,121	\$71,335	\$85,569	\$97,633	\$97,633	\$97,633	\$97,633	\$97,633	\$97,633
Regional Center	97%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super Regional Center	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Centers	97%	\$51,669	\$51,669	\$57,747	\$67,397	\$80,846	\$92,244	\$92,244	\$92,244	\$92,244	\$92,244	\$92,244
Total Taxable Retail Sales		\$197,264	\$197,264	\$220,472	\$257,314	\$308,660	\$352,175	\$352,175	\$352,175	\$352,175	\$352,175	\$352,175
Annual Sales Taxes to the City @	1%	\$1,973	\$1,972.64	\$2,205	\$2,573	\$3,087	\$3,522	\$3,522	\$3,522	\$3,522	\$3,522	\$3,522

¹Derived based on estimate of rental rate as 32% of income

²American Community Survey 2009

³Board of Equalization 2009 Annual Data per county capita

Source: City of Chula Vista and HR&A Advisors

Table B-15
Revenue Summary (2009 \$)

		Original Plan										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue Drivers												
Population(Persons)		0	0	0	0	0	0	0	0	0	0	0
Private Employment (Employees)		1,511	1,511	1,689	1,971	2,364	2,698	2,698	2,698	2,698	2,698	2,698
Dwelling Units		0	0	0	0	0	0	0	0	0	0	0
Retail Commercial (SF)		680,000	680,000	760,000	887,000	1,064,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000	1,214,000
Hotel (Acres)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residential Land (Acres)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Annual Revenues		Revenue Factors										
Revenue Adjustment Factor		115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%
Population(Persons)		\$3.86	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private Employment (Employees)		\$19.45	\$33,780	\$33,780	\$37,754	\$44,063	\$52,856	\$60,307	\$60,307	\$60,307	\$60,307	\$60,307
Dwelling Units		\$3.60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Commercial (SF)		\$0.07	\$53,783	\$53,783	\$60,110	\$70,155	\$84,155	\$96,018	\$96,018	\$96,018	\$96,018	\$96,018
Commercial (Acres)		\$839.44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Land (Acres)		\$1,600.36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes		\$138,145	\$138,145	\$138,283	\$154,561	\$181,070	\$218,990	\$252,275	\$253,367	\$254,715	\$256,310	\$258,147
Property Transfer Taxes		\$0	\$3,572	\$3,643	\$14,722	\$22,173	\$30,682	\$28,646	\$7,998	\$8,158	\$8,322	\$8,488
MVLRF Revenues		\$98,533	\$98,632	\$110,242	\$129,150	\$156,197	\$179,938	\$180,717	\$181,678	\$182,816	\$184,126	\$185,606
Sales and Use Tax		\$1,681,637	\$1,837,973	\$2,054,205	\$2,379,073	\$2,798,761	\$3,145,471	\$3,145,471	\$3,145,471	\$3,145,471	\$3,145,471	\$3,145,471
Transient Occupancy Tax		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Annual Revenues		\$2,005,878	\$2,165,884	\$2,404,237	\$2,791,724	\$3,295,212	\$3,731,408	\$3,763,435	\$3,744,841	\$3,747,486	\$3,750,555	\$3,754,038

Source: HR&A Advisors

Table B-16
Net Fiscal Impacts
FC2 Amendment

CPI (San Diego Area) ¹	265.25
	242.27

Original Plan

	2014 Year 0	2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5	2020 Year 6	2021 Year 7	2022 Year 8	2023 Year 9	2024 Year 10
<i>2014 Dollar Inflation Factor</i>	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095	1.095
Total Expenditures	\$1,181,099	\$1,181,099	\$1,320,051	\$1,540,639	\$1,848,072	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609	\$2,108,609
Total Revenues	\$2,196,150	\$2,371,333	\$2,632,296	\$3,056,538	\$3,607,785	\$4,085,358	\$4,120,423	\$4,100,065	\$4,102,961	\$4,106,321	\$4,110,135
Net Fiscal Impacts (2015 Dollars)	\$1,015,051	\$1,190,234	\$1,312,245	\$1,515,899	\$1,759,713	\$1,976,749	\$2,011,815	\$1,991,456	\$1,994,352	\$1,997,713	\$2,001,526

¹Bureau of Labor Statistics. 2015 Approximated using mid-2014 San Diego CPI

Source: HR&A Advisors