

Nakano

Public Facilities Finance Plan

Prepared for:

City of Chula Vista

276 Fourth Avenue

Chula Vista, CA 91910

Applicant:

Tri Pointe Homes

13400 Sabre Springs Parkway, Suite 200

San Diego, CA 92128

Prepared by:

Leppert Engineering Corporation

5190 Governor Drive, Suite 205

San Diego, CA 92122

Job Number: OM 8.09-12.10

February 2023

Table of Contents

<i>ACRONYMS AND ABBREVIATIONS</i>	2
<i>1.0 Introduction of Project</i>	6
<i>2.0 Description of Reorganization Area</i>	6
2.1 Description of Project	6
2.2 Purpose for Reorganization.....	9
2.2.2 Surrounding Land Use	10
2.2.3 Dennery Ranch Precise Plan.....	10
3.0 Discussion of Facility Needs.....	11
3.1 Emergency Services	11
3.1.1 Police.....	11
3.1.2 Fire	11
3.2 Transportation/Circulation	12
3.2.1 Existing Conditions.....	13
3.2.2 Proposed Conditions	13
3.3 Public Utilities.....	14
3.3.1 Water	14
3.3.2 Sewer.....	15
3.4 Population-based Improvements.....	15
3.4.1 Libraries	15
3.4.2 Park and Trail Improvements	16
<i>4.0 Impact Fees</i>	16
4.1 Citywide Development Impact Fees	17
<i>5.0 Conclusion</i>	18

ACRONYMS AND ABBREVIATIONS

A	ATILF	Active Transportation In-Lieu Fee
C	CPDIF	Citywide Park Development Impact Fee
	CVFD	Chula Vista Fire Department
	CVMC	Chula Vista Municipal Code
D	DIF	Development Impact Fee
F	FBA	Facilities Benefit Assessment
G	GMOC	Growth Management Oversight Commission
	GMP	Growth Management Plan
I	IS/ MND	Initial Study/Mitigated Negative Declaration
L	LOS	Level of Service
	LOI	Letter of Intent
M	METRO	Metropolitan Wastewater Joint Powers Authority
	MOU	Memorandum of Understanding
O	OMDIF	Otay Mesa Development Impact Fee
	OWD	Otay Water District
	OVRP	Otay Valley Regional Park
	OS	Open Space
P	PFFP	Public Facilities Finance Plan
	Project	Nakano Project
S	SDFRD	San Diego Fire and Rescue Department
	SWQMP	Stormwater Quality Management Plan
T	TIA	Traffic Impact Analysis
V	VTM	Vesting Tentative Map

Summary

Overview

This Public Facilities Financing Plan addresses the public facilities needs associated with the Nakano project (Project). The Project is described in the project submittal to the City of Chula Vista (“City”) dated February 24, 2023 by Civil Sense, Inc. The PFFP is a requirement of the City of Chula Vista, however, for this project all facilities and public services will be provided by the City of San Diego. The primary goal of this PFFP is to demonstrate how the property will be served by San Diego and whether there will be impacts to services in Chula Vista.

Growth Management plan

This PFFP is prepared in accordance with the Chula Vista Growth Management Program (GMP). The purpose of the GMP is to implement the City’s General Plan and establish a mechanism which helps ensure that development does not occur unless facilities or improvements are available to support that development. The GMP does this by:

- Identifying all facilities and improvements necessary to accommodate the land uses specified in the General Plan,
- Indicating where and when facilities fall short of the threshold level of service standards established for each facility type,
- Identifying the means by which additional facilities are to be provided.

The GMP is implemented through the Growth Management Oversight Commission (GMOC) process. The GMOC monitors the impact of development on the City's ability to provide services. The thresholds monitored by the GMOC are as follows:

- | | | |
|----------------------|------------------------|-------------------|
| • Traffic | • Parks and Recreation | • Water |
| • Police | • Schools | • Drainage |
| • Fire and Emergency | • Libraries | • Air Quality and |
| Medical Services | • Sewer | Protection |

This PFFP is based on the project information found in the City Submittal. The PFFP analyzes the existing demand on facilities based on the demand from existing development and the specific facility demand of the project. The PFFP also considers those development projects in the region with various entitlements from 2019 through 2022.

The Growth Management Program requires every new development which requires either a SPA plan or a tentative map approval, to prepare a PFFP. This PFFP is based on the information found in the City Submittal documents. The PFFP describes the existing demand on facilities based on the existing development and analyzes the adequacy of these existing facilities when adding the Nakano development. The following technical reports were prepared for the Nakano project in conjunction with the most recent City submittal:

- Preliminary Drainage Report for Nakano, prepared by PDC on June 23, 2022
- Fire Protection Plan for Nakano, prepared by Dudek in June 2022
- Sewer Study for the Nakano Project, prepared by Dexter Wilson Engineering, Inc. on June 21, 2022
- Nakano Specific Plan, prepared by Rick in June 2022
- SWQMP, prepared by PDC on June 23, 2022
- Traffic Study, prepared by LOS Engineering, Inc. Traffic and Transportation, on June 23, 2022
- Water System Analysis for the Nakano Project, prepared by Dexter Wilson Engineering, Inc. on June 21, 2022

Facility Thresholds

Facility thresholds are indicators of the capacity of facilities or services to meet increasing demands from new development while remaining in compliance with the GMP threshold standards established for each facility or service topic. When the established thresholds for a specific facility or service are projected to be reached or exceeded, based on the analysis of the project’s development, the PFFP identifies those facilities necessary for continued compliance with the GMP and, where appropriate, outlines conditions of approval applied to project entitlements. The GMP requires the development be limited or reduced until certain actions are taken to guarantee public facilities will be available or provided to meet the quality of life threshold standards. Subsequent project changes may require an amendment to this PFFP.

Performance of Threshold-Driven Actions

Typically, as an applicant receives each succeeding development approval, the applicant must perform a series of required actions intended to ensure facilities will be provided concurrently with need. Failure to perform any required action will curtail a project’s development approvals. The typical actions are listed below:

Tentative Map:

- Subdivision approval conditioned upon assurance of facility funding
- Subdivision approval conditioned upon payment of fees, or the dedication, reservation, or zoning of land for identified facilities
- Subdivision approval conditioned upon construction of certain facility improvements

Building Permit:

Impact fees paid as required

Role of the PFFP in the Entitlement Process

The critical link between the City’s quality of life threshold standards and development entitlement is the PFFP, including the following information, where applicable:

- An inventory of present and future requirements for each facility based on GMP threshold standards
- A summary of estimated facilities costs
- A facility phasing schedule establishing the timing for installation or provision of facilities
- A financing plan identifying the method of funding for each facility required
- A fiscal impact report
- A report on project consistency with the requirements and conclusions of the GMP

General Chula Vista Municipal Code PFFP provision applicable to the Project

- Section 19.09.080 of the Chula Vista Municipal Code (CVMC) provides that no tentative subdivision map shall be approved, or deemed to be approved, without an approved PFFP. Furthermore, “[n]o final map shall be approved until all the conditions of the PFFP, the water conservation plan and the air quality improvement plan have been met, or the project applicant has provided adequate security to the city that said plans will be implemented.” (CVMC Section 19.09.080.E)
- No development shall occur in a PFFP area if the demand for any public facilities, infrastructure and services exceeds capacity and it is not feasible to increase capacity prior to completion of development unless the means, schedule, and financing for increasing the capacity are established through the execution of a binding agreement providing for installation and maintenance of such facilities or improvements in advance of the City’s phasing schedule. (CVMC Section 19.09.080.H)
- The CVMC provides that, if the City Manager determines facilities or improvements within a PFFP are inadequate to accommodate any further development within that area, the City Manager shall immediately report the deficiency to the City Council. If the City Council determines such events or changed circumstances adversely affect the health, safety, or welfare of Chula Vista, the City may require amendment, modification, suspension, or termination of an approved PFFP.
- The PFFP shall be implemented in accordance with CVMC Section 19.09.120. Future amendments shall be in accordance with CVMC Section 19.09.130 and shall incorporate newly acquired data, to add conditions and update standards as determined necessary by the City through the required monitoring program.

PFFP Applicability and Compliance

This PFFP applies to all future projects within project boundaries. Future projects will be reviewed for consistency with the project’s submittals, this PFFP, and the project Initial Study/Mitigated Negative Declaration (IS/MND). Future projects determined to be inconsistent with the above will require additional environmental review and may require amendments to the project submittals, the PFFP, and the IS/MND. The following also apply to the PFFP:

- This PFFP analyzes the maximum allowable development potential for planning purposes only. The approval of this plan does not guarantee specific development densities.
- Approval of this PFFP is contingent upon approval of the amendments to the General Plan.

1.0 Introduction of Project

This Facilities Financing Plan is for the 23.8-acre parcel located on the east side of I-805, northwest of Dennery Road and south of the Otay River Valley. The project is called the Nakano project and is currently located within the City of Chula Vista. However, land to the east, south, and west of the site are located within the City of San Diego.

The Nakano project proposes that the property be detached from the City of Chula Vista and the Otay Water District (OWD) and annexed to the City of San Diego. The property is illustrated in Exhibit 1 on page 7.

As detailed in the Memorandum of Understanding (MOU) between the City of San Diego and the City of Chula Vista, approved on December 7, 2021, both agencies have long considered the property eligible for reorganization of jurisdictional boundaries.

A Joint Exercise of Powers Agreement between the City San Diego, City of Chula Vista, and the County of San Diego was executed on January 30, 1990, which allowed the parties to work together to acquire land for development of the adjacent Otay Valley Regional Park (OVRP). As a result of the Joint Exercise of Powers Agreement, the City of Chula Vista and City of San Diego entered into a non-binding Letter of Intent (LOI) to cooperate with each other in developing an OVRP Reorganization Plan that would propose reorganizing properties within the vicinity of the OVRP, including attaching the project site to the City of San Diego. On August 5, 2002, the City of San Diego passed Resolution No. R-296937 approving the LOI. The City of Chula Vista passed Resolution No. 2002-285 approving the LOI, which subsequently expired in 2003.

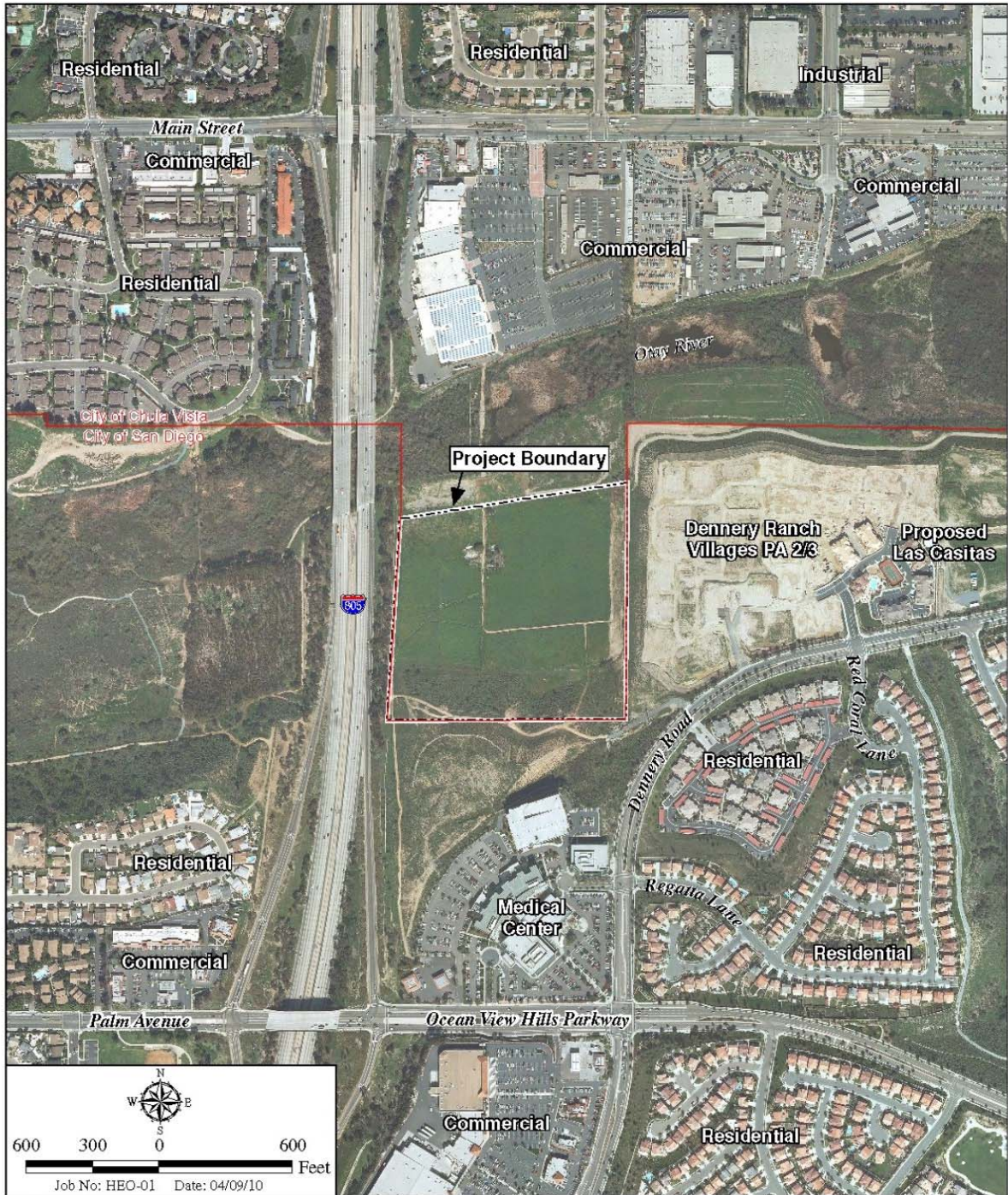
The 2021 MOU further details the intent to obtain approvals from the City of Chula Vista to allow for ultimate annexation and development of the site within the City of San Diego.

2.0 Description of Reorganization Area

2.1 Description of Project

The project consists of a reorganization of jurisdiction boundaries and a series of land use plan and zoning amendments which would allow approximately 23.8 acres of land designated as open space and zoned for agriculture (A-8) in the City of Chula Vista to be detached and annexed into the City of San Diego, and designated for future residential uses. Access to the site would be via a proposed public street (local street classification), which would connect to Dennery Road located offsite to the southeast in the City of San Diego. A detailed description of the proposed

project is located in Chapter 3.0 of the Nakano Program EIR.



Aerial Photograph

NAKANO

Exhibit 1: Project Location

A number of discretionary actions would be required to implement the project as planned. The discretionary actions listed below would be required to carry out the project. Actions taken by the City of Chula Vista are listed first as these actions are required in order to entitle the project. Following action by the City of Chula Vista, an application would be filed with the LAFCO to initiate reorganization actions. Finally, the City of San Diego would be required to implement a number of discretionary actions to allow the project to be developed within the city of San Diego.

The following discretionary actions would be required by the City of Chula Vista to implement the project:

- Amend the Chula Vista General Plan to remove the Open Space (OS) designation and designate the project site as Specific Plan – Residential Medium to allow residential development at a density range of 6.1 to 11 dwelling units per acre.
- Adopt the Nakano Specific Plan to establish the land use, intensity, development regulations, design standards, and primary infrastructure components needed to support development of the site.
- Approve a Vesting Tentative Map (VTM) to subdivide the property as a condominium project as defined by Section 4125 of the Civil Code of the State of California and as filed pursuant to the Subdivision Map Act. The VTM details land development, grading, parcel configuration, and necessary infrastructure in accordance with the guidelines and development intensities presented in the Nakano Specific Plan, conditions of approval for both jurisdictions as well as affordable housing and easement vacations for San Diego.
- Certify the Nakano EIR.
- Adopt California Environmental Quality Act Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program.
- Approval of the Annexation Agreement
- Approval of San Diego Will-Serve Agreement
- Adoption of a Resolution of Support for San Diego’s Application to LAFCO

Following receipt of City of Chula Vista entitlements, the City of San Diego would submit an Application for Reorganization to LAFCO. LAFCO discretionary actions include the following:

- Approve a City of San Diego and City of Chula Vista Sphere of Influence Revision
- Detach the site from the City of Chula Vista and Otay Water District
- Annex the site to the City of San Diego

Following approval of entitlements and reorganization by the City of Chula Vista and LAFCO, respectively, the City of San Diego will independently take action to consider the discretionary actions listed below. City of San Diego involvement in the review of all deliverables generated during the City of Chula Vista discretionary review process, including but not limited to the Tentative Map, Specific Plan, and EIR, would allow San Diego to consider the following entitlements without further discretionary review:

- Approve the Annexation Agreement
- Approve a Resolution of Application to LAFCO
- Adopt a General Plan/Otay Mesa Community Plan Amendment to designate the site Residential – Low Medium
- Adopt a Rezoning Ordinance to delineate the zoning territory not yet incorporated into the City of San Diego as Residential Medium (RM-1-1)
- Approve the Nakano Specific Plan
- Adopt Site Development Permit and Wetland Deviation Findings to allow impacts to Environmentally Sensitive Lands and Wetlands.
- Approve a VTM to subdivide the property to create new legal lots and into a condominium project for 221 residential units as defined by Section 4125 of the Civil Code of the State of California and is filed pursuant to the Subdivision Map Act.
- Approve a MSCP Subarea Plan Amendment to add the project site to the City of San Diego’s MSCP Subarea Plan.
- Approve Easement Vacations (sewer)

2.2 Purpose for Reorganization

Topographically, the annexation of the property to the City of San Diego is a logical extension of City Services due to environmental constraints that would limit the City of Chula Vista’s ability to directly service the property. Referring back to Exhibit 1 on page 7, the property is located on the south side of the Otay River Valley and is without adequate access across the river to the property from the improved areas located on the north side of the river in the City of Chula Vista. A bridge or other improvement would need to be constructed in order to cross the river and provide direct access to the City of Chula Vista. Such improvements would impact environmentally sensitive lands. Emergency services would also be most likely to be dispatched by the City of San Diego since their resources are located much closer to the property.

2.2.1 Existing Land Use Onsite

The site has historically been used for agriculture (crops), but has been vacant since approximately 2006. The northern two-thirds of the 23.8 acres site contains former agricultural land, building foundations and dirt roads. Diegan coastal sage scrub and disturbed habitat occur

in the southern portion of the site, southern willow scrub and mule fat scrub occur along the drainage in the southeastern quarter of the site, and eucalyptus trees occur along the western perimeter of the site.

Several utilities and their easements exist onsite. A 30-inch reclaimed water line and a SDG&E 69 kilovolt (kv) power line exist along the eastern boundary. An SDG&E above-ground power line also extends along the southern boundary. A 27-inch sewer pipeline extends from the northeast corner to the former location of buildings onsite and through to the western site boundary, and along the western site boundary. A 12-inch water line is located offsite adjacent to the eastern site boundary.

The majority of the site is located on the Otay River terrace and is relatively flat. The southern section of the study area is an uphill slope. Elevations within the proposed development area range from approximately 97 feet above mean sea level (AMSL) in the northern section to approximately 180 feet AMSL in the southern portion. Steep hillsides (i.e., greater than 25 percent and over 50 feet vertical elevation) are located in the southern area of the site and would be included in the 3.1-acre covenant of easement.

2.2.2 Surrounding Land Use

As shown on Exhibit 1 on page 7, surrounding land uses include multi-family homes to the east, medical offices to the south, I-805 to the west and vacant property to the north. The former Shinohara II burn ash site is located to the northeast of the project in the City of Chula Vista along the Otay River. The Shinohara II site was used to dispose of 34,000 cubic yards of lead-contaminated burn ash from the South Bay Municipal Refuse Site, an old burn dump located at the intersection of Palm Avenue and I-805 (California Integrated Waste Management Board 2000). Other properties in the vicinity, including the Davies property directly north of the proposed site, also used burn ash for fill. The Otay River is located approximately 340 feet north of the northwestern corner of the site and 570 feet north of the northeastern corner of the site.

2.2.3 Dennery Ranch Precise Plan

The Dennery Ranch Precise Plan established the standards, guidelines and procedures for developing approximately 245 acres of land located south and east of the subject property in the City of San Diego; the project site currently lies immediately adjacent but outside the boundaries of the Precise Plan. The Precise Plan allows for a mix of land uses. The adopted Precise Plan entitled up to 1,329 residential units, a neighborhood park, an elementary school, and 65 acres of open space that includes 50 acres of natural open space.

With the exception of the population-based public facilities, those being parks, libraries, and those recreational facilities located at the community park sites, the infrastructure required to support the development approved with the Dennery Ranch Precise Plan was sized based on the anticipated development identified in the Precise Plan. This infrastructure would include streets, freeway interchanges, backbone water and sewer facilities, police and local fire facilities.

3.0 Discussion of Facility Needs

3.1 Emergency Services

As discussed below, the changes required to serve fire and police protection demand related to the proposed project would be associated with additional staffing rather than the expansion of existing facilities or the construction of new ones.

3.1.1 Police

Upon annexation into the City of San Diego, the proposed project would be located in the City of San Diego's community of Otay Mesa and would be serviced by the San Diego Police Department. The proposed project would be within Beat 725 of the Police Department's Southern Division. Southern Division provides police services to the following communities: Tijuana River Valley, San Ysidro, Otay Mesa, Border, Egger Highlands, Nestor, Otay Mesa West, Palm City, and Ocean Crest.

A new police substation is included in the Otay Mesa Public Facilities Financing Plan (PFFP) Fiscal Year 2014 as Project No. PO-2. The FY 2014 version of the PFFP projected that this police station would be constructed in FY 2044/45. This future project would include a 20,000 square-foot police substation.

The Otay Mesa FBA/DIF fees collected from the Nakano project will be used, in part, to finance this new police substation and to contribute its fair share of the cost of the existing substation for Southern Division.

3.1.2 Fire

The City of San Diego Fire Department provides fire protection and emergency medical services within the City of San Diego and would provide any fire and emergency medical service associated with the proposed project upon reorganization. The following information about emergency response fire facilities was taken from the Nakano Fire Protection Plan, prepared in June 2022 by Dudek.

Existing Emergency Response Fire Facilities

Currently, the project site is located within the CVFD service area. However, once the project site is annexed into the City of San Diego, the City of San Diego Fire and Rescue Department (SDFRD) would service the site. Currently, San Diego Fire Station No. 6 which is located at 693 Twining Avenue, San Diego, is the closest station to the project site and would provide the primary response in a fire or medical emergency. The subject station is located approximately 1.4 miles from the proposed site.

To determine the impact on the SDFRD Station No. 6, a calculation was done based on the project's proposed population and calculated emergency calls. Based on the calculation about 82 calls per year would be added to the SDFRD Station No. 6 calls and it was determined to be an insignificant increase as mentioned in the Fire Protection Plan for Nakano, prepared in June 2022 by Dudek. The Fire Protection Plan also analyzed four other existing fire stations that are in the proximity of the project site and these were determined to be able to provide secondary response

to the project site. These fire stations are: CVFD Station No. 9, located on 1410 Brandywine Avenue, Chula Vista, SDFRD Station No. 29, located on 198 W San Ysidro Blvd, San Diego and CVFD Station No. 5, located on 341 Orange Avenue, Chula Vista. In addition, Fire Station No. 43, which is located on the east side of Otay Mesa (OM PFFP Proj. OM-F-1) is able to provide secondary response to the project site.

Proposed Fire Station

The adopted Public Facilities Financing Plan for Otay Mesa identifies a new fire station, Fire Station no. 49, to be built in Otay Mesa. This new station, identified in Project No. F-2 of the Otay Mesa Public Facilities Financing Plan, would relocate existing Fire Station No. 6 to a site on the south side of Ocean View Hills Parkway, just east of the intersection of Playa del Sol Parkway. This new station, together with its rolling stock, equipment, and furnishings, is to be fully funded by the Otay Mesa FBA/DIF which is imposed on all new development in Otay Mesa. This new station will be located approximately the same distance from the subject property as existing Station No. 6.

The Otay Mesa FBA/DIF fees collected from the Nakano project will be used, in part, to finance this new Fire Station no. 49 and to contribute its fair share of the cost of constructing existing Fire Station no. 43.

3.2 Transportation/Circulation

A transportation analysis for the proposed residential use project was prepared by LOS Engineering, Inc. on June 15, 2022. The analysis evaluates the proposed project's impact on traffic and circulation. The results and conclusions are summarized herein.

Dennery Road would provide access to and from the project site. Dennery Road is classified as a 4-Lane Collector located southeast of the project site and provides access to Palm Avenue, a major road, and to I-805. Within the project site, a series of private drives (A through F, and H) is planned to provide internal circulation. Private Drive A would be the main private drive running through the Specific Plan Area and would connect to Dennery Road with right-in/right-out movements. A San Diego Gas and Electric access road is proposed from Private Drive A, to allow access to San Diego Gas and Electric facilities. Private Drives B through E would branch off of Private Drive A in easterly and westerly directions. Private Drive F would be an east-west roadway that would connect to Private Drives E and H.

Secondary access would be provided via an accessible 20-foot-wide emergency use road located in the northeastern portion of the project site that would enable emergency-only travel to the east through the adjacent residential community in the City of San Diego. The emergency access road would be gated with fire department approved gates that allow entry for fire personnel at all times.

3.2.1 Existing Conditions

Existing Street Segment Operations

Existing street segment operations in the project vicinity are characterized based on an analysis of level of service (LOS). Roadway LOS is a term used to describe operating conditions with respect to criteria including vehicle speeds, travel time, maneuverability and safety. The determination of LOS for individual roadway segments is based on the number of lanes and 24-hour traffic volumes, represented as average daily traffic (ADT). LOS designations range from A to F, with LOS A representing the best-case scenario and LOS F representing the worst-case scenario. Generally, LOS A through C represents free-flowing traffic conditions with little or no delay. LOS D represents limited congestion and some delay that is acceptable to most people. LOS E and F represent significant delays on local streets that are generally unacceptable for urban design purposes.

Under existing conditions, all but two analyzed intersections and roadway segments operate at LOS D or better. The signalized intersection at Palm Avenue and Dennery Road operates at LOS E and the existing street segment of Palm Avenue between the I-805 SB ramps and NB ramps also operates at LOS E. These conditions are summarized in the LOS traffic study.

3.2.2 Proposed Conditions

Proposed Condition without Project in opening year 2024

Under proposed conditions in the opening year without the Nakano project, all but three analyzed intersections and roadway segments operate at LOS D or better.

The signalized intersection at Palm Avenue and Dennery Road will operate at LOS E in the morning and at LOS F in the afternoon. The intersection at Palm Avenue and I-805 ramps will operate at a LOS E in the afternoon and the street segment of Palm Avenue between I-805 SB ramps to NB ramps will operate at LOS E.

Proposed Condition with Project in opening year 2024

Under the proposed condition in the opening year with the project, the project adds more than 50 peak hour turn moves or more than 500 daily trips to the study locations forecasted to operate at LOS E/F; and/or has the potential to exceed the existing turn lane storage capacities at the following locations:

- 1) Intersection of Palm Ave/I-805 SB Ramps:
 - a) There are no improvements proposed for the Nakano project because Caltrans has scheduled interchange improvements. These interchange improvements are funded by the Otay Mesa FBA/DIF fees, Project no. OM-T-1.
- 2) Intersection of Palm Ave/Dennery Road.
 - a) There are no improvements proposed for the Nakano project because above discussed queues exceed storage capacity without project traffic.
- 3) Intersection of Dennery Road/Red Coral Lane/Red Fin Lane:
 - a) In order to accommodate eastbound U-turning vehicles along Dennery Road, the Nakano project would be conditioned to extend the left turn bay storage by an additional 100 feet at the intersection of Dennery Road/Red Coral Lane/Red Fin Lane. This improvement

would require removal of some median landscaping and construction of a new transition 100 feet to the east.

- 4) Segment of Palm Ave between I-805 SB Ramps and I-805 NB Ramps:
 - a) A fair share contribution by the Nakano project of 2% is proposed toward planned Caltrans Palm Avenue bridge widening over I-805 to a 5 Lane Major configuration anticipated to be completed after year 2024.

In addition to these improvements that will be conditions of the Nakano project, the Otay Mesa FBA/DIF fees collected from the Nakano project will be used, in part, to finance the network of road improvements identified in the Otay Mesa Public Facilities Financing Plan and to contribute its fair share of the cost of constructing the roadway improvements completed to date.

3.3 Public Utilities

The following discussion is based on the Water System Analysis for the Nakano project, prepared by Dexter Wilson Engineering, Inc. on June 21, 2022 and the Sewer Study for the Nakano project, prepared by Dexter Wilson on June 21, 2022.

3.3.1 Water

Existing Conditions

The existing public water system that would be used for the Nakano project is located in Dennery Road. The existing water main is a 12 inch water main in the 365 Zone. There is also 42-inch diameter transmission water line located in Dennery Road. However, this 42-inch transmission line is in the 490 Zone.

Proposed Conditions

The City of San Diego would provide potable water service for the site upon annexation. The existing Interconnect Agreement between OWD and the City of San Diego is proposed to be amended to include potable water service to the proposed project. The City of San Diego would provide the water supply, and establish a service charge and rate in the amended Interconnect Agreement.

As described on the Water System Analysis for the Nakano project in the City of Chula Vista, prepared on June 21, 2022 by Dexter Wilson Engineering, Inc., about 400 feet of a new 12 inch 365 Zone public water main will be constructed in Dennery Road from the existing water regulating station that is located at Sand Star Way to the entrance of the Nakano project. This 12 inch main will tie into the existing 12 inch main in Dennery Road, located east of Sand Star Way. The proposed parallel 12 inch water main is necessary because the existing public water system is unable to supply the required fire hydrant flow. With the proposed parallel 12 inch water main, the fire flow requirement for the Nakano project will be satisfied.

Within the Nakano subdivision, a private domestic water system will be constructed that will consist of 8 inch, 6 inch and 4 inch water mains that will tie into the existing 12 inch water main in Dennery Road.

The private fire protection system will consist of a dual 8 inch fire service pipes that will tie into the existing 12inch water main and the new 12 inch water main in Dennery Road.

3.3.2 Sewer

Upon annexation into the City of San Diego, the proposed project sewage waste would be conveyed to the Otay Valley Trunk Sewer. A sewer line currently extends east to west across the northern portion of the proposed site.

Existing Conditions

The existing public sewer facilities that are located in the vicinity of the Nakano project include the City of San Diego Otay Valley Trunk Sewer which consists of a 27 inch gravity sewer main and an 18 inch gravity line which are located within the project site.

Proposed Conditions

Based on the sewer study for the Nakano project, prepared by Dexter Wilson Engineering, dated June 21, 2022, upon annexation to the City of San Diego and de-annexation from the City of Chula Vista and the Otay Water District, the proposed onsite 12 inch private sewer system would connect into the City of San Diego 27 inch Otay Valley Trunk Sewer which crosses the Otay River and extends onto the project site. A portion of the existing 27 inch gravity Otay Valley Trunk Sewer will have to be relocated into an easement along the north side of the project area. Wastewater from the site would gravity flow to the existing relocated 27 inch Trunk Sewer.

Based on current METRO regionwide Otay Mesa and Otay Valley sewer analyses, the Otay Valley Trunk Sewer has enough capacity available for the Nakano project to connect.

3.4 Population-based Improvements

3.4.1 Libraries

Library improvements are a “population-based” public improvement. In Otay Mesa, based on the adopted algorithm for public facility financing plans, only residential development is called upon to finance new library improvements. Otay Mesa is currently served by the existing library in the adjacent community of Nestor. Almost \$2,000,000 in FBA funds from Otay Mesa have already been expended to expand this library facility. In addition, the Public Facilities Financing Plan has identified a new library project, project no. L-2, which calls for a new Branch Library for Otay Mesa. This project will be funded entirely by FBA/DIF funds collected from new residential development.

The Otay Mesa FBA/DIF fees collected from the Nakano project, will be used, in part, to finance this new branch library and to contribute it’s fair share of the cost of improvements to the existing library at Nestor.

3.4.2 Park and Trail Improvements

Park improvements, like libraries, are also “population-based” public improvements. As such, only residential development is called upon to finance new park improvements. Numerous park improvements are planned for the Otay Mesa community. One such park project is the Dennery Ranch Neighborhood Park, which is included in the Otay Mesa Public Facilities Financing Plan as project No. P-2. This neighborhood park is currently under design and will be located just east of the Nakano project on Dennery Road.

To satisfy the population-based park requirements, the Project would pay the Citywide Park Development Impact Fee (CPDIF) to the City of Diego. Based on the residential unit mix of the project, the CPDIF would range from \$13,841 to \$15,379, depending on the square footage of each unit.

In addition to the payment of the CPDIF, the Nakano project provides several privately funded mini parks, including an overlook park and trail connections to the OVRP. Park areas within the project site include a passive recreational area at the entrance to the project site next to Private Drive A, and several mini-parks throughout the project site. Two park areas are sited along the northern boundary to increase access and views toward the OVRP. Recreational areas would be landscaped with seating, walkways, and other amenities. The project additionally includes a fenced dog park area surfaced with decomposed granite for use by residents. The Specific Plan Design Guidelines define the proposed recreational amenities including concept plans depicting pocket parks. In addition to parks, the project would provide paseos, which are enhanced pedestrian pathways providing residents additional green space incorporating large trees, shrubs, bench seating, and exercise stations.

The project would emphasize trail connections to the OVRP for both residents and members of the surrounding community. An existing trail connection running along the western side of the project site would be retained and enhanced with decomposed granite surfacing to provide connection to the OVRP trail system. This existing trail would be separated from the development area by a small retaining wall and a composite split rail fence. Within the project site, a sidewalk would parallel the existing trail access adjacent to the private drive. In addition to the north-south trail connection, the project would provide connections to an east-west connection to the OVRP trail system. In addition to the existing western trail access that would remain, the project would provide two additional trail connections to the east-west trail north of the project boundary.

4.0 Impact Fees

The Nakano project will be subject to the payment of both the Otay Mesa Development Impact Fees and the Citywide Park Development Impact Fees. Before the CPDIF was approved, impact fees for the development of public parks were included in the OMDIF. Following approval of the CPDIF, the OMDIF fees are now reduced by the calculated park component of the OMDIF.

Unit Type	Unit size (in sf)	Current Otay Mesa FY2023 MF DIF fee	Less the Otay Mesa FY2023 FBA Park Component	Net Otay Mesa FY2023 MF /DIF fee	Citywide Park DIF	Total Otay Mesa DIF Fees
Condominiums	1,761-2,135	\$38,190	\$7,934	\$30,256	\$15,379	\$45,635
Duplexes	1,461-1,668	\$38,190	\$7,934	\$30,256	\$15,379	\$45,635
MF Townhomes	1,083-1,480	\$38,190	\$7,934	\$30,256	\$13,841- \$15,379	\$44,097- \$45,635

The City of San Diego’s Citywide Park DIF Program provides for reductions in the payment of CPDIF fees for the following type projects:

Citywide Park DIF Program Reductions	
Program	Park DIF Reduction
55 year covenant restricted affordable housing unit <80% AMI	25%
55 year covenant restricted affordable housing unit 81-120% AMI	20%

The Active Transportation In-Lieu Fee (ATILF) is dependent on project location and other factors per the SDMC Section 143.11.

Based on the current Aug 2022 ATLIF calculation tool, the project site is located in Mobility Zone 2. When permits are sought, the applicant will recalculate the ATLIF requirements to determine the current Mobility Zone and any required payments

<https://www.sandiego.gov/complete-communities>

4.1 Citywide Development Impact Fees

The City of San Diego is currently evaluating a citywide initiative entitled *Build Better SD* with an objective to support the City of San Diego’s equity, access, conservation and sustainability goals. This initiative will set clear policies intended to create more opportunities for innovative, culturally relevant and interactive public spaces by prioritizing investments in areas where the needs are greatest—streamlining the delivery of more infrastructure, to more people, more quickly. *Build Better SD* is an extension of *Parks for All of Us* so that we have equitable, need-based, comprehensive funding for not only parks, but all public spaces, including libraries, streets, pedestrian and bike facilities, as well as other gathering spaces. The end result may be a Citywide Development Impact Fee (CDIF) which would take the place of the current DIF for Otay Mesa. Presuming the City of San Diego approves the Citywide Development Impact Fee

prior to building permits being issued in Nakano, development in Nakano will be subject to the new CDIF.

5.0 Conclusion

As all the public facilities that will support the Nakano project are located in the City of San Diego, the Nakano project will be responsible for the Development Impact Fees imposed by the City of San Diego. There are no impacts to Chula Vista facilities or public services. These fees are imposed at the time building permits are issued. Even if the Nakano project is not approved by LAFCO for annexation to the City of San Diego and the project remains in the City of Chula Vista, the Nakano project will still pay its development impact fees to the City of San Diego.