

ONAKA PLANNING & ECONOMICS

2731 GLENWICK PLACE, LA JOLLA, CA 92037-2040
(858) 535-1420 Email: onakaplanning@gmail.com

December 11, 2017

Mr. Dan Silver
Executive Director
Endangered Habitats League
8424 Santa Monica Blvd., Suite A 592
Los Angeles, CA 90069-4267

**Re: City of Escondido Safari Highlands Ranch and Citywide SOI Update Draft
Environmental Impact Report (SCH No. 2015091039) — Public Comment**

Dear Mr. Silver:

At your request, we examined the following documents as part of the public review and comment process under the California Environmental Quality Act (CEQA): *Safari Highlands Ranch and Citywide SOI Update Draft Environmental Impact Report* (SCH No. 2015091039, October 2017; “DEIR”), the associated *Safari Highlands Ranch Specific Plan* (DEIR Appendix 1.1, September 2017; “SP”), and *Fiscal Impact Analysis for Safari Highlands Ranch* (Draft) (July 2016; “FIA”). These documents describe actions to mitigate specified biological, land use, and fire protection impacts. However, the actions are incomplete or deficient in terms of assuring that funding would be available for the mitigation measures to be permanent, as discussed below.

- (a) **There is no adequate assurance that funding will be available for permanent management of on-site habitat conservation open space (629.09 acres; DEIR, p. 2.3-15, and mitigation measure “MM BIO-1”, p. 2.3-19) or the off-site coastal sage scrub conservation areas (total 31.41 acres; mitigation measure “MM BIO-2”, p. 2.3-29).**

The DEIR states that both on- and off-site conservation areas would be conserved in perpetuity, which means that they should be funded for appropriate management in perpetuity. However, mitigation measure MM BIO-1 states only that a Biological Resource Management Plan (“BRMP”) will be prepared and implemented, subject to approval of the City of Escondido, the County of San Diego, U.S. Fish and Wildlife Service (“USFWS”), and California Department of Fish and Wildlife (“CDFW”). On the one hand, MM BIO-1 states that the BRMP must address a “Financial Mechanism” for its implementation, but does not describe the specific action needed to assure funding in perpetuity. On the other hand, *Safari Ranch Specific Plan* (“SP”) states that the “resource open space” (which is the on-site habitat conservation open space) “will be owned by the HOA”, and funding for its maintenance, after an initial period of subsidy by the developer, “will eventually become part of the HOA dues of each residence” (SP, p. 10). Relying on homeowners association (HOA) fees is not adequate assurance for permanent management of

conservation open space, since future directors of the HOA may not agree to continue funding at the level specified by the BRMP.¹ There is also a possibility that the HOA may be dissolved due to circumstances beyond its control. Either of these scenarios, or others that would jeopardize funding for management of the open space, would lead to significant impacts to biological resources that would be left unmitigated.

With respect to the off-site conservation areas (MM BIO-2), the DEIR states that the areas would be conserved in perpetuity through conservation easement(s) to be approved by the City of Escondido (but not USFWS or CDFW). However, there is no discussion of planning or funding of permanent management.

For a private, master-planned development the most reliable method of assuring funding for the permanent management of conservation open space is to establish an endowment sufficient to fund management activities in perpetuity, taking into account projected future price inflation. The DEIR fails to provide such funding assurance. Mitigation measures MM BIO-1 and MM BIO-2 should be revised to require establishment of adequate endowment(s) for this purpose.

- (b) **The DEIR provides no evidence showing adequate assurance that funding will be available for future operation of the proposed on-site fire station. Proposed mitigation measure MM WF-1 (DEIR, p. 2.14-18) states only that the project or its future residents be required to pay “fair-share costs for the staffing, equipment, and maintenance of the proposed fire station”, without demonstrating that such fair-share costs would be adequate to operate the station.**

The DEIR states that the proposed, new on-site fire station is required to meet the City’s response time standard (DEIR, p. 2.14-17). While stating that, at this time, “there is no mechanism in place to fund personnel, maintenance, and operational costs” (DEIR, p. 2.14-17), the DEIR prematurely concludes that the implementation of MM WF-1, requiring that the project pay only the “fair-share” costs of staffing, equipment, and maintenance, “would reduce the potential impact to a less than significant level” (DEIR, p. 2.14-17). It is clear, however, that the impact would be mitigated only when the station is completed and in full operation, which would not occur upon satisfaction of MM WF-1 alone, which would then leave the community vulnerable to significant risks from fire hazards and need for emergency services.

Lack of funding assurance for operation of the new fire station would also conflict with the City’s adopted General Plan (“GP”),² which contains the following policies for annexation:

¹ In addition to management of habitat conservation, or resource, open space, the HOA will also be responsible for maintaining 128 acres of other open space including Fuel Modification Zone 2 (FMZ 2); over 9 miles of public trails; 8 acres of detention basins; 13 acres of parkways and streetscaping; 6 acres of neighborhood parks; as well as on-site water and sewer conveyance systems (SP, Figure I-12, pp. 1 and 10).

² The City of Escondido, General Plan Resolution 2012-52, adopted May 23, 2012.

Annexation Policy 16.4

Allow annexations if it can be demonstrated that appropriate improvements as determined by the city will be financed by the property owner(s), and that such expansion of the city will not have unacceptable adverse fiscal or environmental impacts to existing city services or residents. Exceptions to this policy may be considered subject to Policy 16.2. (GP, p. II-114; *emphasis added*)

And Policy 16.2 states:

Annexation Policy 16.2

Promote the annexation of unincorporated lands where it is determined in the city's interest to promote orderly development, implement goals and objectives, and/or to expedite facilities and services. (GP, p. II-114)

DEIR Section 2.9 ("Land Use and Planning") states that improvements such as construction of the fire station and public trails would "provide on-site and off-site community benefits beyond the potential physical impacts of the project" and, therefore, that the "project would not conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect" (DEIR, p. 2.9-13). However, this conclusion is premature, since it fails to consider Annexation Policy 16.4 referenced above.

As illustration, the potential gap between "fair-share costs" and the full cost of station operation can be seen as follows. The draft *Fiscal Impact Analysis for Safari Highlands Ranch* (July 2016; "FIA") estimates that the project's share of total annual fire and emergency management service costs would be \$217,676 at buildout, with cost allocation based on population and employment (FIA, p. 12). The FIA also estimates that the project would generate at buildout annual net revenue (revenues less expenses) to the City of \$561,820 (FIA, p. 7),³ which could, in principle, be applied to operation of the fire station. However, it is estimated that the annual operating cost of the proposed new fire station would be around \$2.0 million for operating staff of 3 persons and over \$1.4 million for staff of 2 persons,⁴ leaving an unfunded gap of around \$1.2 million a year for a 3-person station or over \$600,000 for a 2-person station. It should be noted that revenue estimates are for buildout of the project, while operating costs are incurred from the start of operation. Thus, funding gap would be greater during the initial years of development.

A feasible approach to bridging this gap must be identified with assurance that funding will be made available, before impact on fire protection services can be considered as mitigated.

³ *Safari Highlands Ranch Specific Plan* states: "The overall Net Annual Surplus estimated to be generated every year, after deducting this Project's fair share of the City's additional costs associated with this Project, will be between approximately, \$450,000-\$550,000 annually." (SP, p. 22)

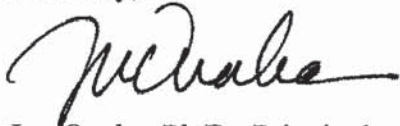
⁴ Estimated annual cost to operate a fire station at Safari Highlands Ranch is \$1,982,834 for a 3-person fire engine company and \$1,456,218 for a 2-person medic patrol (City of Escondido Fire Department, "Annual Estimated Cost to Staff for Fire Station / Safari Highlands," October 25, 2017; see Attachments I-1 and I-2).

Mr. Dan Silver
December 11, 2017
Page 4

Mitigation MM WF-1 and concluding statements of Section 2.9 should be revised to address this issue.

In conclusion, the DEIR fails to adequately address the fiscal impacts associated with the project and fails to evaluate environmental impacts associated with funding shortfalls. With respect to both permanent management of conserved habitat and ongoing operation of a new fire station, the mitigation measures proposed by the DEIR are not sufficient to assure full funding of those activities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jun Onaka', with a stylized, flowing script.

Jun Onaka, Ph.D., Principal
Onaka Planning & Economics

Attachments I-1 and I-2

Escondido Fire Department
Annual Estimated Cost to Staff for Fire Station / Safari Highlands
STRUCTURE ENGINE (3-Person Staffing 24/7)

10/25/2017

SALARY COSTS										EMPLOYEE OVERHEAD				Cost Per Position	TOTAL COST
# of Positions	Positions	Annual Salary	Holiday Pay	Regular Overtime/Constant Staffing	Paramedic Recertification Pay	Uniforms	FLSA	Variable Benefit Rate	Pers Unfunded Liability	Fixed Benefit	Total				
3	Fire Captains	110,539	5,238	-	-	700	2,961	29,549	24,429	15,956	189,373				568,120
3	Fire Engineers	93,339	4,423	-	-	700	2,500	24,978	20,628	15,858	162,427				487,281
3	Firefighters/Paramedics	81,960	3,884	-	1,350	700	2,195	22,288	18,113	12,286	142,777				428,331
9	Constant Staffing	-	-	20,479	-	-	-	1,145	-	-	21,624				194,618
Total		285,839	13,546	20,479	1,350	2,100	7,656	77,960	63,170	44,101	516,202				\$ 1,678,351

Annual Operating Costs

45,939	Operations and EMS	800,000	Engine & Equipment
8,881	Training	-	Ambulance & Equipment
33,487	Administration and Utilities	5,000,000	Fire Station Facility
31,628	Building Maintenance	\$ 5,800,000	Total Capital Costs
37,500	Fleet Services Depreciation		
10,000	Fleet Fuel		
50,000	Fleet Repair/Maint.		
22,436	Radio/Telecommunications		
21,649	Duplicating/Mail Service/Office Automation		
42,964	General Liability/Property Insurance		
\$ 304,483	Total Operating Costs		

One-Time Capital Costs (Start-up)

800,000	Engine & Equipment
-	Ambulance & Equipment
5,000,000	Fire Station Facility
\$ 5,800,000	Total Capital Costs

Straight Line Depreciation (Annual Cost)

37,500	Engine - Resale \$50K (20 yrs)
-	Ambulance - Resale \$10K (10 yrs)
\$ 37,500	Grand Total Annual Depr.

Option 1 Personnel and Operating Costs			
1 Engine			
Annual Personnel Costs			1,678,351
Annual Operating Costs			304,483
Total Annual Costs			\$ 1,982,834
Capital Costs			\$ 5,800,000
Total Costs			\$ 7,782,834

35,814	Operations - Highlighted line items (250,700 / 7)
10125	EMS - Highlighted line items (35,880 / 7 + 5K EMS Supplies)
45,939	

1357795	M&O
2261340	Internal Services

10/25/2017

Escondido Fire Department
Annual Estimated Cost to Staff for Fire Station / Safari Highlands
MEDIC PATROL (2-Person Staffing 24/7)

SALARY COSTS										EMPLOYEE OVERHEAD			Cost Per Position		TOTAL COST
# of Positions	Positions	Annual Salary	Holiday Pay	Regular Overtime/Constant Staffing	Paramedic Recertification Pay	Uniforms	FLSA	Variable Benefit Rate	Pers Unfunded Liability	Fixed Benefit	Total				
3	Fire Captains	110,539	5,238	-	-	700	2,961	29,549	24,429	15,956	189,373				568,120
3	Fire Engineers	93,339	4,423	-	-	700	2,500	24,978	20,628	15,858	162,427				487,281
0	Firefighters/Paramedics	-	-	-	-	-	-	-	-	-	-				-
6	Constant Staffing	-	-	20,479	-	-	-	1,145	-	-	21,624				129,745
Total		203,879	9,662	20,479	-	1,400	5,461	55,672	45,057	31,814	373,425				\$ 1,185,147

Annual Operating Costs

40,095	Operations and EMS	\$ 320,000.00	Engine & Equipment	
8,200	Training	-	Ambulance & Equipment	
30,600	Administration and Utilities	\$ 5,000,000.00	Fire Station Facility	
31,628	Building Maintenance	\$ 5,320,000	Total Capital Costs	
13,500	Fleet Services Depreciation			
10,000	Fleet Fuel			
50,000	Fleet Repair/Maint.			
22,436	Radio/Telecommunications			
21,649	Duplicating/Mail Service/Office Automation	\$ 13,500.00	Engine - Resale \$50K (20 yrs)	
42,964	General Liability/Property Insurance	-	Ambulance - Resale \$10K (10 yrs)	
	Total Operating Costs	\$ 13,500	Grand Total Annual Depr.	
\$ 271,071				

One-Time Capital Costs (Start-up)

\$ 320,000.00	Engine & Equipment
-	Ambulance & Equipment
\$ 5,000,000.00	Fire Station Facility
\$ 5,320,000	Total Capital Costs

Straight Line Depreciation (Annual Cost)

\$ 13,500.00	Engine - Resale \$50K (20 yrs)
-	Ambulance - Resale \$10K (10 yrs)
\$ 13,500	Grand Total Annual Depr.

Option 1 Personnel and Operating Costs	
Annual Personnel Costs	1,185,147
Annual Operating Costs	271,071
Total Annual Costs	\$ 1,456,218
Capital Costs	\$ 5,320,000
Total Costs	\$ 6,776,218

ONAKA PLANNING & ECONOMICS

2731 GLENWICK PLACE, LA JOLLA, CA 92037-2040
(858) 535-1420 Email: onakaplanning@gmail.com

JUN ONAKA, Ph.D.

Jun Onaka has over 30 years' experience in conducting planning and economic studies, including economic and fiscal impact studies; demographic and socioeconomic analyses; and financing plans and feasibility studies for infrastructure improvements, public services, and habitat conservation. He has prepared financing plans for public improvements such as arterial roads, schools, water and wastewater facilities, and habitat conservation. He has also prepared economic and fiscal impact analyses of highways, renewable energy projects, master-planned development, and open space conservation. Dr. Onaka is the principal of Onaka Planning & Economics (OP/E), a consulting firm specializing in the economics and financing of urban development.

PROJECT EXPERIENCE — SUMMARY

Regional Habitat Conservation Plans —OP/E has assisted Orange County Transportation Authority (OCTA) in preparing a financing plan for the NCCP/HCP (Natural Community Conservation Plan/Habitat Conservation Plan) for the Measure 2 freeway mitigation program (freeway improvements funded by a 1/2-cent sales tax), including analysis of habitat management costs and calculation and establishment of permanent endowment(s) to fund those costs.

OP/E prepared financing and economic analyses of regional habitat conservation plans, including the San Diego Multiple Species Conservation Program, the North San Diego County Multiple Habitat Conservation Program, and other plans prepared pursuant to the federal Endangered Species Act and the California Natural Community Conservation Planning Act. The San Diego Multiple Species Conservation Program (MSCP) is a cooperative regional habitat conservation program of the City of San Diego (Metropolitan Wastewater Department), County of San Diego, and other jurisdictions, covering a 500-square mile area in southwestern San Diego County. OP/E estimated impacts from forecast regional growth, need for public acquisition of habitat land, and costs of land acquisition and habitat management.

The North San Diego County Multiple Habitat Conservation Program (MHCP) is a cooperative regional habitat conservation program by local jurisdictions in north San Diego County and the San Diego Association of Governments. OP/E prepared a financing and acquisition plan and land use and socioeconomic impact analysis for the MHCP. OP/E also completed financing plans for Natural Community Conservation Planning (NCCP) programs for various public agencies, including the cities of Carlsbad, Oceanside, and Rancho Palos Verdes. NCCP was enacted by the California Legislature to foster cooperative conservation efforts by public agencies and private landowners consistent with federal and state Endangered Species Acts.

Public Facilities / Infrastructure Financing Plans and Feasibility Studies — OP/E prepared financing plans for public facility improvements and feasibility studies for public financing districts (1913/1915 Act assessment districts, Mello-Roos community facilities districts, reimbursement programs for shared infrastructure improvements, and development fee programs) in the cities of Carlsbad, Escondido, Oceanside and San Diego. Facilities addressed by these plans and studies include arterial streets, drainage, water, wastewater, school facilities, and habitat conservation. OP/E has worked primarily with private entities engaged in planning and construction of major offsite infrastructure facilities using public financing. OP/E has also worked extensively with those firms to

implement the terms of public financing districts, including reimbursements of design, field investigation, and construction costs expended for district improvements.

OP/E prepared analysis and projections of regional infrastructure services needed to support forecast growth in the San Diego region, as part of the Regional Comprehensive Plan for San Diego, prepared by San Diego Association of Governments (SANDAG). OP/E provided financial analysis services to California Department of Fish and Wildlife related to Quantification Settlement Agreement-Joint Powers Authority (QSA-JPA), established to manage mitigation funds and activities for allocation of Colorado River water among water agencies in southern California.

Economic and Fiscal Studies — Onaka Planning & Economics (OP/E) has conducted socioeconomic projections and impact analyses pursuant to requirements of the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) for public service and infrastructure projects, such as highways, transmission lines, renewable energy projects, and correctional facilities. OP/E prepared the fiscal impact study of a geothermal power plant, a solar photovoltaic electric generation project, and two lithium and other mineral production plants in Imperial County. OP/E prepared socioeconomic impact studies for open space management plans (San Luis Obispo County; US Bureau of Land Management) and master plan communities (Counties of San Diego and Imperial). OP/E prepared socioeconomic impact analysis for a proposed electric transmission line from Lucerne Valley to Bear Valley in San Bernardino County, proposed by Southern California Edison. OP/E prepared socioeconomic impact and growth inducement studies for the California Department of Transportation (Caltrans) projects, including State Routes (SR) 54, 54/125, 56 and 76. Issues addressed included population, employment, housing, land use, community character, schools, other public services, and growth inducement. OP/E also prepared socioeconomic analyses for construction and/or expansion of California Department of Corrections and Rehabilitation facilities in the counties of Kern, Riverside, Imperial and San Diego.

OP/E assisted San Diego Association of Governments (SANDAG) in the preparation of a regional economic development plan, called Regional Economic Prosperity Strategy, with focus on regional income, employment, and business formation. OP/E has developed new methods of cluster analysis, a method of economic analysis regarding the structure of regional employment.

PROFESSIONAL HISTORY

Onaka Planning & Economics, La Jolla, CA — Principal — 1991-Present
P&D Technologies, Inc. (previously PRC Engineering; currently a part of AECOM Technology Corporation), San Diego, CA — Senior Project Manager — 1983-1991
Carnegie-Mellon University, Pittsburgh, PA — Assistant Professor of Urban and Regional Planning — 1980-1983

EDUCATION

Ph.D., Urban Planning, University of California at Los Angeles
A.B. (Magna Cum Laude), Applied Mathematics in Economics, Harvard University