

TO: JAMES L. APP, CITY MANAGER

FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: REQUEST TO AUTHORIZE ADDITIONAL FUNDING,
CHANDLER RANCH AREA SPECIFIC PLAN

DATE: OCTOBER 5, 2004

Needs: For the City Council to consider authorizing additional funding for work related to the Chandler Ranch Area Specific Plan.

Facts:

1. In November 2003 the City Council selected the "Property Owners' Alternative" as the basis for preparing the Draft Specific Plan and Draft Environmental Impact Report (DEIR).
2. In addition to reflecting a total of up to 1,439 dwelling units, the property owners' alternative anticipates up to 455,000 square feet of commercial land uses.
3. The traffic analysis for the Chandler Ranch Area Specific Plan has a direct relationship with the land uses being proposed under the "Property Owners' Alternative", and the amount of commercial development that has been requested generates a substantial need for traffic mitigation. These mitigation needs translate directly into fees.
4. As soon as the magnitude of the challenge of dealing with 455,000 square feet of commercial land uses became apparent, City staff and the City's consultant team contacted the two property owners with the most commercial land use designations (Wurth and Meixner).
5. Over the past weeks there have been a series of communications / discussions on this topic. Based on those discussions, it has been identified that it may be possible to significantly reduce traffic mitigation fees if the property owners are open to considering a modification to land uses in the commercial designated areas.
6. Options include (a) reducing the potential square footage or intensity of the commercial land uses or (b) substituting other land uses, where feasible, or (c) finding a combination of both of these approaches.

7. Whatever modifications are made to the Property Owner's Alternative, it will be necessary to re-run traffic models and recalculate mitigation costs.
8. The property owners have been made aware that there is a "window of opportunity" to analyze a refined land use pattern and not adversely impact the project schedule as long as (a) no new significant impacts are created and (b) funding is provided for the additional analysis.
9. A deadline of October 1, 2004 has been set to provide the City with additional input on land uses. In order to stay on schedule for public hearings in November 2004, it would be necessary to begin work on the new analysis immediately after October 1, and there will not be time to seek funding authorization.
10. In order to anticipate that there may be a property owner request for additional traffic analysis, it is suggested that the Council authorize up to \$30,000 in contingency funds for traffic analysis and mitigation plan refinements.

Analysis
and

Conclusion:

At this point in time, it is not clear whether or not the property owners (Wurth and/or Meixner) will propose refinements to their land use plan.

Based on preliminary work done by the City's specific plan consultants, the projected level of specific plan traffic mitigation fees could be substantially reduced if the property owners were to further refine / modify land that is currently designed for commercial use at the north end of the Chandler Ranch Area Specific Plan.

The reduction in specific plan fees would improve the feasibility of the specific plan being implemented. A reduction in traffic generation in the Chandler Ranch Area Specific Plan could result in (1) elimination of the requirements for some infrastructure improvements and/or (2) shifting the proportionate burden of mitigation to other new development projects and/or (3) result in other agencies being responsible for larger proportions of regional improvement needs such as work along the Highway 46 East corridor.

In order to be ready if and when a request of this type comes forward, and in order to avoid a delay in the project schedule, it is suggested that the City Council consider authorizing contingency funding in the amount of \$30,000 be set aside for this purpose. If the additional land use analysis is not requested, the funding will not be used.

A policy option would be to call for the property owners to pay for this additional analysis. The City has so far advanced all of the funds for the Chandler Ranch Area Specific Plan. An additional advance would be consistent with prior Council direction. If approved as an additional advance, this extra expense would be charged as an additional specific plan fee applicable to future development within the geographic area that is the subject of the request.

Policy

Reference: General Plan requirement for the Chandler Ranch Area Specific Plan

Fiscal

Impact: The City's General Fund has previously advanced \$232,000 for preparation of the Chandler Ranch Area Specific Plan. While Plan preparation costs are intended to be recouped from specific plan fees, it could be many years before the General Fund advance is repaid.

As was previously noted when the Council was asked to allocate \$280,000 for the preparation of the Airport Road/Hwy 46 East project study report, advances from the General Fund would likely reach \$750,000 when the two additional specific plans are authorized. This request will serve to increase the burden on the General Fund for cash advances and will directly reduce investment earnings for the General Fund.

The proposed contingency funds would be a part of the advanced funds.

Options:

- a. That the City Council authorize staff to take the steps necessary to provide up to \$30,000 in contingency funding for additional traffic analysis and mitigation plan refinements relative to modifications to commercial land use designated areas within the Chandler Ranch Area Specific Plan. If the property owners (Wurth and/or Meixner) do not request consideration of land use refinements, there will be no need for expending these contingency funds.
- b. That the City Council determine that it should be the responsibility of the property owner making the request to fund the additional analysis, and that the City would not proceed with the analysis until there is a funding commitment from the property owner(s).
- c. Amend, modify, or reject the foregoing options.