

Project:

*PA12 - FREEWAY COMMERCIAL
NORTH (FC2) AMENDMENT*

Date:

MARCH 2015

Documents:

*GP: (GPA 12-13)
GDP: (PCM 12-15)*

By:

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CITY OF CHULA VISTA
GENERAL PLAN
OTAY RANCH
GENERAL DEVELOPMENT PLAN
AMENDMENTS

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INTRODUCTION

For over 50 years, Baldwin & Sons has developed master-planned communities in Southern California's San Diego and Orange Counties. In that time, the company has built over 18,000 homes and has proudly earned a reputation for creating high quality communities. Many of those communities have been honored for outstanding achievement including the Pacific Coast Builders Gold Nugget Award, the Los Angeles County Beautification Award, and the Good Housekeeping Award. Baldwin & Sons is also a 3-time winner of the National Association of Homebuilders' "Home of the Year" Award.

Locally, Baldwin & Sons is a founding developer of the Otay Ranch community in Chula Vista. Baldwin & Sons is responsible for planning many of the community's villages as well as building numerous homes, commercial spaces, schools, and parks while preserving open spaces for recreation and enjoyment of residents.

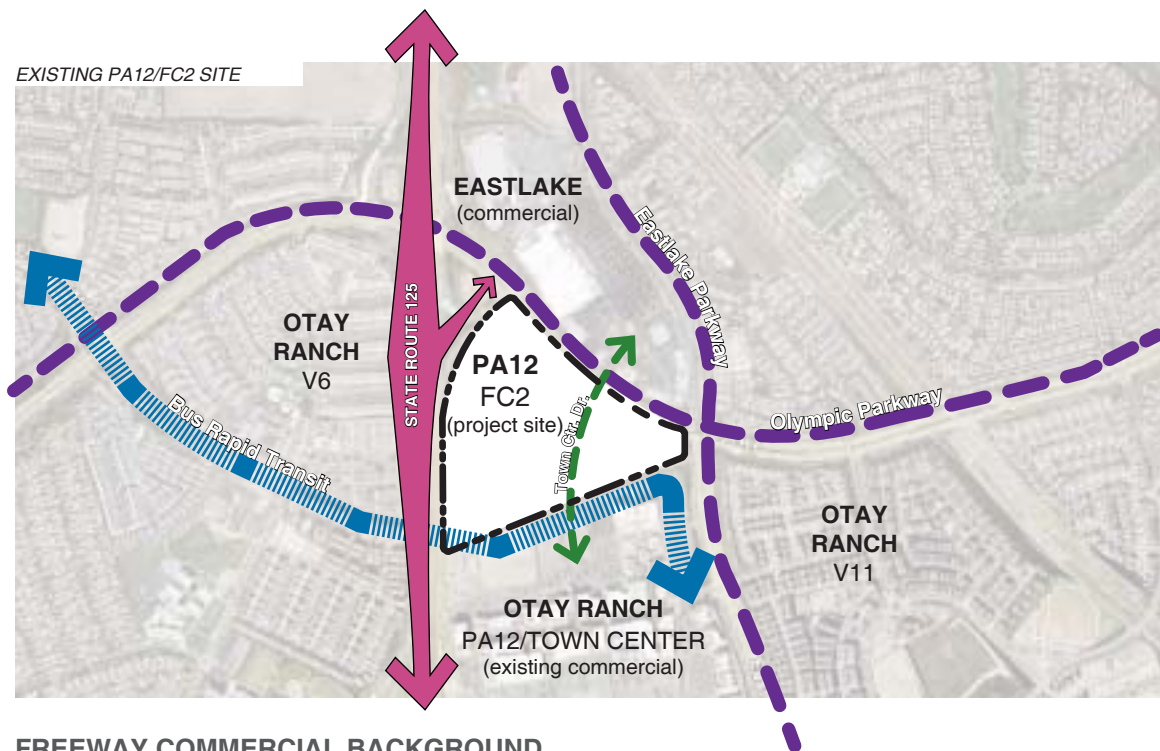
Baldwin & Sons is pleased to present the following project application. The proposed project establishes a unified, walkable, mixed-use plan for the FC2 district of Otay Ranch Planning Area 12. It is intended to enhance living, working, shopping, and transit options in the area. The project amends existing commercial entitlements on approximately 28.7 acres of the 35.0 acre FC2 site to implement 600 multi-family dwelling units and a 2-acre public park. Commercial entitlements for the residual 6.3 acres of FC2 will remain unchanged and will accommodate two hotels with 300 total rooms.

The project requires amendments to the City of Chula Vista General Plan (GP), the Otay Ranch General Development Plan (GDP), and the Freeway Commercial Specific Planning Area (SPA) Plan. The project also involves addenda to the approved Freeway Commercial Environmental Impact Report (EIR) and Public Facilities Financing Plan (PFFP), as well as a new Fiscal Impact Analysis (FIA).

OTAY RANCH BACKGROUND

The Otay Ranch General Development Plan/ Sub Regional Area Plan (GDP/ SRP) was originally adopted by the Chula Vista City Council and the San Diego County Board of Supervisors October 28, 1993. The plan governs the 23,000+ acre Otay Ranch Properties. The Otay Ranch GDP is based upon, and directly implements, the City of Chula Vista General Plan. The Otay Ranch GDP includes plans for urban villages, a resort community, the Eastern Urban Center, industrial areas, rural estate planning areas, and a university.

Since its adoption in 1993, the GDP was amended in 1998, 2001, 2005, 2006, and most recently in 2014 to address Village-specific planning issues.



FREEWAY COMMERCIAL BACKGROUND

The Freeway Commercial SPA was originally envisioned to be the freeway commercial component of the regional commercial, cultural, social, and public services center of the East Urban Center (EUC). It was also the freeway commercial area in the heart of Otay Ranch as established in the Otay Ranch General Development Plan (GDP).

The Otay Ranch Freeway Commercial Center represents a southward and eastward extension of the initial development approved in Otay Ranch Sectional Planning Area (SPA) One, containing Villages 1 and 5. It also represents an eastward extension of Village 6 and a westward extension of Village 11. Additionally, the Freeway Commercial Center is an extension of the urban development approved and constructed in the Eastlake Planned Community, located immediately to the north.

In 2001, a GDP amendment separated the EUC and Freeway Commercial components into separate planning areas. In September 2004 the Freeway Commercial SPA Plan was adopted and entitled approximately 1,214,000 sf of commercial uses: 867,000 sf on FC1 and 347,000 sf on FC2. In 2006, the Otay Ranch Town Center Mall was constructed on FC1 and in 2007 a SPA amendment was approved which raised the total commercial area allowed on FC1 from 867,000 sf to 960,000 sf. Today, the FC2 site remains vacant and undeveloped.

PROJECT IMPLEMENTATION

Planning

Amendments to the City of Chula Vista General Plan (GP), and the Otay Ranch General Development Plan (GDP). An amendment to the existing SPA plan and preparation of a Master Precise Plans will be required.

Mapping

A new tentative map for the entire FC2 site will be necessary to separate out the residential and commercial zoning areas as well as the public park. Additional lots within those zoning areas will be proposed to facilitate a variety of development scenarios and opportunities.

Environmental

Addendum to the approved EIR. New technical studies have been prepared for traffic, noise, AQ/GHG, health risk, water, and sewer

Facilities

Addendum to the existing PFFP that identifies, summarizes and implements facility costs associated with the project

Fiscal

A Fiscal Impact Analysis (FIA) has been prepared to analyze revenue and service costs for the City.

PROJECT DESCRIPTION

The proposed project establishes a unified, walkable, mixed-use plan for the FC2 district of Otay Ranch Planning Area 12. It is intended to enhance living, working, shopping, and transit options in the area.

The project amends existing commercial entitlements on approximately 28.7 acres of the 35.0 acre FC2 site to implement 600 multi-family dwelling units, 15,000 square feet of mixed use retail, and a 2-acre park.

Commercial entitlements for the residual 6.3 acres of FC2 will remain unchanged and are planned for construction of two hotels totaling 300 rooms. Because commercial entitlements have already been established, and the hotels are consistent with the commercial zoning, processing (such as Design Review and building permits) for the hotels will remain separate from this proposed project.

The proposed project will generate approximately 2.2 acres of Community Purpose Facility (CPF) obligations. CPF obligations will be provided either on site or off-site and may include meeting rooms/gathering areas in the hotels, child care and gathering facilities in the retail spaces, and shared bicycle facilities or other recreational opportunities in any of the uses. The future SPA Plan Amendment and Master Precise Plan will provide detail on exactly how and where the obligation is met. The proposed project will also generate approximately 4.7 acres of park facility obligations. This obligation will be satisfied by providing two acres of park land onsite and utilizing the value of the remaining 2.7 acres on that site through an enhancement program (as detailed in the Project's development agreement). Any equivalency value not spent on the park enhancement will be paid to the City as an in-lieu payment.

Implementing the proposed project requires amendments to planning documents, maps, environmental documents, financing plans, as well as preparation of new technical and fiscal studies. This current application consists of a General Plan Amendment, a General Development Plan Amendment, and a development Agreement. The proposed project is less intensive than the currently approved commercial zoning on the site and caused no new mitigation to be required. An addendum to FEIR 02-04 has been prepared pursuant to CEQA. Future applications will be required for a SPA Plan Amendment, a Master Precise Plan, a tentative map, and final maps.

ILLUSTRATIVE PA12/FC2 SITE PLAN



SITE PLANNING CONCEPT:

The proposed project establishes a unified, walkable, mixed-use plan for the FC2 district of Otay Ranch Planning Area 12. It is intended to enhance living, working, shopping, and transit options in the area. Site uses are located to engender project goals, and enhance the viability of proposed uses. Although new residential uses are proposed, the importance of commercial uses, including hotels, is recognized. As a result, the amount, and location of the uses has been prioritized in the site planning process.

Site planning responds to hotel needs by locating the hotel uses on the northwest corner of the site where they will have optimal visibility from both Olympic Parkway and SR-125. The planned retail uses (provided in a mixed use format) are located along Town Center Drive. This location provides the retail optimal visibility from the street, and the planned diagonal parking will provide convenient accessibility for customers. This is crucial to the viability of retail/commercial uses on PA12. The park, fronting on Town Center Drive, is located at the center of the project and intended to link all of the uses together.



Residential uses span both sides of Town Center Drive and were located to provide direct adjacency to the Otay Ranch Town Center mall. The location is also proximate to Otay Ranch Village 6 (via the pedestrian linkage that will be provided by the BRT bridge) which includes park and school uses as well as residential. The close proximity to these neighboring uses, as well as to the park and integrated retail uses on the FC2 site, encourages residents to walk to uses, rather than drive. The proposed residential uses are also within a short walk, less than half of a mile, of the proposed BRT transit stop along Eastlake Parkway at the Otay Ranch Town Center Mall. This further encourages residents to reduce automobile use in favor of walking and transit. Although residential uses are adjacent to SR125, buildings have been setback/buffered from the western property line to minimize the effects of the freeway. Additionally, the freeway is located well below the level of the residential pad.

To connect uses in a walkable, cohesive manner on site, pedestrian walkways will connect residential, hotel and commercial uses. Additionally, in some cases, enhancements will be added to create a pedestrian friendly environment and encourage residents to walk. Architecture will be complementary across all uses to further establish a cohesive site design.

GENERAL PLAN JUSTIFICATION

EXISTING SITE CONDITIONS

The FC2 project site is bounded by the SR125 (west), Olympic Parkway (north), Eastlake Parkway (east), and the Otay Ranch Town Center mall (south). Adjacent land uses include Otay Ranch Village 6 (west), a commercial center in the Eastlake planned community (north), Otay Ranch Village 11 (east), and the Otay Ranch Town Center Mall (south). A future Bus Rapid Transit (BRT) guideway is planned to bridge across SR125 from Village 6, cross the southwest portion of FC2, and progress east on the south side of FC2's southern boundary. Town Center Drive, an existing roadway, bisects FC2 into eastern and western sections.

FC2 is approximately 35.0 gross acres. Approximately 347,000 sf of regional commercial uses were entitled on FC2 in 2003. In the mid 2000s, FC2 was rough graded. The site is currently vacant aside from temporary signage.

Pedestrian and vehicular access to FC2 is taken from Olympic Parkway to the north and the Otay Ranch Town Center to the South. Town Center Drive provides pedestrian/vehicular access across the site and connects Olympic Parkway to the Otay Ranch Town Center. Additionally, the proposed BRT alignment will provide pedestrian access to the site from an off-site transit stop fronting the Otay Ranch Town Center along Eastlake Parkway. A pedestrian walkway will be provided on the proposed BRT bridge that spans SR125. This will provide pedestrian connection between FC2 and Otay Ranch Village 6.

PROPOSED AMENDMENTS

The proposed project creates a unified, walkable, mixed use FC2 site that enhances living, working, shopping, and transit options in the area. The project proposes to amend the General Plan to change 28.7 acres from Commercial Retail to 26.7 acres of Mixed Use Residential to implement 600 multi-family dwelling units, and two acres of Parks and Recreation.

Implementation of the proposed project involves proposed amendments to the City of Chula Vista General Plan, the Otay Ranch General Development Plan, and a future amendment to the Freeway Commercial SPA Plan.

In the General Plan, land use maps are updated to reflect a portion of the site changing from commercial to mixed use residential and parkland and tables are updated to reflect 600 new dwelling units and a resultant population of approximately 1,566 new residents. Additionally, City staff has crafted new policies to guide the development of a mixed use place.

In the Otay Ranch General Development Plan, land use maps are updated to reflect a portion of the site changing from commercial to mixed use. Additionally, tables are updated to reflect new dwelling units and population, and account for the additional park and recreation acreage. Additional new policies have also been crafted to provide further direction for SPA Plan implementation of the mixed use places.

A Commercial Lands Analysis was prepared and supports the conversion of land from retail uses to residential showing that the region has an oversupply of planned retail area. A Fiscal Impact Analysis (FIA) was also prepared as part of the project, and shows that the project is a net positive to the City.

Related to but independent from the proposed project, Baldwin & Sons will process a Design Review application for the construction of 2 hotels on the FC2 site. Hotels provide an undersupplied use to Chula Vista residents and significant fiscal benefit to the City of Chula Vista. The hotel uses are allowed under existing commercial entitlements. A CUP is required due to the height of the proposed hotels.

LAND USE CONSIDERATIONS

FC2 is currently entitled with approximately 347,000 sf of commercial uses. No residential uses are entitled at this time. As a result, land use amendments are necessary for implementation of proposed residential uses on FC2. In replacing 332,000 sf of retail (though almost 200,000 square feet of commercial is provided in the form of the hotels) with 600 residential units on 26.7 acres, the proposed project changes density from 0 du/ac to approximately 23 du/ac. The proposed project complements and enhances the aforementioned surrounding land uses in OR Village 6 (to the west), Eastlake Commercial Center (to the north), OR V11 (to the east), and OR Town Center Mall (to the south) by adding a high-density housing option, and associated residents, within walking distance of these existing uses. These surrounding properties do not require a zone change due to the proposed project.

The inclusion of residential dwelling units provides benefit to the neighborhood, community, and City of Chula Vista as a whole. In particular, the proposed project will engender development of a complete, mixed-use, multi-hour neighborhood that is unified, walkable, and dynamic. This is demonstrated in the following ways:

More Walking, Less Driving

Locating residential uses close to commercial uses will increase walkability and decrease vehicular trips. Residents will be able to walk to adjacent uses such as the Otay Ranch Town Center mall, Eastlake commercial center, and schools and parks in OR V6 (via pedestrian pathway on BRT bridge).

Dynamic, Active, Safe

By implementing residential uses, FC2 will become more active throughout the day, and will attract a broader set of visitors. This activity increases vibrancy and attracts residents/shoppers. Activity also creates a safer environment for residents/shoppers by increasing 'eyes on the street'.

Synergy Between Uses

Increasing residential uses (and the resultant increase in population) will encourage and enhance existing uses in the project area. The increased population will support existing commercial uses and attract others. In so doing, adding residential uses will create a stronger, more dynamic retail environment. This not only benefits the commercial uses in the immediate area, it also benefits the community and city due to tax revenue generation.

Increased Transit Ridership for BRT

By locating residential uses near the proposed BRT transit stop on Eastlake Parkway, the proposed project will increase BRT ridership. This conforms to Chula Vista General Plan objectives by placing higher density residential near transit stations. It also increases the viability of BRT, and encourages alternatives to automobile use.

Balanced Land Uses

Currently, there is an oversupply of retail uses in the immediate area. This is evident in the low rents and high vacancy rates seen in commercial projects in the area. By converting commercial land to residential, the proposed project will reduce this oversupply. Commercial uses will also benefit from the new residential population/shoppers generated by proposed residential uses.

Sense of Place and Character

Adding residential to FC2 will create a sense of place and character to the district. The combination of residential, commercial, hotel, parkland, and regional transit (BRT) located in close proximity to the existing Otay Ranch Town Center will result in a vibrant, semi-urban node of activity. This unique environment in Otay Ranch will attract residents and visitors.

Increased Housing Choices

The proposed project will provide Chula Vista residents an increased number of housing choices/opportunities within the immediate Freeway commercial area, and in the city as a whole. The proposed residential apartments include a high-quality architectural design with equally high-quality on-site amenities. This combination of design and amenities in apartments is currently undersupplied in Chula Vista and one that will further attract residents to the community. Additionally, the for sale units will allow

residents additional housing options within a highly walkable project that will offer access to already existing commercial uses.

Contextual Design

The proposed project will be similar to surrounding projects in terms of bulk, scale, and architectural design. Project site planning includes pedestrian and vehicular connections to the adjacent Otay Ranch Town Center Mall to facilitate/ encourage pedestrian and vehicular access. Internally, the uses on site will be designed in a cohesive manner.

ECONOMIC CONSIDERATIONS

The proposed project encourages economic growth and diversity within the City of Chula Vista. Increasing residential units and local population will increase viability of the existing commercial sites to the north and south as well as those uses proposed on the site. This will help existing retailers to flourish, and will attract others to the area. Also, although processed separately, approval of residential uses will allow the development of hotels on a portion of FC2 which is currently entitled for commercial entitlements. Hotels will provide the City of Chula Vista with significant fiscal benefit. To further define these benefits, a fiscal impact analysis has been conducted.

Although the proposed project reduces commercial acreage in the immediate area, a significant amount of the originally entitled 347,000 square feet of commercial will remain. Almost 200,000 square feet of the commercial entitlement will be used for the two hotels and another 15,000 square feet of retail will be provided in a mixed use format with the residential. Additionally, it is important to consider the economic benefit/ impact of project timing. Entitling residential uses will allow hotel and retail uses to be developed earlier. Without residential uses, the site would likely remain undeveloped for a longer period of time. As a result, residential uses will provide the City of Chula Vista revenues from hotel and retail uses in a more immediate timeframe. Finally, many of the retail users that were intended for this site have been able to relocate to projects in the Eastern Urban Center allowing the City to still capture sales tax revenues from those users while also helping to energize other area of Otay Ranch.

ENVIRONMENTAL CONSIDERATIONS

Historically, the Otay Valley Parcel of the Otay Ranch property was used for ranching, grazing, dry farming and truck farming activities. Because the site has been graded and is located in an urbanized area, there are few environmentally sensitive considerations on the project site. In particular, vegetation, sensitive wildlife, soils, topography, watercourses, visual corridors, noise sources and hazardous materials are not specific concerns.

Due to the project's proximity to the the SR125 freeway, a health risk assessment was performed as part of the project analysis. Residential site planning will attempt to minimize any impacts from the SR125 freeway.

The proposed project will provide preserve land acreage consistent with Otay Ranch General Development Plan and the existing Freeway Commercial SPA Plan prior to issuance of final map.

HOUSING DEVELOPMENT CONSIDERATIONS

The proposed project will accommodate affordable housing in a manner consistent with the City of Chula Vista Municipal Code and the Otay Ranch General Development Plan.

INFRASTRUCTURE CONSIDERATIONS

Water

Currently water is provided to the area via a 16" water line in Olympic Parkway, a 20" line in Eastlake Parkway, and a proposed 12" line in Town Center Drive. A technical consultant (Dexter Wilson) has analyzed these facilities for the proposed project and has been deemed them adequate to support the proposed development. Additional connections to Olympic Parkway will be made to serve the hotel, park and residential uses with both potable and reclaimed water.

The future PA12 SPA Amendment development will be required to comply with the City of Chula Vista Guidelines for water conservation. In addition to using recycled water where feasible for landscape irrigation, the proposed apartment units will implement additional water conservation measures such as hot water pipe insulation, pressure reducing valves, and water efficient dishwashers.

Sewer

The proposed onsite sewer system for the PA12 SPA area consists of gravity sewer lines that will convey flow to the Poggi Canyon Interceptor in Olympic Parkway. Based on the average flow, an 8" gravity sewer line is adequate to convey total project flow. The available capacity in the Poggi Canyon Interceptor was also evaluated under the proposed condition. Only the two reaches already identified for future replacement are shown to be 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 PA12 amendment, the Poggi Basin Gravity Sewer Development Impact Fee should be updated to reflect additional units.

Schools

School generation impacts will be mitigated through tax obligations and

development fees at time of building permit issuance.

Public Facilities Financing Plan

To identify, summarize and implement the various facility costs associated with the Freeway Commercial project, a Public Facility Financing Plan (PFFP) was created in conjunction with the existing Freeway Commercial SPA Plan. The PFFP implements the City's Growth Management Program and meets General Plan/ Growth Management Element goals and objectives. The Chula Vista Growth Management Program implements the City's necessary public facilities and services exist or are provided concurrent with the demands of new development.

Prior to approval of the SPA Plan Amendment, the Public Facilities Financing plan will be amended to ensure timely provision of necessary project services and utilities.

PUBLIC BENEFIT CONSIDERATIONS

The proposed project provides a number of public benefits to the immediate area, the Otay Ranch, and to the City of Chula Vista. These project benefits have been discussed in the 'land use considerations' section of the general plan justification.

ANNEXATION

No annexation considerations are applicable to this application

PA-12 FREEWAY COMMERCIAL NORTH (FC2) AMENDMENT

Appendix A: General Plan Amendment

Draft General Plan Amendment Otay Ranch, Planning Area 12

March 2015

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Otay Ranch, Planning Area 12

Draft General Plan Amendment

I. Introduction

A. Purpose of the General Plan Amendment (GPA)

Baldwin & Sons proposes to amend portions of the General Plan in order to establish consistency between the 2005 General Plan as amended in December 2014, and proposed in the 2015 General Development Plan Amendment for Planning Area 12 (PA-12).

Adopted General Plan page numbers, exhibit numbers, and figure numbers pertain to the General Plan document adopted December 13, 2005 as amended December 2014.

B. Purpose of the Project/Proposal

This GPA application is one part of Baldwin & Sons intent to implement long-range development goals and strategies as they pertain to portions of PA-12. Baldwin & Sons has submitted an application for Otay Ranch General Development Plan Amendment (GDPA), and will submit applications for a Sectional Planning Area (SPA) Plan Amendment, Tentative Subdivision Maps (TM) and the associated environmental documentation. The purpose of this set of submittals is to establish compliance with the current General Plan. As part of this application, a revised definition of two Freeway Commercial land use designation is proposed to allow for a better mix of permitted commercial and residential land uses that promote walkability, reduce vehicle miles traveled (VMTs), and support transit. These plans are intended to fulfill the goals of smart-growth development, SB 375 and the reduction of greenhouse gas emissions and are generally consistent with current 2005 General Plan policies.

This application updates selected text and tables to reflect updated U.S. Census Bureau population statistics and dwelling unit counts based on proposed PA12 amendment. Existing text and tables being amended by this application reflect the current City-adopted version and do not reflect other amendments proposed under separate applications. Population and dwelling unit revisions proposed by this application are a result of actual growth in the area and planned development under proposed amendments and do not reflect increases that can be attributed solely to PA12.

Otay Ranch, Planning Area 12

Draft General Plan Amendment

II. List of Proposed Amendments

This section provides a list of proposed amendments by page number in the General Plan.

- Page LUT—47, General Plan Land Uses:
 - a. Updated map to reflect PA-12 amendment
- Page LUT—57, Projected Population:
 - a. Update text to reflect projected population of “399,978” to “401,544”
 - b. Update percent growth of “49%” to “80%”
 - c. Update growth rate from “1.8 percent” to “2.7 percent”
- Page LUT-57, Table 5-5, Chula Vista Projected Population in 2030:
Update table to reflect projected population of “207,690” to “209,256” for East (incorporated area) and projected population of “339,978” to “401,544” for Total
- Page LUT-59, Table 5-6, General Plan Land Use Distribution in 2030 by Planning Area:
 - a. Update acreage for the category “East Chula Vista Subareas” for PA-12 Land Use changes:
 - Reduce Retail from “506” to “477” acres
 - Increase Mixed Use Residential from “590” to “617” acres
 - Increase Parks and Recreation from “604” to “606” acres
- Page LUT-60, Table 5-7, General Plan Land Use in 2030:
 - a. Update 2030 to reflect proposed PA-12 Land Use changes:
 - Reduce Retail from “855” to “826” acres
 - Increase Mixed Use Residential from “912” to “939” acres
 - Increase Parks and Recreation from “976” to “978” acres
 - b. Update 2030 dwellings to reflect these changes:
 - Increase Mixed Use Residential from “17,356” to “17,956” dwellings
 - Increase Total Dwelling Units “124,358” to “124,958” dwellings
- Page LUT-269, Figure 5-46: Otay Ranch Subarea-Eastern University District: Revise “Retail Commercial” call-out to “Retail Commercial and High Density Residential”
- LUT-288, Section 10.5.8, Existing Conditions: revise text to reflect current conditions of the site.
- LUT-289, Vision for Focus Area: Revise text to include High density/Mixed Use Residential uses.
- LUT-285, Policy LUT 99.1: Revise text to include hotels uses.
- LUT 289.1 Add new Objective LUT99a and supporting policies: Add new text to create a high-quality mixed-use transit supportive development. Add policies LUT 99a.1 through LUT99a.16.

Otay Ranch, Planning Area 12

Draft General Plan Amendment

III. Adopted Versus Proposed

This section provides a visual comparison of the proposed General Plan amendments as they would appear in the General Plan:

- Text to be added to the body of the document and within tables is shown as underlined text. An example follows: The quick brown fox
- Text to be deleted from the body of the document and within tables is shown as strikethrough text. An example follows: ~~The quick brown fox~~
- Exhibits and Tables are shown as a side-by-side comparison between both the “Adopted” and “Proposed”.
 - o The currently Adopted is outlined by a blue solid: 
 - o The Proposed revised exhibit is outlined by a red dashed: 

LAND USE AND TRANSPORTATION ELEMENT

CHAPTER 5

University Study Area

The University Study Area is applied to four focus areas that are located on the site of the future university and surrounding properties in the East Area Plan, and includes the University Campus; University Village; the Regional Technology Park; and the Eastern Urban Center. The purpose of the University Study Area is to develop a coordinated strategy to address the important relationships between the Focus Areas and the need for coordinated development to enhance the economic and community success and vitality of the District. This Study Area is further described in LUT Section 10.5.4



4.10 Projected Population and Projected Land Use

4.10.1 Projected Population

At build-out in 2030, the overall Chula Vista Planning Area will accommodate a population of approximately 331,100, an increase of about 49% percent over the 2004 estimated population of 222,300. The Planning Area also includes lands outside the City's 2004 corporate boundary. This reflects an overall annual growth rate of about 1.8 percent over the next 26 years. The City's annual growth rate over the past 30 years was about 4.6 percent, not including the annexation of the inhabited Montgomery community in 1985, which included approximately 26,000 residents. Table 5.5, Chula Vista Projected Population in 2030, below, shows the current estimated and projected populations for Chula Vista by Planning Area. Additional historic population growth information can be found in Chapter 3, Section 3.1, Chula Vista in Perspective.

TABLE 5-5
CHULA VISTA PROJECTED POPULATION IN 2030

Planning Area	Year 2004*	Year 2030**
Bayfront	0	4,860
Southwest	53,560	72,401
Northwest	56,930	89,090
East (incorporated area)	98,710	207,690
East (unincorporated area)***	13,100	25,937
TOTAL	222,300	399,978

* Source: Year 2004 population estimate derived from State DOF Jan. 1, 2004 estimate for the City of Chula Vista and 2000 Census for unincorporated area.

** Year 2030 population estimate derived using year 2010 Census and State DOF factors Jan. 1, 2013 estimate for the City of Chula Vista.

*** "East (unincorporated area)" includes the Sweetwater and East Otay Ranch Planning Subareas, with most of the growth occurring in the East Otay Ranch Planning Subarea.

LAND USE AND TRANSPORTATION ELEMENT CHAPTER 5

University Study Area

The University Study Area is applied to four focus areas that are located on the site of the future university and surrounding properties in the East Area Plan, and includes the University Campus; University Village; the Regional Technology Park; and the Eastern Urban Center. The purpose of the University Study Area is to develop a coordinated strategy to address the important relationships between the Focus Areas and the need for coordinated development to enhance the economic and community success and vitality of the District. This Study Area is further described in LUT Section 10.5.4



4.10 Projected Population and Projected Land Use

4.10.1 Projected Population

At build-out in 2030, the overall Chula Vista Planning Area will accommodate a population of approximately ~~331,100~~ 401,544, an increase of about ~~4980~~ 82.7 percent over the 2004 estimated population of 222,300. The Planning Area also includes lands outside the City's 2004 corporate boundary. This reflects an overall annual growth rate of about ~~1.82~~ 1.827 percent over the next 26 years. The City's annual growth rate over the past 30 years was about 4.6 percent, not including the annexation of the inhabited Montgomery community in 1985, which included approximately 26,000 residents. Table 5.5, Chula Vista Projected Population in 2030, below, shows the current estimated and projected populations for Chula Vista by Planning Area. Additional historic population growth information can be found in Chapter 3, Section 3.1, Chula Vista in Perspective.

**TABLE 5-5
CHULA VISTA PROJECTED POPULATION IN 2030**

Planning Area	Year 2004*	Year 2030**
Bayfront	0	4,860
Southwest	53,560	72,401
Northwest	56,930	89,090
East (incorporated area)	98,710	209,256
East (unincorporated area)***	13,100	25,937
TOTAL	222,300	401,544

* Source: Year 2004 population estimate derived from State DOF Jan. 1, 2004 estimate for the City of Chula Vista and 2000 Census for unincorporated area.

** Year 2030 population estimate derived using year 2010 Census and State DOF factors Jan. 1, 2013 estimate for the City of Chula Vista.

*** "East (unincorporated area)" includes the Sweetwater and East Otay Ranch Planning Subareas, with most of the growth occurring in the East Otay Ranch Planning Subarea.

LAND USE AND TRANSPORTATION ELEMENT

CHAPTER 5

TABLE 5-6
GENERAL PLAN LAND USE DISTRIBUTION IN 2030 (ACREAGES)

General Plan Land Use Designation	Total General Plan Area	Bay-front	North-west	South-west	East		
					East Chula Vista Subareas	Unincorp. Sweet-water Subarea	Unincorp. Otay Ranch Subarea
RESIDENTIAL							
Low	6,977		64		1,560	2,453 ¹	2,900
Low Medium	8,021		1,354	1,401	4,748	307	211
Medium	1,610		187	288	1,031	32	72
Medium High	640		143	113	287		97
High	525		124	253	148		
Urban Core	84		84				
Bayfront High	14	14					
COMMERCIAL							
Retail	855		115	202	506	32	
Visitor	143	130	11	2			
Professional & Admin.	157	18	61	7	59	12	
MIXED USE							
Mixed Use Residential	912		174	98	590		50
Mixed Use Commercial	146	25	37	58	26		
Mixed Use Transit Focus Area	122		83	39			
INDUSTRIAL							
Limited Industrial	1,875	62	116	384	1,097		216
Regional Technology Park	85				85		
General Industrial	175	175					
PUBLIC, QUASI PUBLIC AND OPEN SPACE							
Public/Quasi-Public	2,901	55	225	321	1,880	381	39
Parks and Recreation	976	74	73	106	604	88	31
Open Space	7,314	100	215	617	3,587	1,101	1,694
Open Space Preserve	16,926	362	18	97	4,582	1,997	9,870
Open Space – Active Recreation	375	8	44		323		
Water	2,672	1,498				9	1,165
SPECIAL PLANNING AREA							
Eastern Urban Center	266				266		
Resort	230						230
Town Center	85				85		
OTHER²	4,606	99	866	829	2,343	408	61
TOTAL ACRES	58,692	2,620	3,994	4,815	23,807	6,820	16,636

1-The unincorporated portion of the Northwest Planning Area (87 acres of Residential Low) is included in the Unincorporated Sweetwater Subarea column only.

2-Streets, freeways, utility right-of-ways

LAND USE AND TRANSPORTATION ELEMENT CHAPTER 5

**TABLE 5-6
GENERAL PLAN LAND USE DISTRIBUTION IN 2030 (ACREAGES)**

General Plan Land Use Designation	Total General Plan Area	Bay-front	North-west	South-west	East		
					East Chula Vista Subareas	Unincorp. Sweet-water Subarea	Unincorp. Otay Ranch Subarea
RESIDENTIAL							
Low	6,977		64		1,560	2,453 ¹	2,900
Low Medium	8,021		1,354	1,401	4,748	307	211
Medium	1,610		187	288	1,031	32	72
Medium High	640		143	113	287		97
High	525		124	253	148		
Urban Core	84		84				
Bayfront High	14	14					
COMMERCIAL							
Retail	826		115	202	477	32	
Visitor	143	130	11	2			
Professional & Admin.	157	18	61	7	59	12	
MIXED USE							
Mixed Use Residential	939		174	98	617		50
Mixed Use Commercial	146	25	37	58	26		
Mixed Use Transit Focus Area	122		83	39			
INDUSTRIAL							
Limited Industrial	1,875	62	116	384	1,097		216
Regional Technology Park	85				85		
General Industrial	175	175					
PUBLIC, QUASI PUBLIC AND OPEN SPACE							
Public/Quasi-Public	2,901	55	225	321	1,880	381	39
Parks and Recreation	978	74	73	106	606	88	31
Open Space	7,314	100	215	617	3,587	1,101	1,694
Open Space Preserve	16,926	362	18	97	4,582	1,997	9,870
Open Space – Active Recreation	375	8	44		323		
Water	2,672	1,498				9	1,165
SPECIAL PLANNING AREA							
Eastern Urban Center	266				266		
Resort	230						230
Town Center	85				85		
OTHER²	4,606	99	866	829	2,343	408	61
TOTAL ACRES	58,692	2,620	3,994	4,815	23,807	6,820	16,636

1-The unincorporated portion of the Northwest Planning Area (87 acres of Residential Low) is included in the Unincorporated Sweetwater Subarea column only.

2-Streets, freeways, utility right-of-ways



LAND USE AND TRANSPORTATION ELEMENT CHAPTER 5

TABLE 5-7
GENERAL PLAN LAND USE IN 2030

General Plan Land Use Designation	2030 Acres	2030 Dwelling Units
RESIDENTIAL		
Low	6,977	8,232
Low Medium	8,021	41,337
Medium	1,610	16,230
Medium High	640	9,875
High	525	15,382
Urban Core	84	3,830
<u>Bayfront High</u>	14	1,500
COMMERCIAL		
Retail	855	
Visitor	143	
Professional & Admin.	157	
MIXED USE		
Mixed Use Residential	912	17,356
Mixed Use Commercial	146	
Mixed Use Transit Focus Area	122	3,782
INDUSTRIAL		
Limited Industrial	1,875	
Regional Technology Park	85	
General Industrial	175	
PUBLIC, QUASI PUBLIC AND OPEN SPACE		
Public/Quasi-Public	2,901	
Parks and Recreation	976	
Open Space	7,314	
Open Space Preserve	16,926	
Open Space – Active Recreation	375	
Water	2,672	
SPECIAL PLANNING AREA		
Eastern Urban Center	266	4,905
Resort	230	
Town Center	85	1,929
OTHER*	4,606	
TOTAL ACRES	58,692	124,358

* Streets, freeways, utilities

**TABLE 5-7
GENERAL PLAN LAND USE IN 2030**

General Plan Land Use Designation	2030 Acres	2030 Dwelling Units
RESIDENTIAL		
Low	6,977	8,232
Low Medium	8,021	41,337
Medium	1,610	16,230
Medium High	640	9,875
High	525	15,382
Urban Core	84	3,830
<u>Bayfront High</u>	14	1,500
COMMERCIAL		
Retail	826	
Visitor	143	
Professional & Admin.	157	
MIXED USE		
Mixed Use Residential	939	17,956
Mixed Use Commercial	146	
Mixed Use Transit Focus Area	122	3,782
INDUSTRIAL		
Limited Industrial	1,875	
Regional Technology Park	85	
General Industrial	175	
PUBLIC, QUASI PUBLIC AND OPEN SPACE		
Public/Quasi-Public	2,901	
Parks and Recreation	978	
Open Space	7,314	
Open Space Preserve	16,926	
Open Space – Active Recreation	375	
Water	2,672	
SPECIAL PLANNING AREA		
Eastern Urban Center	266	4,905
Resort	230	
Town Center	85	1,929
OTHER[™]	4,606	
TOTAL ACRES	58,692	124,958

* Streets, freeways, utility right-of-ways

East Planning Area

Otay Ranch Subarea - Eastern University District

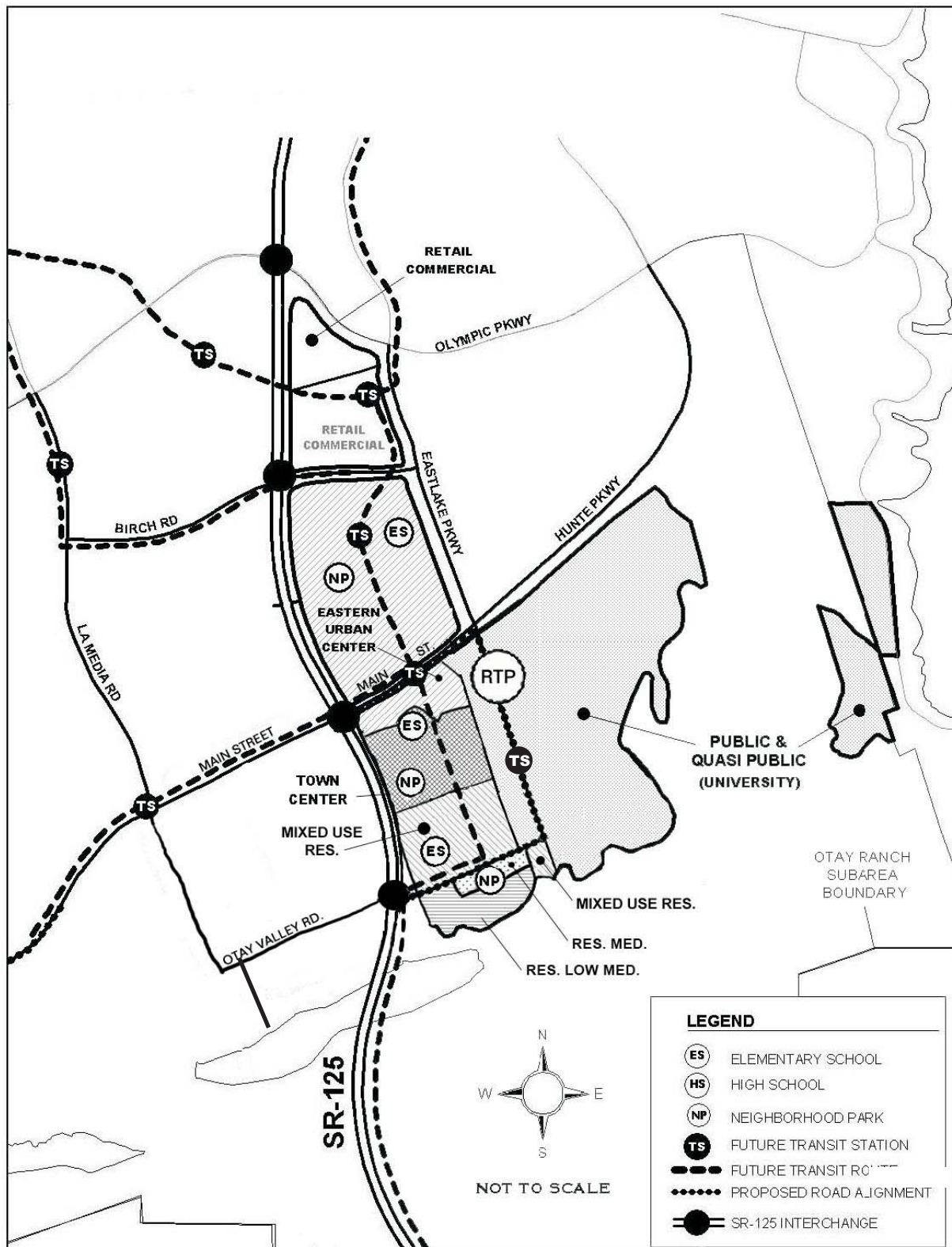


Figure 5-46

East Planning Area

Otay Ranch Subarea - Eastern University District

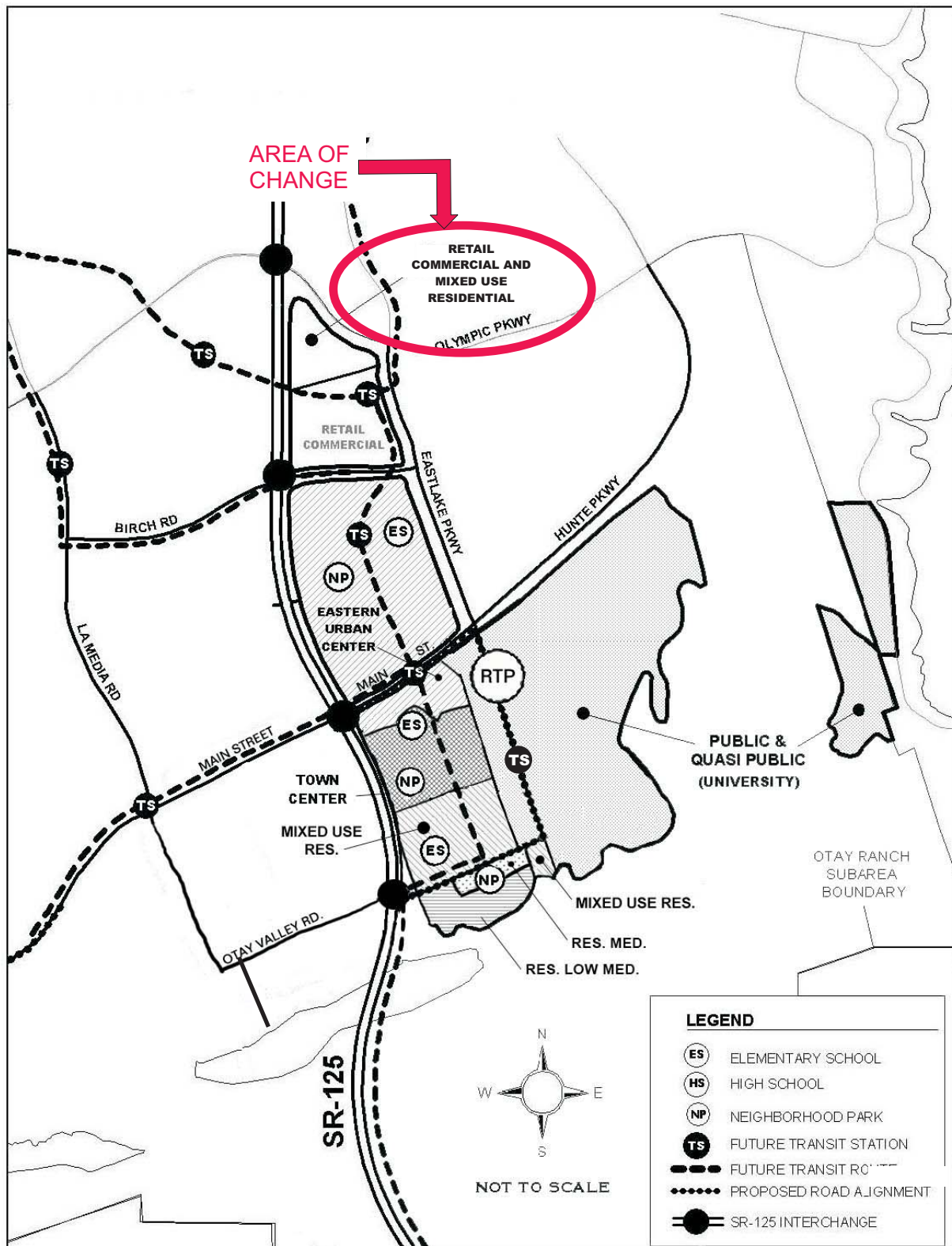


Figure 5-46

- LUT 98.4** The transit center location shall enhance the function and convenience of the Bus Rapid Transit (BRT) system for residents, workers, and visitors in the EUC.
- LUT 98.5** The requirements for park area, function, and design shall be provided for in an EUC Parks Master Plan prepared as part of any SPA Plan within the EUC. The EUC Parks Master Plan shall be guided by the needs and standards identified in the Strategic Framework Policies prepared for the University Study Area.
- LUT 98.6** The precise boundary between the EUC and the University Village will be determined by the design of the Town Center Arterial during the preparation of the Strategic Framework Policies and subsequent SPA plans for the EUC and University Village.
- LUT 98.7** Off-street parking facilities within the Eastern Urban Center shall be located and designed to promote the urban character and pedestrian orientation intended for the EUC. Parking shall conform to the urban architecture and form; provide convenient pedestrian access to the areas it serves; and promote the efficient use of shared parking facilities. To help insure successful buildout of the EUC, regulatory measures and design standards shall allow for flexibility in the siting of off-street parking facilities to accommodate temporary, interim, or phased parking facilities.
- LUT 98.8** Promote the development of public or private parking structures that can be shared by multiple uses within the Eastern Urban Center.

10.5.8 Freeway Commercial Focus Area

Description of Focus Area

The Freeway Commercial Focus Area is composed of approximately 120 acres in the most northerly portion of the Eastern University District (see Figure 5-47). It is bounded by State Route 125 on the west, Olympic Parkway on the north, and Eastlake Parkway on the east.

Existing Conditions

The southerly 85-acre portion of the area (Freeway Commercial South (FC-1)) is currently developed as a regional shopping mall. The northerly 35-acre portion (Freeway Commercial North (FC-2)) is vacant and undeveloped. Planning and engineering for the development of this the northerly area is currently underway, following the adoption of a SPA amendment application and approval of a tentative map and associated zoning permits authorizing construction of a regional shopping center hotels, high density residential units, park, and retail commercial in a mixed-use format.

LAND USE AND TRANSPORTATION ELEMENT

CHAPTER 5

Vision for Focus Area

This Focus Area provides both local and regional-serving retail commercial and entertainment uses. These uses are an important component of the Eastern University District's role as the urban and cultural center for the East Planning Area, as well as serving the surrounding south San Diego County region. The area's immediate proximity to State Route 125 and other major streets provides for an automobile orientation, although it is also served by the regional bus rapid transit (BRT) system. High Density/Mixed Use Residential uses in the northerly portion of this area promote walkability, reduce vehicle miles traveled (VMTs), and decrease traffic impacts through the pedestrian activation of Town Center Drive and close proximity between the hotels, park, retail commercial, residential uses, and the adjacent transit.

Objective - LUT 99

Create a retail commercial center that supports the East Planning Area/Otay Ranch population by providing regional goods and services that are not accommodated in the residential Village Cores or Town Centers; functions integrally with the intense, pedestrian-oriented urban activity of the Eastern Urban Center (EUC) Focus Area; and accommodates the Bus Rapid Transit (BRT) system connecting it to other villages, the Eastern Urban Center (EUC), and the region.

Policies

- LUT 99.1** Accommodate uses that provide regional retail commercial and entertainment services, including: department stores; multiplex theatres; specialty retail shops; hotels, and eating and drinking establishments, but not office use.
- LUT 99.2** Locate the BRT route and station stop within the Freeway Commercial Focus Area to facilitate an appropriate BRT alignment and transit center for the EUC.

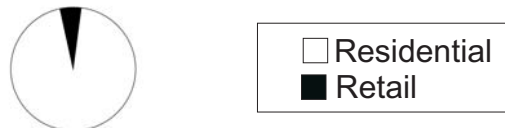
Objective - LUT 99.a

Create a high-quality mixed-use, transit supportive development within Freeway Commercial North (FC-2) with hotels, commercial retail, park, and high-density residential uses through a cohesive, coordinated design that integrates well with the Freeway Commercial South (FC-1) shopping center.

Policies

Uses

LUT 99a.1 Multi-family density is intended at the lower range of the Mixed Use Residential category and is envisioned to provide both for-sale and rental products. The distribution of uses within the Mixed Use Residential is to be predominantly residential with ancillary retail commercial that is intended to primarily serve the nearby residences, and hotel and park patrons, as generally shown on the chart below:



Design

LUT 99a.2 Locate ancillary retail commercial uses primarily along Town Center Drive, to ensure visibility and easy access.

LUT 99a.3 Commercial uses may be provided in a vertical or horizontal mix format

LUT 99a.4 Ensure phasing of commercial uses is coordinated with residential phasing.

LAND USE AND TRANSPORTATION ELEMENT

CHAPTER 5

Intensity/Height

LUT 99a.5 The FC-2 site is envisioned as low to mid-rise generally ranging between 3-5 stories in height.

Design

LUT 99a.6 Provide attractive and appealing design treatment on all sides of the project site with landscaping, hardscape, architectural features and enhanced elevations, and amenities that are aesthetically coordinated with the surrounding land uses.

LUT 99a.7 Any residential units adjacent to SR-125 must be setback from the highway centerline, consistent with policy E6.10.

LUT 99a.8 The public park should be a highly-amenitized urban park that is accessible both visually and physically to the surrounding land uses and thoroughfares, and serves local residents, as well as hotel and shopping center patrons, and the public at large.

LUT 99a.9 Provide prominent identification features via architecture, signage, and landscaping at the corner of Easlake Parkway and Olympic Parkway, Town Center entrance that reflects high-quality development.

LUT 99a.10 Utilize streetscape and/or landscape design elements, including directional signage to provide a clear design tie to the Otay Ranch Town Center (FC-1) to promote a sense of cohesion.

LUT 99a.11 The design of Town Center Drive should promote a pedestrian orientation while accommodating the necessary vehicular demands of the FC-2 area, and its function as the northerly entrance to the FC-1 Otay Ranch Town Center.

LUT 99a.12 To promote a pedestrian-oriented and activated street environment, buildings should generally front internal streets, roadways, and the BRT corridor, with parking lots located behind buildings.

LUT 99a.13 Entrances to buildings should be inviting and easily identified.

LUT 99a.14 Inviting pedestrian access should be provided between all buildings and uses along Town Center Drive and between the FC-1 and FC-2 site.

- LUT 99a.15** Provide for multi-modal ingress and egress between Freeway Commercial North (FC-2) and South (FC-1) areas.
- LUT 99a.16** Provide safe, comfortable and easily identifiable pedestrian crossing locations, routes and signage to the southerly Otay Ranch Town Center BRT station to promote use by hotel patrons and residents.

PA-12 FREEWAY COMMERCIAL NORTH (FC2) AMENDMENT

Appendix B: General Development Plan Amendment

Draft General Development Plan Amendment (GDPA) Otay Ranch, Planning Area 12

March 2015

Project Sponsor/Applicant:

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Prepared By:

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I. Introduction

The following document includes proposed amendments to the Otay Ranch General Development Plan (GDP) to ensure consistency between the proposed changes to the 2005 General Plan as amended in December 2014, and the PA-12 SPA. Baldwin & Sons has submitted an application for a General Plan Amendment (GPA), and will submit applications for a Sectional Planning Area (SPA) Plan Amendment, Tentative Subdivision Maps (TM) and the associated environmental documentation.

The majority of proposed amendments to the GDP are updates to various land use definitions and descriptions as well as corresponding land use summary tables.

It is important to note that at the time of this application, other proposed general development plan amendments may be under review. Since the City has not formally adopted these plans, the following revisions do not necessarily reflect these changes. The revisions proposed by this General Development Plan Amendment application are limited to those that are directly related to the PA-12.

II. List of GDP Amendments

The following table, *Table 1.1 - General Development Plan Amendments for PA-12*, includes a list of the proposed General Development Plan Amendments associated with the PA-12. Each amendment is identified by page number and section and is described under the “issues” column. Each amendment also includes a corresponding discussion of the resolution between staff and the applicant as well as justification for the proposed change.

Table 1.1 - 2015 General Development Plan Amendments for Planning Area 12

PAGE NO.	SECTION	ISSUE	RESOLUTION	JUSTIFICATION	Notes
Part II-Chapter 1 Section C Page II-12	FC, Freeway Commercial	Revise the Freeway Commercial land use definition to describe two planning areas and to include hotels and high density residential uses with ancillary commercial		Allows for the development of high density residential units and a hotel that promotes walkability, reduces VMTs, and supports transit	
Part II-Chapter Section C Page II-15	Exhibit 18a: Overall Project Summary Table	Update statistics;			Table provided by City
Part II-Chapter Section C Page II-17	Exhibit 18b Otay Ranch GDP/SRP Land Use Plan	Update Exhibit			Exhibit provided by City
Part II-Chapter 1 Section C Page 19	First Paragraph	Update total number of dwelling units and residents in Otay Valley Parcel			
Part II-Chapter 1 Section C Pages II-21	Exhibit 19	Update statistics			Table provided by City
Part II-Chapter 1 Section C Pages II-23	Exhibit 20 Otay Valley Parcel Land Use Map	Update Exhibit			Exhibit provided by City
Part II-Chapter 1 Section C Page II-35	Exhibit 25 Otay Ranch Village Types & Rural Estate Areas	Update Exhibit			Need exhibit from City
Part II-Chapter 1 Section C Page II-38	c. Eastern Urban Center	Update population Revised description of Freeway Commercial to include the two planning areas and to include hotels and high density residential uses with some commercial uses.			
Part II-Chapter 1 Section C Page II-39	Exhibit 26 Commercial, Industrial & Business Sites	Update Exhibit			Need exhibit from City
Part II-Chapter 1 Section D Page II-65	b. Freeway Commercial	Revise description of the Freeway Commercial to describe two planning areas and to include a regional shopping opportunities and hotels and high density residential in a mixed-use urban character setting that includes ancillary commercial use and an urban park.			

Table 1.1 - 2015 General Development Plan Amendments for Planning Area 12

PAGE NO.	SECTION	ISSUE	RESOLUTION	JUSTIFICATION	Notes
Part II-Chapter 1 Section D page II- 65 & 66	b. Freeway Commercial Policies	Add new or revised policies: - o In Freeway Commercial South (FC-1), the ... - o In Freeway Commercial North (FC-2), the freeway commercial land use category permits hotels and high density residential in an urban character mixed-use setting, allowing for primarily 3- to 6-story mid-rise buildings (heights will be established at the SPA level). - o The mass of the buildings shall be balanced with usable active and passive open space areas including an urban park adjacent to commercial mixed-uses. - o Provide pedestrian-oriented features, such as tree-lined landscape parkways or hardscape with tree-wells, to buffer pedestrian sidewalks located next to roadways, transit routes and parking areas. - o Setbacks, which promote a pedestrian-oriented environment and prevent a "strip development" appearance, should be established at the SPA level. - o Landscaping shall create a well-kept and attractive commercial and residential environment... - o Prepare a signage program for freeway commercial uses concurrent with the first SPA containing freeway commercial uses. Developed separately, the north and south freeway commercial areas (FC-1 and FC-2 on Exhibit 62) will provide separate signage programs that ensures clear design ties between FC-1 and FC-2 to promote a sense of cohesion..		Allows for the development of high density residential units and a hotel that promotes walkability, reduces VMTs, and supports transit	Provided by City
Part II-Chapter 1 Section F, Part 12 Planning Area 12 Page II-135	Exhibit 60	Update Table			
Part II-Chapter 1 Section F, Part 12 Planning Area 12 Page II-139	d Freeway Commercial Description	Add description of Freeway Commercial			

Table 1.1 - 2015 General Development Plan Amendments for Planning Area 12

PAGE NO.	SECTION	ISSUE	RESOLUTION	JUSTIFICATION	Notes
Part II-Chapter 1 Section F, Part 12 Planning Area 12 Page II-140-142	Freeway Commercial Policies	Describe the planning areas and add entirely new policies for: - o Freeway Commercial South (FC-1) - o Freeway Commercial North (FC-2) - o Freeway Commercial North (FC-2) Character - o Freeway Commercial North (FC-2) Urban Design - o Freeway Commercial North (FC-2) Parks and Open Space - o Other Freeway Commercial Policies		Allows for the development of high density residential units and a hotel that promotes walkability, reduces VMTs, and supports transit	
Part II-Chapter 1 Section F, Part 12 Planning Area 12 Page II-143	Exhibit 62	Update Exhibit			Provided by City
Part II-Chapter 4 Section F Riding and Hiking Trails Page-224	Exhibit 94	Update Exhibit			Provided by City

III. Proposed GDP Amendments

The following section provides the actual existing and proposed text and graphics for the proposed General Plan Amendment. Text amendments are indicated using a strikethrough and underline format as indicated below:

Proposed Text Deletion	The quick brown fox
Proposed Text Addition	<u>The quick brown fox</u>

Graphic Amendments have been shown as “Adopted” versus “Proposed” with each exhibit labeled accordingly.

EUC	Eastern Urban Center	This designation indicates a regional center comprised of local and regional shopping opportunities and office and employment uses configured up to 15 stories. Visitor Commercial such as transit lodging, hotel, motels, commercial recreation and other retail are allowed. High density residential, including high rise residential is also an essential part of the EUC.
FC	Freeway Commercial	This category designation includes <u>two planning areas:</u> <u>(1) the southern portion (Freeway Commercial South, or FC-1) includes regional land uses which require an automobile orientation near regional transportation systems. Expected uses include thoroughfare commercial, visitor commercial, and regionally oriented retail commercial and</u> <u>(2) the northern portion (Freeway Commercial North, or FC-2) land uses are envisioned to include hotels and high density residential with ancillary commercial in a mixed-use urban character setting that includes an urban park.</u>
RTP	Regional Technology Park	This designation applies the Regional Technology Park (RTP) land use designation that is intended to be a large, master-planned business park that integrates research and development activities with high tech manufacturing along with the administrative and office space associate with such a facility as well as other light Industrial uses. It accommodates new research institutions, industries and businesses able to capitalize upon the research activities of the adjacent University Campus and University Village. The RTP accommodates a limited amount of supporting retail, service, professional office and finance businesses and is able to provide services and amenities that provide a high quality work environment.
I	Industrial	This category includes light manufacturing, warehousing, flexible use buildings and public utilities. Very limited amounts of restaurant and office oriented commercial are also permitted. Village Three and Planning Area 18 are identified in the Otay Ranch to contain Industrial land uses
P/QP	Public/ Quasi Public	This includes public uses such as sewerage treatment plants, utility yards, corporate yards, etc.
CP/P	Community Park/Park	This overlay designation indicates the approximate location of Community Parks (CP) and Neighborhood Parks (P). These facilities to be fixed in location at the SPA level.

Overall Project Summary														
Parcel	Dwelling Units			Acreage										Approx. Pop.
	SF Units	MF Units	Total Units	Res. Ac.	Park Ac.	CPF Ac.	Sch Ac.	C'ml. Ac.	Ind. Ac.	Uni. Ac.	Open Sp.	Art. Ac.	Total Ac.	
Otay Valley Parcel	11,255	23,356	34,611	3,249.3	259.5	105.2	230.5	212.9	423.2	279.3	3,973.1	716.3	9,449	99,234
Proctor Valley Parcel	2,631	1,558	4,189	1,885.4	12.5	17.1	10.0	252.0	-	-	5,656.7	61.3	7,895	12,391
San Ysidro Mountains Parcel	779	-	779	1,499.8	3.4	2.3	10.0	3.3	-	-	4,036.2	-	5,555	2,494
Total:	14,665	24,914	39,579	6,634.4	275.4	124.6	250.5	468.2	423.2	279.3	13,666.0	777.6	22,899	114,119

Exhibit 18a Overall Project Summary Table(Proposed))

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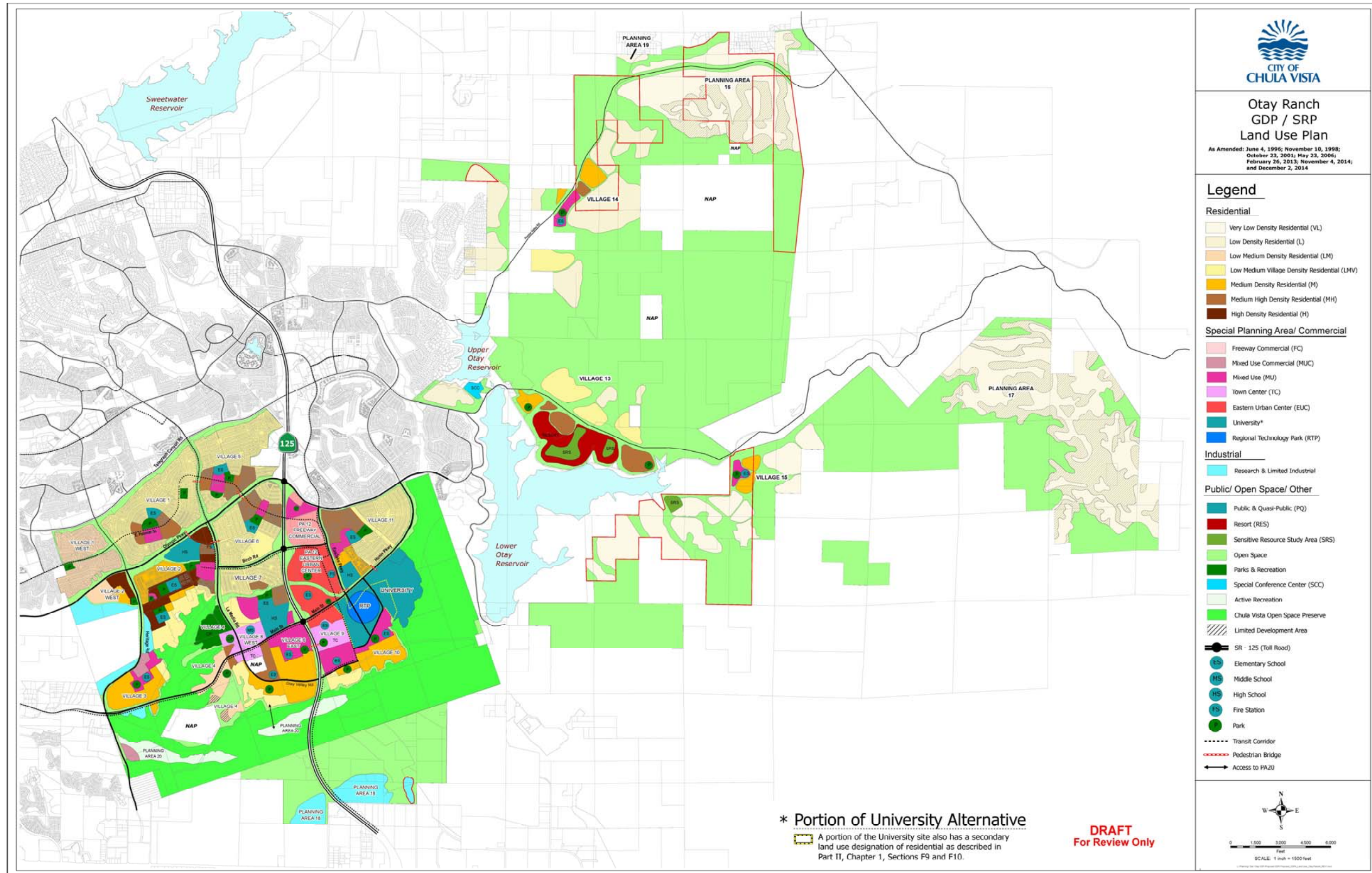


Exhibit 18b Otay Ranch GDP/SRP Land Use Plan (Proposed)

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a. Otay Valley Parcel

The Otay Valley Parcel is the most urban of the three Otay Ranch parcels. The land use plan provides continuity to adjacent developed areas, while creating a unique character. At build-out, this parcel will provide a maximum³ of ~~26,235~~ 34,611 dwelling units, accommodating approximately ~~74,054~~ 99,234 residents.

The major components of the land use plan for the Otay Valley Parcel include:

- o Nine urban villages, with village cores which include mixed use areas, neighborhood parks, and elementary schools.
- o A circulation system which includes a planned highway (SR-125), Transit routes, and a system of regional arterials.
- o A pedestrian trail system that features a network of trails for walking, bicycles, equestrian travel and potential use of low-speed/neighborhood vehicles utilizing facilities such as neighborhood paseos, the “village pathway”, pedestrian bridges and regional trails providing linkages to the Otay Ranch Village Greenway and the Chula Vista Greenbelt.
- o Highest intensity uses along SR-125, including the EUC, more intense urban villages, and freeway commercial areas.
- o Industrial uses on the western edge adjacent to existing business park uses and the Otay Landfill, and at the southern edge adjacent to planned industrial uses on the Otay Mesa.
- o A university site located in Planning Area 10 on the eastern portion of the parcel, adjacent to Village Nine.
- o The Eastern Urban Center with regional services and activities, and the highest residential intensities.
- o The Otay Valley Regional Park (a portion of the overall regional park currently being planned for the entire length of the Otay River Valley).
- o The Otay Valley Parcel land use table below shows the distribution of land use categories.

³ The maximum DU number reflects all residential development on the Otay Valley Parcel. However, Village Three has a primary land use designation of Industrial, a portion of Village Nine is University, and Planning Area Ten has a primary land use designations of University.

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Otay Valley Parcel														
Village	Dwelling Units			Acreage										Approx. Pop.
	SF Units	MF Units	Total Units	Res. Ac.	Park Ac.	CPF Ac.	Sch Ac.	C'ml. Ac.	Ind. Ac.	Uni. Ac.	Open Sp.	Art. Ac.	Total Ac.	
Village 1	2,454	1,522	3,976	703.2	23.1	13.4	10.0	6.3	-	-	264.8	46.5	1,067.3	11,734
Village 2	604	3,941	4,545	346.0	24.0	12.6	19.8	++	82.5	-	226.3	63.5	774.7	14,726
Village 3	1,002	595	1,597	147.5	7.9	4.2	8.3	11.3 ++	39.9	-	129.5	19.8	368.4	4,873
Village 4	453	-	453	118.0	62.8	2.1	-	-	-	-	309.9	35.0	527.8	1,495
Village 5	1,263	1,550	2,813	370.7	16.6	11.3	10.0	2.0	-	-	70.4	15.4	496.4	7,995
Village 6	941	1,497	2,438	282.0	7.6	13.7	10.0	***	-	-	22.0	58.3	393.6	6,830
Village 7	1,008	448	1,456	234.3	9.3	6.3	60.0	7.2	-	-	38.8	17.1	373.0	4,369
Village 8	1,564	4,046	5,610	356.0	35.2	10.0	42.4	* ++	-	-	52.7	40.0	536.3	15,646
Village 9 Res	266	3,734	4,000	177.4	27.5	5.0	19.8	*	-	41.3	6.8	26.1	303.9	10,519
Portion of University/Village 9 (Alternative)**	68**	93**	161**	23.2**	0.9**	0.6**	0.9**	0.8**	-	-	12.4**	2.5**	41.3**	454**
University/RTP	-	-	-	-	-	-	-	-	85.0	238.0	-	-	323.0	-
Village 10	695	1,045	1,740	113.1	7.6	4.3	9.2	-	-	-	16.5	-	150.7	5,010
Portion of University (Alternative)****	291****	213****	504****	71.7****	10.4****	2.1****	8.3****	2.2****	-	-	26.1****	7.8****	128.6****	1,475****
Village 11	1,005	1,385	2,390	306.7	10.0	9.4	35.0	10.0	-	-	51.4	66.5	489.0	6,749
Plng. Area 12	-	3,593	3,593	94.4	27.9	12.9	6.0	161.1 ++	-	-	2.8	71.0	376.1	9,288
Plng. Area 18	-	-	-	-	-	-	-	-	215.8	-	-	-	215.8	-
Plng. Area 20	-	-	-	-	-	-	-	15.0	-	-	188.0	6.0	209.0	-
Open Space+	-	-	-	-	-	-	-	-	-	-	2,573.6	-	2,573.6	-
SR-125	-	-	-	-	-	-	-	-	-	-	-	182.0	182.0	-
Public	-	-	-	-	-	-	-	-	-	-	19.6	-	19.6	-
Arterial	-	-	-	-	-	-	-	-	-	-	-	69.1	69.1	-
Total:	11,255	23,356	34,611	3,249.3	259.5	105.2	230.5	212.9	423.2	279.3	3,973.1	716.3	9,449	99,234
++ Commercial development may occur vertically or horizontally within Village 2 (up to 130,000 square feet), Village 3 (20,000 square feet), Village 8 East (20,000 square feet), Freeway Commercial FC2 (from 15,000 to 30,000 square feet); therefore, actual acreage within each land use will be determined at final map.														
* 1,800,000 square feet of commercial may occur vertically or horizontally within Village 8 West and Village 9; therefore, actual acreage within each land use will be determined at final map.														
** Portion of University/Village 9 has a primary land use designation of University and a secondary land use of residential. The secondary land use is not included in the total.														
*** Commercial included as component of residential acreage.														
**** Portion of University has a primary land use designation of University and a secondary land use of residential. The secondary land use is not included in the total.														
+ Open Space includes open space preserve, undevelopable land, streets, and right-of-way.														

Exhibit 19 Otay Valley Parcel Land Use Table (Proposed)

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Adopted October 28, 1993
Last Amended February 26, 2013 Amended March 2015

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Otay Ranch Village Types, Rural Estate and Planning Areas

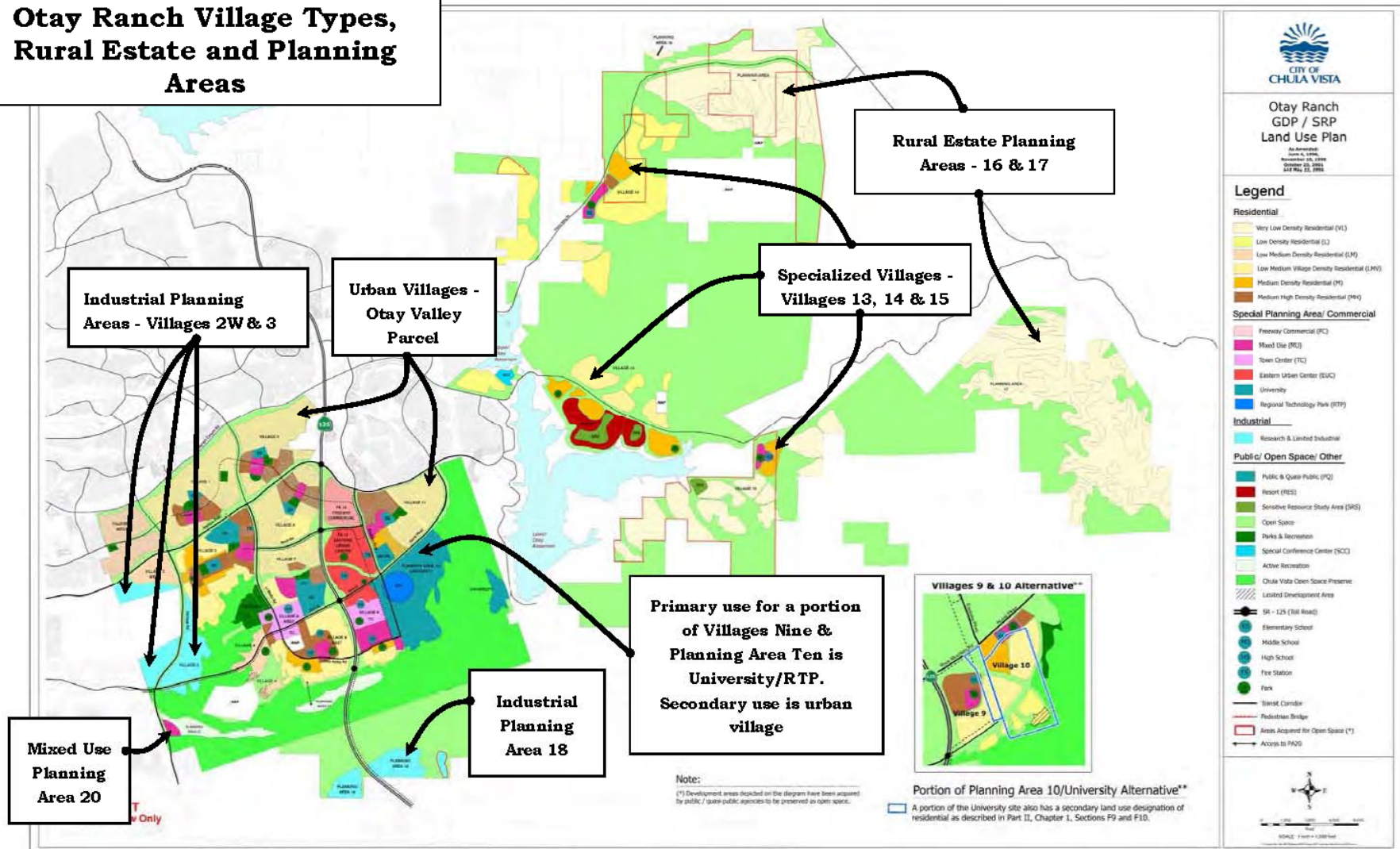


Exhibit 25 Otay Ranch Village Types & Rural Estate Areas

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A potential university site is designated on the GDP/SRP land use map west of the lake along Wueste Road.

c. Eastern Urban Center

A projected Otay Ranch population of approximately ~~88,939~~97,114,119 creates a need for a centralized urban area to provide the regional goods and services which cannot be provided in village cores. Certain goods and services are not available in village cores because of the problems caused by permitting regional traffic into the villages.

The 400-acre Eastern Urban Center and Freeway Commercial area are located east of SR-125, on a rise overlooking the Otay Valley Parcel. This area will provide an intense, vital activity center to include an employment base with office, retail, business park, and visitor-serving commercial uses; cultural, entertainment, civic, recreation activity and residential uses. The bus rapid-transit (BRT) system connects the EUC to the region and some of the villages of the Otay Ranch.

d. Industrial/Business Park/Freeway Commercial

The Otay Ranch Land Use Plan designates industrial/business park and freeway commercial uses primarily along the SR-125 corridor. Policies relating to these uses are discussed in Section D, Land Use Design, Character, and Policies. Industrial/commercial uses are located in the following areas:

- o There are two areas for industrial uses: 1) located south of the Otay Valley, adjacent to industrial areas of Otay Mesa and one west of Heritage Road at the extreme western edge of the parcel near existing industrial development 2) Included within Village 3 and within the western portion of Village Two. These light industrial uses total approximately 559.8 acres.
- o Commercial/Office: located in the EUC. These uses include the regional retail commercial, hotel, and office uses.
- o A business park is located within the EUC.
- o Freeway commercial uses are located north of the EUC and east of SR-125. The freeway commercial area includes two planning areas with a mixture of uses two types of uses:
 - (1) Freeway Commercial South (FC-1) includes a regional shopping center and other commercial uses dependent on direct highway exposure and access, and
 - (2) Freeway Commercial North (FC-2) is envisioned to include hotels and high density residential in a mixed-use setting with some commercial uses.

~~These~~This commercial-use areas totals approximately ~~101~~120 acres.

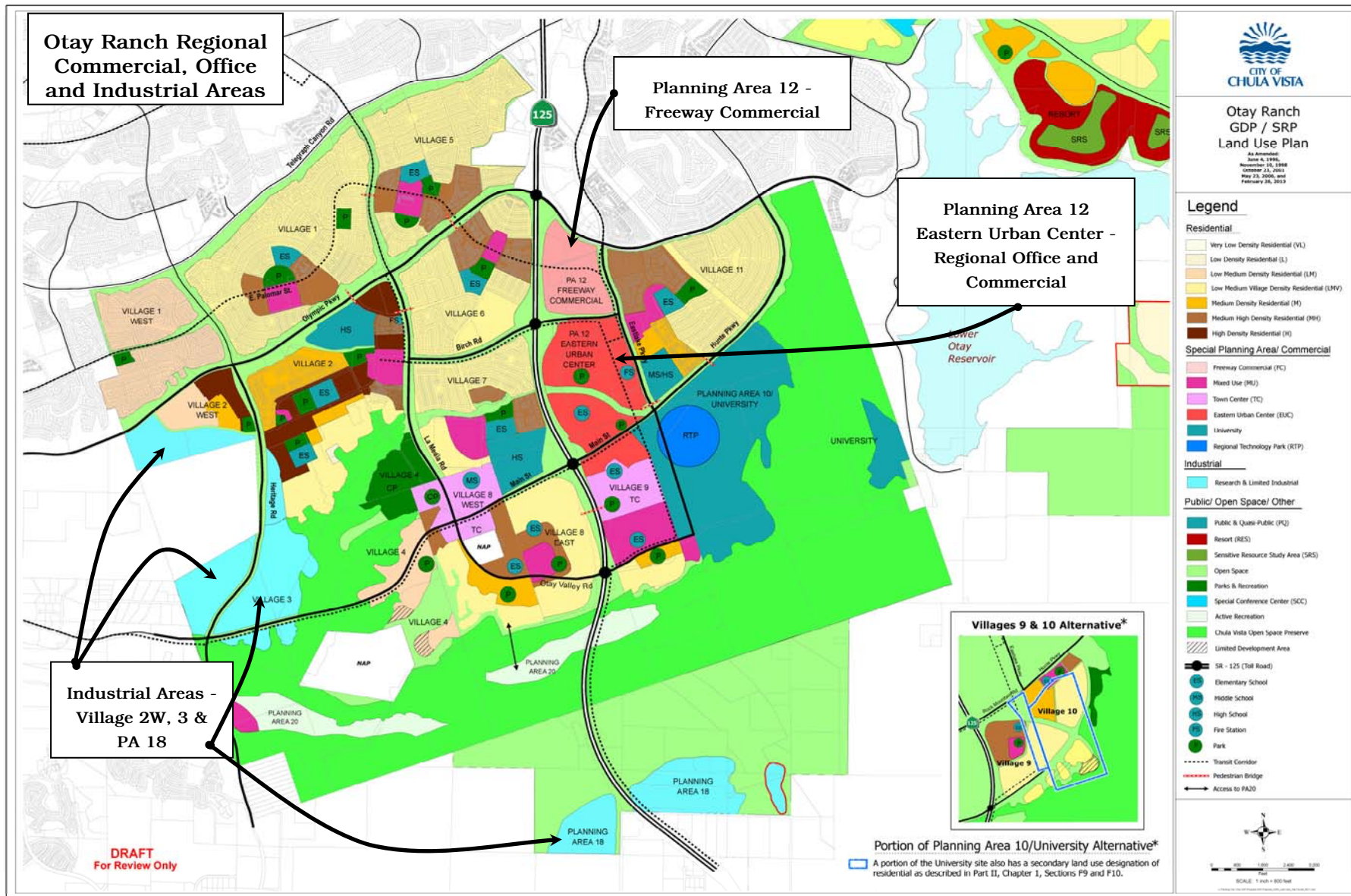


Exhibit 26 Commercial, Industrial & Business Sites

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- o Design criteria shall consider transit availability in industrial areas.
- o Light and noise impacts to adjacent open space areas should be minimized.

3. Commercial/Office/Business Park

a. Regional Commercial/Office

The Eastern Urban Center (EUC) contains the most intense development in Otay Ranch and is the urban heart of the region (Planning Area 12). Uses and intensities are intended to create a lively, 24-hour environment, with a creative medley of uses, building types and amenities. These uses include the regional retail commercial, hotel and office uses. Retail and office development within the Eastern Urban Center is of an intensity compatible with a "downtown" urban center. The most intense development is concentrated near the trolley station(s), with building heights and sizes gradually decreasing toward the edge of the planning area. (See Part II, Chapter 1, Section F. 12.; Eastern Urban Center [Planning Area 12] for applicable policies.)

b. Freeway Commercial

Adjacent to the EUC is approximately ~~106.5~~120 acres of freeway commercial (Planning Area 12).

The Freeway Commercial contains two planning areas. Freeway Commercial South (FC-1 on Exhibit 62) The freeway commercial area provides for a mixture of uses suitable for, and dependent on, direct highway exposure, including large-scale uses which require sites primarily served by vehicular access. ~~Typical uses permitted in the Freeway Commercial category (FC) include regional shopping opportunities~~ such as: automobile centers; discount stores; warehouse outlets; membership clubs; and other large scale uses that require freeway exposure. Public uses such as park-and-ride and transit related services are also permitted. Typical uses permitted in the Freeway Commercial South category (FC-1) include regional shopping opportunities, such as a mall with restaurants and entertainment uses.

Freeway Commercial North (FC-2 on Exhibit 62) is envisioned to provide hotels and high density residential in a mixed-use urban character setting that includes ancillary commercial uses and an urban park.

Freeway Commercial Policies

- o The actual amount and location of freeway commercial uses shall be established at the SPA level.
- o In Freeway Commercial South (FC-1), ~~The~~the freeway commercial land use category permits freeway-oriented, low scale buildings of three stories or less (heights will be established at the SPA level). The mass of the buildings shall

be balanced with landscaped setbacks and landscaping within parking areas.

- o In Freeway Commercial North (FC-2), the freeway commercial land use category permits hotels and high density residential in an urban character mixed-use setting, allowing for primarily 3- to 6-story mid-rise buildings (heights will be established at the SPA level).
- o The mass of the buildings shall be balanced with usable active and passive open space areas including an urban park adjacent to commercial mixed-uses.
- o Provide pedestrian-oriented features, such as tree-lined landscape parkways or hardscape with tree-wells, to buffer pedestrian sidewalks located next to roadways, transit routes and parking areas.
- o Setbacks, which promote a pedestrian-oriented environment and prevent a "strip development" appearance, should be established at the SPA level.
- o Landscaping shall create a well-kept and attractive commercial and residential environment. Large parking areas shall be landscaped to minimize heat gain and break up expanses of asphalt.
- o Prepare a signage program for freeway commercial uses concurrent with the first SPA containing freeway commercial uses. Developed separately, the north and south freeway commercial areas (FC-1 and FC-2 on Exhibit 62) will provide separate signage programs that ensures clear design ties between FC-1 and FC-2 to promote a sense of cohesion.

c. Business Park

Business park uses are generally of a "research and development" character. The uses are arranged with various amenities presenting a feeling of a quality corporate setting. Business park uses are permitted within the EUC land use category, located in the EUC (Planning Area 12).

Business Park Policies

- Exact floor area ratios for business park uses shall be established at the SPA level.
- o Business park uses shall be low to mid-rise (two to three stories maximum).
- o These facilities shall be linked by pedestrian and transit systems to other parts of the EUC, as well as to the potential university.
- o Landscape and amenities such as open space, water features, plazas, and walkways shall be an important part of the business park.

Planning Area 12 (EUC & FC)													
Use	Dwelling Units				Acreage*****								Approx. Pop.
	SF	MF	Total	Dens	Res.	Park*	CPF**	Sch.***	C'ml.****	Open Sp.	Art.	Total	
EUC		2,993	2,993	41.2	72.6	23.2	10.7	6.0			33.5	146.0	7,722
Regional Commercial									26.6			26.6	
Visitor Commercial									9.9			9.9	
Cultural									4.5			4.5	
Off-Low Rise/Bus.									17.2			17.2	
Off-Med/High Rise									10.4			10.4	
Other +										1.5		1.5	
EUC Subtotal		2,993	2,993	41.2	72.6	23.2	10.7	6.0	68.6	1.5	33.5	216.1	7,722
FC1									86.2		37.5	123.7	
FC2		600	600	27.5	21.8	4.7	2.2		6.3 ⁺⁺	1.3		36.3	1,566
FC Subtotal		600	600	27.5	21.8	4.7	2.2		92.5	1.3	37.5	160.0	
TOTAL		3,593.0	3,593.0	38.1	94.4	27.9	12.9	6.0	161.1	2.8	71.0	376.1	9,288
*Part of park acreage requirement have been allocated to community parks. Actual park size to be determined at the SPA level; Park acreage based on ratio of 3.0 acres per 1000 persons.													
**CPF acreage based on ratio of 1.39-acres per 1000 persons. Square-footage equivalent may be considered at SPA Plan level.													
***School acres will divert to residential if not needed for school.													
****May include mixed-use and multi-use.													
*****The maximum permitted non-residential areas may alternatively be measured in square-feet up to the maximum projected yield of 3,487,000 square feet for EUC; 960,000 square feet for FC1; 12,000 square feet for JPB portion within EUC; excludes FC2 area.													
⁺ Fire Station													
⁺⁺ 6.3 acres hotel and an additional 15,000 to 30,000 square feet of commercial component of Mixed Use Residential.													

Exhibit 60 Planning Area 12 (EUC & FC) Land Use Tables (Proposed)

- The mix of uses shown in Exhibit 63 are representative of the expectations and intended character for the Eastern Urban Center. The final land use mix and distribution of uses shall be determined at the SPA planning level. Variation from the uses identified in Exhibit 63 may be approved subject to the following findings:
 - The intended character and purpose of the Eastern Urban Center is maintained;
 - The distribution of uses is compatible with the adopted uses in adjacent villages; and
 - The viability of the Eastern Urban Center is maintained or enhanced.

Other Eastern Urban Center Policies

- o Transit line rights-of-way and bus rapid transit stops/stations shall be approximately located at the SPA level and will be conditioned for dedication at the Tentative Map level within the EUC.

d. Freeway Commercial Description

The Freeway Commercial consists of two planning areas that provide regional serving commercial uses, hotels, and high density residential with ancillary commercial uses in a mixed-use setting.

Freeway Commercial South (FC-1 on Exhibit 62) contains a regional serving commercial shopping center including restaurants and entertainment uses. The shopping center is composed of buildings of varying scale and orientation. Quality architecture is provided throughout the planning area in order to create a pronounced identity for the regional shopping center.

o Freeway Commercial South (FC-1) contains:

- o A regional shopping center, including regional serving commercial uses, restaurants and entertainment uses.

Freeway Commercial North (FC-2 on Exhibit 62) is envisioned to contain two hotels and high density residential in an urban character mixed-use setting with some ancillary commercial uses. Quality architecture will be provided for the hotels and high density mixed-use residential buildings, with a central urban park provided at the core of the planning area.

Internal and external circulation systems shall be provided including a strong pedestrian-orientation, and enhanced pedestrian connectivity to the regional shopping center and internal connections between the high density residential and mixed-use areas, the hotels and the urban park.

Pedestrian sidewalks with landscaped parkways will also be provided along the Bus Rapid Transit (BRT) right-of-way adjacent to the two nearby BRT stations.

Freeway Commercial North (FC-2) is envisioned to contain high density residential within a mixed-use environment, hotels, ancillary retail commercial and an urban park.

e. Freeway Commercial Policies:

Freeway Commercial South (FC-1) Policies:

- o This ~~category-planning area~~ includes regional uses which require an automobile orientation near regional transportation systems. Expected uses include thoroughfare commercial, visitor commercial and regionally oriented retail commercial
- o ~~The freeway-oriented commercial~~This planning area shall include uses such as: department stores, regional mall/lifestyle center, eating and drinking establishments, movie theaters, fitness clubs, and other uses which benefit

from direct freeway exposure, -serve a regional market, and strengthen its relationship and linkages to the EUC and University Campus and University Village to the south.

- o Develop a signage and graphic program at the SPA level.
- o Reserve a park-and-ride at the transit stop along the west side of Eastlake Parkway.

Freeway Commercial North (FC-2) Policies:

- o Provide two hotels containing a total of 300 or more rooms.
- o 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.
- o Provide an urban park including amenities that will be a public attraction in addition to serving the surrounding high density residential
- o A minimum of 15,000 square feet of commercial uses shall be provided in a mixed-use land use designation.

Freeway Commercial North (FC-2) Character Policies:

- o Provide appropriate landscape parkways with trees to separate and buffer pedestrian sidewalks from residential uses adjacent to vehicular roadways and transit right-of-ways.
- o Provide safe and accessible pedestrian connections to the existing and anticipated routes to the planned Bus Rapid Transit (BRT) stations. Provide features to buffer pedestrians from the BRT travel lanes where pedestrian walkways are located along the travel lanes.
- o Provide appropriate setbacks from the transit right-of-way to the residential units located on the north side of BRT lanes.
- o In order to provide for a well-integrated mixed-use urban environment on both sides of Town Center Drive, and along other key pedestrian routes across vehicular circulation, pedestrian-oriented features such as speed tables, bulb-outs, and reduced travel lanes may be provided.
- o Complete the connection of the tree-lined pedestrian sidewalk and landscaped parkway coming from the regional shopping center to the high density residential mixed-use areas.
- o Hotels and high density residential buildings may include commercial uses supporting a 24-hour environment.

Freeway Commercial North (FC-2) Urban Design Policies:

- o Orient hotels and high density residential mixed-use buildings in a manner that defines the primary pedestrian areas, creates a strong pedestrian connection between buildings, and provides for a continuous pedestrian experience.

-
- o Emphasize an urban street scene by locating buildings adjacent to sidewalks and pedestrian-oriented spaces such as patios, plazas, malls and squares.
 - o Mixed-Use buildings facing Town Center Drive and primary pedestrian urban spaces should contain commercial uses that support pedestrian activities such as dining, retail and entertainment, and cultural experiences.
 - o To create vitality and excitement, retail business and community activities should flow out from mixed-use buildings into well designed public space such as patios, plazas, malls and squares.
 - o Enhanced pavement with landscaping should be provided in all usable urban spaces that allow for sidewalk cafes, street vendors, sidewalk entertainment and other inviting pedestrian features.
 - o Hotels and mixed-use buildings shall incorporate design features which complement a pedestrian scale, such as horizontal components, overhangs, facade detail, display areas, and pedestrian seating.
 - o Hotels and mixed-use buildings shall exhibit an urban character through the use of quality building materials, textures, and scale.
 - o Hotels and mixed-use buildings shall display urban design features characteristic of quality architectural design.
 - o Establish an urban identity through the use of streetscape features and amenities, such as bollards, street furnishings, and enhanced pavement between vehicular driveways.
 - o Prominently locate urban parks and plazas between the hotels and mixed-use buildings.
 - o Provide complementary commercial uses within the mixed-use environment that can easily be integrated with the adjacent hotels and the regional shopping center.
 - o Town Center Drive should provide on-street parking as part of incorporating complete street techniques to reduce vehicular conflicts.
 - o Off-street parking should be primarily provided behind buildings or within parking podiums or parking structures in order to maintain pedestrian-orientation and preserve the character of the mixed-use environment. Garages fronting on internal streets shall be allowed on residential units.

Freeway Commercial North (FC-2) Parks and Open Space Policies:

Application of the 3 acres per 1,000 residents standard would result in a requirement for approximately 4.70-acres of parks considering the development of 600 residential units. Freeway

Commercial North shall provide sufficient parkland, park enhancements, and/or in-lieu fees to meet this obligation.

- o A centrally located urban park with amenities shall be provided at a highly visible location to encourage and attract public use. The park shall be accessible to all residents.

Other Freeway Commercial Policies:

- o Provide appropriate sound attenuation for all required residential open space areas that are exposed to a noise level of 65 CNEL or greater.
- o Provide appropriate sound attenuation for all public open space areas such as parks that are exposed to a noise level of 65 CNEL or greater.

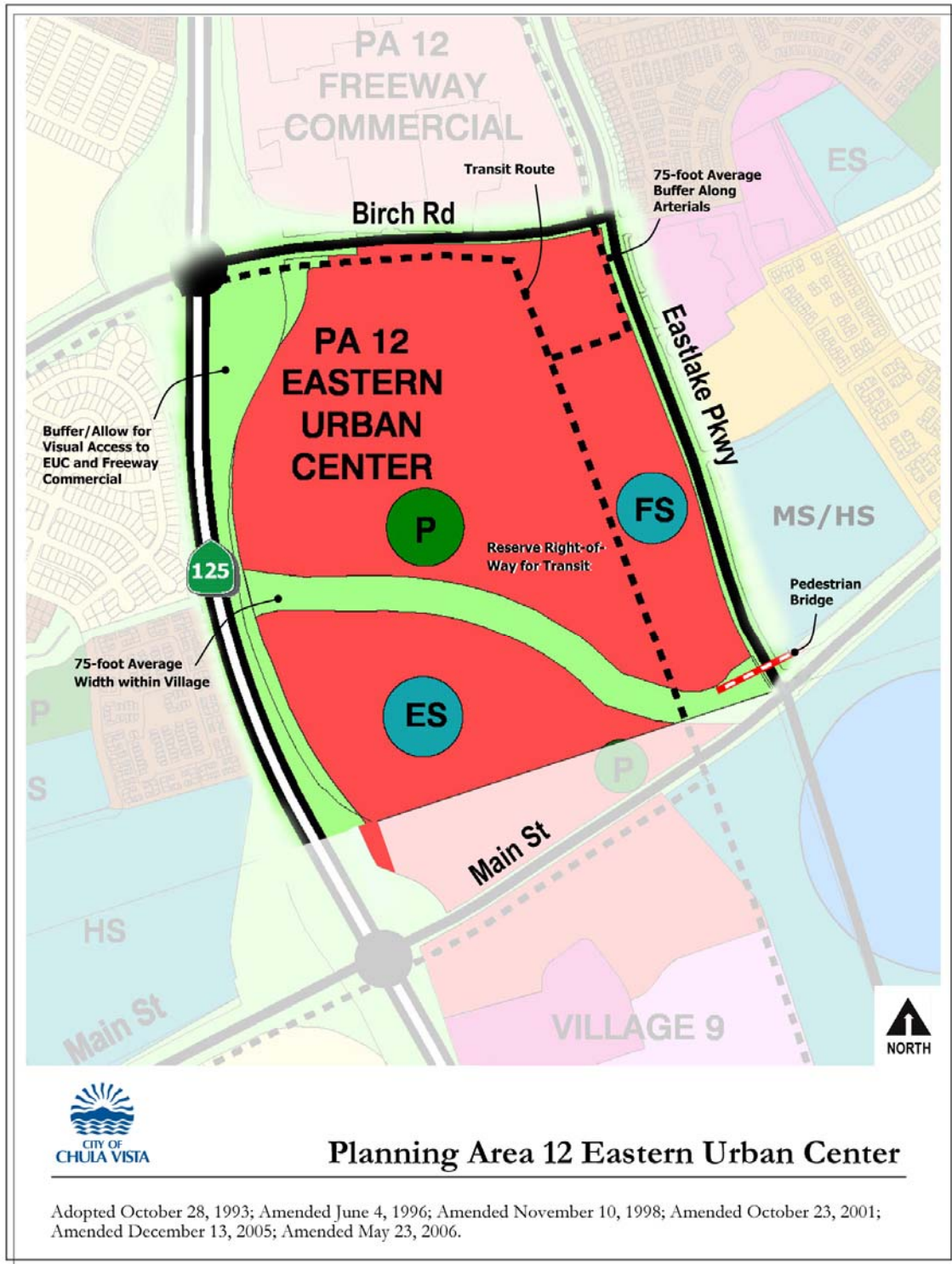


Exhibit 61 Planning Area 12 EUC Land Use Map



Exhibit 62 Planning Area 12 Freeway Commercial Land Use Map (Proposed)

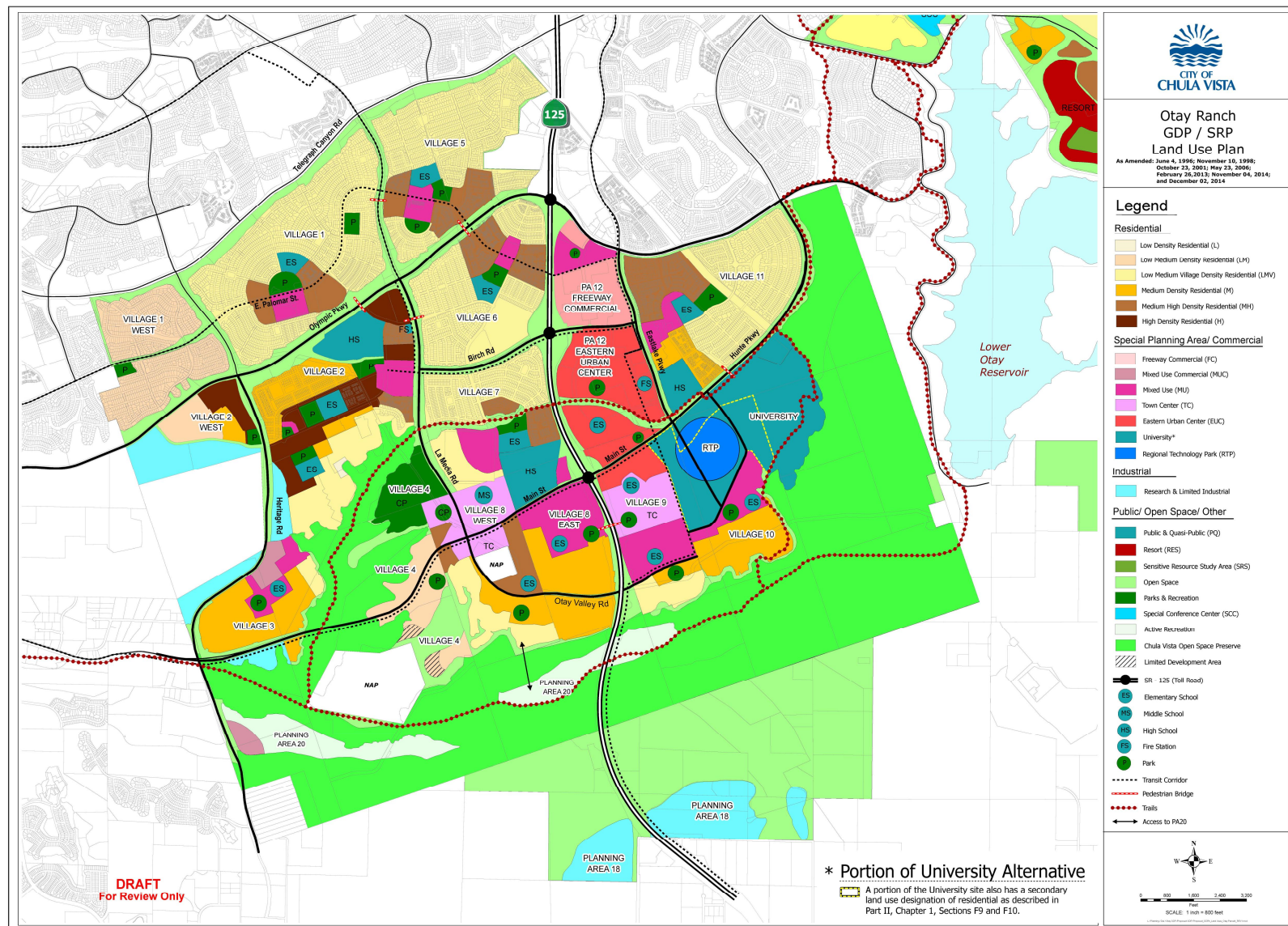


Exhibit 94 Otay Valley Parcel Park and Trail Map ([Proposed](#))

PA-12 FREEWAY COMMERCIAL NORTH (FC2) AMENDMENT

Appendix C: 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
2015 Dollar Inflation Factor	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
2014 Dollar Inflation Factor	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

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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.)
MF Attached - For Sale Townhomes		0	290	
MF Attached - Rental Apartments		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	
Subtotal Developed Acres		120.7	121.2	
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	

¹ Mixed 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	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	1,960
Hotel Employees per Room	0.9	0	0	133	133	133	270	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: 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	
Toscana at Rancho Del Rey	1	2	767	\$1,535 -	\$1,585
Toscana at Rancho Del Rey	2	2	1,000	\$1,835 -	\$1,985
Toscana 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
<u>Revenues</u>											
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
<u>Expenditures</u>											
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>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>	<i>1.095</i>
<u>Revenues</u>											
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
<u>Expenditures</u>											
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 successfully 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		Average Room Rate		
Sensitivity Matrix		\$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.)
MF Attached - For Sale Townhomes		0	290	
MF Attached - Rental Apartments		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	
Subtotal Developed Acres		120.7	121.2	
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	

¹ Mixed 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
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 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%

¹ Provided 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									
			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
	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
Hotel	\$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
Expenditure Adjustment Factor		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 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

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:	Annual Rate	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:	Annual Rate	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 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
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 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 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		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	0	13,500	13,500	13,500	13,500	13,500	13,500
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	0	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
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 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
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	% Taxable											
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 HRA 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 \$)

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										
Revenue Adjustment Factor		115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%
Population(Persons)		\$3.86	\$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
Dwelling Units		\$3.60	\$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
Commercial (Acres)		\$839.44	\$0	\$0	\$2,998	\$2,998	\$6,077	\$6,077	\$6,077	\$6,077	\$6,077	\$6,077
Residential Land (Acres)		\$1,600.36	\$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
MVLFF 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

Table A-19
Net Fiscal Impacts
FC2 Amendment

CPI (San Diego Area)¹
265.25
242.27

Freeway Commercial Amendment

	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
2015 Dollar Inflation Factor	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

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

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
MF Attached - For Sale Townhomes		0
MF Attached - Rental Apartments		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
Subtotal Developed Acres	120.7	
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

¹ Mixed 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	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
Mixed Use (Attached)	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
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
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

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 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

¹ All 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 \$)

		Original Plan										
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	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
Expenditure Adjustment Factor		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 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 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

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:	Annual Rate	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.

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 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
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	\$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 Income¹

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

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
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	% Taxable											
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 \$)

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
MVLF 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

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
2014 Dollar Inflation Factor	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

PA-12 FREEWAY COMMERCIAL NORTH (FC2) AMENDMENT

Appendix D: Commercial Lands Analysis



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

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To: Nick Lee, PE
Baldwin & Sons/SunRanch Capital Partners, LLC

From: KEYSER MARSTON ASSOCIATES, INC.

Date: March 12, 2015

Subject: Commercial Market Overview Update
Otay Ranch PA-12

I. INTRODUCTION

A. Background

Per our agreement dated January 19, 2015, Keyser Marston Associates, Inc. (KMA) has completed an update of our commercial market overview for Baldwin & Sons and SunRanch Capital Partners, LLC's (Owners') Olympic Parkway property in the City of Chula Vista (City).

As background, the subject property is the approximately 35-acre Parcel FC-2 (Property) located directly north of the existing Otay Ranch Town Center. The Property is bounded by Olympic Parkway on the north, Eastlake Parkway on the east, and State Route (SR) 125 on the west. The Property is currently vacant and designated "Freeway Commercial" per the Otay Ranch Freeway Commercial Sectional Planning Area Plan (SPA Plan) adopted in 2003. This designation allows approximately 350,000 square feet (SF) of commercial space.

The Owners propose to amend the SPA Plan to allow development of approximately 600 residential units and a two-acre park. The Owners propose to develop the balance of the Property with two hotels comprising 300 rooms and 15,000 SF of mixed-use retail space; both of these components are compatible with the existing entitlements. City staff has expressed concerns about the

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potential loss of commercial land inventory as a result of the proposed amendment. In response to these concerns, the KMA commercial market overview evaluates the current (and anticipated) supply of retail space/commercial land in the trade area relative to current (and anticipated) demand.

The findings contained in this commercial market overview with respect to the demand for commercial land uses are specific to the evaluation of development on the Property. This commercial market overview was commissioned to assist the City in evaluating the feasibility of a proposed project containing two hotels and a mixed-use project on the Property. The findings contained in the commercial market overview are specific to the Property. As such, they are not subject to be used to draw conclusions or make inferences with respect to formulating future recommendations regarding changes to existing commercial land uses within the City.

B. KMA Approach

In completing the commercial market overview, KMA undertook the following tasks:

1. Reviewed the existing SPA Plan land use designations and proposed amendments.
2. Toured the Property and competitive commercial properties in the trade area.
3. Compiled information on current and projected demographic factors from multiple sources.
4. Collected and reviewed available commercial and residential market data for the trade area.
5. Reviewed the City's extensive database on built and planned commercial and residential developments in the trade area.
6. Prepared a retail sales surplus/(leakage) model and a projection of retail space demand resulting from buildout of planned developments in the trade area.
7. Assessed the need for commercial development on the Property to serve the anticipated demand in the trade area.

C. Report Organization

This memorandum report has been organized as follows:

- Following this introduction, Section II summarizes our key findings.
- In Section III, KMA reviews the existing situation in the trade area in terms of demographic factors and retail sales surplus/(leakage).
- Section IV presents the KMA retail space demand projection.
- In Section V, KMA evaluates the potential supply of retail space relative to anticipated demand.

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- Section VI presents limiting conditions pertaining to the commercial market overview.
- Our detailed technical analysis is presented as a series of attachments.

II. KEY FINDINGS

1. The trade area currently has a healthy balance between the supply of, and demand for, retail space. The Otay Ranch trade area, defined as a four-mile ring, currently experiences - leakage of approximately 19% of total potential retail sales. This level of leakage can be considered relatively minor, given that the trade area is dominated by suburban residential uses. Additionally, most trade area residents commute to work outside the trade area, and have access to extensive shopping, services, dining, and entertainment options in other communities.
2. The trade area currently experiences an extremely high “import” of General Merchandise sales, suggesting that it is already over-saturated with “big box” General Merchandise stores. Taken together, the Owners’ plans to develop hotels and apartments on the Property reduce the retail building area from a maximum of 350,000 SF to 15,000 SF. The reduction of 335,000 SF would likely have accommodated two “big box” retailers, which are the typical retail formats found around the periphery of regional malls.
3. The total potential supply of retail space in the trade area through buildout exceeds total anticipated retail space demand, as summarized in the chart below. The KMA retail space demand projection considers demand from four sources: (a) new residents, (b) new workers, (c) new students/staff/faculty at the University Park and Innovation District (UPID), and (d) potential recapture of 20% of current retail sales leakage from the trade area.

<i>Estimate of Retail Over/(Under) Supply</i>	<i>4-Mile Trade Area</i>
Incremental Retail Space Demand	1,930,000 SF
Incremental Retail Space Supply *	<u>2,023,000 SF</u>
<i>Over/(Under) Supply</i>	93,000 SF
* Assumes the proposed amendment for the Property with retail at 15,000 SF.	

4. Although the Property is currently designated for community and/or regional serving commercial, there are numerous other locations in the trade area designated for similar uses. The commercial land use designation encompasses a range of uses, including retail/restaurant/services, office space, and visitor commercial. For example, approximately 1.3 million SF of retail use and 3.2 million SF of office use are planned for the Millenia project

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(EUC) and Village Nine (adjacent to UPID). These districts are located one to two miles south of the Property. The Millenia and Village Nine locations also have SR 125 frontage and (future) Bus Rapid Transit (BRT) service. Both of these areas are planned as synergistic mixed-use districts combining residential, shopping, and employment uses in a walkable configuration. Shifting future retail demand from the Property to these newly developing communities will help support the City's vision for these districts.

5. It is the KMA view that the reduced amount of retail space that the Owners propose for the Property will be viable. This retail space will benefit from its configuration in a "main street" format along a key access route to the existing regional mall, as well as its proximity to the (future) BRT station. Moreover, the new apartment residents and hotel guests will drive additional retail demand for the Property. Taken together, the Property and Otay Ranch Town Center will form a mixed-use district – not unlike the concepts planned for Millenia and Village Nine.

III. EXISTING SITUATION

A. Demographic Trends

The Property is located adjacent to a regional shopping mall. KMA evaluated existing land use patterns and competitive retail locations and determined that a trade area comprising a four-mile ring is appropriate. As shown in Exhibit A-1, the trade area encompasses most of eastern Chula Vista, a portion of Otay Mesa, and portions of the unincorporated County. The nearest competitive regional mall, Westfield Plaza Bonita, is located just to the northwest outside the trade area boundary.

KMA compiled and reviewed current and projected demographic factors for the trade area, City of Chula Vista, County of San Diego, and State of California from ESRI, a supplier of Geographic Information System (GIS) software and geo-database applications. Demographic trends for these areas are detailed in Tables A-1 through A-3 and summarized below.

- Table A-1 summarizes current demographic factors for the trade area, City, County, and State. The 2014 population of the trade area was estimated as 140,255, with a per capita income of \$32,281. Aggregate personal income for the trade area was estimated to be approximately \$4.5 billion.

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- Table A-2 presents recent historic growth trends, as well as a five-year projection. The trade area population grew rapidly during 2000-2014, at an annualized rate of 5.2%. During this period, the trade area growth rate significantly outpaced the City, County, and State. Slower growth is projected for all of these areas over the next five years, estimated at just 1.4% per year for the trade area.
- Table A-3 presents median household and per capita income trends for 2014-2019. With an estimated 2014 median household income of \$92,883 and per capita income of \$32,281, trade area residents are considerably more affluent than their counterparts at the City, County, and State level.

B. Existing Retail Sales Surplus/(Leakage)

Using ESRI data on existing household retail expenditures and retail outlet sales volumes, KMA prepared retail sales surplus/(leakage) models for the trade area and City. These models are presented in Tables A-4 and A-5 and summarized below.

- Table A-4 presents a comparison of retail demand and supply, and resulting surplus/(leakage), for the trade area. ESRI estimates total retail expenditure potential (demand) in the trade area in 2014 of \$1.1 billion, compared to total retail sales (supply) of \$920 million. This results in a retail sales leakage of approximately (\$220 million), as summarized below:

<i>2014 Estimates, per ESRI</i>	<i>4-Mile Trade Area</i>
Total Retail Expenditure Potential (Demand)	\$1,140,585,000
Total Retail Sales (Supply)	<u>\$920,634,000</u>
Total Retail Sales Surplus/(Leakage)	(\$219,951,000)
Percent of Total Expenditure Potential	-19.3%

These figures reflect sales to consumers by retail establishments. Sales to businesses are excluded. Gasoline stations, non-store retailers, and motor vehicle and parts dealers have been excluded, as these types of stores are not likely uses for the Property.

The trade area is largely a suburban “bedroom” community dominated by residential land use and supporting retail stores, restaurants, and services. Many residents commute to employment elsewhere in the County. Moreover, while there is an existing regional mall at the center of the trade area, it contains only one department store. Thus, many trade area residents seek shopping and services outside the trade area, e.g., Mission Valley for other

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department stores and specialty shops, Downtown San Diego for dining and entertainment, and Las Americas Premium Outlets for discount retail. Given these existing trends, the 19% retail sales leakage currently experienced in the trade area is not surprising. As new mixed-use districts are developed within the trade area, this leakage can be expected to decline.

- If the Owners did not pursue the proposed SPA Plan amendment – and did not plan to build hotels and apartments on the Property -- then the maximum amount of retail space that could be developed on the Property would be approximately 350,000 SF. Taken together, the Owners' plans to develop hotels and apartments reduce the retail building area to approximately 15,000 SF. The reduction of 335,000 SF would likely have accommodated two "big box" General Merchandise stores, which are the typical retail formats found around the periphery of regional malls. This retail category includes "big boxes" like Costco, WalMart, Sam's Club, and Target, as well as traditional department stores. As shown in Table A-4, and summarized below, the trade area currently experiences an extremely high "import" of General Merchandise sales. This suggests that the trade area is already over-saturated with General Merchandise stores.

<i>Trade Area General Merchandise Stores 2014 Estimates, per ESRI</i>		<i>4-Mile Trade Area</i>
General Merchandise Retail Expenditure Potential (Demand)		\$231,091,000
General Merchandise Retail Sales (Supply)		<u>\$352,713,000</u>
General Merchandise Retail Sales Surplus/(Leakage)		\$121,622,000
Percent of General Merchandise Expenditure Potential		+52.6%

The high level of retail sales leakage from other specialty goods stores provides further evidence that the trade area is over-saturated with General Merchandise stores. For example, the retail store categories of Sporting Goods, Clothing, Furniture, and Health & Personal Care all exhibit trade area retail sales significantly below the level supported by existing residents' demand. This indicates that residents are either transferring expenditures in these retail categories to the trade area General Merchandise stores, or exporting their expenditures outside the trade area. As shown in the chart below, trade area retail sales in these major retail store categories are \$147 million lower than expenditure potential (refer to Table A-4 for detail by category).

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<i>Trade Area Specialty Goods Retail Stores (1) 2014 Estimates, per ESRI</i>		<i>4-Mile Trade Area</i>
Specialty Goods Retail Expenditure Potential (Demand)		\$359,233,000
Specialty Goods Retail Sales (Supply)		<u>\$212,338,000</u>
Specialty Goods Retail Sales Surplus/(Leakage)		(\$149,895,000)
Percent of Specialty Goods Expenditure Potential		-40.6%
(1) Includes categories of Sporting Goods, Hobby, Musical Instrument Stores; Clothing & Clothing Accessories Stores; Furniture & Home Furnishing Stores; Health & Personal Care Stores; and Miscellaneous Store Retailers.		

- Similarly, Table A-5 presents a comparison of retail demand and supply, and resulting surplus/(leakage), for the City of Chula Vista. ESRI estimates total retail expenditure potential (demand) in the City in 2014 of \$1.702 billion, compared to total retail sales (supply) of \$1.940 billion. This results in a retail sales surplus of approximately \$238 million, as summarized in the table below.

<i>2014 Estimates, per ESRI</i>	<i>City of Chula Vista</i>
Retail Expenditure Potential (Demand)	\$1,702,255,000
Retail Sales (Supply)	<u>\$1,939,927,000</u>
Retail Sales Surplus/(Leakage)	\$237,672,000
Percent of Total Expenditure Potential	14.0%

It is worth noting that the City as a whole exhibits a similar “import” of General Merchandise sales. Total General Merchandise sales are almost double the level supported by existing households’ expenditure potential. In general, the data show that the City is a strong importer of retail expenditures. This is likely due in significant part to its proximity to Mexico and ability to attract spending by Mexican nationals.

IV. PROJECTED RETAIL SPACE DEMAND

A. Growth Projection

KMA prepared a projection of retail space demand in the trade area resulting from the buildout of planned developments. For this purpose, KMA relied on the SANDAG 2050 Regional Growth Forecast for Subregional Area 20 – Sweetwater. As shown in Exhibit B-1, this area includes all of eastern Chula Vista, as well as portions of Bonita and National City. It is bounded on the west by Interstate 805, on the south by the Otay River, on the east by the Otay Reservoir, and on the north by the Sweetwater Reservoir, Bonita Road, and Highway 54.

Table B-1 presents the SANDAG 2013-2050 growth projection for Subregional Area 20 – Sweetwater (Sweetwater). SANDAG projects that total population will increase by 63,544 residents over this period. SANDAG also projects an increase of 21,589 new housing units by 2050. Over 80% of the housing growth is expected to take the form of multi-family units.

As a measure of comparison, KMA compared the SANDAG growth forecast for Sweetwater with the remaining development capacity in eastern Chula Vista. These two geographic areas largely overlap. Table B-2 summarizes the existing/built and pipeline/planned residential units for all master-planned communities in eastern Chula Vista. This information was compiled from detailed project data provided by City staff. As summarized in the table below, approximately 15,269 new housing units remain for development in eastern Chula Vista. This figure is lower than the SANDAG projection of 21,589 new housing units in the Sweetwater subregion. Although the two areas are not exactly coterminous, most new growth will be occurring within Otay Ranch, which falls within both areas.

<i>Eastern Chula Vista</i>	<i>Existing/Built</i>	<i>Pipeline/Planned</i>	<i>Total Buildout</i>	<i>% Completed</i>
Single-Family Units	19,789	4,156	23,945	83%
Multi-Family Units	11,448	11,113	22,561	51%
Total Residential Units	31,237	15,269	46,506	67%

B. Retail Space Demand from New Households

Tables B-3 through B-6 present the KMA projection of retail space demand resulting from new trade area households (using the Sweetwater growth projection).

- Table B-3 presents the KMA estimate of aggregate personal income for new households residing in the new housing units. Household income is calculated based on the minimum income required to purchase or rent a housing unit. KMA assumed average market prices of \$520,000 for a single-family unit and \$350,000 for a multi-family unit. Average market rent was estimated at \$1,500 per unit per month. These assumptions were compiled based on review of current market prices/rents for comparable new construction, presented in Tables B-4 and B-5. Based on these assumptions, KMA estimates total aggregate income for all new households through buildout of \$1.705 billion. (All figures are expressed in 2015 dollars.)

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- Table B-6 presents the KMA estimate of retail space demand resulting from the expenditure potential of new households in the trade area. KMA estimates total incremental retail space demand generated by new households totaling 1,050,000 SF. The KMA demand estimate reflects the following key assumptions:

<i>Assumption</i>	<i>Factor</i>	<i>Basis for Assumption</i>
Retail expenditures as % of income	33.0%	Analysis of San Diego County annual retail sales volumes relative to population and income
Retail expenditures captured in trade area	67.0%	KMA assumption based on review of competitive retail locations inside/outside trade area
Estimated retail sales productivity per SF per year	\$350	International Council of Shopping Centers (ICSC), Quick Stats, 2013
Retail Vacancy	2.5%	KMA assumption based on a review of retail market data provided by local real estate brokers

C. Retail Space Demand from Other Sources

In addition to retail space demand from new households, there will be other sources of demand for new retail space. These include demand from employees in new office space; students, staff, and faculty in the University Park and Innovation District (UPID); and visitors from beyond the trade area. These additional sources of demand are addressed in Tables B-7 through B-9. It should be noted that there are many unknowns regarding specific land use proposals, retail industry trends, and other economic conditions over the long-term buildout of the trade area. The following are key assumptions used in preparing these projections.

<i>Source of Demand</i>	<i>Key Assumptions</i>
<i>New Office Workers (Table B-7)</i>	
• Estimate of office space (see Table C-1)	• Based on data provided by the City of Chula Vista
• Office employment density	• 200 SF per worker
• Retail expenditure per worker	• \$6,500 per year, or say \$26 per work day (assuming 250 work days/year)
• Percent of expenditures captured in trade area	• 75% of total expenditures
• Estimated retail sales productivity per SF per year	• \$350
• Office Vacancy	• 7.5% of retail space supported by new office workers

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<i>Source of Demand</i>	<i>Key Assumptions</i>
<i>UPID Students, Staff, and Faculty (Table B-8)</i>	
• Projected number of students	• 18,000
• Retail expenditures per student	• 50.0% of retail expenditures per resident
• Percent of expenditures captured in trade area	• 75.0% of total expenditures
• Projected number of staff/faculty	• 1,800
• Retail expenditure per staff/faculty	• \$6,500 per year (same as office workers)
• Percent of expenditures captured in trade area	• 75% of total expenditures
• Estimated retail sales productivity per SF per year	• \$350
• Retail Vacancy	• 2.5% of retail space supported by students and faculty/staff
<i>Visitors from beyond Trade Area (Table B-9)</i>	
• Additional retail space supported by visitors from beyond trade area	• 25% of total retail space supported by residents, workers, and UPID students/staff/faculty

The KMA estimates of demand from all of the above sources are presented in Table B-9 and summarized below.

<i>Source of Demand</i>	<i>Incremental Retail Space Demand (SF) through Buildout</i>
New Households (Residents)	1,050,000 SF
New Office Space (Employees)	200,000 SF
UPID (Students/Staff/Faculty)	191,000 SF
Visitors from beyond Trade Area	<u>360,000</u> SF
Total Demand	1,801,000 SF

KMA notes that the above projections potentially overstate future retail space demand in the trade area. No adjustment has been made for the potential double-counting of new residents who also work in the trade area, either in the new office space or UPID facilities.

Additionally, KMA considered the potential for the trade area to recapture a portion of existing retail sales leakage as new mixed-use districts are developed. KMA estimated that the trade area could recapture 20% of current retail sales leakage, or \$44.0 million in annual sales volume. Assuming a \$350/SF/year sales productivity and 2.5% vacancy, the trade area could support an additional 129,000 SF of retail space. Total adjusted retail space demand is summarized in the chart below.

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<i>Estimate of Total Demand</i>	<i>4-Mile Trade Area</i>
Total Demand from New Residents, Workers, and UPID	1,801,000 SF
Total Demand from 20% Recapture of Existing Leakage	<u>129,000</u> SF
Adjusted Total Demand	1,930,000 SF

V. ANTICIPATED SUPPLY OF RETAIL SPACE

The final step in the KMA analysis involved a comparison of the total projected retail space demand with the anticipated supply of retail space. KMA formulated an estimate of the remaining capacity for commercial development in the trade area based on data provided by the City. Development of new commercial space in the trade area is planned for Eastlake III – Vistas and Otay Ranch. As shown in Table C-1, a total of 5,417,000 SF of commercial development capacity remains in these two areas. Almost 85% of this commercial space is planned for two sub-areas:

- The Millenia project (EUC), located less than one mile south of the Property fronting SR 125, is planned for 2,976,000 SF. Of this total, 980,000 SF is planned as retail space.
- Village Nine, located less than two miles south of the Property fronting SR 125, is planned for 1,500,000 SF. Of this total, 300,000 SF is planned as retail space.

For the FWC (Freeway Commercial) area, KMA has assumed the remaining development capacity of Otay Ranch Town Center (317,000 SF), plus the remaining retail land use allowance on the Property assuming that the proposed amendment is approved (15,000 SF).

As shown in Table C-1, City planners anticipate incremental retail space development totaling 2,075,000 SF. KMA has adjusted this figure to 2,023,000 SF occupied space after a 2.5% vacancy factor.

The following table compares the projected supply of retail space in the trade area relative to anticipated demand. As shown in the table, KMA estimates that buildout of the trade area, assuming the proposed amendment for the Property, could result in an oversupply of retail estimated at 93,000 SF.

<i>Estimate of Retail Over/(Under) Supply</i>	<i>4-Mile Trade Area</i>
Incremental Retail Space Demand	1,930,000 SF
Incremental Retail Space Supply *	<u>2,023,000</u> SF
Over/(Under) Supply	93,000 SF
* Assumes the proposed amendment for the Property with retail at 15,000 SF.	

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VI. LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
3. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
4. Market feasibility is not equivalent to financial feasibility; other factors apart from the level of demand for a land use are of crucial importance in determining feasibility. These factors include the cost of acquiring sites, relocation burdens, traffic impacts, remediation of toxics (if any), and mitigation measures required through the approval process.
5. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
6. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.

attachments

ATTACHMENT A

Existing Conditions

EXHIBIT A-1

TRADE AREA 4-MILE RING

OTAY RANCH PA 12

SUN RANCH CAPITAL PARTNERS



Source: The Nielsen Company.

Prepared by: Keyser Marston Associates, Inc.

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TABLE A-1

OVERVIEW OF DEMOGRAPHIC FACTORS, 2014
 OTAY RANCH PA 12
 SUN RANCH CAPITAL PARTNERS

		Trade Area 4-Mile Ring		City of Chula Vista		County of San Diego		State of California	
I.	Population	140,255		254,740		3,179,381		38,120,066	
II.	Per Capita Income	\$32,281		\$25,415		\$30,554		\$28,657	
III.	Aggregate Personal Income	\$4.5 Billion		\$6.5 Billion		\$97.1 Billion		\$1,092.4 Billion	
IV.	Households	38,845		78,162		1,113,315		12,837,135	
V.	Average Household Size	3.43		3.24		2.76		2.91	
VI.	Median Household Income	\$92,883		\$61,471		\$60,904		\$58,469	
VII.	Median Age	34.6		34.2		35.0		35.6	
VIII.	Housing Units								
	Owner Occupied	28,170	70%	44,300	54%	584,690	49%	6,945,700	50%
	Renter Occupied	10,660	27%	33,840	41%	528,720	44%	5,883,580	42%
	Vacant	<u>1,240</u>	<u>3%</u>	<u>3,600</u>	<u>4%</u>	<u>79,780</u>	<u>7%</u>	<u>1,131,990</u>	<u>8%</u>
	Total	40,068	100%	81,732	100%	1,190,812	100%	13,975,243	100%
IX.	Median Home Value	\$457,145		\$390,737		\$405,052		\$337,905	

Source: esri

Prepared by: Keyser Marston Associates, Inc.

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TABLE A-2

COMPARATIVE POPULATION AND HOUSEHOLD TRENDS, 2000-2019
 OTAY RANCH PA 12
 SUN RANCH CAPITAL PARTNERS

			Average Annual Growth 2000 - 2014			Average Annual Growth 2014 - 2019	
			Absolute	Percent		Absolute	Percent
	2000	2014				2019	
I. Trade Area - 4-Mile Ring							
Population	69,223	140,255	5,074	5.2%		150,216	1,992 1.4%
Households	18,794	38,845	1,432	5.3%		41,625	556 1.4%
II. City of Chula Vista							
Population	175,855	254,740	5,635	2.7%		269,486	2,949 1.1%
Households	58,336	78,162	1,416	2.1%		82,400	848 1.1%
III. County of San Diego							
Population	2,813,833	3,179,381	26,111	0.9%		3,332,601	30,644 0.9%
Households	994,677	1,113,315	8,474	0.8%		1,167,637	10,864 1.0%
IV. State of California							
Population	33,871,648	38,120,066	303,458	0.8%		39,606,515	297,290 0.8%
Households	11,502,870	12,837,135	95,305	0.8%		13,339,518	100,477 0.8%

Source: esri

Prepared by: Keyser Marston Associates, Inc.

Filename i:\Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

TABLE A-3

COMPARATIVE INCOME TRENDS, 2014-2019
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

		Average Annual Growth 2014 - 2019		
	<u>2014</u>	<u>2019</u>	<u>Absolute</u>	<u>Percent</u>
I. Trade Area - 4-Mile Ring				
Median Household Income	\$92,883	\$104,272	\$2,278	2.3%
Per Capita Income	\$32,281	\$37,352	\$1,014	3.0%
II. City of Chula Vista				
Median Household Income	\$61,471	\$71,656	\$2,037	3.1%
Per Capita Income	\$25,415	\$29,324	\$782	2.9%
III. County of San Diego				
Median Household Income	\$60,904	\$72,109	\$2,241	3.4%
Per Capita Income	\$30,554	\$35,613	\$1,012	3.1%
IV. State of California				
Median Household Income	\$58,469	\$68,212	\$1,949	3.1%
Per Capita Income	\$28,657	\$33,354	\$939	3.1%

Source: esri

Prepared by: Keyser Marston Associates, Inc.

Filename i:\Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

TABLE A-4

RETAIL SURPLUS/(LEAKAGE) - TRADE AREA - 4-MILE RING
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

Industry	Trade Area - 4-Mile Ring		
	Demand (Retail Expenditure) ⁽¹⁾	Supply (Retail Sales) ⁽²⁾	Retail Surplus / (Leakage)
I. Retail Surplus			
General Merchandise Stores	\$231,091,000	\$352,713,000	\$121,622,000
Electronics & Appliance Stores	<u>\$39,833,000</u>	<u>\$93,842,000</u>	<u>\$54,009,000</u>
Subtotal Retail Surplus	\$270,924,000	\$446,555,000	\$175,631,000
II. Retail Leakage			
Building Materials, Garden Equipment & Supply Stores	\$53,159,000	\$48,769,000	(\$4,390,000)
Sporting Goods, Hobby, Musical Instrument Stores	\$37,873,000	\$21,680,000	(\$16,193,000)
Clothing & Clothing Accessories Stores	\$111,761,000	\$88,385,000	(\$23,376,000)
Furniture & Home Furnishing Stores	\$39,881,000	\$7,399,000	(\$32,482,000)
Miscellaneous Store Retailers	\$48,048,000	\$24,594,000	(\$23,454,000)
Food Services & Drinking Places	\$182,409,000	\$113,598,000	(\$68,811,000)
Health & Personal Care Stores	\$121,670,000	\$70,280,000	(\$51,390,000)
Food & Beverage Stores	<u>\$274,860,000</u>	<u>\$99,374,000</u>	<u>(\$175,486,000)</u>
Subtotal Retail Leakage	\$869,661,000	\$474,079,000	(\$395,582,000)
III. Total ⁽³⁾	\$1,140,585,000	\$920,634,000	(\$219,951,000)
Per Capita	\$8,132	\$6,564	(\$1,568)
			-19.3% Leakage

(1) Reflects the expected amount spent by consumers at retail establishments.

(2) Reflects sales to consumers by retail establishments. Sales to businesses are excluded.

(3) Excludes gasoline stations, non-store retailers, and motor vehicle & parts dealers.

Source: esri, 2014

TABLE A-5

RETAIL SURPLUS/(LEAKAGE) - CITY OF CHULA VISTA
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

<u>Industry</u>	<u>City of Chula Vista</u>			
	<u>Demand</u> <u>(Retail Expenditure)</u> ⁽¹⁾	<u>Supply</u> <u>(Retail Sales)</u> ⁽²⁾	<u>Retail</u> <u>Surplus/(Leakage)</u>	
I. Retail Surplus				
General Merchandise Stores	\$346,218,000	\$645,448,000	\$299,230,000	
Electronics & Appliance Stores	\$58,626,000	\$144,396,000	\$85,770,000	
Sporting Goods, Hobby, Musical Instrument Stores	\$55,526,000	\$76,817,000	\$21,291,000	
Food Services & Drinking Places	<u>\$270,475,000</u>	<u>\$272,788,000</u>	<u>\$2,313,000</u>	
Subtotal Retail Surplus	\$730,845,000	\$1,139,449,000	\$408,604,000	
II. Retail Leakage				
Building Materials, Garden Equipment & Supply Stores	\$76,908,000	\$70,573,000	(\$6,335,000)	
Clothing & Clothing Accessories Stores	\$166,269,000	\$159,555,000	(\$6,714,000)	
Miscellaneous Store Retailers	\$71,113,000	\$60,226,000	(\$10,887,000)	
Health & Personal Care Stores	\$181,660,000	\$161,314,000	(\$20,346,000)	
Furniture & Home Furnishing Stores	\$57,944,000	\$36,786,000	(\$21,158,000)	
Food & Beverage Stores	<u>\$417,516,000</u>	<u>\$312,024,000</u>	<u>(\$105,492,000)</u>	
Subtotal Retail Leakage	\$971,410,000	\$800,478,000	(\$170,932,000)	
III. Total ⁽³⁾	\$1,702,255,000	\$1,939,927,000	\$237,672,000	14.0% Surplus
Per Capita	\$6,682	\$7,615	\$933	

(1) Reflects the expected amount spent by consumers at retail establishments.

(2) Reflects sales to consumers by retail establishments. Sales to businesses are excluded.

(3) Excludes gasoline stations, non-store retailers, and motor vehicle & parts dealers.

Source: esri, 2014

Prepared by: Keyser Marston Associates, Inc.

Filename i:\Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

ATTACHMENT B

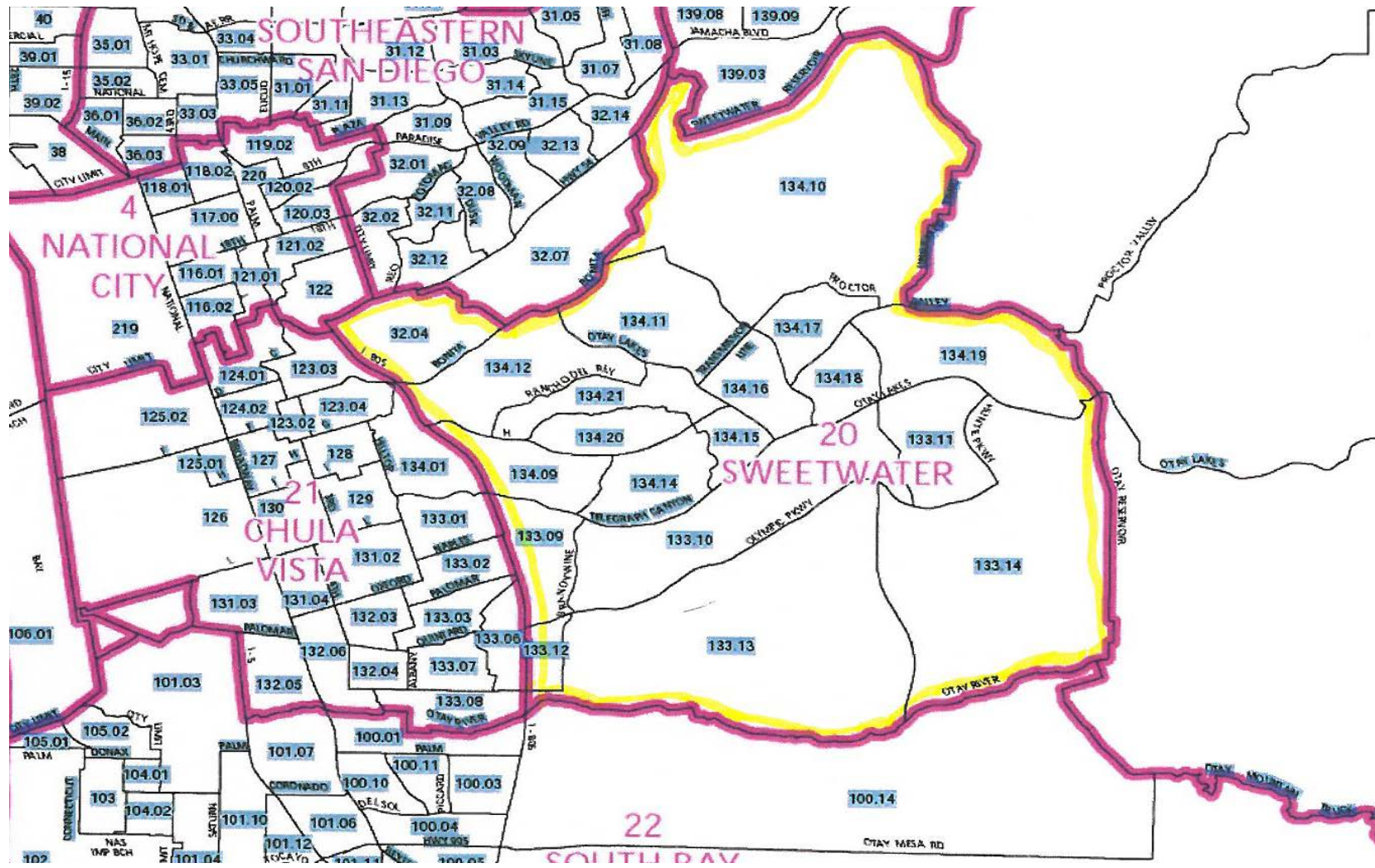
Projected Demand

EXHIBIT B-1

SANDAG SUBREGIONAL AREA 20 - SWEETWATER

OTAY RANCH PA 12

SUN RANCH CAPITAL PARTNERS



Source: SANDAG

Prepared by: Keyser Marston Associates, Inc.

Filename i:\Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

TABLE B-1

COMPARATIVE POPULATION AND HOUSEHOLD TRENDS, 2013-2050 - TRADE AREA
 OTAY RANCH PA 12
 SUN RANCH CAPITAL PARTNERS

	<u>2013</u> ⁽¹⁾	<u>2050</u> ⁽²⁾	<u>Pipeline/Planned</u> <u>2013-2050</u>	<u>Average Annual Growth</u> <u>2013-2050</u>	
				<u>Absolute</u>	<u>Percent</u>
I. Total Population					
Population	141,735	205,279	63,544	1,717	1.0%
II. Total Housing Units					
Single Family ⁽³⁾	32,295	36,001	3,706	100	0.3%
Multi-Family	11,121	29,011	17,890	484	2.6%
Mobile Homes	<u>197</u>	<u>190</u>	<u>(7)</u>	<u>(0)</u>	<u>-0.1%</u>
Total Housing Units	43,613	65,202	21,589	583	1.1%

(1) Source: SANDAG Demographic & Socio Economic Estimates - Sweetwater, January 1, 2013.

(2) Source: SANDAG 2050 Regional Growth Forecast (adopted October 2011) Subregional Area 20 - Sweetwater.

(3) Includes Single Family-Detached and Single Family-Multiple-Unit.

TABLE B-2

PROJECT DEVELOPMENT STATUS - RESIDENTIAL
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

	<u>Existing/Built</u>	<u>Pipeline/Planned</u>	<u>Total Buildout</u>	<u>% Completed</u>
1. Bella Lago				
Single Family	87	53	140	
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	
Total Bella Lago	87	53	140	62%
2. Eastern Urban Center - Millenia				
Single Family	0	0	0	
Multi-Family	<u>0</u>	<u>2,983</u>	<u>2,983</u>	
Total Eastern Urban Center - Millenia	0	2,983	2,983	0%
3. Eastlake Greens				
Single Family	2,106	0	2,106	
Multi-Family	<u>1,253</u>	<u>0</u>	<u>1,253</u>	
Total Eastlake Greens	3,359	0	3,359	100%
4. Eastlake Trails				
Single Family	956	0	956	
Multi-Family	<u>189</u>	<u>0</u>	<u>189</u>	
Total Eastlake Trails	1,145	0	1,145	100%
5. Eastlake Woods/Trails North				
Single Family	634	27	661	
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	
Total Eastlake Woods	634	27	661	96%
6. Eastlake Vistas				
Single Family	777	0	777	
Multi-Family	<u>967</u>	<u>230</u>	<u>1,197</u>	
Total Eastlake Vistas	1,744	230	1,974	88%
7. Otay Ranch PA 12 ⁽¹⁾				
Single Family	0	0	0	
Multi-Family	<u>0</u>	<u>600</u>	<u>600</u>	
Total Otay Ranch PA 12	0	600	600	0%
8. Otay Ranch V1 - Heritage				
Single Family	1,565	0	1,565	
Multi-Family	<u>1,225</u>	<u>0</u>	<u>1,225</u>	
Total Otay Ranch V1	2,790	0	2,790	100%
9. Otay Ranch V1 West - Heritage Hills				
Single Family	909	0	909	
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	
Total Otay Ranch V1 West	909	0	909	100%
10. Otay Ranch V2 - Montecito				
Single Family	316	1,054	1,370	
Multi-Family	<u>590</u>	<u>1,023</u>	<u>1,613</u>	
Total Otay Ranch V2	906	2,077	2,983	30%

(1) Reflects proposed amendment.

Source: City of Chula Vista, as of January 5, 2015.
Prepared by: Keyser Marston Associates, Inc.

Filename : \Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

TABLE B-2

PROJECT DEVELOPMENT STATUS - RESIDENTIAL
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

	<u>Existing/Built</u>	<u>Pipeline/Planned</u>	<u>Total Buildout</u>	<u>% Completed</u>
11. Otay Ranch V3 North and Portion of V4				
Single Family	0	1,002	1,002	
Multi-Family	<u>0</u>	<u>595</u>	<u>595</u>	
Total Otay Ranch V3 and Portion of V4	0	1,597	1,597	0%
12. Otay Ranch V5 - Countryside				
Single Family	944	0	944	
Multi-Family	<u>382</u>	<u>0</u>	<u>382</u>	
Total Otay Ranch V5	1,326	0	1,326	100%
13. Otay Ranch V5-McMillin				
Single Family	699	0	699	
Multi-Family	<u>827</u>	<u>0</u>	<u>827</u>	
Total Otay Ranch V5-McMillin	1,526	0	1,526	100%
14. Otay Ranch V6 - Hillsborough				
Single Family	443	0	443	
Multi-Family	<u>986</u>	<u>108</u>	<u>1,094</u>	
Total Otay Ranch V6	1,429	108	1,537	93%
15. Otay Ranch V6 - McMillin-Lomas Verdes				
Single Family	482	0	482	
Multi-Family	<u>212</u>	<u>0</u>	<u>212</u>	
Total Otay Ranch V6-McMillin	694	0	694	100%
16. Otay Ranch V7 - Montecito Ridge/Lomas Verdes				
Single Family	771	33	804	
Multi-Family	<u>304</u>	<u>12</u>	<u>316</u>	
Total Otay Ranch V7	1,075	45	1,120	96%
17. Otay Ranch V8 West				
Single Family	0	331	331	
Multi-Family	<u>0</u>	<u>1,719</u>	<u>1,719</u>	
Total Otay Ranch V8 West	0	2,050	2,050	0%
18. Otay Ranch V8 East				
Single Family	0	943	943	
Multi-Family	<u>0</u>	<u>2,617</u>	<u>2,617</u>	
Total Otay Ranch V8 East	0	3,560	3,560	0%
19. Otay Ranch V10				
Single Family	0	695	695	
Multi-Family	<u>0</u>	<u>1,045</u>	<u>1,045</u>	
Total Otay Ranch V10	0	1,740	1,740	0%
20. Otay Ranch V11 - WindingWalk				
Single Family	1,101	0	1,101	
Multi-Family	<u>1,144</u>	<u>43</u>	<u>1,187</u>	
Total Otay Ranch V11	2,245	43	2,288	98%
21. Rancho Del Rey I				
Single Family	1,328	0	1,328	
Multi-Family	<u>785</u>	<u>0</u>	<u>785</u>	
Total Rancho Del Rey I	2,113	0	2,113	100%

TABLE B-2

PROJECT DEVELOPMENT STATUS - RESIDENTIAL
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

	<u>Existing/Built</u>	<u>Pipeline/Planned</u>	<u>Total Buildout</u>	<u>% Completed</u>
22. Rancho Del Rey II				
Single Family	559	10	569	
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	
Total Rancho Del Rey II	559	10	569	98%
23. Rancho Del Rey III				
Single Family	952	0	952	
Multi-Family	<u>280</u>	<u>0</u>	<u>280</u>	
Total Rancho Del Rey III	1,232	0	1,232	100%
24. Rolling Hills Ranch				
Single Family	2,104	8	2,112	
Multi-Family	<u>343</u>	<u>0</u>	<u>343</u>	
Total Rolling Hills Ranch	2,447	8	2,455	100%
25. Salt Creek 1				
Single Family	166	0	166	
Multi-Family	<u>357</u>	<u>0</u>	<u>357</u>	
Total Salt Creek 1	523	0	523	100%
26. San Miguel Ranch				
Single Family	889	0	889	
Multi-Family	<u>425</u>	<u>138</u>	<u>563</u>	
Total San Miguel Ranch	1,314	138	1,452	90%
27. Sunbow II				
Single Family	1,128	0	1,128	
Multi-Family	<u>849</u>	<u>0</u>	<u>849</u>	
Total Sunbow II	1,977	0	1,977	100%
28. Telegraph Canyon Estates				
Single Family	344	0	344	
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	
Total Telegraph Canyon Estates	344	0	344	100%
29. Terra Nova				
Single Family	529	0	529	
Multi-Family	<u>330</u>	<u>0</u>	<u>330</u>	
Total Terra Nova	859	0	859	100%
30. University Park and Innovation District (UPID)				
Single Family	0	0	0	
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	
Total University Park and Innovation District	0	0	0	0%
Total Development				
Single Family	19,789	4,156	23,945	83%
Multi-Family	<u>11,448</u>	<u>11,113</u>	<u>22,561</u>	<u>51%</u>
Total	31,237	15,269	46,506	67%

TABLE B-3

AGGREGATE ANNUAL INCOME FROM PIPELINE/PLANNED RESIDENTIAL DEVELOPMENT IN TRADE AREA
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

Pipeline/Planned Residential Development, 2013-2050				
		Single-Family Households	Multi-Family For-Sale Households	Multi-Family Rental Households
I.	Number of Households ⁽¹⁾			
	Number of Units	3,699	8,945	8,945
	Average Occupancy Rate	97.5%	97.5%	95.0%
	Number of Occupied Households	3,607	8,721	8,498
II.	Required Annual Income			
	Fair Market Value Per Unit	\$520,000	\$350,000	
	Down Payment	10%	\$468,000	\$315,000
	Interest Rate	5.5%		
	Term (Years)	30		
	Monthly Mortgage Payment	\$2,657	\$1,789	
	Property Tax	1.25% of Value	\$542	\$365
	HOA Fees (Per Month)	\$200	\$200	
	Total Monthly Costs	35%	\$3,399	\$2,353
	Income Allocation Per Year @		\$116,534	\$80,678
	Minimum Income Required (Rounded)		\$117,000	\$81,000
III.	Aggregate Annual Income	\$488,592,000	\$706,401,000	\$509,880,000

(1) Source: SANDAG Demographic & Socio Economic Estimates - Sweetwater, January 1, 2013.

TABLE B-4

ACTIVE RESIDENTIAL DEVELOPMENTS IN TRADE AREA - DETACHED
 OTAY RANCH PA 12
 SUN RANCH CAPITAL PARTNERS

<u>Development</u>	<u>Community</u>	<u>Developer</u>	<u>Total Units</u>	<u>Total Released</u>	<u>Total Sold</u>	<u>Units Remaining</u>	<u>Unit Size (SF)</u>	<u>Sales Price</u>	<u>Price/SF</u>
Anacapa	Otay Ranch	Otay Ranch New Homes	54	46	35	19	2,221 - 2,249	\$480,500 - \$803,898	\$287
Bocara	Otay Ranch	Heritage Building & Developmen	126	54	45	81	1,609 - 1,940	\$415,900 - \$436,900	\$240
Corta Bella	Otay Ranch	Sunrise Company	68	60	58	10	1,936 - 2,652	\$455,900 - \$493,900	\$207
Presidio: V2	Otay Ranch	Otay Ranch New Homes	47	22	19	28	2,571 - 2,649	\$545,000 - \$560,000	\$212
Presidio: V7	Otay Ranch	Otay Ranch New Homes	24	20	20	4	2,631 - 2,639	\$577,900 - \$582,900	\$220
Total			319	202	177	142			
Minimum			24	20	19	4	1,609	\$415,900	\$207
Maximum			126	60	58	81	2,652	\$803,898	\$287
Median			54	46	35	19	2,410	\$519,450	\$220
Average			64	40	35	28	2,310	\$535,280	\$233

Source: Otay Ranch New Homes, South County Sales Traffic Recap, February 1, 2015.

Prepared by: Keyser Marston Associates, Inc.

Filename i:\Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

TABLE B-5

ACTIVE RESIDENTIAL DEVELOPMENTS IN TRADE AREA - ATTACHED, 2ND QUARTER 2013

OTAY RANCH PA 12

SUN RANCH CAPITAL PARTNERS

<u>Development</u>	<u>Community</u>	<u>Developer</u>	<u>Total Units</u>	<u>Total Released</u>	<u>Total Sold</u>	<u>Units Remaining</u>	<u>Average Unit Size (SF)</u>	<u>Average Sales Price</u>	<u>Average Price/SF</u>
Avalon	Otay Ranch	Sunrise Company	165	162	152	13	1,163 - 1,621	\$294,900 - \$364,900	\$237
Avaire	Otay Ranch	Sunrise Company	144	30	22	122	1,098 - 1,928	\$289,900 - \$375,900	\$220
Tosara	Otay Ranch	Pacific Coast Communities	89	16	13	76	1,635 - 2,366	\$357,900 - \$409,900	\$192
Total			398	208	187	211			
Minimum			89	16	13	13	1,098	\$289,900	\$192
Maximum			165	162	152	122	2,366	\$409,900	\$237
Median			144	30	22	76	1,628	\$361,400	\$220
Average			133	69	62	70	1,635	\$348,900	\$216

Source: Otay Ranch New Homes, South County Sales Traffic Recap, May 12, 2013.

Prepared by: Keyser Marston Associates, Inc.

Filename i:\Chula Vista_Otay Ranch 12_v6;3/12/2015;lag

TABLE B-6

RETAIL SPACE SUPPORTED BY PIPELINE/PLANNED RESIDENTIAL DEVELOPMENT IN TRADE AREA ⁽¹⁾
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

I. Total Annual Aggregate Income

Single-Family Households	\$488,592,000
Multi-Family For-Sale Households	\$706,401,000
Multi-Family Rental Households	<u>\$509,880,000</u>
Total Annual Aggregate Income	\$1,704,873,000

II. Aggregate Annual Income Spent on Retail Expenditures @	33.0%	\$562,608,000
Per Capita @	63,544 population ⁽²⁾	\$8,854

III. Retail Spending Captured in Trade Area @	67.0%	\$376,947,000
--	-------	---------------

IV. Estimated Sales Productivity per SF per Year@	\$350
--	-------

V. Estimated Retail Space Supported by New Households

Retail Space Supported by New Households	1,077,000 SF
(Less) Vacancy @	2.5% <u>(27,000)</u> SF

Net Retail Space Supported by New Households	1,050,000 SF
---	---------------------

(1) Assumes Trade Area is SANDAG Subregional Area 20 - Sweetwater.

(2) See Table B-1
 Prepared by: Keyser Marston Associates, Inc.

TABLE B-7**RETAIL SPACE SUPPORTED BY NEW OFFICE WORKERS - TRADE AREA ⁽¹⁾****OTAY RANCH PA 12****SUN RANCH CAPITAL PARTNERS**

I.	Estimate of Office Space ⁽²⁾	3,105,000 SF
II.	Estimate of New Office Employment	
	SF per Office Worker	200 SF
	Total New Office Workers	15,525 Workers
III.	Estimated Office Worker Retail Expenditures per Year ⁽³⁾	\$6,500
IV.	Total Annual Retail Expenditures by Office Workers	\$100,912,500
V.	Share of New Office Worker Retail Expenditures Captured in Trade Area @	75%
VI.	Total New Office Worker Retail Expenditures Captured in Trade Area	\$75,684,375
	Estimated Sales per SF per Year	\$350 /SF
VII.	Total Retail Space Demand from New Office Workers	
	Retail Space Supported by New Office Workers	216,000 SF
	(Less) Vacancy @ 7.5%	<u>(16,000)</u> SF
Net Retail Space Demand from New Office Workers		200,000 SF

(1) Assumes Trade Area is SANDAG Subregional Area 20 - Sweetwater.

(2) See Table C-1 regarding assumed allocation of pipeline/planned commercial space uses in trade area.

(3) Source: International Council of Shopping Centers. Office Worker Retail Spending, 2012. Reflects Office Worker spending, including those who spent nothing, and excluding transportation and on-line purchases. Assumes average expenditures for 50 weeks. Excludes demand from non-office workers visitors, and residents beyond trade area.

TABLE B-8

**RETAIL SPACE SUPPORTED BY UPID STUDENTS AND FACULTY/STAFF
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS**

I. Students

A.	Projected Number of Students	18,000	Students (1)
B.	Per Capita Retail Expenditures	\$8,854	(2)
	Per Capita Retail Expenditures by Students @ 50%	\$4,427	
C.	Estimated Total Annual Retail Expenditures by Students	\$79,685,000	
D.	Share of Student Retail Expenditures Captured in Trade Area @	75%	
E.	Total Annual Student Retail Expenditures Captured in Trade Area	\$59,764,000	
	Estimated Sales Per SF	\$350	/SF
F.	Total Retail Space Demand from Students	171,000	SF

II. Faculty/Staff

A.	Projected Number of Faculty/Staff		
	Projected Number of Students	18,000	Students
	Student to Faculty Ratio @	10.0	Students Per 1.0 Faculty/Staff (3)
	Total Projected Faculty/Staff	1,800	Faculty/Staff
B.	Estimated Faculty/Staff Retail Expenditures per Year	\$6,500	(4)
C.	Estimated Total Annual Retail Expenditures by Faculty/Staff	\$11,700,000	
D.	Share of Faculty/Staff Retail Expenditures Captured in Trade Area @	75%	
E.	Total Faculty/Staff Retail Expenditures Captured in Trade Area	\$8,775,000	
	Estimated Sales Per SF	\$350	/SF
F.	Total Retail Space Demand from Faculty/Staff	25,000	SF

III. Total Retail Space Supported by Students and Faculty/Staff

Retail Space Supported by Students and Faculty/Staff	196,000	SF
(Less) Vacancy @ 2.5%	(5,000)	SF

Total Retail Space Supported by Students and Faculty/Staff	191,000	SF
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(1) Source: City of Chula Vista Vision 2020.

(2) Estimated per capita retail expenditures by new residents (see Table B-6).

(3) Based on a review of student to faculty/staff ratios at UC San Diego, San Diego State University, and University of San Diego.

(4) Source: International Council of Shopping Centers. Office Worker Retail Spending, 2012. Reflects Office Worker spending, including those who spent nothing, and excluding transportation and on-line purchases. Assumes average expenditures for 50 weeks. Excludes demand from non-office workers, visitors, and residents beyond trade area.

TABLE B-9

TOTAL RETAIL SPACE SUPPORTED BY PIPELINE/PLANNED DEVELOPMENT IN TRADE AREA
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS

I.	Retail Space Supported by New Households	1,050,000	SF
II.	Retail Space Supported by New Office Workers	200,000	SF
III.	Retail Space Supported by UPID Students and Faculty/Staff	<u>191,000</u>	SF
IV.	Total Retail Space Supported	1,441,000	SF
V.	Add: Retail Space Supported by Visitors from Beyond Trade Area	25% <u>360,000</u>	SF
VI.	Total New Retail Space Supported through Buildout of Trade Area	1,801,000	SF
VII.	Add: Retail Space Supported by Recapture of Retail Leakage	<u>129,000</u>	SF
VIII.	Total New Retail Space Supported through Buildout of Trade Area	1,930,000	SF

TABLE B-10

**RECAPTURE OF RETAIL LEAKAGE
OTAY RANCH PA 12
SUN RANCH CAPITAL PARTNERS**

I.	Retail Leakage - Trade Area - 4-Mile Ring (Table A-4)		(\$219,951,000)
II.	Assumed Recapture @		<u>20.0%</u> of Leakage
III.	Total Retail Recaptured		\$43,990,000
IV.	Estimated Sales Productivity per SF per Year@		<u>\$350</u> /SF
V.	Retail Space Supported by Recapture of Retail Leakage		
	Recapture of Retail Leakage		126,000 SF
	Add: Vacancy Allowance @	2.5%	<u>3,000</u> SF
Retail Space Supported by Recapture of Retail Leakage			129,000 SF

ATTACHMENT C

Projected Supply

TABLE C-1

PIPELINE/PLANNED COMMERCIAL SQUARE FEET - EASTLAKE III AND OTAY RANCH
 OTAY RANCH PA 12
 SUN RANCH CAPITAL PARTNERS

	Retail	Office	Total
I. Eastlake III			
Vistas	15,000 SF	-	15,000 SF
II. Otay Ranch			
Village Two	130,000 SF	-	130,000 SF
Village Three	48,000 SF	111,000 SF	159,000 SF
Village Eight East	20,000 SF	-	20,000 SF
Village Eight West	250,000 SF	50,000 SF	300,000 SF
Village Nine	300,000 SF	1,200,000 SF	1,500,000 SF
FWC (Includes ORTC)	317,000 SF	-	317,000 SF
PA 12	15,000 SF	-	15,000 SF
EUC (Millenia)	980,000 SF	1,996,000 SF	2,976,000 SF
UPID	-	-	0 SF
Subtotal Otay Ranch	2,060,000 SF	3,357,000 SF	5,417,000 SF
III. Total Pipeline/Planned Commercial SF			
Pipeline/Planned Commercial SF	2,075,000 SF	3,357,000 SF	5,432,000 SF
(Less) Vacancy @ 2.5%	(52,000) SF	7.5% (252,000) SF	(304,000) SF
Net Pipeline/Planned Commercial SF	2,023,000 SF	3,105,000 SF	5,128,000 SF

Source: City of Chula Vista; Baldwin & Sons

Prepared by: Keyser Marston Associates, Inc.

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