

**Millenia
Sectional Planning Area (SPA) Plan
Public Facilities Finance Plan (PFFP)
Supplemental PFFP
for
2018 SPA Plan Amendment**

**DRAFT
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I. OVERVIEW

This Supplemental Public Facility Finance Plan (PFFP) addresses the public facility needs associated with the current amendment to the Millenia (previously known as the Eastern Urban Area or EUC) Sectional Planning Area (SPA) Plan. This 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 a PFFP is required in conjunction with the preparation of the SPA Plan to ensure that the development of the project is consistent with the overall goals and policies of the City's General Plan, Growth Management Program, and the Otay Ranch GDP.

This Supplemental Public Facility Finance Plan (Supplemental PFFP) addresses changes to the public facility needs associated with the Millenia SPA Plan Amendment. This Supplemental PFFP is based upon the project information provided in the Project Description for the Millenia SPA Plan amendment prepared by Cinti Land Planning dated June 18, 2018.

The proposed amendment includes the following elements:

1. Elimination of the “target” land use intensity category. The amendment retains the adopted maximums of 2,983 residential units and 3.324 million square feet of commercial land uses and will allow, but not require, site development up to these maximums.
2. A revised Main Street concept focused on revisions to the quantity and distribution of commercial land uses in the Main Street District.
3. A reduction and blending of height regulations for certain lots including the addition of a four story height category.

The adopted Millenia SPA Plan is currently being implemented with almost a dozen projects completed, under construction, approved, or in the Design Review phase of development. These projects include City parks, fire station and pedestrian bridge, a hotel, office, retail, and affordable, rental, mixed-use and for-sale residential, which cumulatively represent virtually every land use type contemplated in the plan. Seventy percent of the private development land has been contracted with merchant builders. Since the SPA Plan was first approved in 2009, it has been amended four times in response to changes in public and private influences and actual market experiences.

The adopted Site Utilization Plan (SUP) included a maximum build for residential and non-residential development. The unusual feature of these standards was that the maximum appeared to also be the minimum. With this interpretation, any development at build-out that would not achieve the exact maximum build would be inconsistent with adopted plan. This provision is currently inhibiting implementation of the project. The proposed SPA Plan amendment corrects this by allowing a reduced intensity for build-out of the plan for both residential and commercial land uses.

The applicant, SLF IV – Millenia, LLC, is the owner and Master Developer of Millenia. The applicant has agreed to implement all the mitigation measures adopted in the certified EIR, even though the project build-out proposed by this amendment may be less than the maximum build allowed and which is the basis for the public facility capacities incorporated into the project. Because a reduced intensity project would be within the parameters of the impact assumptions of the approved project, and the applicant is not requesting relief from any of the approved mitigation measures, no new environmental analysis or technical facility analyses are necessary for this project. The infrastructure provided with the project is based on the maximum build permitted intensity of 3,324,000 square feet of non-residential uses and 2,983 dwelling units, notwithstanding the low-range build-out projections shown on the proposed Site Utilization Plan (Exhibit 1). Traffic, water, sewer, recycled water and storm drainage improvements will be built-out for the maximum build, as assessed in the original PFFP. Provision of population based facilities/services and impact fee payments will be determined by actual unit counts as the project is built-out.

As noted above, development of Millenia is underway and much of the “backbone” infrastructure has been installed per the original PFFP as individual development sites have been prepared by the master developer for merchant builders. Because all of the public facility improvements and mitigation measures are unchanged from the original project approval, the scope of this Supplemental PFFP is limited.

II. PURPOSE

The purpose of all PFFPs in the City of Chula Vista is to implement the City’s Growth Management Program and to meet the Chula Vista General Plan goals and objectives, specifically those within 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 a SPA Plan or tentative map approval. Similarly, amendments to a SPA Plan may require an amendment or supplement to the PFFP. The purpose of this Supplemental PFFP is to update and clarify the original 2009 PFFP to address changes to the project identified above.

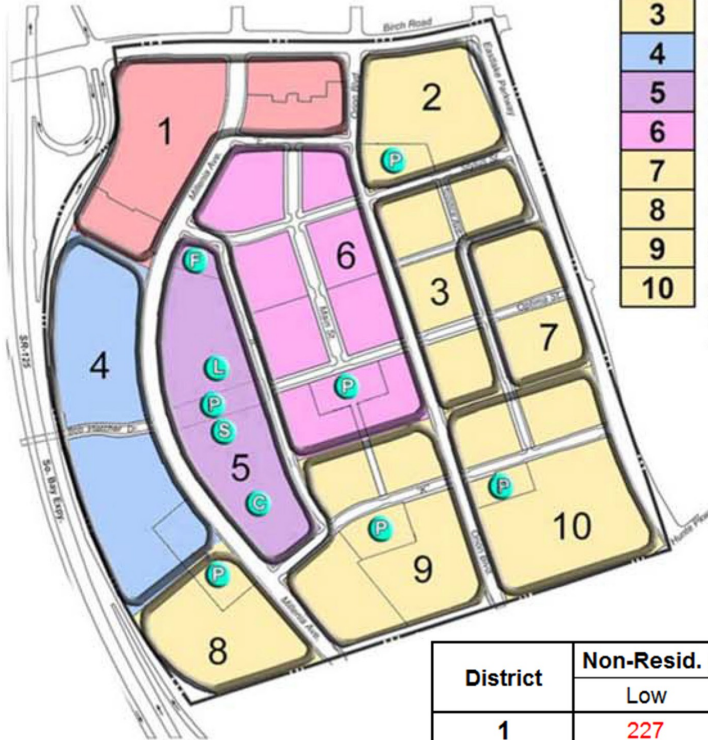
In the City of Chula Vista, the PFFP is intended to ensure adequate levels of service are achieved for all public services and facilities impacted by a project. It is understood that assumed growth projections and related public facilities needs are subject to a number of external factors, such as the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

III. BASIS of the ANALYSIS

The key statistical change associated with the proposed amendment is the elimination of target intensities for build-out of the plan for both residential and commercial land uses. The proposed development statistics are provided in the Proposed Site Utilization Plan provided as Exhibit 1. Because the original adopted PFFP already analyzes the maximum build-out scenario, new analyses are not required for the proposed amendment. This document briefly summaries and updates the Millenia SPA PFFP topics.

Proposed

Site Utilization Plan



Area Symbol	Eastern Urban Center Districts	Acres
1	Gateway Mixed Use Commercial District	22.7
2	Northwestern Neighborhood District	13.2
3	Northeastern Neighborhood District	17.2
4	Business District	25.4
5	Mixed Use Civic/Office Core District	23.3
6	Main Street District	34.7
7	Eastern Gateway District	9.6
8	Southwestern Neighborhood District	12.5
9	Central Southern Neighborhood District	24.4
10	Southeastern Neighborhood District	23.6
Total*		206.6

* Does not include perimeter arterial highways

Potential Public Components

- Park
- Library
- Fire Station
- Potential Elementary School
- CPF Site

- Notes:
- The Numeric Symbols do not represent phases.
 - The location of the public component symbols are conceptual only.

District	Non-Resid. (000's Sq. Ft.)*		Residential (DU's)*	
	Low	High	Low	High
1	227	400	0	89
2	2	2	273	273
3	2	5	150	475
4	800	1,900	0	225
5	455	900	0	300
6	80	100	100	601
7	0	0	100	117
8	2	2	253	253
9	0	5	130	350
10	0	10	230	300
Totals	1,568	3,324	1,236	2,983

* Refer to FBC Section 04.05, for Intensity Transfer Provisions.



EXHIBIT 1

IV. DEVELOPMENT PHASING

The adopted Millenia SPA Plan is currently being implemented with almost a dozen projects completed, under construction, approved, or in the Design Review phase of development. These projects include City parks, fire station and pedestrian bridge, a hotel, office, retail, and affordable, rental, mixed-use and for-sale residential, which represents virtually every land use type contemplated in the plan. Seventy percent of the private development land has been contracted with merchant builders.

The development of the Millenia SPA will continue to be implemented in four non-sequential phases as described in Conceptual Phasing Plan (Exhibit 5 of the original PFFP).

Sequential phasing is frequently inaccurate because of unforeseen market changes or regulatory constraints. Therefore, the Millenia SPA Plan permits non-sequential phasing by imposing specific facilities requirements for each development increment regardless of which phase it is located. This will ensure that new Millenia SPA development is adequately served and City threshold standards are met. Construction of the major on-site streets, which serve multiple phases, shall be phased according to the provisions of the original PFFP, including Table B.4 on page 22 of that document.

V. DEVELOPMENT IMPACT FEE PROGRAMS

The project must continue to comply with various development impact fee programs of the City of Chula Vista to cover the costs of certain public improvements and facilities included in those fee programs. These fee programs include the Transportation Development Impact Fee (TDIF), the Traffic Signal Participation fee, the Public Facilities Development Impact Fee (PFDIF), the Parkland Acquisition and Development In-Lieu (PAD) fee, the Millenia Pedestrian Bridge impact fee program and the applicable sewer fee programs - the Salt Creek and Poggi Canyon sewer basin fee programs and the sewer capacity charge fee. All impact fee rates are subject to annual adjustments and proposed development will be required to pay the fee in effect at the time of approval, or alternatively satisfy the public facility and improvement obligation per the adopted Millenia Development Agreement or Parks Agreement as provided for in the project approvals.

The current (effective 10/2017) Transportation DIF Schedule is provided in Table B.6 below which updates the corresponding table in the original PFFP. The current Millenia Pedestrian Bridge DIF amounts are Single Family - \$615.13 per DU and Multi Family - \$456.10 per DU.

Revised Table B.6 Transportation DIF Schedule		
Land Use Classification		TDIF Rate
Residential (Low)	0-6 dwelling units per gross	\$14,126 per DU
Residential (Med.)	6.1-18 dwelling units per gross	\$11,300 per DU
Residential (High)	>18.1 dwelling units per gross	\$8,475 per DU
Senior housing		\$5,650 per DU
Residential mixed use	>18 dwelling units per gross	\$5,650 per DU
Commercial mixed use	< 5 stories in height	\$226,016 per 20,000 sq.
General commercial		\$226,016 per acre
Regional commercial	> 60 acres or 800,000 sq. ft.	\$155,386 per acre
High rise commercial	> 5 stories in height	\$395,528 per acre
Office (acre)	< 5 stories in height	\$127,134 per acre
Industrial (acre)		\$127,134 per acre
18-hole golf course		\$988,820 per acre
Medical center		\$918,190 per acre

The Public Facilities Development Impact Fee (PFDIF) is a separate development impact fee program to provide funds to improve a variety of city facilities which are impacted by additional growth. Both residential and non-residential development impact fees apply to the project. The current fee amounts applicable to additional development are presented in the updated Table B.7, Public Facilities DIF Components, below.

Revised Table B.7 Public Facilities Estimated DIF Fee Components				
Component	Single Family/DU	Multi-Family/DU	Commercial/Acre	Industrial/Acre
Civic Center	\$2,907	\$2,754	\$9,276	\$2,931
Police	\$1,760	\$1,901	\$8,314	\$1,793
Corporation Yard	\$472	\$378	\$8,038	\$3,785
Libraries	\$1,671	\$1,671	\$0	\$0
Fire Suppression	\$1,469	\$1,057	\$3,884	\$773
GIS, Computers, Telecom & Records Management	\$0	\$0	\$0	\$0
Administration	\$632	\$598	\$2,019	\$638
Recreation	\$1,269	\$1,269	\$0	\$0
Total/Residential Unit	\$10,180	\$9,628		
Total per Com'l / Ind. Ac.			\$31,531	\$9,920

As noted previously, the applicant has agreed to construct all the improvements and mitigation measures as identified in the original approval and thus no revised facility analysis is warranted as part of this supplement.

VI. TRAFFIC

The SPA amendment does not propose changes to the circulation element roadways serving the Project, including internal street cross sections and alignments. Since the maximum build scenario in the proposed amendment is within approximately 5% of the maximum intensities approved in the original SPA plan, the external trip distribution patterns to the surrounding roadway network, including roadway segments, intersections, and freeway segments, will be consistent with those identified with the original approval.

The amended project will comply with the all the traffic-related requirements and mitigation measures associated with the original approval.

VII. POLICE

The demand for additional police services is based on the amount of new development in a project. The amended project generates a similar demand for police services as identified in the original PFFP. Therefore, the project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 81), adjusted to actual unit counts and will be adequately served.

VIII. FIRE and EMERGENCY MEDICAL SERVICES

The demand for additional fire and emergency medical services is also based on the amount of new development. The amended project generates a similar demand for fire and medical emergency services as identified in the original PFFP. Therefore, the project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 85), adjusted to actual unit counts and will be adequately served.

IX. SCHOOLS

The amended project includes a potential elementary school site, consistent with the adopted SPA Plan. The amended project generates the same number of elementary, middle and high school students as identified in the original PFFP due to the same maximum build-out unit count.

The amended project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 94). Consistent with these requirements, the master developer has entered into School Mitigation Agreements with both school districts and has formed Community Facilities District (CFD)18 for the Chula Vista Elementary School District and CFD18 for the Sweetwater Union High School District. Neither of these school agreements, the school CFDs or any mitigation obligations will change with the amendment so the amended project will continue to be adequately served by schools.

X. LIBRARIES

The amended project includes a potential library site, consistent with the adopted SPA Plan. The demand for additional library facilities is based on the amount of new residential development. Similar to schools, the amended project generates the same demand for library services. Therefore, the amended project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 98), adjusted to actual unit counts and will be adequately served.

The library obligation is further defined in the Millenia Development Agreement. In February of 2016, the applicant and one of the applicant's merchant builders entered into a recorded agreement with the City to transfer the library obligation from the applicant to the merchant builder. The project's responsibilities regarding libraries will not change with the SPA amendment so the amended project will continue to be adequately served by libraries.

XI. PARKS, TRAILS and OPEN SPACE

The amended project includes public and private park sites, consistent with the adopted SPA Plan. The demand for additional parks is based on the amount of new residential development. The amended project generates the same demand for parks. Trails and open space within the Otay Ranch community are designated at the General Development Plan (GDP) and implemented within each SPA. The amended SPA includes all the required GDP components included in the adopted SPA Plan. Therefore, the amended project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 111), adjusted to actual unit counts and will be adequately served.

Consistent with those requirements, the master developer entered into an agreement entitled "Agreement Regarding Construction of Parks in a Portion of the Otay Ranch Eastern Urban Center" as part of the original entitlements. That agreement has been amended twice, once in 2015 and again in 2016. No further amendment to that agreement, which is based on a build-out of 2,983 residential units (but contemplates the possibility of fewer units), will be required to implement the proposed SPA amendment.

XII. WATER

The demand for additional water and recycled water service is based on the amount of new development in a project. The amended project generates a similar demand for water and recycled water as identified in the original PFFP. Therefore, the project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 121), adjusted to actual unit counts and will be adequately served.

XIII. SEWER

The demand for additional sewer service is based on the amount of new development in a project. The amended project generates a similar demand for sewer service as identified in the original PFFP. Therefore, the project must comply with the requirements identified in the original PFFP (2009 PFFP, Page 133-134), adjusted to actual unit counts and will be adequately served.

XIV. DRAINAGE

The need for additional drainage facilities is based on the amount of development (impervious surface) in a project. The developed area of the amended project is the same as that of the adopted SPA, hence the drainage needs of the amended project will be the same as the approved. Therefore, the amended project must comply with the requirements identified in the original PFFP (2009 PFFP, Pages 151-152).

In addition, the amended project would continue to comply with all applicable rules and regulations including compliance with National Pollutant Discharge Elimination System (NPDES) permit requirements for urban runoff and stormwater discharge. Best Management Practices (BMPs) for design, treatment, and monitoring for stormwater quality would be implemented as required with respect to municipal and construction permits.

XV. AIR QUALITY

Air quality impacts associated with the adopted project were evaluated in the Air Quality Improvement Plan (AQIP) prepared and adopted with the original project approval. The primary factor in estimating ongoing emissions is the amount of vehicular traffic associated with the project and the amount of traffic is directly related to the amount of new development. The amended project would result in a similar level of development intensity. As a result, operational emissions (specifically those resulting from mobile sources) associated with the amended project would be similar to the prior analysis. Construction emissions would remain unchanged, because no change in the construction schedule or required construction equipment is anticipated. The

previous analyses remain applicable to the proposed project, and no additional mitigation measures would be required. The amended project must comply with the requirements in the original PFFP (2009 PFFP Pages 156).

XVI. CIVIC CENTER

Per the original PFFP, there are no adopted Threshold Standards for the Civic Center. The Public Facilities fee (see Section V. Development Impact Fee Programs) must be paid prior to the issuance of building permits, at the rate in effect at the time payment is made.

XVII. CORPORATION YARD

Per the original PFFP, there are no adopted Threshold Standards for the Corporation Yard. The Public Facilities fee (see Section V. Development Impact Fee Programs) must be paid prior to the issuance of building permits, at the rate in effect at the time payment is made.

XVIII. OTHER PUBLIC FACILITIES

Per the original PFFP, there are no adopted Threshold Standards other facilities which are part of the Public Facilities Development Impact Fee Program. The Public Facilities fee (see Section V. Development Impact Fee Programs) must be paid prior to the issuance of building permits, at the rate in effect at the time payment is made.

XIX. FISCAL ANALYSIS

The Applicant will prepare an updated fiscal analysis for the amended project.

XX. PUBLIC FACILITY FINANCE

The amended project will utilize the same public facility finance mechanisms as the approved project. No changes are necessary to the original Public Facility Finance discussion.