

SECTION V: IMPLEMENTATION



CHAPTER 9 IMPLEMENTATION**A. Introduction**

The North City Extended Specific Plan (SP) encompass approximately 590 acres of vacant land located north of Interstate Highway 10 along the Varner Road corridor, and is defined by Bob Hope Drive/Rio Del Sol Road on the east and DaVall Drive on the west. At project build-out, the SP could accommodate a blend of Mixed Use Development (MXD) of an equivalent of up to 200,000 square feet of retail/commercial buildings; 120,000 square feet of restaurants; 190,000 square feet of office/service buildings; 595,000 square feet of light industrial (L-I) building; 400 hotel rooms and 3200 residential units. Further, a total of 240.44 acres of Open Space of about 40% of the SP would be preserved and maintained for use as stormwater retention basins, community and neighborhood parks with public recreational facilities, and a network of bikeways, multi-use pathways and pedestrian walkways.

The build-out of this mixed-use community within a newly annexed area in Cathedral City is anticipated to be phased over a fifteen (15) year absorption period.

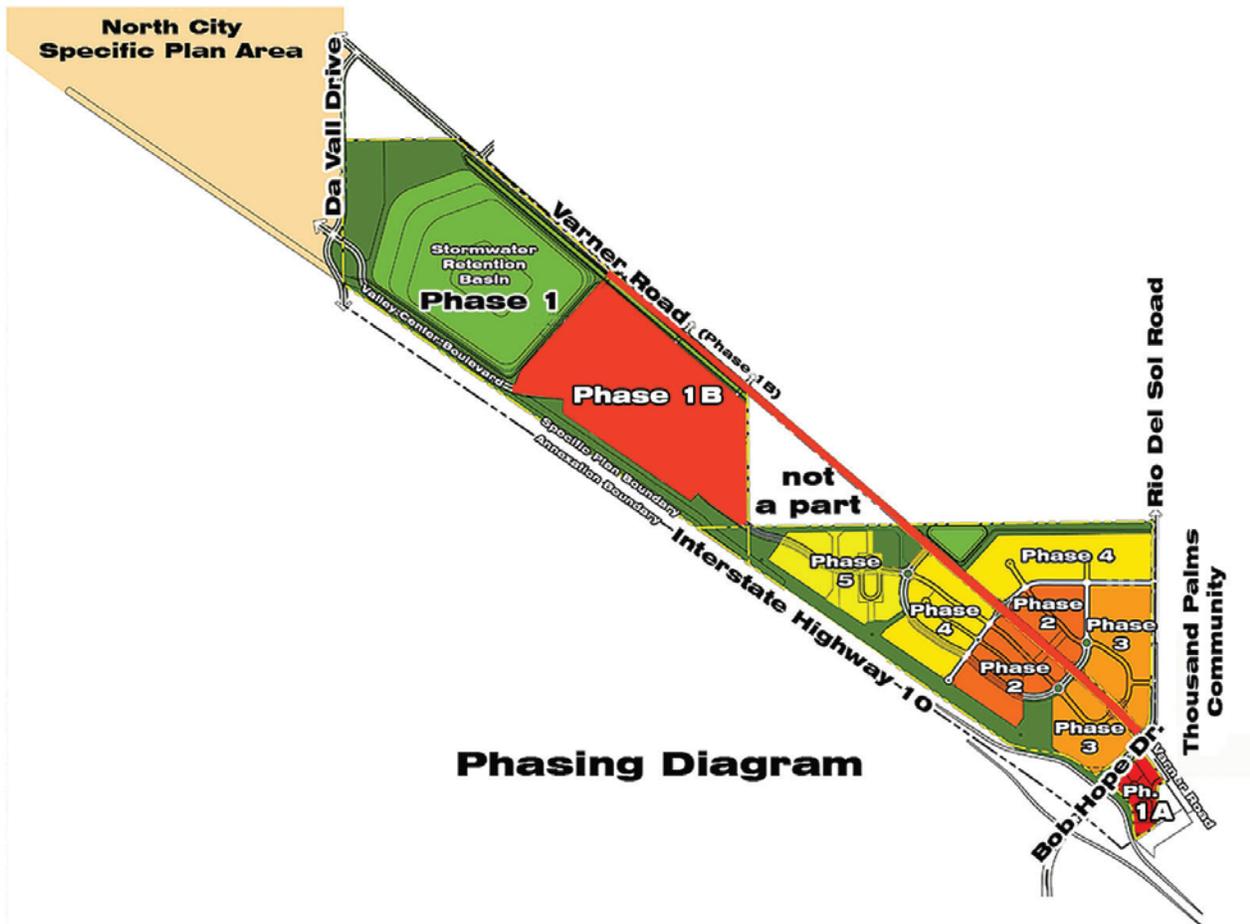
Reference should be made to the following Table 9-1 “Phased Development Program by Planning Area” and the accompanying “Phasing Diagram”.

This summary is followed by several implementation-oriented tools and mechanisms for directing the development process of the North City Extended Specific Plan. These include:

- A. Specific Plan Implementation
- B. Implementation Strategy
- C. Transfer of Development Rights
- D. Land Use Equivalency Program
- E. Infrastructure Financing Mechanisms; and
- F. Fiscal Impact Analysis

**Table 9-1
Phased Development Program by Planning Area**

PHASE	PLANNING AREA(s)	Retail/ Commercial	Restaurant	Office/ Services	Light Industrial	Hotel	Resident'l.
1A Yrs. 1-2	2	10,000 SF	40,000 SF	-0-	-0-	100 rms.	-0-
1B Yrs. 1-2	4	-0-	-0-	-0-	-0-	-0-	1,000 DU's
2 Yrs. 3-5	1 & 3	30,000 SF	20,000 SF	50,000 SF	150,000 SF	-0-	600 DU's
3 Yrs. 6-8	1 & 3	150,000 SF	30,000 SF	60,000 SF	200,000 SF </td <td>300 rms.</td> <td>300 DU's</td>	300 rms.	300 DU's
4 Yr. 9-11	1 & 3	10,000 SF	30,000 SF	80,000 SF	245,000 SF	-0-	600 DU's
5 Yrs. 12-15	1	-0-	-0-	-0-	-0-	-0-	700 DU's
SP	Build-Out	200,000 SF	120,000 SF	190,000 SF	595,000 SF	400 rms.	3,200 DU's



Note: The phased development of Roadway, Domestic Water and Sanitary Sewer systems is to be keyed to the Phasing Diagram which accompanies Table 9-1 on the previous page. A brief summary of systems phasing is as follows:

Roadways

The build-out system of Roadways for this Specific Plan is illustrated on Figure 5-1 located on page 50 of this Specific Plan. Phase One of the overall development program includes the land development of Phases 1A and 1B per the Phasing Diagram. During Phase One, Varner Road will be improved to Modified Major Highway standards with two lanes in each direction and a landscaped central median and parkways between Bob Hope/ Rio Del Sol and the northwest edge of PA1 and PA3. Also, Varner Road between the eastern edge of Retention Basin 1 and the eastern edge of PA4 will be improved with the two eastbound lanes and the landscaped central median and southern parkway frontage during Phase One.

Valley Center Boulevard will be completed as a Major Highway within PA4 during Phase One. Also, the system of North City Collectors shown within Figure 5-1 within PA4 will be completed in Phase One.

Other Roadway system improvements will be made within each land development phase as illustrated in the Phasing Diagram.

Domestic Water

The build-out and Phase One Domestic Water system improvements are illustrated on Figure 6-1 located on page 70 of this Specific Plan. Phase One water main construction is planned for the entire length of Varner Road from Bob Hope Drive/ss Rio Del Sol Road to the eastern edge of Retention Basin 1 in order to serve both Phase 1A and 1B. Also, water mains are planned during Phase One along the Valley Center Boulevard and North City Collectors located in PA4. The water mains along Valley Center Boulevard through PA1 will also be constructed in order to complete a loop back to Varner Road.

Other Domestic Water system improvements will be made within each land development phase as illustrated in the Phasing Diagram.

Sanitary Sewer

The build-out and Phase One Sanitary Sewer system improvements are illustrated on Figure 6-3 located on page 71 of this Specific Plan. Phase One sewer main construction is planned for the entire length of the North City Collector and Valley Center Boulevard from Bob Hope Drive/ Rio Del Sol Road to the eastern edge of Retention Basin 1 in order to serve both Phase 1A and 1B. Also, sewer mains are planned during Phase One along the North City Collectors located in PA4. Other Sanitary Sewer system improvements will be made within each land development phase as illustrated in the Phasing Diagram.

1. Responsible Agencies

The Coachella Valley Water District (CVWD) and the Riverside County Flood Control District (RCFCD) are responsible for the management of regional drainage within and near Cathedral City. This includes rivers, major streams and their tributaries, and areas of significant sheet flooding. While CVWD and RCFCD have the primary responsibility for regional facilities, in close cooperation and coordination with the City, the City remains directly responsible for the management of local drainage.

2. Additional Permitting Agencies

As a rule, additional State or Federal permitting may be required for streambed alteration based on the exact location of delineated waterways, natural washes, channels and floodways in the area of the Specific Plan if it is determined necessary. However, a Biological Assessment conducted on the property did not have any riverine habitat. Each individual property owner shall work with the applicable stormwater management Agency (e.g.: CVWD, RCFCD, U.S. Army Corps of Engineers, City of Cathedral City) to establish any potential constraints or requirements. Any principal use or conditional use permitted in the underlying district is permitted, subject to the conditions and restrictions, as related to regional drainage, imposed by the applicable stormwater management agency.

B. SPECIFIC PLAN ADMINISTRATION

1. Responsibility

The City Planner or their designee(s) shall be responsible for administering the provisions of the North City Extended Specific Plan in accordance with the provisions of this Specific Plan, the State of California Government Code, the City of Cathedral City General Plan and the Cathedral City Municipal Code.

2. Land Uses Not Listed

All uses not specifically listed in this Specific Plan are prohibited. However, the City Planner may determine that a use not listed is comparable to a listed use and, once so determined, it shall be treated in the same manner as a listed use. Such determination may be appealed to the Planning Commission, and a Planning Commission determination may be appealed to the City Council.

3. Development Regulations and Standards Not Listed

Any development regulation or standard not specifically covered in this Specific Plan shall be subject to Cathedral City Municipal Code Title 9 (Planning and Zoning). In cases where development regulations and standards set forth in this Specific Plan are inconsistent with CCMC Title 9 (Planning and Zoning), the Specific Plan shall prevail.

The provisions of this Specific Plan shall also prevail where there is an inconsistency between this Specific Plan and other City ordinances, rules and regulations. However, the provisions of this Specific Plan will not prevail should there be any inconsistency between the Specific Plan and the City's General Plan. Any development regulation and standard not addressed in this Specific Plan shall be subject to the City's adopted regulations in place at the time of the individual application.

4. Interpretation

The City Planner shall interpret the phrases "other similar uses", "uses customarily incidental to," etc., as used in this Specific Plan. Whenever there is any question regarding the interpretation of the provisions of this Specific Plan or their application to any specific case or situation, the City Planner shall interpret the intent of this Specific Plan. Such determination may be appealed to the Planning Commission, and a Planning Commission determination may be appealed to the City Council. A determination to the City Council is final. All provisions of this Specific Plan shall be held to the minimum standards for the promotion of the public health, safety, comfort, and general welfare.

5. Severability

If any section, subsection, sentence, clause or phrase of this Specific Plan, or future amendments or additions hereto, is for any reason held as invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the plan.

6. Approval Process

All development projects and new uses shall be subject to the review and appeal procedures, findings and provisions of the CCMC, such as but not limited to, Conditional Use Permits, Variances, and Planned Unit Development (PUD), etc.

7. Application of the CEQA Process

As required by the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) has been prepared for the North City Extended Specific Plan. This report identifies potential impacts that could result with the adoption of the North City Extended Specific Plan. Future development of projects within the Specific Plan areas are anticipated, and while the EIR has been prepared at the program level, subsequent projects within the EIR scope may require additional environmental review if deemed necessary by the Community Development Director.

8. Development Analyzed in the Environmental Impact Report

The EIR analyzed development scenarios for the horizon year 2033 to evaluate the potential environmental impacts of the NCESP. The horizon year development capacity represents an estimate as to the overall development capacity of the Specific Plan area within the foreseeable future (15-20 years) based on market analysis and environmental constraints. Development scenarios analyzed in the EIR range from “No Project” (retain existing zoning and allow development to happen pursuant to that zoning) to aggressive development scenarios including residential, retail, office, business park and industrial uses.

9. Environmental Review Process for Projects within the North City Extended Specific Plan

Pursuant to the provisions of CEQA, all discretionary actions must be reviewed for their potential effects on the environment. Future actions within the Specific Plan area will not require subsequent environmental review, unless the use and/or intensity are different from the land use patterns and alternatives identified in the NCESP. In reviewing subsequent development proposals within

the Specific Plan the impacts of these proposals will be compared to the level of impacts addressed in the Final EIR.

Pursuant to Sections 15162 and 15163 of CEQA guidelines, a subsequent or supplemental EIR would be required if any of the following findings are made regarding a proposed development permit. If none of these findings can be made no further documentation CEQA analysis will be necessary (Section 15162):

- a) The proposed project represents a substantial change in the use and/or intensity from the Specific Plan that was analyzed in the Final EIR. Generally, Specific Plan amendments would be considered to be a substantial change.
- b) Substantial changes have occurred with respect to the circumstances under which the proposed permit is being undertaken as compared to the circumstances assumed in the Final EIR. Such substantial changes could include (but are not necessarily limited to) substantial changes in land use or circulation patterns surrounding the Specific Plan area.
- c) New information of substantial importance, which was not known and could not have been known at the time the Final EIR was certified, shows that, as a result of the proposed project, either new significant impacts would occur, significant impacts identified in the Final EIR will be substantially more severe, or mitigation measures proposed in the Final EIR are infeasible or not included in the proposed project.

Section 15164 of CEQA Guidelines states that an addendum to a previously certified EIR shall be prepared if some changes or additions are necessary to a project, but none of the conditions described in Section 15162 calling for a preparation of a subsequent EIR have occurred. An addendum, unlike a subsequent EIR and supplement to an EIR, need not be circulated for public review and can be included in or attached to the Final EIR. A brief explanation of the decision not to prepare a subsequent EIR should be included in an addendum to the EIR.

It is not anticipated (but could nevertheless occur) that preparation of a supplemental or subsequent EIR would be needed unless the level of overall development within the Specific Plan area exceeds the overall level of development addressed in the Final EIR. As previously noted, the actual determination as to the appropriate form of environmental documentation must be made on a project-by-project basis pursuant to the provisions of CEQA Guidelines Section 15162, 15163, and 15164.

10. Mitigation Monitoring and Reporting Program

The Mitigation Monitoring and Report for the North City Extended Specific Plan can be found in the Final EIR. Pursuant to Section 21081.6 of the Public Resources Code and the California Environmental Quality Act (CEQA) Guidelines Section 15097, public agencies are required to adopt a monitoring or reporting program to assure that the mitigation measures and revisions identified in the Final EIR are implemented.

C. IMPLEMENTATION STRATEGY

Introduction

The North City Specific Plan included an implementation strategy that needs to be revisited and refined with the property owners in the North City Extended Specific Plan. At this point, the original strategy summary incorporated by reference into this Specific Plan with the intent that it will be refined through discussions with affected property owners and City staff during the document review phase.

A top implementation program priority is the construction of adequate stormwater retention/ debris basins as delineated in the Specific Plan as Phase One improvements in advance of other private land development and public improvements.

The attached Table 14-2 presents an implementation strategy for achieving desired public and private improvements in the Specific Plan area. The strategy presents six major implementation steps, and identifies key action steps, priority/timing, responsible parties, and potential funding sources for each. The major implementation steps include:

#1 – Prioritize and implement catalyst developments.

The City should work closely with property owners and developers, as well as other private business interests, to ensure that well-designed, fiscally sound, mixed-use development occurs in the Specific Plan area. It will be important for the City to work with developers and property owners to review potential development opportunities and/or major land use proposals that might serve as catalysts for the Plan area. The City should evaluate development proposals in the context of the City's goals for North City.

#2 – Attract and implement high-quality destination attractions and employment uses to ensure that North City develops as an integrated mixed-use community that complements its unique natural environment.

The City and stakeholders have indicated a strong desire to create a sustainable built environment in North City that includes: (a) a major attraction or visitor destination; and (b) high-quality ecofriendly employment. The City and property owners/developers should work together to identify suitable uses and "placemaking" amenities for the Specific Plan area. This effort should focus on the unique assets offered by the Specific Plan area's natural environment. Specific targets for employment uses could include industries involved in solar and wind-related technologies and other "green" development techniques. One such recent example of a sustainable development plan for a large-acreage site is the redevelopment plan for Treasure Island in San Francisco Bay. Strategic partners for

this implementation step might include institutions such as the Palm Springs Desert Resorts Convention and Visitors Authority, Coachella Valley Economic Partnership, College of the Desert, California State University at San Bernardino, and University of California at Riverside.

#3 – Form public/private partnerships between City and property owners/Developers.

Development of the required backbone infrastructure to support private development in the Specific Plan area will require partnerships among the City, property owners and developers. It is appropriate for the City to establish and maintain the vision for mixed-use development of high-quality design in the Specific Plan area. The City will also need to educate property owners and developers regarding the City's fiscal limitations, and the necessity for developers to fund infrastructure needed for their development projects.

The City may also seek to establish parameters for potential financial participation to assist infrastructure requirements for targeted development projects. This may be particularly appropriate for developments that will support significant new sales tax or Transient Occupancy Tax (TOT) revenues.

#4 – Create a Transfer of Development Rights Program for land within the MSHCP Conservation Area.

Setting up a Transfer of Development Rights (TDR) program that allows the transfer of development rights from properties within the MSHCP Conservation Areas to designated sites within the Specific Plan boundaries may minimize the impact on private property owners. This section contains a discussion of TDR programs as well as the necessary steps needed to establish one for the Specific Plan area. (See also discussion of Land Use Equivalency (LUE) Program within this section.

#5 – Adopt Public Facilities Financing Plan(s) for phased implementation of backbone infrastructure.

The major responsibility for financing backbone infrastructure belongs to property owners and developers undertaking private development pursuant to the Specific Plan. The first step is to determine which development projects are ready to proceed, and what associated first-phase backbone infrastructure is required to implement those projects. The City will need to work closely with these development partners to prioritize infrastructure needs and establish preferred methods of financing.

As discussed in the previous section, there is a variety of tools available to developers to assist them in absorbing the backbone infrastructure cost burden. Developers can fund backbone infrastructure directly, and in some cases receive reimbursements from subsequent developers. The City can establish development

impact fees (DIFs) for specific infrastructure items, and collect these funds until there are sufficient resources and/or need for the facilities. More typical in large-acreage Specific Plans is the formation of one or more assessment districts, such as a Community Facilities District (CFD) or Special Assessment District. These districts can be used to fund a broad variety of backbone infrastructure by issuing tax-exempt bonds that are repaid with revenues from assessments on the ultimate buyers of the completed development (homeowners, commercial landlords, etc.)

Development of backbone infrastructure for the Specific Plan will likely occur over an extended time period, involve multiple methods of financing, and require a series of City Council actions. These may include adoption of Public Facilities Financing Plan(s), developer reimbursement agreements, and/or assessment districts.

Preparation of a Public Facilities Financing Plan (PFFP) would ensure that all owners of undeveloped property pay their fair share of funding to finance public facilities. A PFFP for the Specific Plan area should include:

- Forecast and analysis of residential and non-residential development planned for the Specific Plan area.
- Identification of specific capital improvement projects including the cost and anticipated timing associated with each individual project.
- A fee schedule showing the projected rate of assessment for various land uses.
- The strategy proposed to finance each capital improvement project such as Facilities Benefit Assessments, Development Impact Fees, Assessment Districts, Community Facilities Districts, and State/Federal funding.

#6 – Pursue State and Federal infrastructure funding sources.

While the burden of installing new infrastructure rests with property owners and developers, the City should be vigilant in exploring other governmental funding sources that can be secured to jumpstart the Specific Plan area's backbone infrastructure.

#7 – Ensure long-term maintenance of public infrastructure and facilities.

As major new public infrastructure and facilities are developed within the Specific Plan, the City will want to implement improvement districts and maintenance agreements that assure long-term maintenance and repair by sharing these costs with future business and residents.

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
<p>#1 Prioritize and Implement Catalyst Developments</p>	<p>(a) Promote well designed, fiscally sound, mixed-use development within the plan area, including:</p> <ul style="list-style-type: none"> • A critical mass of employment uses supporting high- quality jobs. • Establishment of a dominant commercial (retail) node within the Coachella Valley • A broad range of housing types and prices, from entry-level to upper-end retirement, including single family homes and higher density multi-family and clustered development • Visitor serving and hospitality uses that further establish North City as an important destination <p>(b) Identify catalyst development projects that frame key entries to the plan, i.e., at the existing freeway interchanges</p> <p>(c) Partner with private sector business and economic development organizations to promote desired development in plan area</p>	<p>High / Years 1 and 2</p>	<p>City of Cathedral City</p> <p>Property owners and developers</p> <p>Cathedral City Chamber of Commerce</p> <p>Coachella Valley Economic Partnership</p> <p>The Palm Springs Desert Resort Convention and Visitors Authority</p>	<p>Enterprise Zone tax benefits</p> <p>Business improvements districts</p> <p>Landscaping / parking districts</p>

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
<p>#2 Attract and Implement High Quality Destination Attractions and Employment Uses to Ensure That North City Develops As an Integrated Mixed-Use Community that Complements its Unique Natural Environment</p>	<p>(a) Explore and actively recruit opportunities to create a sustainable built environment, including:</p> <ul style="list-style-type: none"> • A major attraction or visitor destination. Partners to promote desired development in the plan area could include regional visitor association and the hotel industry • High quality eco- friendly employment. Targets for employment uses could include industries involved in solar and wind related technologies and other “green” development techniques, e.g., Treasure Island in San Francisco Bay • Inclusion of placemaking amenities and pedestrian friendly features • Visitor serving and hospitality uses that further establish North City as an important destination <p>(b) Encourage government sponsored demonstration projects</p>	<p>Medium / Years 2 and ongoing</p>	<p>City of Cathedral City</p> <p>Property owners and developers</p> <p>College of the Desert</p> <p>Coachella Valley Economic Partnership</p> <p>The Palm Springs Desert Resort Convention and Visitors Authority</p>	<p>Transient Occupancy Tax (TOT) revenues generated by new development in Plan area</p> <p>Landscaping / parking districts</p>

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
#3 From Public/Private partnerships Between City and Property Owners/Developers	<ul style="list-style-type: none"> (a) Explore public/private partnerships to bring high quality development and visionary new uses to the plan area (b) Educate property owners and developers regarding the fiscal impacts and infrastructure funding responsibilities for new development projects (c) Develop parameters for potential City financial participation to assist targeted development projects with extraordinary infrastructure requirements through sales tax sharing and or Transient Occupancy Tax (TOT) (d) Review individual development proposals in terms of fiscal impact and sustainability and work with applicants to modify proposals is needed 	Medium / Year 1 and ongoing	City of Cathedral City Property owners and developers	New sales tax generated by project specific development in Plan area New Transient Occupancy Tax (TOT) revenues generated by project-specific development in Plan area

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
#4 Create a Transfer of Development Rights Program for Land within the MSHCP Conservation Area	<ul style="list-style-type: none"> (a) Designate sending areas – identify properties within the MSHCP Conservation Areas suitable for being designated as sending parcels (b) Designate receiving areas – identify areas outside of the MSHCP Conservation Areas (either within or outside the Specific Plan area boundaries) suitable for receiving the density from the receiving areas (c) Establish a process by which the specific amount of development rights for a sending parcel is transferred to a receiving parcel (d) Consider establishment of a development rights bank, a mechanism by which the local government or a governmental/non-profit agency purchases development rights before they are applied to receiving parcels, retains them permanently in order to prevent development, or sells them as appropriate 	Medium / Year 1 and ongoing	City of Cathedral City Non-profit agencies Other governmental agencies	City of Cathedral City Non-profit agencies Grants and loans from other government agencies

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
<p>#5 Adopt Public Facilities Financing Plan(s) for Phased Implementation of Backbone Infrastructure</p>	<ul style="list-style-type: none"> (a) Identify property owners and developers ready to proceed with major development projects and willing to partner in implementing key backbone infrastructure needs (b) Assess the probable timeline of specific development projects and associated backbone infrastructure needs (c) Work with property owners and developers to review cost estimates for required backbone infrastructure improvements and potential financing mechanisms (d) Further review of feasibility of key infrastructure financing mechanisms in terms of both legal/implementation issues and market/financial viability. Based on this review, adopt City guidelines regarding infrastructure financing requirements for new development in the plan area. These guidelines should prioritize key methods of financing acceptable to the City for the major categories of backbone infrastructure. (e) Conduct nexus analyses as necessary to set cost of specific infrastructure items relative to land ownerships and land use designations (f) Adopt Public Facilities Financing Plan(s), developer reimbursement agreements, Community Facilities Districts (CFDs), and or implementing actions, as appropriate 	<p>Medium / Year 1 and ongoing</p>	<p>City of Cathedral City</p> <p>Property owners and developers</p>	<p><u>Primary Sources</u></p> <p>Property owner/developer</p> <p>Developer</p> <p>Developer Impact Fees</p> <p>Community Facility Districts</p> <p>User Fees</p> <p><u>Secondary Sources</u></p> <p>New sales tax generated by project-specific development in Plan area</p> <p>New Transient Occupancy Tax (TOT) revenues generated by project-specific development in Plan area</p>

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
#6 Pursue State and Federal Infrastructure Funding Sources	<p>(a) Identify, monitor, and apply for other government funding sources for backbone infrastructure, including State and Federal loans and grants</p> <p>(b) Partner with the Coachella Valley Association of Governments in prioritizing and phasing regional road and utility improvements through the Plan area in conjunction with required backbone infrastructure</p>	Medium / Year 2 and ongoing	City of Cathedral City Property owners and developers Coachella Valley Association of Governments Riverside County Transportation Commission Riverside County Flood Control and Water Conservation District	California Infrastructure and Economic Development Bank State Propositions 42/1A and 1B Other loans and grants that may become available in the future

Implementation Step	Key Action Steps	Priority / Timing	Responsible Parties	Potential Funding Source
#7 Ensure Long-Term Maintenance of Public Infrastructure and Facilities	<p>(a) Work with property owners and developers to implement landscape districts, business improvement districts, and maintenance agreements to ensure ongoing maintenance and capital repairs for major facilities and community amenities developed in the Plan area</p>	Low / Year 3 and ongoing	City of Cathedral City Property owners and developers	Property owner/developer exactions User Fees Business Improvement Districts Landscaping/ Parking Districts

D. TRANSFER OF DEVELOPMENT RIGHTS (TDR) PROGRAM

Introduction

The adopted North City Specific Plan includes a Transfer of Development Rights (TDR) Program and Model Ordinance to provide the opportunity for owners of residentially-zoned properties within the Coachella Valley Multiple Species Habitat Plan (MSHCP) Conservation Area to transfer development rights to other sites located outside the MSHCP boundary. The intent of this TDR Program was to preserve the majority of MSHCP land as Open Space while giving affected property owners' compensation for externally generated restrictions on the development potential of their properties.

1. Application of TDR to this Specific Plan

This North City Extended Specific Plan does not include MSHCP Conservation Area lands, but does include approximately 180 acres of Open Space for the development of three major Stormwater Retention Basins which are required to intercept and manage stormwater flows primarily originating outside of this Specific Plan Area, essentially from the North City Specific Plan Area and Sections 12, 11 and 2 to the west and north of this SP Area. Thus, this Specific Plan includes a provision for the application of Cathedral City's Transfer of Development Rights Program and Ordinance (TDR) to properties included within the three defined Stormwater Retention Basins in order to shift densities from one site within the basin areas to another site outside of the basin areas through a negotiated transaction administered by the City of Cathedral City. In this manner the land areas for designated Stormwater Retention Basins can be established and maintained for this specific Open Space use while owners of affected properties can realize negotiated compensation in the form of density bonuses on other developable properties located within this Specific Plan.

2. How TDR will Work within this Specific Plan

TDR programs use the market to implement and pay for development density and location decisions by allowing landowners to shift densities and "yield" from one site to another through a negotiated transaction. Under this approach, a landowner in a "sending" area (Stormwater Retention Basin) could sell or grant development rights to a landowner in a nearby "receiving" area. The "receiving" area landowner would receive a density bonus in exchange for purchasing or being granted development rights from the "sending" areas. The "sending" area landowner would be required to restrict the use of the "sending" area for Stormwater Retention Basin Open Space.

Within Planning Area 4 of this Specific Plan a 140 acre Infiltration (stormwater) Retention Basin is to be zoned "Open Space". This is also identified as a "Sending

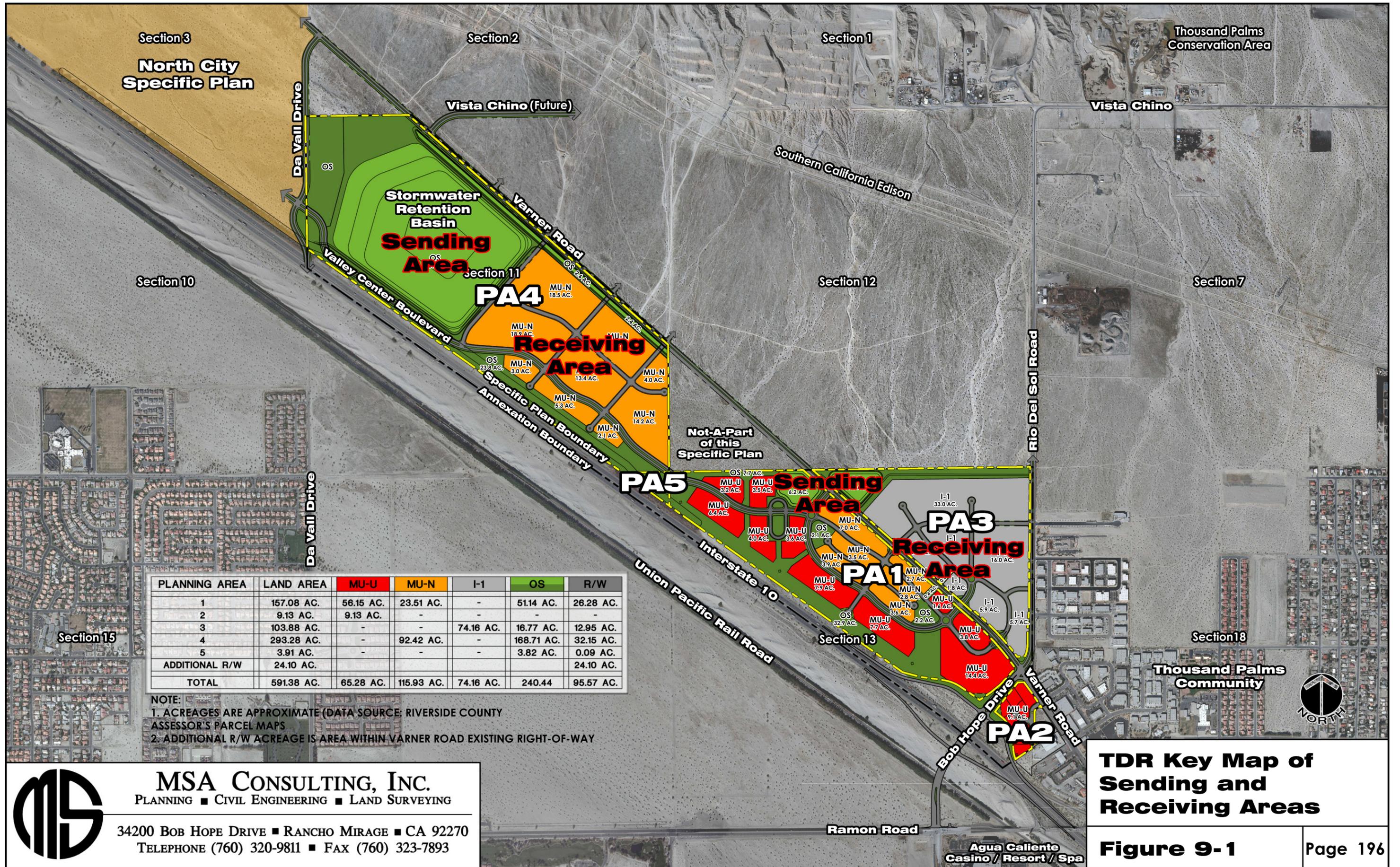
Area” on Figure 9-1. An adjacent “Receiving Area” in PA4 is to be zoned as “Mixed Use –Neighborhood” (MU-N). Under TDR, the retention basin area would have the right to transfer MU-N density and uses to the Receiving Area, thus significantly increasing the development yield on the “Receiving Area” and maintaining the Retention Basin/Sending Area as “Open Space”.

Within Planning Areas 1 and 3, smaller Retention/Infiltration Basins are also indicated in PA3, the TDR application would be 16 acres of Light Industrial. In PA1, it would be a transfer of 3.0 acres of MU-N and 3.0 acres of MU-U to the adjacent “Receiving Areas” in PA1.

3. Required Steps for Implementation of the TDR Program

- 1) Designation of “sending” and “receiving” areas as an “Overlay District” added to Figure 7-1: Specific Plan Zoning Districts;
- 2) Establishment of a TDR Credits Program which establishes market value (not price) of a TDR credit per acre or portion of Light Industry property;
- 3) Public education of current property owners within “sending” and “receiving” areas of this Specific Plan Area as well other potential investors, developers and residents of the community;
- 4) Formal establishment of a Cathedral City TDR Program for this Specific Plan Area through the City’s adoption of TDR Ordinance.

In the North City Specific Plan, a sample TDR Ordinance from the American Planning Association’s (APA) Smart Land Development Model Codes was included as a Support Document. This Specific Plan also incorporates this plan implementation tool by reference. The City of Cathedral City needs to confirm that this TDR Ordinance and Program will be in place and ready to receive this Specific Plan Area once this plan is approved and adopted by the City.



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TDR Key Map of Sending and Receiving Areas

Figure 9-1

E. LAND USE EQUIVALENCY PROGRAM

Introduction

The *Cathedral City Annexation and North City Extended Specific Plan Traffic Impact Study and Air Quality Impact Study (Endo Engineering; 2013)* projected future transportation-related and air quality conditions following project completion for use in preparing the Draft EIR. Specific measures were identified for each phase of the development to offset significant impacts associated with projected increases in traffic volumes and corresponding changes in traffic operations. With the mitigation measures identified, all of the critical intersections evaluated were projected to meet the Cathedral City minimum peak hour intersection performance standard (LOS D) in the future. All feasible mitigation measures were identified to reduce individually significant and cumulative impacts on air quality. With mitigation, the long-term operational air quality impacts associated with future motor vehicle usage remained significant.

During the two decades that will be required to implement the project, many changes will occur within the study area and the regions that could necessitate minor land use changes within the boundaries of the North City Specific Plan. The preparation of detailed traffic and air quality impact studies to evaluate each future minor land use change would be time consuming, expensive, and unlikely to include findings or mitigation measures substantially different than those documented in the Draft EIR.

The City of Cathedral City has the authority to make the final determination regarding whether or not a project is significant with the respect to environmental impacts. To ensure most efficient and effective use of limited resources, a Land Use Equivalency Program has been developed by Endo Engineering to assist project planners, developers and the City of Cathedral City in reviewing future proposed minor land use modifications and reaching consensus regarding those changes that would result in less than significant changes to the operational transportation and air quality impacts previously evaluated in the Draft EIR (MSA Consulting Inc., 2013).

The evaluation of the potential impacts of new development on complex transportation systems and ambient air quality requires computer modules utilizing a myriad of independent variables and surrogates to simulate future conditions. With these models, the magnitude and extent of future significant impacts can be estimated to facilitate the identification of appropriate mitigation strategies. The Land Use Equivalency Program is not required to quantify the magnitude or extent of significant impacts, but rather to quickly and accurately identify minor land use exchanges proposed within the development framework provided by the Specific Plan that would result in insignificant changes to the previously identified

transportation-related and air quality impacts detailed in the *Cathedral City Annexation and North City Extended Specific Plan EIR*.

Legal Mandate

The CEQA guidelines state that an iron-clad definition of a significant effect is not possible because the significance of an activity may vary with the setting within which it takes place. Pursuant to Section 15064 (b) of the CEQA guidelines, the final determination regarding whether or not a project is significant with respect to environmental impacts is within the purview of the lead agency. CEQA gives each city and county authority to: (1) establish the scope of required traffic impact analyses; (2) specify the methodology to be utilized in identifying impacts; and (3) adopt the minimum system performance standards to be met. CEQA encourages but does not mandate the development of thresholds of significance by public agencies for adoption through a public review process. By establishing thresholds of significance, local jurisdictions recognize environmental ethics that are consistent with accepted local values. CEQA guidelines Section 15153 allows an EIR from a previous project to be used for a later project if such projects are essentially the same in terms of environmental impact.

Problem Statement

Changing land use patterns and socio-economic conditions over the period required to construct the North City Extended Specific Plan may require minor modifications to the approved specific plan land uses. Cathedral City will be required to review each proposed land use change and the context within which it would occur in making a determination regarding whether or not it has the potential to result in significant transportation-related or air quality impacts. In the event of major roadway network or land use changes or the addition of more developable area, a Supplemental EIR may be required to amend the North City Extended Specific Plan. Different interpretations regarding what constitutes a significant impact can affect the decision-making process, delaying the implementation of the project, and increasing the cost of development.

Additional traffic and air quality impact analyses should not be required to process relatively minor land use exchanges in the future, provided they occur within the development envelope defined by the North City Extended Specific Plan and will not result in significant new or increased transportation-related or air quality impacts. It is not necessary to evaluate intersection levels of service or quantify the air pollutant emissions generated by motor vehicles for Cathedral City staff to determine that a minor land use exchange would not result in significant impacts. All that is required is a reliable and accurate way of determining if the land use exchange would cause the project impact previously evaluated to increase, decrease, or remain unchanged. The presumption being that if the correct evaluation criteria are identified, and they either do not change or decrease when

the land use exchange occurs, then the project-related impact will also remain unchanged or decrease.

A straight-forward mechanism is needed to readily identify as insignificant those minor land use modifications that would result in operational transportation-related and air quality impacts equivalent to or less than previously evaluated and documented in the *Cathedral City Annexation and North City Extended Specific Plan DEIR*. The use of proactive land use equivalency programs has been evolving to address this problem within established development review and approval processes. Land use equivalency programs foster the efficient use of limited resources to expedite the decision making process. They improve environmental processing timelines by identifying the critical evaluation criteria for use in demonstrating that the stated objectives of the land use equivalency program will be achieved. They clearly identify the relevant thresholds of significance for consideration in the context of the development site to focus the decision-making process and keep the development process moving forward.

Transportation and Air Quality Context

The impact of any development on the transportation system depends on the number of trips generated by the development and the routes used to travel to and from the project site. The significant transportation-related impacts of the Preferred Project within the study area have been identified and quantified. Appropriate mitigation has been identified to reduce these impacts to levels less than significant. With the phased mitigation identified, the transportation system within the study area will provide adequate site access and acceptable levels of service in the peak hours of the peak season following each phase of development and upon project completion.

The project site is located within the Salton Sea Air Basin, which has been designated by the California Air Resources Board and Environmental Protection Agency as non-attainment for ozone and PM10. Violations of the air quality standards for ozone are largely the result of pollutant transport from the South Coast Air Basin. The project site is located within the Active Blowsand Hazard Zone identified by the Coachella Valley Association of Governments (CVAG) in the 1990 *State Implementation Plan* and addressed by the SCAQMD in the *Final 2003 Coachella Valley PM10 State Implementation Plan*.

Construction activities undertaken to implement the proposed project will cause temporary increases in localized emissions and concentrations of criteria pollutants in the project vicinity. These emissions are projected to exceed the SCAQMD daily mass emissions thresholds of significance. Future development of the site as proposed would result in increased localized air pollutant emissions including project-related operational emissions from motor vehicles. The project-related motor vehicle and area source emissions are projected to exceed the SCAQMD

long-term operational emission significance threshold criteria and have not been included in the 2012 *Air Quality Management Plan* (AQMD).

The proposed project would not include conforming uses on the project site; therefore, it does not appear to be consistent with the population and employment growth projections that form the basis of the 2012 AQMP and the *Regional Growth Management Plan*. However, the proposed project is consistent with the City's air quality goals and policies, as set forth in the *City of Cathedral City General Plan*. Cumulative construction-related emissions generated by the proposed project in conjunction with other development in the project vicinity are expected to exceed the SCAQMD construction emissions significance thresholds with or without future minor land use modifications.

Evaluation Criteria

Accuracy need not be sacrificed for expediency, provided appropriate evaluation criteria are selected to evaluate the land use exchange within the context of the NCESP. The NCESP traffic impact study identified constraints during both the morning and evening peak hours in the study area. The NCESP air quality impact study found the primary constraint to be associated with motor vehicle emissions which could occur at any hour of the day. As a result, three independent evaluation criteria were identified as the minimum necessary to evaluate the significance of both the transportation-related and air quality impacts associated with each minor land use change.

The following evaluation criteria are recommended as surrogates for use in identifying minor land use modifications that would result in insignificant changes in project-related transportation and air quality impacts. These evaluation criteria reflect long-term operational impacts. Short term construction activities required to implement the Specific Plan are unlikely to change significantly as a result of a minor land use modification and would be based upon site specific information not currently available. Consequently, the significance of construction-related transportation and air quality impacts is not included in this land use equivalency program.

Recommended Surrogates for Transportation-Related Impacts

The significance of any changes in the transportation-related impacts resulting from a minor land use change will depend on the change in the number of trips generated during the peak hours of the adjacent streets since the routes used to travel to and from the project site will not change. The magnitude of this change can be determined from the total number of weekday morning peak hour and evening peak hour trip-ends that would be generated with and without the land use exchange. Evaluation criteria 1 assesses the change in the weekday morning peak hour trip generation (inbound plus outbound trips) that would result from a

minor land use change. Evaluation criteria 2 identifies the change in the weekday evening trip generation that would result from the minor land use change.

The change in trip generation should be evaluated based on the latest weighted average trip generation rates for the peak hour of adjacent street traffic (rather than the peak hour of the generator) published by the ITE in *Trip Generation* (8th Edition, 2008). Shopping center and general office land uses have trip-generation rates per thousand square feet which vary as the size of the building floor area changes. As a result, the total area of all interrelated land uses sharing the same parking facilities (or located close enough to permit people to walk between the buildings) may need to be used to determine the change in trip generation of these land use types are included in a minor land change.

Recommended Surrogates for Air Quality Impacts

The Preferred Project would result in significant operational impacts on local and regional air quality. The most significant portion of the project-related operational air pollutant emissions will be generated by motor vehicles used to travel to and from the site. The quantity and nature of vehicular emissions produced on highways are proportional to the number of vehicles handled by each facility.

The region's vehicle mix is accounted for in the CARB EMFAC2007 emission factors used to estimate future air pollutant emissions. Both local and regional motor vehicle emissions can be quantified from the project-related daily vehicle miles traveled (VMT). The VMT reflects the total number of motor vehicle trips by trip type generated by a development on a typical weekday times the average trip length (in miles) associated with each trip type. The California Emissions Estimator Model (Version 2011.1) includes average trip length data by trip type for the geographic area within which the site is located. The change in the daily VMT that would result from a minor land use change is recommended as evaluation criteria 3.

Program Applications

Table A identifies the three evaluation criteria selected for use in this Land Use Equivalency Program. These three criteria represent the key parameters required to determine if a project related minor land use exchange would be insignificant (i.e. result in operational transportation related and air quality impacts equivalent to or less than previously documented in the DEIR).

To ensure that all three evaluation criteria are met, the smallest of the three is selected as the critical or limiting criteria. With this value, the maximum allowable size of the new land use type that would have equivalent or reduced impacts can be readily determined from the size and type of the land use that it will replace.

Provided the proposed land use size does not exceed this maximum allowable value, the impact of the minor land use exchange should be determined to be insignificant and no further traffic or air quality analyses should be required. Once the maximum allowable size of the new land use is identified, the City of Cathedral City staff reviewing future proposed minor land use exchanges can readily determine either:

- The proposed land use size is equivalent to or less than the maximum allowable size and would result in insignificant effects that require no further analysis; or
- The proposed land use quantity exceeds the maximum allowable size and would result in potentially significant effects that warrant further analysis

Table A
Traffic and Air Quality Impact Evaluation Criteria

Evaluation Criteria	Surrogates for Long-Term Operational Traffic Impacts	Surrogates for Operational Mobile Source Emissions of Criteria and Air Pollutants
1	AM Peak Hour Trips	AM Peak Hour Trips ^a
2	PM Peak Hour Trips	PM Peak Hour Trips ^a
3	Daily VMT ^b	Daily VMT

a. The number of project-related trips generated during the peak hours can affect carbon monoxide concentrations adjacent to nearby major intersections. This evaluation criteria ensures that carbon monoxide concentrations will either decrease or remain the same following a minor land use change.

b. The daily VMT is used in computer simulations as one metric to evaluate transportation network performance. Networks that result in a lower VMT accommodate the travel demand with more direct transportation facilities.

This evaluation procedure can also provide valuable information for developers seeking to replace a previously approved land use within the Specific Plan by a new land use type. Developers can determine the size of the proposed land use type that would not have a significant effect when replacing an approved land use of a given size that was previously evaluated in the *Draft EIR for the Cathedral City Annexation and North City Extended Specific Plan* (MSA Consulting, Inc.; 2013). Developers proposing a new land use who know the size of the new land use can use this procedure to identify the sizes of each of the previously approved land use types that could be replaced without resulting in significant changes in the operational traffic or air quality impacts.

Methodology

The maximum allowable amount of the new land use that can be exchanged for a different approved land use can be determined by calculating an equivalent land use exchange factor for each of the three evaluation criteria in Table B, and selecting the smallest value. The use of the smallest factor will ensure that the daily VMT and the number of trips during the morning and evening peak hours with the proposed use will be equal to or less than the VMT and number of peak hour trips associated with the previously approved land use that will be replaced.

The procedure requires: (1) the proposed land use type, (2) the approved land use type to be replaced, and (3) the amount of the approved land use to be replaced (in metrics of either the number of dwelling units or 1,000s of square feet (TSF) of building floor area). With this information and Table B, the maximum allowable size of the proposed land use that could replace the approved land use without exceeding any of the three site-specific evaluation criteria can be determined. A proposed minor land use change that proposes a new land use quality equal to or less than the maximum allowable value identified should not result in significant

changes in the long-term operational traffic or air quality impacts previously identified in the EIR.

Equivalent exchanges between a new land use and a previously approved land use can be identified by using the factors supplied in Table B for each of the three evaluation criteria. The appropriate factors in Table B are determined from the proposed and approved land use types, irrespective of their sizes (i.e., the number of dwellings units or the square footage of building floor area involved).

Table B
Equivalent Land Use Exchange Factors By Land Use Category^a

Land Use Category	Evaluation Criteria 1 (100 AM Peak Hour Trips) Exchange Factor 1 ^b	Evaluation Criteria 2 (100 PM Peak Hour Trips) Exchange Factor 2 ^b	Evaluation Criteria 3 (10,000 Daily VMT) Exchange Factor 3 ^b
Residential Products			
Single Family Detached Attached	134 DU	99 DU	92 DU
Single & Multi-Family Apartments	228 DU	192 DU	152 DU
	195 DU	161 DU	133 DU
NON-RESIDENTIAL USES			
Neighborhood Retail Center	65 TSF	15.72 TSF	18.6 TSF
Regional Shopping Center Fast Food	102 TSF	22.59 TSF	27.3 TSF
w Drive-Through Restaurant-High	2.01 TSF	2.95 TSF	2.97 TSF
Turnover	8.7 TSF	9 TSF	10.8 TSF
Hotel	180 Rooms	170 Rooms	150 Rooms
General Office	64.5 TSF	67 TSF	98 TSF
Light Industrial	109.TSF	103 TSF	126 TSF

- a. Based upon trip generation data published by the ITE in *Trip Generation* (8th Edition, December, 2008). The ITE Land Use Codes assumed were: 230 for MFA residential; 220 for apartments; 210 for SFD residential; 820 for neighborhood retail (assumes 100 TSF) and regional shopping (assumes 300 TSF) centers; 934 for fast food with drive-through; 932 for sit down high-turnover restaurant; 310 for hotel; 710 for general offices; and 110 for light industrial land uses. The unadjusted trip-ends shown do not reflect reductions for internal trip making to account for the internal trips between land uses that would be counted twice. No pass-by trip reductions were assumed.
- b. DU=dwelling units. TSF=Thousand square feet of building floor area.

Each of the three land use exchange factors in Table B for the currently proposed land use (the value shown reflecting each evaluation criteria) is divided by the corresponding factor for the previously approved land use that will be replaced, as shown in the three equations below. The smallest of the three resulting ratios associated with each land use exchange is the critical or limiting conversion factor. This conversion factor is multiplied by the size of the approved land use to determine the maximum allowable size of the currently proposed land use type that can replace the approved use with no significant change in operational traffic or air quality impacts.

Exchange Factor 1 = Proposed Use Exchange Factor 1 / Approved Use Exchange Factor 1

Exchange Factor 2 = Proposed Use Exchange Factor 2 / Approved Use Exchange Factor 2

Exchange Factor 3 = Proposed Use Exchange Factor 3 / Approved Use Exchange Factor 3

Critical Exchange Factor = Smallest of the Three Exchange Factors (Exchange Factor 1, 2, or 3)

Maximum Allowable New Land Use Size = Critical Exchange Factor x Approved Land Use Quantity

As an example, assume that 200 approved apartments are to be replaced by an unknown number of condominiums and townhouses with equivalent or reduced traffic and air quality impacts. From Table B, the three exchange factor fractions would be: (1) $228/195=1.169$ based on Criteria 1, (2) $192/161=1.193$ based on Criteria 2, and (3) $152/133=1.143$ for Criteria 3. The smallest of these three values (1.143) is the critical exchange factor. Multiplying the critical exchange factor by the 200 apartments that would be replaced reveals the maximum allowable new land use size as 228 condos and townhouses. Up to 228 condos and townhouses could be developed instead of 200 apartments with equivalent or reduced project-related operational traffic or air quality impacts.

To demonstrate that the number of project-related trips generated during the morning and evening peak hours and the daily VMT would not increase with a change in land use, the trip-generation rates documented by the ITE in *Trip Generation (8th Edition, 2008)* were utilized. Conversion factors for land uses permitted under the North City Extended Specific Plan that are not specified in Table B shall be determined by the Cathedral City Traffic Engineer. The average trip lengths used to determine the VMT were those identified in the California Emissions Estimator Model (Version 2011.1.1) for the specific area within which the project site is located.

Other Factors to Consider

The potential for traffic impacts associated with a substantial change in the inbound/outbound directional split of the peak hour trips generated would remain, even though the total number of trips generated during the peak hours would not be allowed to increase. Any potential adverse traffic impacts associated with an increase in outbound traffic may not be fully offset by the beneficial effects of the corresponding reduction in the number of inbound trips. Therefore, Cathedral City may determine that a limit on the maximum change permitted in the directional split is appropriate. For example, Cathedral City may adopt a policy stating that any

increase in the number of either inbound or outbound peak hour trips that would result from a proposed land use exchange may not exceed 50 vehicles per hour.

This Land Use Equivalency Program is intended to address minor not major changes in land use. A determination of what constitutes a minor land use change will be made by city staff, based in part on the evaluation criteria identified above. Future land use changes may have specific issues identified by City staff that requires additional analysis (e.g., parking demand, shared parking, parking lot layout, service vehicle access, changes to approved access locations and median openings, proximity of site driveways to other future driveways or intersections, etc.)

This program does not address roadway network changes within the site or the study area. It does not address site access changes or potential changes on internal roadways providing access to future neighborhoods within the site. Additional traffic or air quality impact analyses may be required by Cathedral City in response to specific concerns regarding the proposed land use modifications (e.g., the addition of drive-through facilities or schools).

This policy does not account for changes in trip generation associated with internal trip interactions or pass-by trips. The values in Table B reflect the ITE weighted average trip generation rates for all land uses except two. Average trip generation rates shown in Table B for the neighborhood retail center (assuming a 100 TSF center) and the regional shopping center (assuming a 300 TSF center) were determined by applying the regression equations then dividing the resulting trip generation forecasts by the size of the shopping centers to determine the average rate.

Construction-related impacts are not addressed by this program. Future sensitive receptors on site, stationary sources of air pollutants, sources of airborne odors, toxic contaminants, and hazardous emissions are not addressed by this program.

Some land use equivalency programs include minimum and maximum total sizes of development by land use type for the project site. Identifying acceptable minimum and maximum sizes of development permitted on site is not within the scope of this analysis. However, these limits reduce the potential for a number of incremental minor land use changes eventually resulting in a substantial change in the overall mix of land uses within the development. The traffic impact analysis accounted for internal trip interactions and pass-by trips based on the mix of land uses with the Preferred Project. If a number of minor land use changes were to eventually replace all residential development with non-residential uses, the internal trip interactions would no longer occur and the effect on project-related traffic and air quality impacts would be significant.

Land Use Exchange Worksheet - North City Extended Specific Plan

<p>Enter Proposed Land Use Type</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Regional Shopping Center</div>	⇒	<p>Evaluation Criteria 1</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">PF1= 102 TSF</div> <p style="font-size: small;">Enter Land Use Quantity from Table B Column 1 for Proposed Land Use Type</p>	⇒	<p>Evaluation Criteria 2</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">PF2= 22.6 TSF</div> <p style="font-size: small;">Enter Land Use Quantity from Table B Column 2 for Proposed Land Use Type</p>	⇒	<p>Evaluation Criteria 3</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">PF3= 27.3 TSF</div> <p style="font-size: small;">Enter Land Use Quantity from Table B Column 3 for Proposed Land Use Type</p>
<p>Enter Approved Land Use Type</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Apartments</div>	⇒	<div style="border: 1px solid black; padding: 2px; display: inline-block;">AF1= 195 DU</div> <p style="font-size: small;">Enter Land Use Quantity from Table B Column 1 for Approved Land Use Type</p>	⇒	<div style="border: 1px solid black; padding: 2px; display: inline-block;">AF2= 161 DU</div> <p style="font-size: small;">Enter Land Use Quantity from Table B Column 2 for Approved Land Use Type</p>	⇒	<div style="border: 1px solid black; padding: 2px; display: inline-block;">AF3= 133 DU</div> <p style="font-size: small;">Enter Land Use Quantity from Table B Column 3 for Approved Land Use Type</p>
		<p style="font-size: small;">Calculate PF1/AF1 and enter decimal in the box below.</p>	⇒	<p style="font-size: small;">Calculate PF2/AF2 and enter decimal in the box below.</p>	⇒	<p style="font-size: small;">Calculate PF3/AF3 and enter decimal in the box below.</p>
		<p style="font-size: small;">Morning Peak Hour Exchange Factor 1</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">0.523</div>		<p style="font-size: small;">Evening Peak Hour Exchange Factor 2</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">0.14</div>		<p style="font-size: small;">Daily VMT Exchange Factor 3</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">0.205</div>
		<p style="font-size: small;">From the three Exchange Factors above, enter the smallest value below.</p>				
				<p style="font-size: small;">Critical Factor</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">0.14</div>		
<p>Enter Approved Land Use Quantity To Be Replaced</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">500 DU</div>	⇒	<p style="font-size: small;">Multiply Approved Land Use Quantity</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">500</div>	<p style="font-size: small;">By The</p>	<p style="font-size: small;">Critical Factor</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">0.14</div>	<p style="font-size: small;">To Identify</p>	<p style="font-size: small;">The Maximum Insignificant Quantity of Proposed Land Use Type</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">70 TSF</div>

F. INFRASTRUCTURE FINANCING MECHANISMS

Introduction

The North City Specific Plan included a summary of “Potential Infrastructure Financing Mechanisms” to fund backbone infrastructure, and this is to be incorporated by reference into this North City Extended Specific Plan. According to the North City Specific Plan analysis, the most promising of potential mechanisms for financing of development in both Specific Plan Areas appear to include:

- Community Facilities Districts (CFD);
- Special Assessment Districts;
- Property Owner/ Developer Exactions;
- Development Impact Fees;
- Developer Advances/ Reimbursement;
- User Fees; and
- Landscaping (LLD or LMD)/ Parking Districts.

However, several other backbone infrastructure system financing mechanisms should also be explored by Cathedral City:

- CVAG Measure “A’ Grants
(75% of basic street widening and functional improvements re: Varner Road, Rio Del Sol Road);
- RCTC/ Transportation Enhancement Activities (TEA) Grants
(Pedestrian/ bicycle circulation/ landscaping enhancements);
- RCTC/ CalTrans Capital Improvement (STIP) Grants;
- SB 821 Funds (sidewalks and bikeways);
- EDA Public Works and Economic Development Facilities Grants;
- Highway Safety Improvement Program;
- Road and Bridges Benefit Assessment District; and
- Cathedral City Art in Public Places Program.

A more thorough and targeted analysis of financing mechanisms will follow discussions between property owners in the North City and North City Extended Specific Plan Areas.

Potential Infrastructure Financing Mechanisms

The attached Table 14-1 presents a matrix of financing mechanisms to fund backbone infrastructure. These mechanisms include both public (local, state and federal) and private (property owner, developer and user) funding sources. Each mechanism is profiled in terms of program description, eligible uses, and funding parameters. The following table summarizes the overall applicability of each financing mechanism to the Specific Plan area, as well as order-of magnitude funding potential.

<i>Financing Mechanism</i>	<i>Applicability to Specific Plan Area</i>	<i>Magnitude of Funding for Specific Plan Area</i>
Developer / Property Owner / User		
Community Facilities District	High	High
Special Assessment Districts	High	High
Development Impact Fees	High	Moderate
Property Owner / Developer Exactions	Moderate	Moderate
Developer Advances / Reimbursement	High	Moderate to High
User Fees (such as utility hook-ups)	High	Low
Landscaping Districts / Parking Districts	High	Low
Business Improvement Districts	Low	Nominal
City / Regional		
Transportation Uniform Mitigation Fee	Low	Nominal
Community Development Block Grants	Not Applicable	None
Infrastructure Financing District	Low	Low
State / Federal		
California Infrastructure and Economic Development Bank	Moderate	Low
NAFTA Infrastructure Bank	Low	Nominal
State of CA Propositions (42/1A and 1B)	Moderate	Low to Moderate

The most probable methods of financing backbone infrastructure for the Specific Plan likely includes some combination of the following mechanisms (refer to Section E for more detailed discussion of implementation strategies):

- *Developer exactions.* It is likely that disproportionate backbone infrastructure will be required to support even a small first phase of development. Initial developers will need to advance funds toward a larger phase of infrastructure and seek reimbursement from the City as subsequent developers pay development impact fees. As noted above, the addition of land use entitlements and backbone infrastructure contribute significantly to increased property values.
- *Development impact fees.* Development impact fees can be adopted for a number of different infrastructure items. Typically, cities work with property owners and/or developers to adopt a Public Facilities Financing Plan (PFFP), which sets appropriate fee levels by land use category and phase of development within the Specific Plan area.
- *Community Facilities Districts (CFDs) and/or Special Assessment Districts.* Individual property owners may petition the City to establish CFDs to fund upfront infrastructure requirements through assessments on future owners and tenants.
- *User fees and landscaping districts.* These mechanisms are useful for funding utility installation costs and streetscape/landscape improvements, respectively.

Additionally, backbone infrastructure improvements in the Specific Plan area may be competitive for loans and grants available through State programs such as:

- California Infrastructure and Economic Development Bank, for backbone streets
- State Proposition 42/1A and 1B for backbone streets

I. DEVELOPER / PROPERTY OWNER / USER			
	Community Facilities Districts (CFDs)	Special Assessment Districts	Development Impact Fees
A. Description	<ul style="list-style-type: none"> An assessment placed against property located within an established district to fund public facilities and services. Municipal bonds supported by revenues from the CFD assessment are sold to provide upfront funding to build improvements or fund services. 	<ul style="list-style-type: none"> Similar to a CFD but shifts the funding of infrastructure from all taxpayers to only those who benefit specifically from the improvement. Sets a fixed lien on every parcel within the assessment district. Municipal bonds supported by special assessments provide upfront funding. 	<ul style="list-style-type: none"> Developer fees pay all or a portion of the costs of any public facility that benefits their development based on PFFP.
B. Eligible Uses	<ul style="list-style-type: none"> Fund capital facilities including: <ul style="list-style-type: none"> - parks - schools - fire stations - water and sewer systems - government facilities Purchase, construction, and improvement or rehabilitation of real property. 	<ul style="list-style-type: none"> Construction of capital facilities such as roads, water, sewer, and flood control. 	<ul style="list-style-type: none"> Capital facilities or ongoing services. Examples of impact fees in Cathedral City include: <ul style="list-style-type: none"> - school impact fee - MSHCP fee - mitigation fee (police, fire, park, etc.) - water meter installation - sanitation capacity charge - water system facility/backup facility charge
C. Funding Parameters	<ul style="list-style-type: none"> Requires 2/3 vote of qualified electors in district. If fewer than 12 residents, vote is conducted on current landowners. Assessment based on allocation formula, not necessarily in proportion to the benefit received. Requires value-to-lien ratio of 3:1. 	<ul style="list-style-type: none"> Typically property owners petition a City to form a district to finance large-scale infrastructure improvements. Assessments on property owners are determined in proportion to the benefit received. 	<ul style="list-style-type: none"> Predetermined fees are paid as a condition to the issuance of building permits, occupancy permits, or subdivision map approvals.
D. Overall Applicability to Specific Plan Backbone Infrastructure	<p style="text-align: center;">High</p> <p style="text-align: center;"><i>Funds backbone and local infrastructure through assessments on future users</i></p>	<p style="text-align: center;">High</p> <p style="text-align: center;"><i>Funds backbone and local infrastructure through assessments on future users</i></p>	<p style="text-align: center;">High</p> <p style="text-align: center;"><i>Applicable to backbone and regional infrastructure</i></p>
E. Magnitude of Funding	High	High	Moderate
F. Potential Uses	Broad range of backbone infrastructure	Broad range of backbone infrastructure that benefit affected property owners	Broad range of backbone infrastructure, mitigation measures, and Citywide public facilities

I. DEVELOPER / PROPERTY OWNER / USER			
	Property Owner / Developer Exactions	Developer Advances / Reimbursement Agreements	User Fees
A. Description	<ul style="list-style-type: none"> • Payments made by developers or property owners in addition to, or in lieu of, development impact fees. • Funds contributed are used to install selected public improvements. • Alternatively, developers are required to construct and deliver specific improvements. 	<ul style="list-style-type: none"> • Advance of funds from developers for use toward backbone infrastructure. • Alternatively, developers construct and deliver specific improvements. • City and developer enter into Reimbursement Agreement. 	<ul style="list-style-type: none"> • Fee imposed by a city, utility, or other franchise for services and facilities they provide.
B. Eligible Uses	<ul style="list-style-type: none"> • Dedication of right-of-way streets and utilities • Provision of open space • Parks or landscape improvements • Schools and community facilities 	<ul style="list-style-type: none"> • Backbone infrastructure 	<ul style="list-style-type: none"> • Water meter hook-ups • Gas, electric, cable, and telephone hook-ups • Park and recreation facilities
C. Funding Parameters	<ul style="list-style-type: none"> • Typically paid or committed as part of the development approval process. 	<ul style="list-style-type: none"> • Typically repaid from redevelopment tax increment, CFD bond proceeds, and/or development impact fees collected from future developers. 	<ul style="list-style-type: none"> • Use of user fee revenues are limited to paying for the service for which the fees are collected. • The fee amount may not exceed the cost of providing the service but may include overhead, capital improvements, and debt service.
D. Overall Applicability to Specific Plan Backbone Infrastructure	<p style="text-align: center;">Moderate</p> <p><i>Agreements with individual property owners need to be coordinated with Plan area total infrastructure requirements and phasing</i></p>	<p style="text-align: center;">High</p> <p><i>Allows flexibility in forming public/private partnerships; agreements with individual property owners need to be coordinated with Plan area total infrastructure requirements and phasing</i></p>	<p style="text-align: center;">High</p> <p><i>Applicable to both backbone and local infrastructure</i></p>
E. Magnitude of Funding	Moderate	Moderate to High	Low
F. Potential Uses	Broad range of backbone infrastructure	Broad range of backbone infrastructure	Water infrastructure Dry utilities

I. DEVELOPER / PROPERTY OWNER / USER		
	Landscaping Districts / Parking Districts	Business Improvement Districts (BIDs)
A. Description	<ul style="list-style-type: none"> Assessment on properties located within a specific district that benefit from landscaping and/or parking. 	<ul style="list-style-type: none"> Annual fees paid by business owners and/or property owners to fund activities and programs intended to enhance the business environment in a defined area.
B. Eligible Uses	<ul style="list-style-type: none"> Landscaping districts allow for the funding of lights, recreational equipment, landscaping, and irrigation. Parking districts allow for the acquisition, improvement, and operation of shared parking facilities. 	<ul style="list-style-type: none"> Marketing and promotion Security Streetscape improvements Operating and maintenance of public improvements Special events
C. Funding Parameters	<ul style="list-style-type: none"> Funds are typically collected concurrently with the annual business license tax or property tax bill, with varying formulas for retail vs. non-retail businesses, and residential vs. non-residential property. 	<ul style="list-style-type: none"> Once established, annual BID fees are mandatory for businesses/properties located within the BID boundary. Business-based BID fees are collected with business license fees; property-based BID assessments are collected on property tax bills.
D. Overall Applicability to Specific Plan Backbone Infrastructure	High	Low <i>Limited applicability to capital needs</i>
E. Magnitude of Funding	Low	Nominal
F. Potential Uses	Landscaping and open space features	Streetscape improvements and ongoing maintenance

	Transportation Uniform Mitigation Fee (TUMF)	Community Development Block Grants / Section 108 Loans
A. Description	<ul style="list-style-type: none"> Impact fee charged to residential and non-residential developers to fund transportation improvements. 	<ul style="list-style-type: none"> Annual grants for use towards economic development, public facilities and housing rehabilitation. Section 108 loans provide front-end financing for large-scale community and economic development projects that cannot be financed from annual grants.
B. Eligible Uses	<ul style="list-style-type: none"> Variety of regional transportation improvements 	<ul style="list-style-type: none"> Acquisition and disposition of property. Clearance and demolition. Public facilities and site work. Funds must be targeted to specific areas benefiting low- and moderate-income persons or to eliminate blight.
C. Funding Parameters	<ul style="list-style-type: none"> Fees are collected by the applicable jurisdiction and transmitted to CVAG to be placed into the Coachella Valley Transportation Mitigation Trust Fund. 	<ul style="list-style-type: none"> Funds are provided by HUD and administered by the County of Riverside.
D. Overall Applicability to Specific Plan Backbone Infrastructure	<p style="text-align: center;">Low</p> <p style="text-align: center;"><i>Funds regional infrastructure based on funding priorities determined by CVAG</i></p>	<p style="text-align: center;">Not Applicable</p> <p style="text-align: center;"><i>Funds targeted to blighted and/or low/moderate-income areas</i></p>
E. Magnitude of Funding	Nominal	None
F. Potential Uses	Cost allocation between regional and backbone shares	None

II. CITY / REGIONAL	
Infrastructure Financing Districts (IFDs)	
A. Description	<ul style="list-style-type: none"> tax increment revenues within an IFD are used to finance the construction of public works and facilities.
B. Eligible Uses	<ul style="list-style-type: none"> Highways, interchanges, bridges, and ramps Sewage treatment and water reclamation plants Flood control levees, retention basins and drainage channels Parks and recreational facilities
C. Funding Parameters	<ul style="list-style-type: none"> Created by cities and/or counties. IFDs may not include any portion of a redevelopment project area. IFDs may not finance routine maintenance or repair work or ongoing operating costs.
D. Overall Applicability to Specific Plan Backbone Infrastructure	<p>Low</p> <p><i>Limited tax increment yield based on City's small share of 1.0% property tax</i></p>
E. Magnitude of Funding	<p>Low</p>
F. Potential Uses	<p>Installation of major infrastructure</p>

III. STATE / FEDERAL				
	California Infrastructure and Economic Development Bank (I-Bank)	NAFTA Infrastructure Bank	State of California Propositions	
			Propositions 42 and 1A	Proposition 1B
A. Description	<ul style="list-style-type: none"> Low cost financing to public agencies for a wide variety of infrastructure projects. 	<ul style="list-style-type: none"> Financial assistance to Mexican border states for transportation projects that are necessary to accommodate increased traffic resulting from the implementation of the North American Free Trade Agreement. 	<ul style="list-style-type: none"> Proposition 42 required a portion of sales tax on gasoline be transferred to the Transportation Infrastructure Fund (TIF). Amended by Proposition 1A to limit the State's ability to suspend transfer of revenues from the TIF during fiscal difficulties. 	<ul style="list-style-type: none"> Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Approved in 2006, made available \$20 billion for state and local improvement projects.
B. Eligible Uses	<ul style="list-style-type: none"> City streets Educational facilities Environmental mitigation measures Parks and recreational facilities Public transit 	<ul style="list-style-type: none"> Grants provided to (1) relieve congestion due to increased traffic resulting from the implementation of NAFTA and (2) improve enforcement of motor carrier safety laws. 	<ul style="list-style-type: none"> Congestion relief Safety enhancements Local streets repair Public transportation 	<ul style="list-style-type: none"> Congestion relief Improve air quality Enhance safety and security of transportation systems
C. Funding Parameters	<ul style="list-style-type: none"> The Infrastructure State Revolving Fund Program offered by the I-Bank offers loans ranging between \$250,000 to \$10,000,000 with eligible repayment sources including General Fund revenues, tax increment revenues and property assessments. 	<ul style="list-style-type: none"> Limits the Federal share of costs for such projects to 80%. 	<ul style="list-style-type: none"> Funds provided directly for local road improvements, as well as for capital projects (highway and transit) selected by Caltrans in the State Transportation Improvement Program. 	<ul style="list-style-type: none"> League of California Cities is drafting legislation with the California State Association of Counties for allocation of this revenue source.
D. Overall Applicability to Specific Plan Backbone Infrastructure	Moderate <i>Competitive process</i>	Low <i>Funding targeted to regional/state transportation infrastructure</i>	Moderate <i>Funds may be used for regional, backbone, and local infrastructure</i>	
E. Magnitude of Funding	Low <i>Relatively small loans</i>	Nominal	Low to Moderate <i>Competitive process with limited track record</i>	
F. Potential Uses	Backbone streets and open space features	Cost allocation between regional and backbone shares	Backbone streets	