

Coyote Valley Specific Plan

- APPROACH TO PHASING DEVELOPMENT
- PRELIMINARY COST ESTIMATES
- INFRASTRUCTURE FINANCING FEASIBILITY

TASK FORCE MEETING
OCTOBER 15, 2007





Phasing - Background

- Phasing as part of CVSP Implementation Strategy – a systematic approach to an orderly development of CVSP's proposals, including capital improvements
- Phasing is different from Triggers
- Phasing needed for CVSP EIR
- Presentation: 1) Phasing Approach, 2) Preliminary Cost Estimates, 3) Infrastructure Financing Feasibility Assessment (Commercial/Residential Cost Allocations)

Expected Outcomes

1. Input on revised Phasing Approach
2. Input on Preliminary Cost Estimates
3. Input on Infrastructure Financing Feasibility Assessment



Unique Approach to Phasing

1. Fractious Landscape – Challenges for Financing and Orderly Capital Improvements
2. Atypical Phasing Approach
 - Urban Form and Character (50,000 jobs and 25,000 residences on 2 sq. miles)
 - Several Focal Locations (Nodes and Corridors)
3. Growth Not Rigidly Regulated Geographically





Goals to Create a Unique Place

**MAXIMUM FLEXIBILITY, RELIANCE ON MARKET AND
READINESS OF PROPERTY OWNERS**

1. Ensure early character-giving backbone
2. Ensure orderly, safe and logical development
3. Activate nodes and corridors that define character/place
4. Ensure sustainable increments of development
5. Ensure growth occurring out of sequence pays to oversize infrastructure
6. Review and monitor increments of growth

Phasing Objectives/Implementation Principles



1. Identify the thresholds for infrastructure investment.
2. Maximize the use of existing infrastructure capacity and build infrastructure for additional growth increments.
3. Facilitate development by the property owners ready to build if they provide required infrastructure.



Phasing Objectives/Implementation Principles



4. Commit to the creation of an urban place by establishing significant urban infrastructure in the early phase(s).



5. Grow the community consistent with the environmental footprint.



6. Construct community facilities and establish public services to support the working/resident population of each phase.

Phasing Objectives/Implementation Principles



7. Ensure that phasing is fiscally sound for both operations and maintenance of City services.



8. Facilitate a diversity of housing types, and construction of proportional share of affordable housing in each phase.

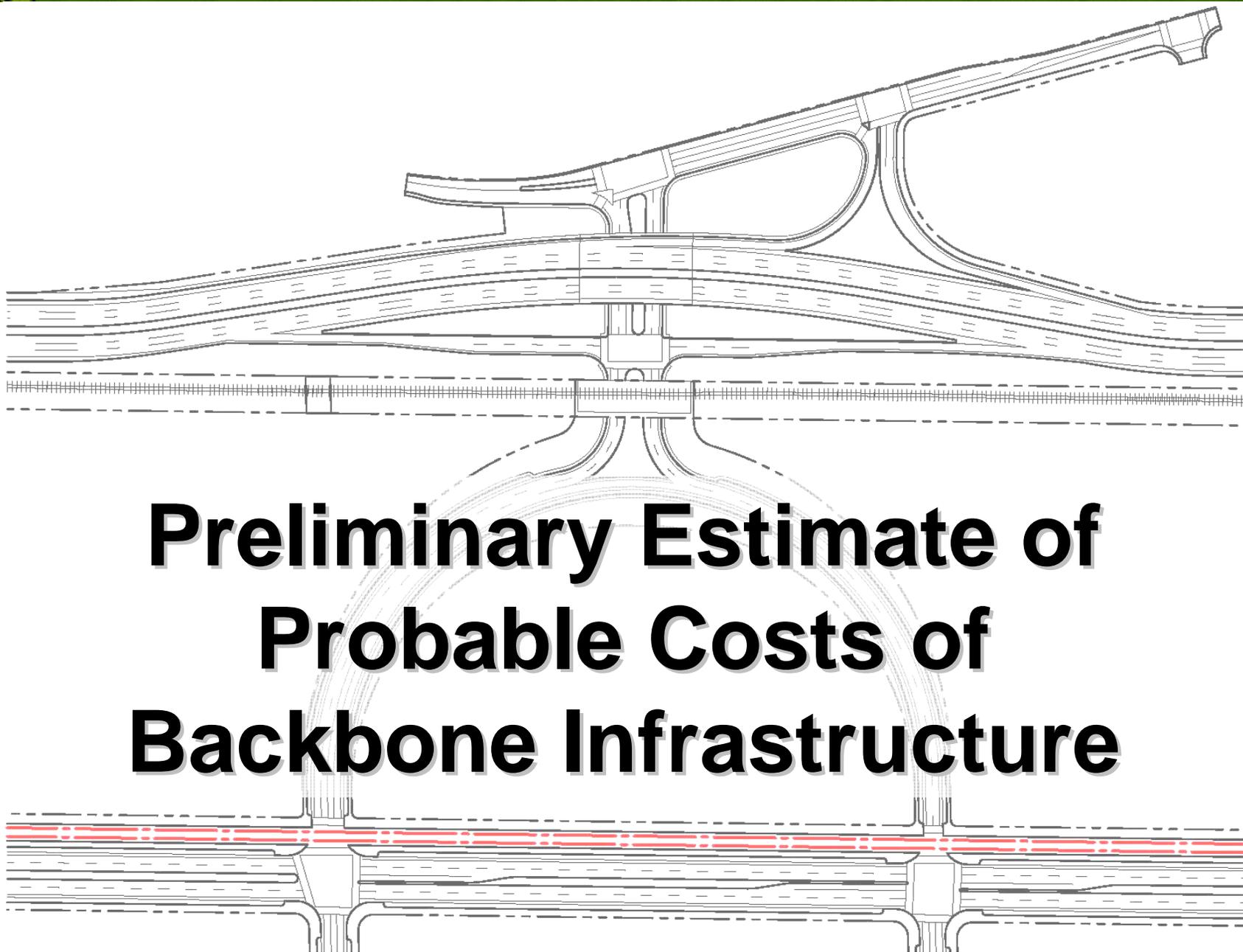


9. Mitigate potential impacts of the project ahead of, or concurrent with, each increment of growth.

10. Build the Coyote community to last.

2:1 Jobs/Housing Concurrency

PHASE	JOBS	DWELLING UNITS
I	20,000	10,000
a.	5,000	0
b.	20,000	10,000
II	40,000	20,000
III	50,000	25,000



Preliminary Estimate of Probable Costs of Backbone Infrastructure

Backbone Infrastructure Costs Include:

Place-Making Infrastructure:

- Lake & International Park
- Fisher Creek Realignment & Restoration
- Urban Canal
- Multi-Modal Caltrain Station





Backbone Infrastructure Costs Include:

Transportation Improvements:

- ❑ Modifications to Two Existing Freeway Interchanges Plus New Northerly Interchange at U.S. 101
- ❑ Three New Grade Separations at Monterey/UPRR & Completion of Bailey Avenue Grade Separation
- ❑ All 4-Lane & 6-Lane Streets + Busy Urban Streets Within Core Area (18 Miles Total)
- ❑ Fixed Transit Guideway (10 Miles) & Transit Stops With Shelters (34 Total)
- ❑ Multi-Use Pedestrian & Bicycle Trails (15 Miles)



Backbone Infrastructure Costs Also Include:

Public and Community Facilities:

- Parks & Recreational Facilities
- Community Center & Library
- Two High Schools, Two Middle Schools
& Nine Elementary Schools
- Two Fire Stations & Police Facilities
- Corporation Yard



Backbone Infrastructure Costs Include:

DEIR Mitigation Measures:

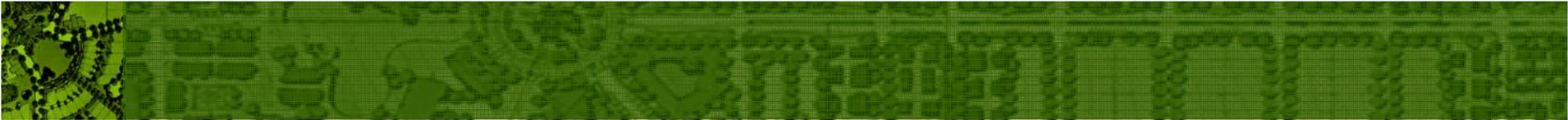
- Wetland / Riparian / Oak Woodland Mitigation
- Off-Site Transportation Mitigation Measures
(MM-1 thru MM-15 in DEIR)
- Serpentine Land Mitigation (447 acres)
- Agricultural Land Mitigation (2400 acres)



Backbone Infrastructure Costs Also Include:

Utility Facilities:

- ❑ Storm Drain Pipes (10 miles--36" dia. and larger)
- ❑ Sanitary Sewer Mains (13 mi.--10" dia. and larger)
- ❑ Potable Water & Recycled Water Mains (over 40 miles--12" diameter and larger)
- ❑ Recycled Water Transmission, Advanced Treatment Plant & Recharge Facilities (partial costs)
- ❑ Electrical / Gas / Telephone Joint Trench (12 mi.)



Backbone Infrastructure Costs Also Include:

Other Cost Items:

- Affordable Housing Subsidies
- Greenbelt Preservation
- Off-site Property Acquisition Costs



Backbone Infrastructure Costs DO NOT Include:

- In-Tract Roads & Utilities
- Water & Utility Improvements That Are Normally Paid For By Public Utilities
- Acquisition of Rights-of-Way That Will Be Dedicated
- Operation & Maintenance Costs
- Financing Costs



Summary Of Backbone Infrastructure Costs:

Transportation & Circulation	\$531,050,000
Hydrology & Flood Control	\$96,900,000
Storm, Sanitary, Water & Utilities	\$198,995,000
CVRP Credit	\$66,400,000
DEIR Mitigation Measures	\$39,905,000
Schools	\$279,400,000
Parks	\$204,000,000
Public & Community Facilities	\$113,000,000
Other Cost Items	\$135,000,000
Estimated Total Costs	\$1,664,650,000



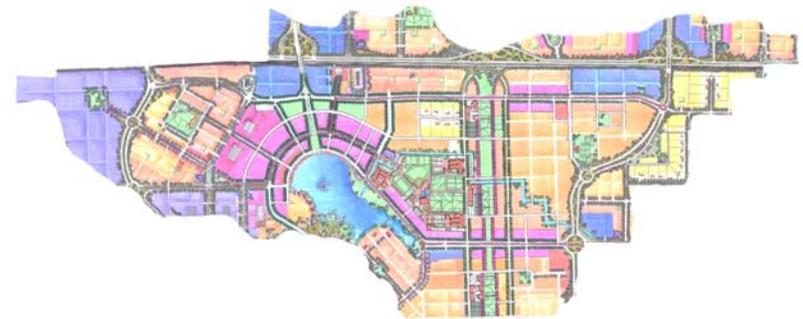
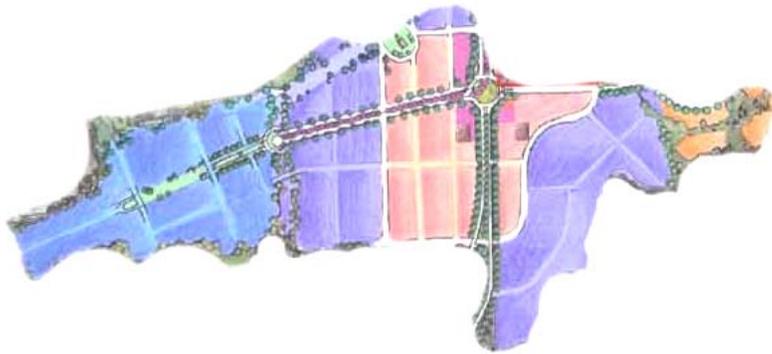
Comparison to Previous Preliminary Estimate of Infrastructure Costs

Total Cost Still In Same Range (10% Change In 3 Yrs.)

- ❑ Refinements In Scope of Individual Backbone Items
- ❑ Unit Prices Adjusted to Current Factors
(10 to 30% Inflation for Some Construction Items)
- ❑ Adjustment to Contingencies, Allowances and Reserves Due to Scope Refinements

Estimated Cost Is Still Preliminary & Subject to Change

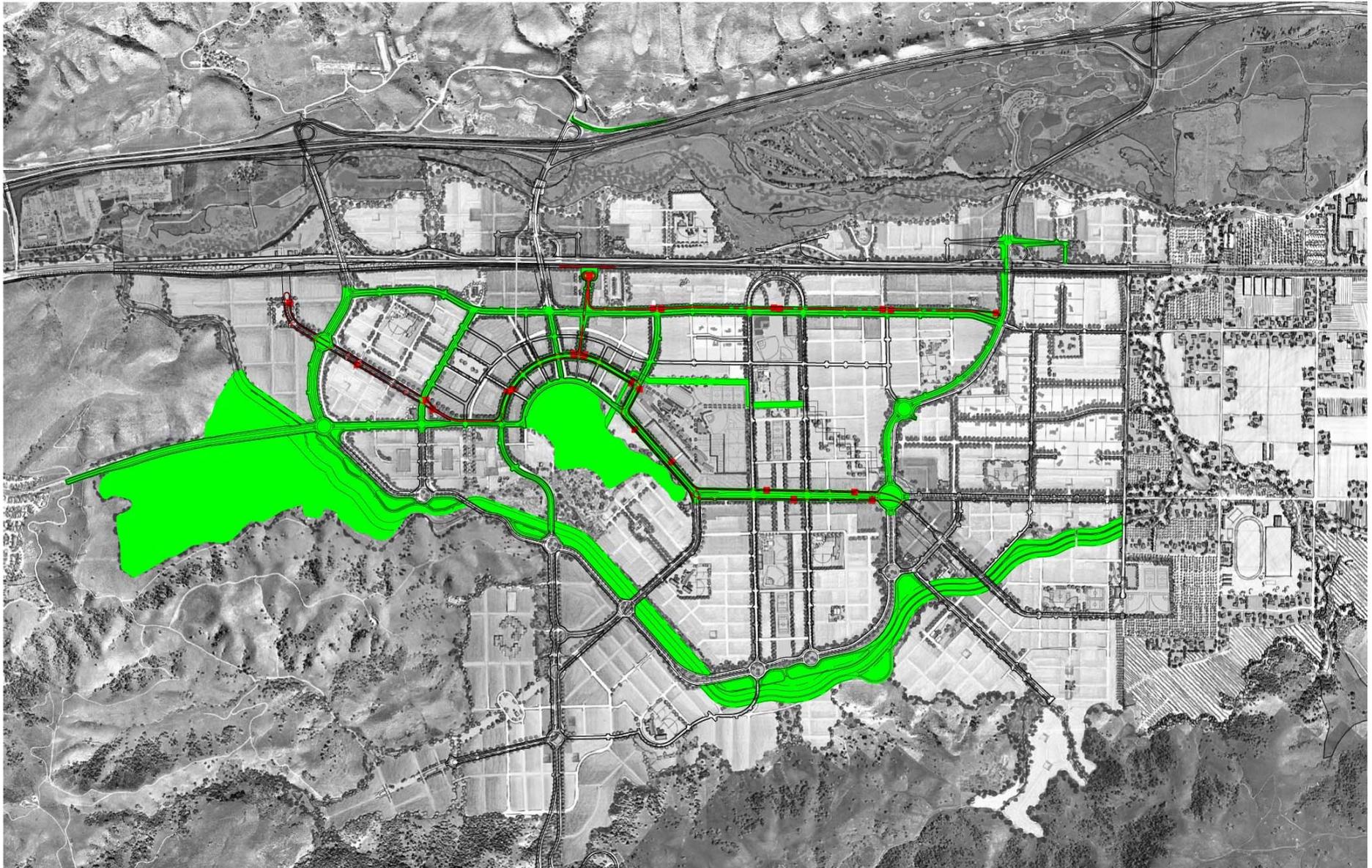
Infrastructure Sequencing and Phasing



Phase I Infrastructure Concept

**PHASE I
INFRASTRUCTURE**

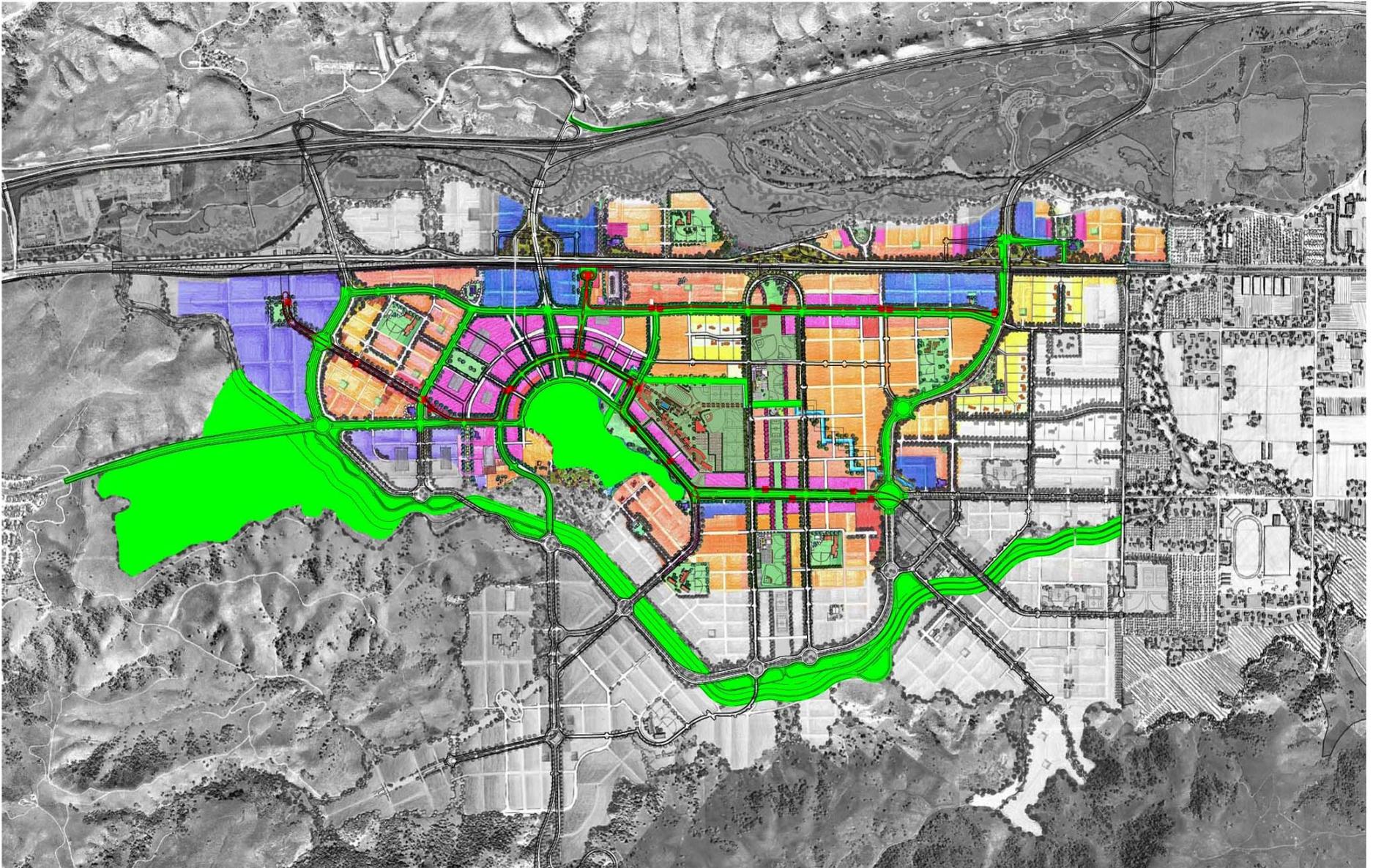
TRANSIT SHOWN IN RED

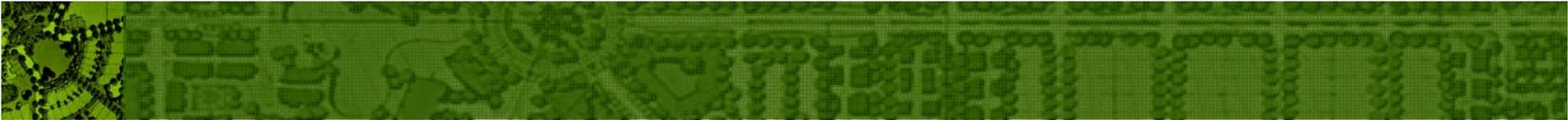


Phase I Development Area

**PHASE I
INFRASTRUCTURE**

TRANSIT SHOWN IN RED





Phase I Backbone Infrastructure Costs:

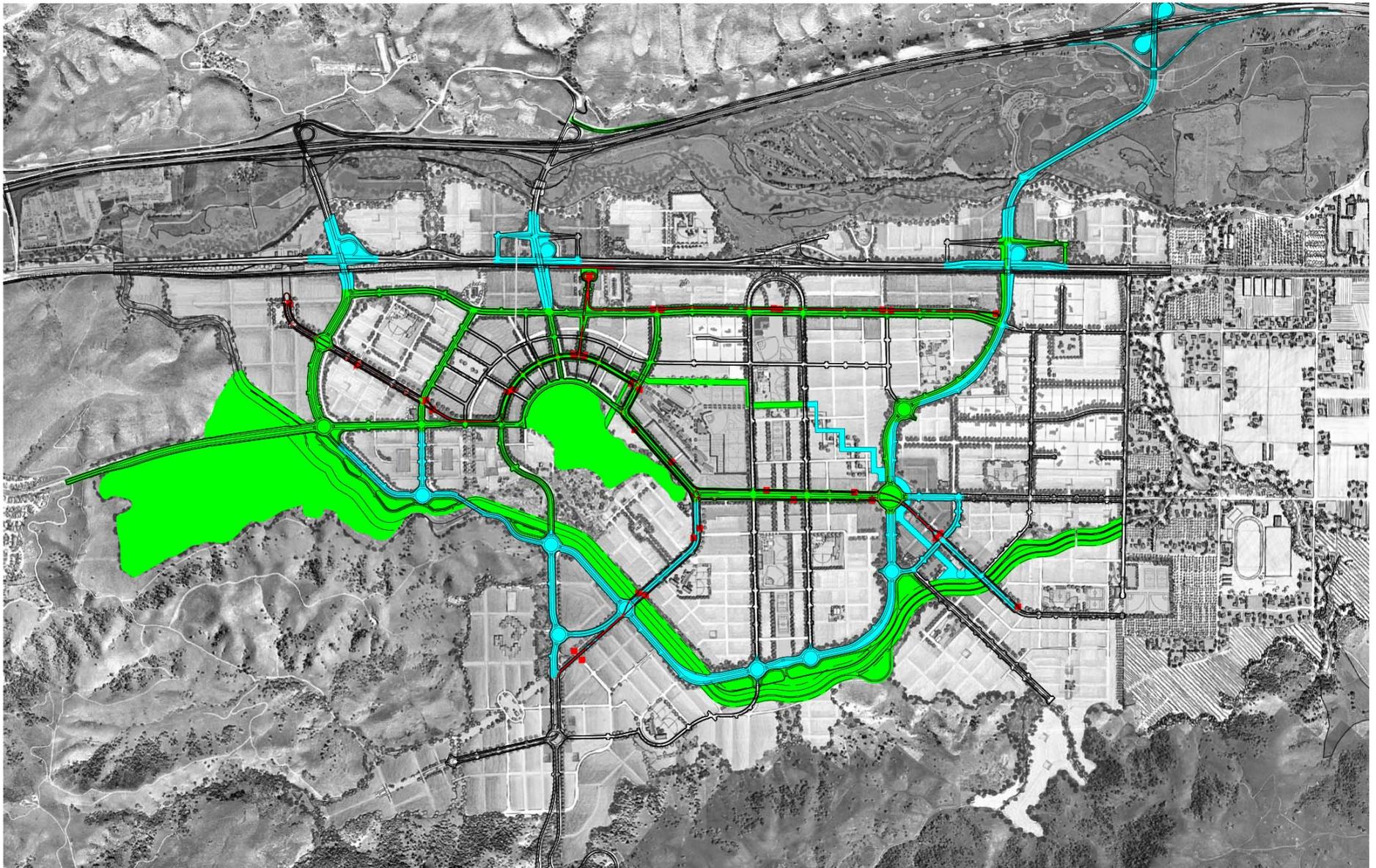
Transportation & Circulation	\$180,550,000
Hydrology & Flood Control	\$77,100,000
Storm, Sanitary, Water & Utilities	\$80,325,000
CVRP Credit	\$66,400,000
DEIR Mitigation Measures	\$20,300,000
Schools	\$129,500,000
Parks	\$81,600,000
Public & Community Facilities	\$46,000,000
Other Cost Items	\$54,000,000
Estimated Phase I Costs	\$735,775,000

Phase II Infrastructure Concept

**PHASE I
INFRASTRUCTURE**

**PHASE II
INFRASTRUCTURE**

TRANSIT SHOWN IN RED

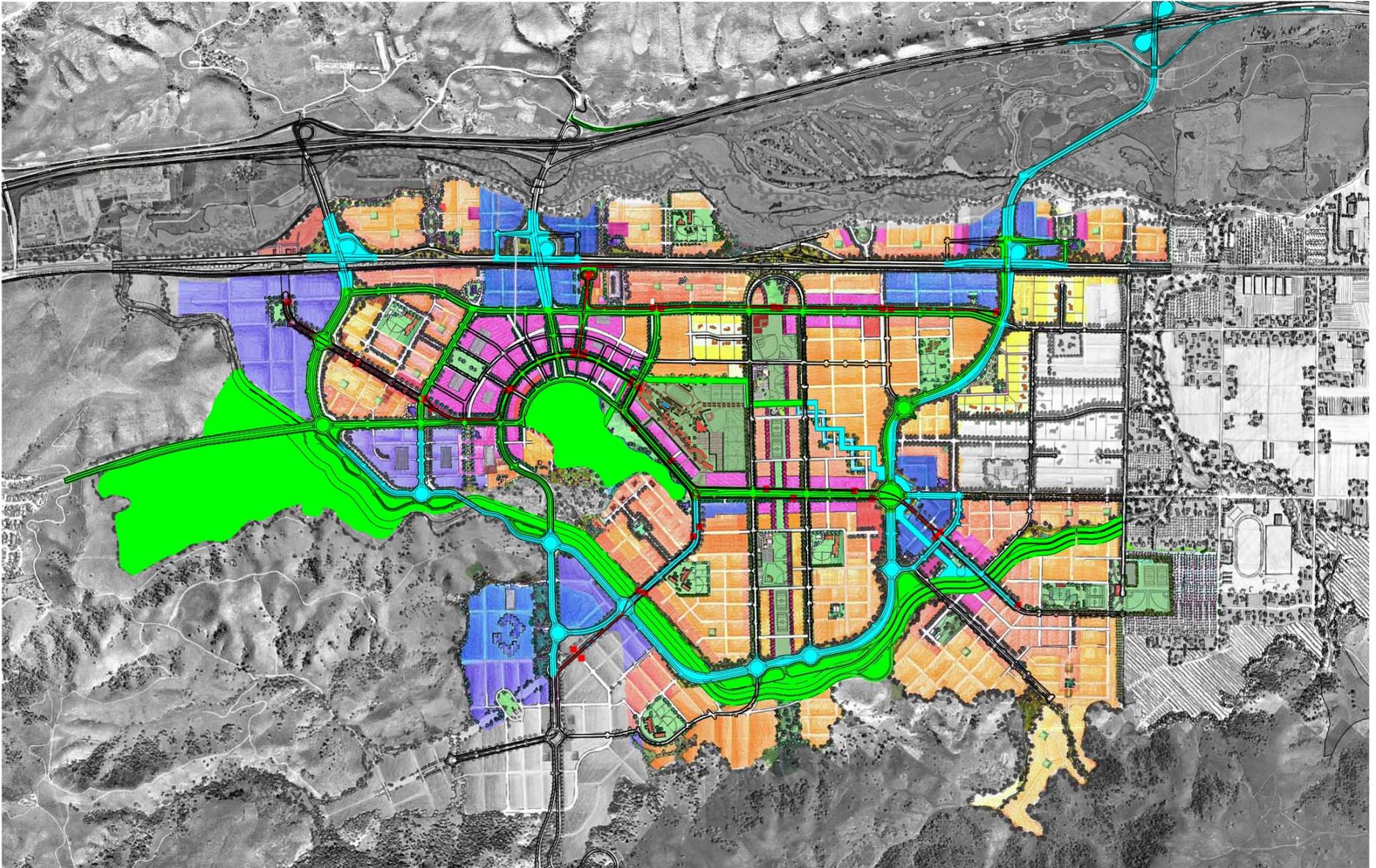


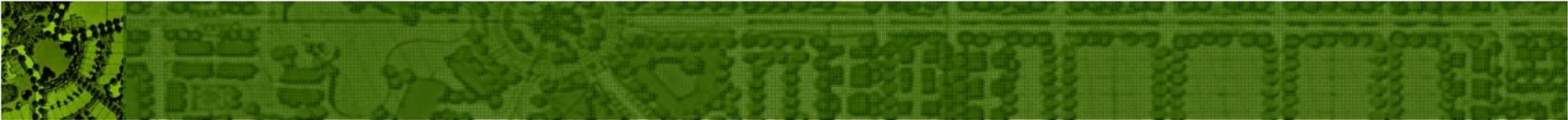
Phase II Development Area

**PHASE I
INFRASTRUCTURE**

**PHASE II
INFRASTRUCTURE**

TRANSIT SHOWN IN RED





Phase II Backbone Infrastructure Costs:

Transportation & Circulation	\$217,700,000
Hydrology & Flood Control	\$19,800,000
Storm, Sanitary, Water & Utilities	\$101,275,000
CVRP Credit	Completed
DEIR Mitigation Measures	\$13,300,000
Schools	\$80,000,000
Parks	\$81,600,000
Public & Community Facilities	\$67,000,000
Other Cost Items	\$54,000,000
Estimated Phase II Costs	\$634,675,000

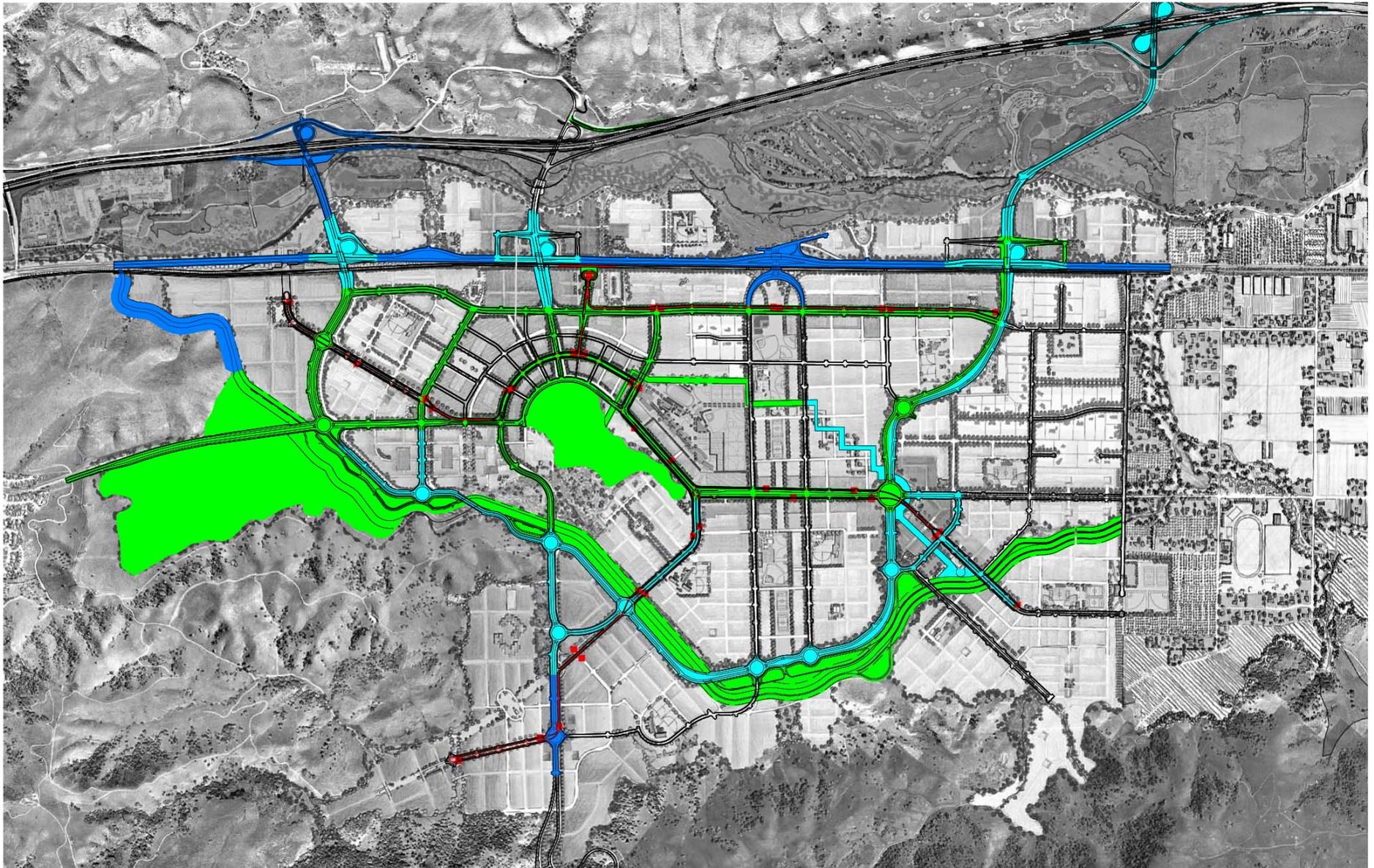
Phase III Infrastructure Concept

**PHASE I
INFRASTRUCTURE**

**PHASE II
INFRASTRUCTURE**

**PHASE III
INFRASTRUCTURE**

TRANSIT SHOWN IN RED



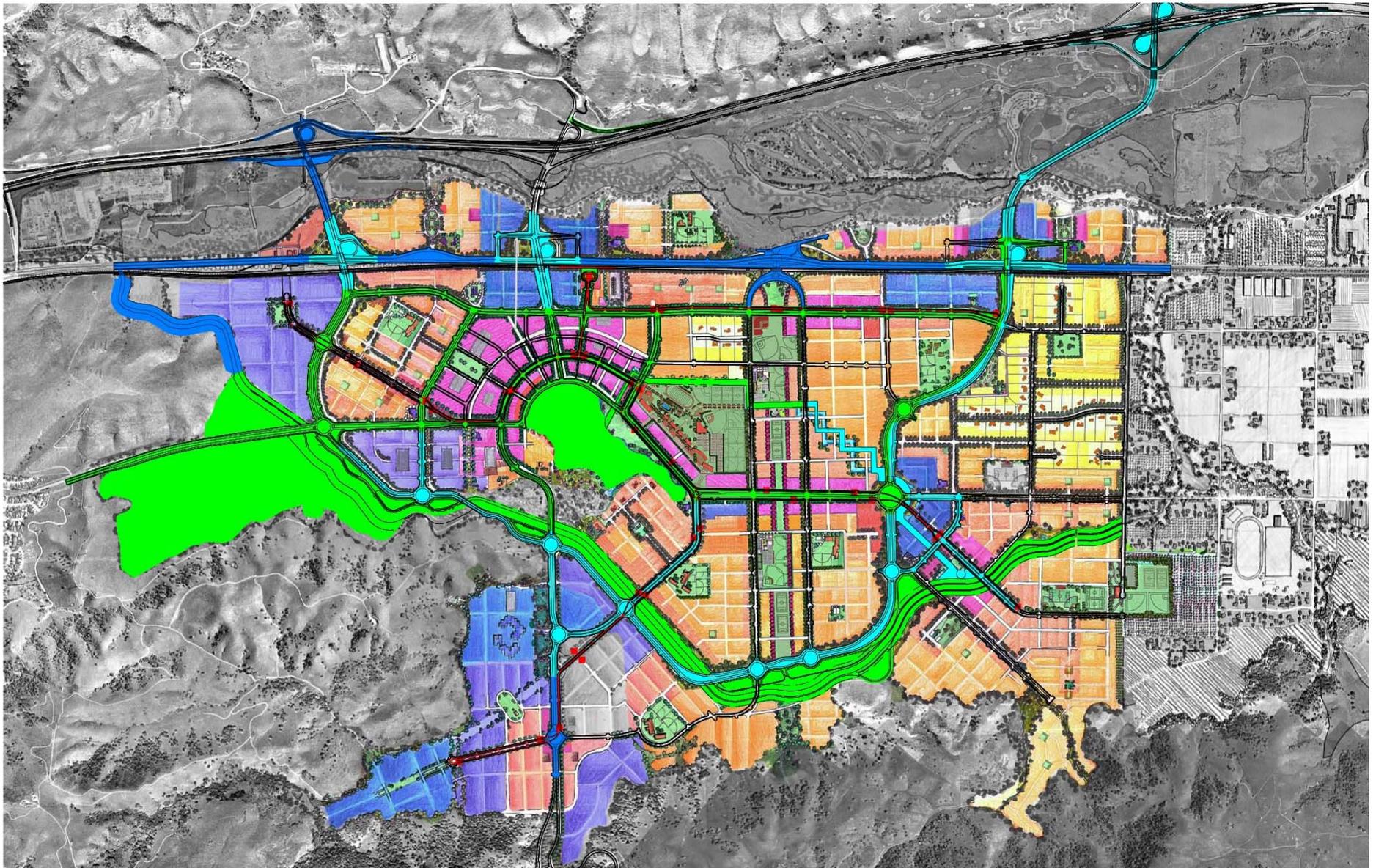
Phase III Development Area

**PHASE I
INFRASTRUCTURE**

**PHASE II
INFRASTRUCTURE**

**PHASE III
INFRASTRUCTURE**

TRANSIT SHOWN IN RED





Phase III Backbone Infrastructure Costs:

Transportation & Circulation	\$132,800,000
Hydrology & Flood Control	Completed
Storm, Sanitary, Water & Utilities	\$17,395,000
CVRP Credit	Completed
DEIR Mitigation Measures	\$6,305,000
Schools	\$69,900,000
Parks	\$40,800,000
Public & Community Facilities	Completed
Other Cost Items	\$27,000,000
Estimated Phase III Costs	\$294,200,000



INFRASTRUCTURE FINANCING FEASIBILITY ASSESSMENT





Placemaking Infrastructure

Creates the character that will define long-term growth and development pattern

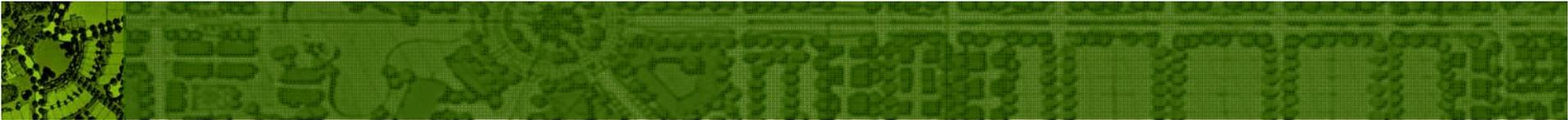
1. Lake and International Park
2. Fisher Creek Realignment and Restoration
3. Urban Canal
4. Multi-modal Caltrain station

Goal: to get as much as feasible in early phases



Placemaking Infrastructure

- **These items plus other associated early costs sum to \$736 million in Phase I**
 - **20K jobs, 10K homes**
- **Many of these costs are lump sums, not easily divisible into smaller increments**
- **Requires very large phase to support costs**



Feasibility Findings: Overall

Some infrastructure costs are higher than in 2004

- Result of inflation and expansion of requirements

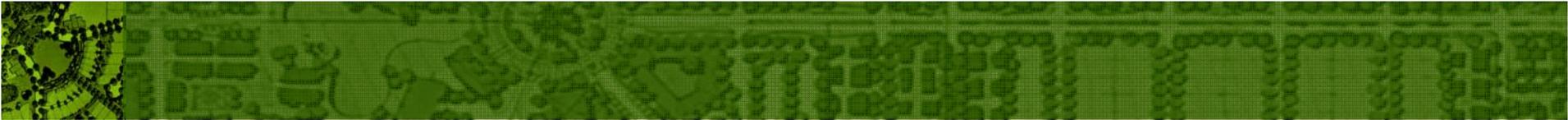
Other costs have been adjusted downward

- Greater certainty, change to financing assumption

Total developable land has decreased slightly

- Due to corp yard, 9th elem. school, Coyote Creek riparian corridor adjustments

Net result: Cost per Acre has increased slightly



Feasibility Findings: Overall

Backbone Infrastructure Cost: \$1.66 Billion

Total Developable Acres: 2,118

Cost/Developable Acre: \$790K

Use	Acres	Cost/Acre
Workplace	593	\$205K*
Residential	1,395	\$1.04M
Mixed-Use	129	\$700K-\$900K

*Assumes workplace cost burden fixed at \$4.70/land sq. ft.

Overall cost burdens are in feasibility range

Feasibility Findings: Phase 1

Phase 1 = 20K jobs, 10K homes

Backbone Infrastructure Cost: \$736M

Assumed Developed Acres*: 947

Cost/Developed Acre: \$800K

*Phase 1 lights up 1,070 acres, more than enough for 20K jobs and 10K homes

Use	Acres	Cost/Acre
Commercial	316	\$205K
Residential	603	\$1.08M
Mixed-Use	28	\$700K-\$900K

Phase 1 costs/res. acre > overall costs/res. acre



Next Steps

- Refine infrastructure phasing and costs?
 - Reduce Phase 1 placemaking? Defer any costs?
- Consider alternative Phase 1 dimensions?
 - e.g., 25K jobs / 12.5K homes?
- More analysis of infrastructure financing capacity
 - Value-to-lien ratio
 - Assessment burden
- Update fiscal impact analysis