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June 9, 2018

TO: Rita Brandin, Newland Sierra, LLC

FM: Fuscoe Engineering

RE: Newland Sierra – Estimated Fiscal Benefits of Newland Sierra Project related to Public Improvements, Public Services and other Public Benefits

June 9, 2018

This memorandum is intended to provide an estimate of the fiscal benefits to the County of San Diego, and other public agencies, that would result from the Newland Sierra Project's ("Project") provision of Public Improvements, Public Services and Public Benefits.

For purposes of this memorandum, "Public Improvements" generally refer to offsite road and intersection improvements. "Public Services" refers to payment of improvement and impact fees related to the provision of public services. "Public Benefits" refers to open space dedications on- and off-site, improvements to the I-15 interchange and bridge, additional fire service benefit payment, public parks, and trails. The project is estimated to expend approximately \$177,428,000 to \$179,608,000 on public improvements, service, and benefits.

Estimated fiscal expenditures for construction have generally been provided by J.T. Kruer and Company and KCM Group. T.Y. Lin International provided conceptual estimates for the I-15 Interchange improvements. Terra Development, Inc. provided conceptual estimates for the Monte Vista / Buena Creek roundabout alternative. Schmidt Design Group, Inc. provided estimates of the public benefit of parks and trails, as shown in the attached May 31, 2018 memorandum. Development Planning & Financing Group, Inc ("DPFG") provides an analysis of school fees, as shown in the attached memorandum dated June 5, 2018.

## Public Improvements

- 1. Deer Springs Road, Twin Oaks Valley Road and Other Offsite Road Improvements and other Offsite Road Improvements**  
**\$24,500,000**  
**to**  
**\$26,680,000**

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### Deer Springs Road

1.5 miles x \$1,550/ft \$12,100,000

The project will fund the design and construction of improvements to Deer Springs Road, a County Mobility Element road. The estimated project expenditure for this improvement includes design and construction, stormwater treatment basins, and the acquisition of additional rights of way as required. The improvement will also include the installation of traffic signals at Mesa Rock Road and Sarver Lane intersections.

### Twin Oaks Valley Road

1.2 miles x \$1,650/ft \$10,400,000

The project will fund the design and construction of improvements to Twin Oaks Valley Road, a portion of which is in the County Mobility Element, and a portion of which is in the City of San Marcos. The estimated project expenditure for this improvement includes design and construction, stormwater treatment basins, and the acquisition of additional rights of way as required, traffic signals and traffic signal improvements as required by the City of San Marcos.

### Other Offsite Improvements

Buena Creek Road at Monte Vista Drive \$570,000 *or* \$2,750,000

The project will fund the design and construction of improvements at this intersection based on one of two options: either a traditional signalized intersection, or design and construction of a traffic circle. The estimated project expenditure for this improvement includes funding its design and construction.

Buena Creek Rd at South Santa Fe Dr Avenue \$1,430,000

The project will fund the design and construction of an improved, signalized intersection. The estimated project



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expenditure for this improvement includes funding its design and construction.

## Public Services

### 2. **Transportation Impact Fee** (based on current impact fee) **\$11,051,000**

2,135 Dwelling Units x \$5,176/dwelling unit ("du")

The project will pay directly to this established County program for funding regional improvements. The estimated project expenditure is based on the current impact fee.

### 3. **School Fees** (based on DPFG analysis dated June 5, 2018): **\$18,965,491**

The estimated project expenditure is based on the DPFG analysis dated June 5, 2018, attached. The applicable school fees of the San Marcos Unified School District, Escondido Union School District, and Escondido Union High School District are as follows:

#### San Marcos Unified School District

1,049 Dwelling Units @ \$5.61/SF*	\$12,772,968
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#### Escondido Union School District

1,086 Dwelling Units	\$3,412,246
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Commercial Bldg. 81,000 SF x \$0.30/SF*	\$24,300
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#### Escondido Union High School District

1,086 Dwelling Units	\$2,732,487
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Commercial Bldg. 81,000 SF x \$0.29/SF*	\$23,490
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<b><u>TOTAL</u></b>	<b>\$18,965,491</b>
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\*SF denotes square foot.



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**4. Fire Mitigation Fees (preliminary estimate based on current  
 \$2,469,000  
 per unit impact fees)**

The project will pay fees to the Deer Springs Fire Protection District per the fee schedule adopted by its Board, and per an executed Fire Fee Payment Agreement approved by the Board, as further discussed below at item 10. The estimated project expenditure is based on current per unit impact fees.

**5. Water Capital Improvement Fee:  
 \$25,357,103**

The project will pay fees to the Vallecitos Water District (“VWD”) and the San Diego County Water Authority (“SDCWA”) for improvements to their regional water systems as determined by the VWD Master Plan. Additionally, the project will construct project specific facilities to accommodate project impacts (estimates for project specific improvement not included in this conceptual estimate).

Residential Units - 1,218 SF\* DU’s – 3/4 inch meter

VWD: \$7,870 X 1218	= \$9,585,660
SDCWA: \$5,240 X 1218	= <u>\$6,382,320</u>
Total	\$15,967,980

917 MF\* DU’s – 0.75 EDU’s\*

VWD: \$7,870 X 917 X 0.75	= \$5,412,593
SDCWA: \$5,240 X 917 X 0.75	= <u>\$3,603,810</u>
Total	\$9,016,403



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Commercial 81,000 SF

VWD: \$46,400 X 4	= \$185,600
SDCWA: \$15,720 X 4	= <u>\$ 62,880</u>
	\$248,480

School 33,000 SF

VWD: \$46,400 X 2	= \$ 92,800
SDCWA: \$15,720 X 2	= <u>\$ 31,440</u>

Total \$124,240

\*Note: "SF" and "MF" Dwelling Unit refers to "Single Family Residence" and "Multi Family Residence" respectively. "EDU" denotes Equivalent Dwelling Unit. Dwelling unit counts are based on VWD's definition for fee calculation purposes.

**6. Sewer Capital Facility impact fee:  
 \$19,729,705**

The project will pay fees to the Vallecitos Water District for improvements to their regional sewer and reclaimed water systems as determined by their District Master Plan.

1,218 SF* DU's X \$9,899	= \$12,056,982
917 MF* DU's X \$7,919	= \$ 7,261,723
81,000 SF Com X \$3.75	= \$ 303,750
33,000 SF School X \$3.25	= \$ 107,250

\* Note: "SF" and "MF" Dwelling Unit refers to "Single Family Residence" and "Multi Family Residence" respectively. Dwelling unit Counts are based on VWD's definition for fee calculation purposes.

## Public Benefits

### **7. Dedication of Open Space Preserve plus Endowment \$25,000,000**

The project will dedicate 1,209 acres within the subdivision boundary for permanent biological open space and fully fund the preparation and approvals of studies, reports and management plans, including the deposit of an endowment sufficient to provide funds to manage the preserve in perpetuity.

1,209 acres x \$20,678/ac (estimate of land value and additional per acre costs for studies, endowment and management plans)

### **8. Offsite Mitigation Land \$2,500,000**

212 acres x \$11,900/ac

The project will dedicate an additional 212 acres of off-site permanent biological open space to be endowed and managed in perpetuity in the manner described for item 7 above.

### **9. Improvements to I-15 Interchange and Bridge \$22,000,000**

The project will fund all Caltrans- required studies, plans, approvals and subsequent construction of required improvements to the existing I-15 interchange, including improvements to the overpass, ramps and signals.

### **10. Additional Fire Service Public Benefit Payment \$2,010,000**

In addition to the Fire Mitigation Fees to be paid with each building permit and annually per residence or business,



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Newland Sierra has entered into an agreement with the Deer Springs Fire Protection District to pay a lump sum of \$2,010,000 for improvements to the exiting station, and addition of trucks and equipment as the District board sees fit.

**11. Sewer Annexation Fee (Developed footprint only):**  
**\$3,367,702**

The project will pay sewer annexation fees to the Vallecitos Water District for the project’s share of existing District wastewater treatment and conveyance facilities as determined by their District Master Plan.

VWD: 398 Acres X \$8,449	= \$3,362,702
Administration fee:	= \$ 3,000
State Board of Equalization	= \$ 2,000

**12. Public Parks \*\*** **\$16,642,232**

The project will develop twelve public benefit parks. The estimated expenditures provided below are based on the attached May 31, 2018 memorandum by Schmidt Design Group.

PARK 1 - OAK GROVE	\$1,261,750
PARK 2 - VILLAGE GREEN	\$ 685,980
PARK 3 - JOINT USE PARK	\$2,255,700
PARK 4 - HILLSIDE MINI PARK	\$ 185,400
PARK 5 - HILLSIDE HEIGHTS	\$1,537,275
PARK 6 - MESA MINI PARK	\$ 321,360
PARK 7 - MESA PARK	\$ -
PARK 8 - SUMMIT MINI PARK	\$ 288,400
PARK 9 - SADDLEBACK PARK	\$ 731,300
PARK 10 - KNOLL MINI PARK	\$ 228,660
PARK 11 - PEAK'S PARK	\$6,312,355
PARK 12 - VALLEY GREEN	\$ -
PARK 13a - CREEKSIDE PARK	\$1,684,050
PARK 13b - CREEKSIDE PARK	\$ -
PARK 14a - SIERRA FARMS	\$ -



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PARK 14b - SIERRA FARMS	\$ -
PARK 15 - POCKET PARKS & OVERLOOKS	\$ 194,670

**13. Public Trails\*\*** **\$2,936,070**

The project will develop public benefit trails. The estimated expenditure on these trails is based on the attached May 31, 2018 memorandum by Schmidt Design Group.

\*\*See attached May 31, 2018 memo by Schmidt Design Group for Additional Detail

**Total: \$176,528,303 to \$178,708,303**