SAN MARCOS
GENERAL PLAN
UPDATE

LAND USE ALTERNATIVES REPORT

SPRING 2022

MINOR ADMINISTRATIVE UPDATES AUGUST 2022

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SAN MARCOS GENERAL PLAN UPDATE

LAND USE ALTERNATIVES REPORT

SPRING 2022

MINOR ADMINISTRATIVE UPDATES AUGUST 2022

PREPARED FOR:

CITY OF SAN MARCOS

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OVERVIEW

The purpose of the Land Use Alternatives Report is to provide the City with a tool to consider and evaluate potential land use and development pattern changes throughout the City that may be desirable over the next 20 years.

The City of San Marcos has embarked on an effort to comprehensively update its General Plan. The General Plan provides policy guidance on land use, housing, transportation, infrastructure, community design, conservation, and other development-related topics. State law requires every city and county in California to prepare and maintain a General Plan. As part of the General Plan Update process, the City will evaluate the General Plan Land Use Map (Land Use Map) and determine if the land uses and development patterns articulated through the Land Use Map best reflect the community's vision for the future of San Marcos. The Land Use Map is one of the General Plan's primary mechanisms for shaping the city's future development pattern. The map assigns a land use designation to each parcel within the city which describe the range of uses allowed and the development intensity permitted on associated parcels.

The purpose of the Land Use Alternatives Report is to provide the City with a tool to consider and evaluate areas of the city where changes to land uses and/or development patterns should be studied. These areas have been identified as potential locations to accommodate future growth, support economic development, maintain fiscal sustainability, and help create special activity nodes throughout the community.

GENERAL PLAN UPDATE OVERVIEW

The Land Use Alternatives Report serves as one of the key deliverables that the City and the consultant team are preparing as part of the General Plan Update process. This Report builds on the findings of the Existing Conditions Report and is intended to present land use ideas that implement input provided by the community through the Visioning process. Readers and users of this Report are encouraged to review all complementary products to better understand the complete picture of land use planning in the City of San Marcos.

Existing Conditions Report (Complete)

The Existing Conditions Report, published in October 2021, establishes a baseline of existing conditions in the City. Specifically, the Report identifies development patterns, natural resources, socioeconomic conditions, and environmental constraints, and identifies the regulatory environment for each topic. The Report serves as a resource for the City Council, the Planning Commission, the GPAC, members of the public, City staff, and the consultant team through the General Plan Update process. This facilitates all parties informed participation in the process, ensuring that the updated General Plan addresses San Marcos' unique circumstances and local issues. The Existing Conditions Report is principally a technical document that comprises a substantial amount of data. To make this information more accessible to lay readers, the Report incorporates numerous maps and graphics.

General Plan Policy Document (Upcoming)

The General Plan Policy Document will contain the goals, policies, and strategies related to various elements of the General Plan. The General Plan must address at least seven elements. These state-mandated elements include land use, circulation, housing, open space, conservation, noise, and safety. The City may also address other topics of community interest in the General Plan, such as economic development, community design, community health and wellness, utilities and community services.

The General Plan sets out the goals, policies, and implementation actions in each of these areas and serves as a policy guide for how the City will make key planning decisions over the next 20 years. It also identifies how the City will interact with San Diego County, adjacent and nearby cities, and other local, regional, State, and Federal agencies on shared development-related decisions and actions.

Environmental Impact Report (Upcoming)

An Environmental Impact Report (EIR) will be prepared for the General Plan Update and will respond to the requirements of the California Environmental Quality Act (CEQA). The Planning Commission and City Council will use the EIR during the General Plan Update process in order to understand the potential environmental effects associated with implementing the General Plan. The EIR will be prepared concurrently with the Policy Document in order to facilitate the development of a General Plan that is largely self-mitigating. In other words, as environmental impacts associated with the General Plan are identified, goals, policies, and action programs may be incorporated into the Policy Document in order to reduce or avoid potential environmental impacts.

LAND USE ALTERNATIVE THEMES

Through a series of bilingual Visioning Workshops and online surveys facilitated in late 2021 and early 2022, as well as ongoing discussions with the General Plan Advisory Committee (GPAC), the community identified two key land use themes which are reflected in the two alternatives evaluated in this Report. The first "theme" (or Alternative) is referred to as the "Activity Node" alternative, where land use changes are focused in and around existing and planned activity centers, such as transit stations, major intersections, and employment destinations. The second "theme" (or Alternative) is referred to as the "Corridor" alternative, where land use changes are expanded more broadly beyond activity nodes to more north/south and east/west corridors. In other words, Alternative 2: Corridors, can be considered a more robust evolution of the land use changes considered in Alternative 1: Activity Nodes, with more potential land use changes at higher density and intensity levels than considered under Alternative 1.

In general, land use changes considered in each Alternative are focused in two areas of the City: first, the area between San Marcos Boulevard and West Mission Road between Rancho Santa Fe Road and Twin Oaks Valley Road, and second, the area east of the Civic Center between SR-78 and East Mission Boulevard. For purposes of this discussion, these areas are referred to as the "West" focus area and "East" focus area, respectively.

The various land use Themes are intended to serve as a starting point for discussion regarding potential land use changes throughout the City. In discussing the Alternatives, comparisons are made to existing on-the-ground development (which currently exists in the City today) as well as the Current General Plan Land Use Map. In other words, the Current Land Use Map describes where the City is headed should no changes be made to the Land Use Map. Alternative 1 (Activity Nodes) and Alternative 2 (Corridors) all explore how the City can strategically plan for its future by accommodating new residential and nonresidential development in key locations throughout the community (primarily in the West and East focus areas) in different ways that reflect the community's vision for the future of San Marcos. While the emphasis of each Alternative is different, both Alternatives accommodate residential and nonresidential growth to varying degrees. These Alternatives are explored in detail in the last section of this Report; a brief snapshot of the land use statistics associated with the potential buildout of each of the Alternatives is shown here in **Table 1**.

Table 1: Snapshot of Land Use Alternatives (Entire Planning Area - City and Sphere of Influence)

	Existing Development [1, 2, 3]	Current General Plan [5]	Alternative 1: Activity Nodes	Alternative 2: Corridors
Units [4]	33,999	42,705	52,159	69,615
Population	106,305	132,335	159,724	210,330
Nonresidential SF [4]	17,085,175	24,163,770	23,994,602	26,089,787
Jobs	35,362	45,563	43,841	54,456
Jobs/Housing Ratio	1.04	1.06	0.84	0.78

(1) City of San Marcos Existing Conditions fieldwork, 2022.

(2) Existing nonresidential square footage is based on SANDAG's 2019 Existing Land Use Inventory, San Diego County Assessor information (2021), and typical nonresidential development intensities for existing projects in the City of San Marcos. For example, 10 acres of "Commercial" development at a typical floor area ratio of 0.12 FAR would yield 52,272 square feet of nonresidential development (10 acres x 43,560 square feet/acre x 0.12 FAR = 52,272 square feet). Assumptions for each existing nonresidential development type are included in Appendix A for reference. This figure has been crosschecked with available commercial real estate transaction data from Costar which confirms the above estimate.

(3) Existing jobs estimates are based on 2017 Longitudinal Housing Employment Data prepared by the U.S. Census Bureau (note that 2017 represents the most recent data set for this source of employment information).

(4) See Appendix A for detailed assumptions by land use type, including expected densities, intensities, and average persons per household. Unit and nonresidential totals for Land Use Alternatives reflect the general development potential of approved Specific Plans.

(5) Minor modifications have been made to the City's Current Land Use Designations to consolidate land use categories into more broad development ranges. The result of this process yields a modest theoretical increase in development potential over what would be allowed using the existing land use designations, without modification. This increase is negligible (less than 1%). For the purposes of this Report, the development potential of the Current Plan is based on the updated land use designations.

BENCHMARK PLAN

The community, General Plan Advisory Committee, Planning Commission, and the City Council will review the information contained in this Land Use Alternatives Report and provide their feedback on the components of each Alternative best represents the community's long-term vision.

This feedback will be assembled and consolidated into a citywide map called the "Benchmark Plan" which will be a combination of the selected components of each Alternative, or, if no change is desired, the Current General Plan. In other words, it is appropriate (and anticipated) that the Benchmark Plan will include components of each Alternative (including the Current General Plan) or other development patterns as determined by the community.

Preparation of the Benchmark Plan does not reflect final policy direction or adoption of a new Land Use Map. Rather, the Benchmark Plan serves as a starting point for the project's environmental analysis. The Benchmark Plan will be comprehensively analyzed in an Environmental Impact Report (EIR) which will evaluate and document all potential environmental impacts, identify ways to mitigate those impacts, and disclose any significant impacts associated with implementation of the Benchmark Plan that cannot be fully mitigated. The EIR includes preparation of detailed technical studies including a traffic impact analysis, infrastructure Report, noise analysis, and air quality/greenhouse gas emissions analysis. Additionally, a fiscal impact analysis of the Benchmark Plan will also be prepared for consideration alongside the Policy Document and EIR.

The Planning Commission and City Council will review the Proposed General Plan Policy Document and the Environmental Impact Report (which will be based on the Benchmark Plan, as described above) at a series of public hearings, which will include time for public comment. These hearings will be noticed in accordance with all public hearing requirements, and ample time will be devoted to considering the project for adoption.

As part of the public hearing process, the City Council can make changes to the General Plan Policy Document, including the Benchmark Plan, prior to its approval. Should the Council request significant changes to the Benchmark Plan, it is possible additional technical or environmental analysis will be necessary to ensure that all potential land use changes are adequately analyzed and considered.

The City of San Marcos' official Land Use Map will only be updated upon City Council adoption of the General Plan Policy Document and certification of the Environmental Impact Report. Until such time, the City's current Land Use Map remains fully applicable.

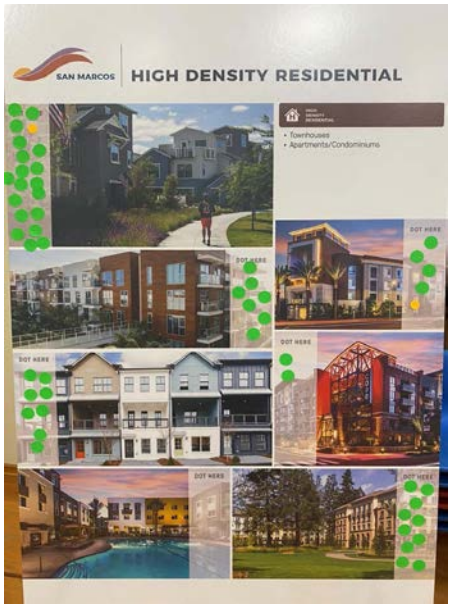
LAND USE ALTERNATIVES REPORT PURPOSE

The Land Use Alternatives Report evaluates each Alternative based on:

- Existing Development Conditions
- Urban Design Constraints and Opportunities (for the West and East Focus Areas)
- Land Use (Housing, Population, Nonresidential Development, and Jobs)
- Circulation
- Fiscal Impacts
- Infrastructure
- Public Services

The Report purposely omits recommendations regarding how the City should proceed with modifications to the Land Use Map. Instead, it provides the necessary information to facilitate the community's discussion on important land use issues, culminating with possible changes to the map.

The Report will be used by the community, General Plan Advisory Committee (GPAC), Planning Commission, and City Council to craft the Benchmark Plan. The City anticipates that the Land Use Alternatives Report will stimulate discussion and lead to confirmation and selection of courses of action to be reflected on the Benchmark Plan and in the General Plan Policy Document.



LAND USE ALTERNATIVES OUTREACH PROCESS

The Alternatives identified and analyzed in this Report and resulting Land Use Alternatives were developed through an extensive bilingual outreach process that included public input received at community workshops, the results of a survey, GPAC recommendations, Staff insights, feedback from the San Marcos business community, and City Council direction. Key phases of the outreach approach are described below and further documents in the Community Visioning Workshops Summary available online.

The community is invited to weigh-in on the Land Use Alternatives evaluated in this Report and provide feedback for the GPAC, Planning Commission, City Council, Staff, and the consultant team to consider while preparing the Benchmark Plan. To aid in this discussion, the City will host two community open houses in early June and facilitate an online survey to gather input. This information will be shared with other stakeholders and summarized as part of the public review process.

Community Visioning Workshops

The City hosted three General Plan Update Visioning Workshops from October through December of 2021 (it should be noted that one workshop was held in early 2020 prior to the COVID-10 pandemic; this workshop was repeated in October 2021 and feedback collected at both workshops was considered as part of this planning process). One Workshop was held each month and each Workshop focused on addressing a different topic. Each Workshop included a brief overview of the General Plan, including why it's important and why the City is updating its Plan, some background information on the evening's topic, and a series of facilitated activities to solicit input on key topics or ideas. The topics explored in each Workshop along with summaries of what we heard from the community are provided in the Community Visioning Workshops Summary prepared for the General Plan Update, which can be found on the project website. The intent of that Summary Report was to present the information received without making assumptions or recommendations.

At the first workshop, participants worked in small groups to identify visions and values in the community that they felt warranted special attention. Participants engaged in 3 activities: identifying assets and challenges in the city by using post-it notes; collaborating in groups of 5-6 people at each table to envision what the city should look like in 20 years; and marking maps to identify key areas. It was through this process that the City's key concerns were generally identified. Based on this initial feedback, the general west and east focus areas were identified as places that would warrant special study; these ideas were further refined and land use ideas were discussed at the second workshop. Approximately 60 people attended each workshop. As part of the overview presentation, the group considered how local and regional socioeconomic trends shape land use planning in San Marcos. The full presentation of each workshop is available on the project website. The feedback received at the Visioning Workshops played an important role in development the Alternatives explored in this Report.

General Plan Advisory Committee

Opportunities and challenges related to potential land use changes have been discussed by the GPAC over the course of the Committee's regular monthly meetings. Specifically, the January 2022 GPAC meeting was dedicated to reviewing land use feedback provided by the public at the Visioning Workshops, validating or refining that feedback, evaluating the City's current land use designations and land use map, considering the general nature of land use changes requested by property owners, and a discussion of how land use changes can help expand housing opportunities and support local businesses.

WE HEARD THAT THE SAN MARCOS COMMUNITY VALUES...

- **PARKS, OPEN SPACE, AND RECREATION PROGRAMS**
- **HIGH QUALITY OF LIFE**
- **SAFE AND QUIET NEIGHBORHOODS**
- **EDUCATIONAL OPPORTUNITIES**
- **NEW TECHNOLOGIES**

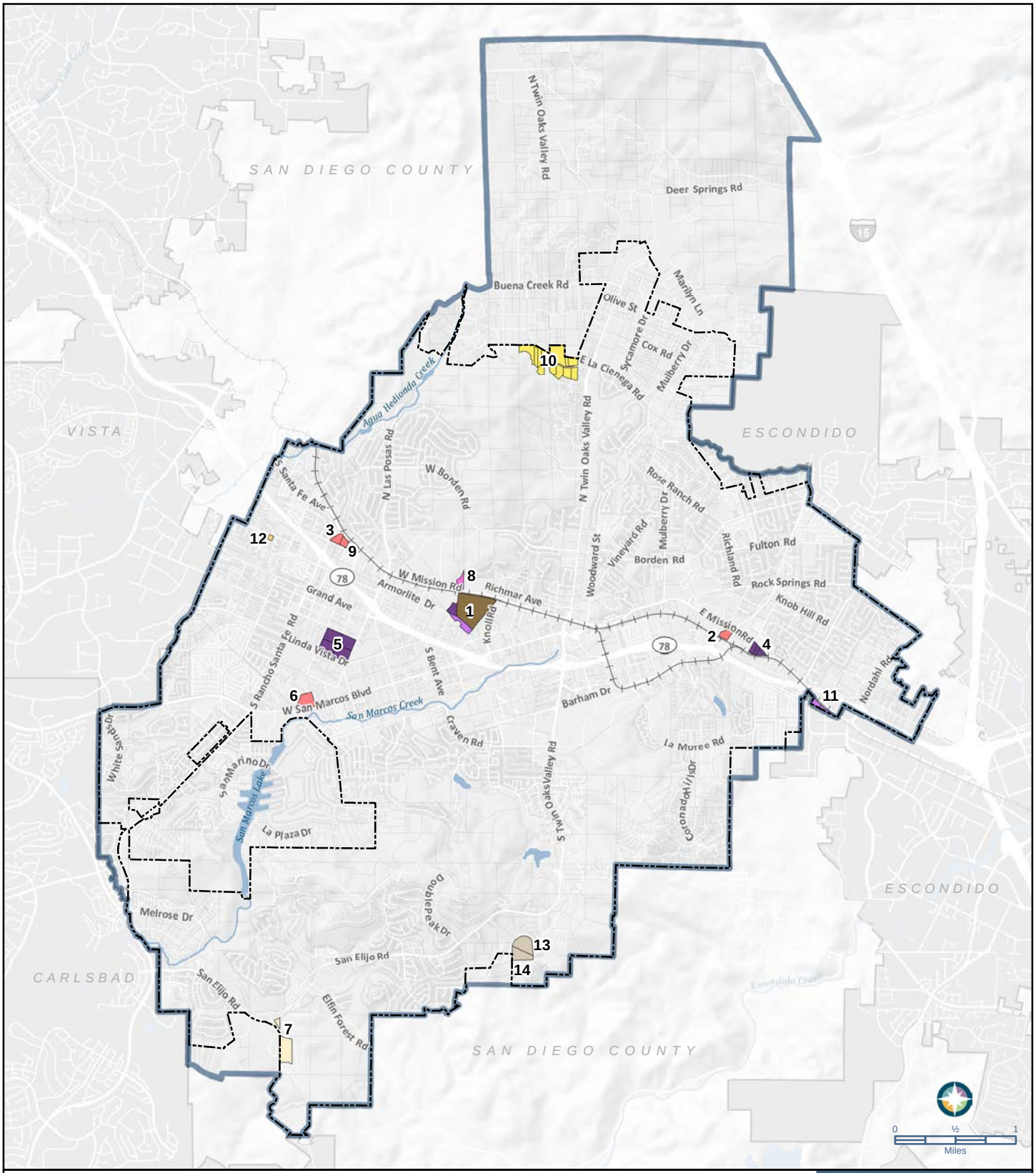
Property Owner Requests

Property owners within the General Plan Planning Area were provided an opportunity to submit parcel change requests to have the land use designation on their properties changed as part of this General Plan Update. Parcel change request applications were made available on the General Plan Update website and at City Hall. Applicants were asked to submit a detailed application, which included information regarding existing uses on the property, proposed land use designations, and an explanation of how the proposed change fits within the context of the General Plan Update. A total of 14 separate applications for parcel changes were received by the City. **Table 2** identifies the application number for each request, the existing General Plan Land Use designation(s) for the parcel(s) subject to the change request, the requested land use designation(s), and identifies which Land Use Map alternative(s) the parcel change is shown on. The locations of the parcels subject to the change requests are shown on **Figure 1**.

Table 2: Property Owner Requests

Map ID	Acres	Current GP	Alt 1	Alt 2
1	46.5	MDR, LLI and I	MDR, LI and I	T-R and T-I
2	4.5	MU-0	T-I	T-C
3	3.5	MU-0	T-C	T-C
4	5.7	I	MDR	T-I
5	33.3	I	MDR	MDR
6	9.4	MU-0	MU-45	T-C
7	15.3	SPA	LI	LI
8	3.9	OP	MHDR	T-C
9	2.5	MU-0	MHDR	MU-75
10	50.9	RR	AG	AG
11	3.2	LI	I	T-I
12	0.98	VLDR	VLDR	VLDR
13	10.5	AG	AG	AG
14	9.2	AG	AG	AG

Figure 1: Property Owner Requests



LEGEND

- City of San Marcos
- Planning Area

Current General Plan Land Use

- AG - Agricultural
- RR - Rural Residential
- VLDR - Very Low Density Residential
- MDR - Medium Density Residential
- MU-0 - Mixed Use 0
- OP - Office Professional
- LI - Light Industrial
- I - Industrial
- SPA - Specific Plan Area

Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

PROPERTY OWNER REQUESTS

NEXT STEPS

Over time, the city's population and the physical environment in which its residents live and work will change. In order for the General Plan to be a useful document, it must be monitored and periodically revised to respond to and reflect changing conditions and needs. Revisiting and revising the City's Land Use Map is a necessary and important part of this process.

The GPAC, City Council, City staff, and the consultant team will use this Report to prepare and refine the Benchmark Plan so that the City can move forward with preparing the Policy Document and EIR. First, the community, GPAC, Planning Commission and City Council will make recommendations for land use and development options identified in this Report. Next, Staff and the consultant team will consider this input and prepare a draft Benchmark Plan for City Council's consideration. As the map evolves in the coming weeks and months, and the initial Benchmark Plan is developed, the map and an accompanying summary of the proposed changes will be posted on the project's website: www.sanmarcos.generalplan.org. Please refer to the site for additional information on the project.

ISSUES AREAS

ISSUE AREA IDENTIFICATION

In developing the land use alternatives, various land use issues (both opportunities and challenges) that were raised during the Visioning process, identified by the GPAC, and identified by City staff were considered. This chapter summarizes these topics.

LOCAL AND REGIONAL MARKET TRENDS

San Diego County is the second most-populous county in California and has seen over 15 percent growth since 2000. Key socio-economic, market, and fiscal trends for the City of San Marcos are analyzed and compared to its regional neighbors—or trade area—in order to better understand the key issues and challenges facing San Marcos as it contemplates its future. The Trade Area represents the immediate geography in which San Marcos broadly competes for retail shoppers, home renters and buyers, commercial tenants, and office and manufacturing employers. This Trade Area includes the cities of Oceanside, Vista, Carlsbad, and Escondido. All economic activity relevant to San Marcos is not contained within the Trade Area, however, as destinations for employment, specialty retail, and entertainment outside the boundaries also play a significant role in regional economics.

The Trade Area, which represents close to 20 percent of the County population, has grown even faster. Meanwhile, growth in San Marcos has outpaced that of the Trade Area, with the City's population growing 72 percent from 2000 and 2018. Most of that growth occurred between 2000 and 2010, but the City still grew by about 20 percent from 2010 to 2018.

In general, the City has seen substantial growth in population, jobs, and development since 2000, although growth was faster from 2000 to 2010 than from 2010 to 2018. The City is expected to see more population and jobs growth over the next two decades (with corresponding demand for housing and commercial space), albeit at a more modest rate than the last two decades. The General Plan process will allow the City to identify and support the types of new development that will best position it to maintain a strong economy and high quality of life.

This issue area discusses current market conditions

with a special focus on potential impacts that must be considered as a result of the COVID-19 pandemic.

Regional Economy

It is worth noting the economies of the five cities of the Trade Area are very interconnected. Economic activity is not constrained by municipal boundaries, and economic development coordination and cooperation on a regional level often leads to economic growth that is greater than the sum of its parts. In recognition of this, the five cities have invested in supporting and furthering this interconnected economic activity through a partnership called Innovate78. The partnership allows the cities to build on each other's economic strengths and promote the area's overall skilled workforce, quality of life, and business incentives and resources in attracting and supporting new industries, businesses, and residents. The partnership is further supported through collaboration with the San Diego Economic Development Corporation, which is focused on promoting regionwide economic growth. The City can continue to play its part in supporting this partnership through the General Plan, by targeting land use that will promote Trade Area development strengths and opportunities, and through economic development strategies that underline the importance of continued regional cooperation.

Jobs and Housing

In the two decades prior to 2019, the number of residents in San Marcos grew by over 70 percent and the number of jobs grew by over 75 percent, far outpacing overall growth within the 78 Corridor and San Diego County. Economic sectors of strength have included office-focused industries such as healthcare, administration, and education; service-sector jobs in accommodations and food service; and industrial-focused jobs in wholesale trade.

Today, most jobs in the City are filled by workers commuting to San Marcos from other places, while the vast majority of residents commute to jobs in other cities. The local sectors where there is significant in-commuting (i.e. filled by non-residents) include education, administration, and healthcare. Meanwhile, the notable sectors that San Marcos residents commute out to include professional services, finance and insurance, and information sectors.

While the pandemic caused a short-term precipitous drop in jobs, more than 90 percent of jobs lost have returned in the nation, the state, and the San

Diego metro area. At the same time, pre-pandemic migration trends among young professionals from central cities to suburban locations have continued, if not accelerated, particularly among households with workers who were working from home and were attracted to more affordable and more spacious units.

Looking ahead, the sectors that were strong in San Marcos before the pandemic—particularly education and healthcare—are likely to remain strong areas of growth. At the same time, the City should consider policies that will attract job sectors that are better aligned with their residents' skills, such as professional services. Such policies, including those that support entrepreneurship and small business growth, will also help the City retain graduates from its local educational institutions.

Retail

Retail is the second largest commercial sector in San Marcos and is critical to the City's fiscal health (sales tax represents around 30 percent of General Fund revenues). In the decade before the pandemic, the City added around 260,000 square feet of new retail space, primarily contained within the new Costco, as well as in mixed-use developments in North City and San Elijo Town Center.

The pandemic reversed some recent trends in retail – namely, big box "essential" retail saw significant gains while "experiential" retail such as dining and small local businesses were hard hit by closures and stay at home orders. At the same time, e-commerce sales skyrocketed, growing by 20 percent virtually overnight. In general, these trends meant that San Marcos sales tax revenues stayed relatively stable, particularly as a recent Supreme Court decision has increased local sales tax collection from out-of-state e-commerce.

Office

Office is the City's smallest commercial sector, accounting for about 11 percent of the City's commercial inventory. Additionally, San Marcos office space accounts for only about 10 percent of total space in the 78 Corridor. Most space added in the decade before the pandemic was for medical office uses, aligning with the growth in local healthcare jobs. Other major office users in the City include its many educational institutions.

While many offices emptied out in the early months of the pandemic, the companies who occupied them were generally well-positioned to adapt to remote working arrangements and continued to operate productively. While many companies are still operating completely remotely or with a hybrid arrangement, most anticipate at least a partial return to the office, suggesting that the demand for office space will come back to some degree. One potential trend, given the tight labor market, is that companies may look to locate closer to where their workers live to improve commute conditions.

With the opening of the new Kaiser facility, San Marcos is likely to continue to see demand for medical office space, both for auxiliary medical services and complementary/adjacent sectors such as medical tech. Educational institutions are also likely to continue to need quality office space close to their campuses. The key opportunity for San Marcos will be the development of Class A office space in dynamic mixed-use locations that, combined with a highly skilled resident workforce, can attract the professional services jobs that many residents have historically commuted out to. Space that supports entrepreneurship and innovation initiatives and programs, in cooperation with local educational institutions and regional employers, can also generate job growth and momentum that will attract other companies to the City.

Industrial

Industrial is the City's largest commercial sector by square footage. Prior to the pandemic, the City was experiencing a relatively high vacancy rate in its industrial space as compared to the 78 Corridor overall, and a decline in manufacturing jobs. Regional growth in industrial development had mainly been occurring in the warehouse and distribution sector, which favored cities closer to I-5, such as Oceanside and Carlsbad.

The rise of e-commerce during the pandemic had a significant impact on the demand for warehouse and distribution space. The high need for distribution functions, especially "last mile" requirements for e-commerce has attracted investments in virtually every US market, and the expected future growth in e-commerce's share of retail sales will continue to drive this demand. Additionally, disruptions to the global supply chains may influence re-shoring of advanced manufacturing services, increasing demand for industrial and flex space. This presents a particular opportunity for areas in major coastal gateways and major freeway intersections, as well as secondary and tertiary markets proximate to tech concentrations such as San Diego. There is also increasing interest in "local made" experiential industrial products, such as breweries, distilleries, roasteries, and other local food and drink products, that can drive space demand.

Some of San Marcos' recent industrial developments seem to align with the above trends. The full lease-up of the production industrial development, which includes major food manufacturing, as well as the planned Karl Strauss brewpub, represents future opportunities to capture the interest in "local made" products. And with appropriate space, the City can capitalize on the San Diego's region strength in life sciences, especially the booming sector of biotech. While "industrial" may conjure up images of large blocky buildings surrounded by a sea of parking, the types of light manufacturing and flex space that these uses typically locate in can co-exist and be synergistic with office and retail uses in a more attractive and accessible format.

Hospitality

As compared to its more tourist-centric neighbors, San Marcos' supply of hotel rooms is small – just 7 percent of the total rooms along the 78 Corridor. While this does not have a significant impact on economic activity per se, it does have fiscal implications in limiting transient occupancy tax (TOT) revenues, which currently represent only 2 percent of General Fund revenues. The existing conditions report identified the need in the education and healthcare sectors for hotel facilities, representing a potential opportunity for some future growth in the sector.

Hospitality was one of the hardest hit sectors during the pandemic, with hotel occupancies cratering in the few first months. While occupancies have made a strong comeback more recently, the recovery has been uneven. Markets depending on business and conference/convention travelers have remained depressed, while tourist markets, particularly those with ample outdoor activities, have exceeded even 2019 occupancy rates.

In San Marcos, hotel projects that were paused during the pandemic are coming back on-line. While hospitality is likely to remain a small sector in San Marcos, it will be an important complement to growth in education and healthcare, as well as regional activity centers such as North City. The City's relatively low dependence on TOT was positive from a fiscal perspective during the pandemic, but diversity of revenue sources should remain an important fiscal goal for City going forward.

HOUSING SITE IDENTIFICATION (RHNA)

California General Plan law requires each city and county to have land zoned to accommodate a fair share of the regional housing need. The share is known as the Regional Housing Needs Allocation (RHNA) and is based on a Regional Housing Needs Plan (RHNP) developed by councils of government. The San Diego Association of Governments (SANDAG) is the lead agency for developing the RHNP for the area that includes San Diego County and the City of San Marcos. As part of the region's planning efforts, SANDAG must allocate housing units within the region consistent with the development pattern included in the 2050 Regional Transportation Plan (2050 RTP).

The goal of RHNA is to ensure local plans can accommodate future household growth for all income levels throughout our communities. The State of California has a shortage of housing, which impacts the number of homes available and affordability levels and the current crisis is a result of a cumulative deficit in housing supply. Not only are lower income families being priced out of many housing markets, but many middle income families are being priced out as well. This crisis has far reaching effects ranging from company relocations and employment losses to fewer dollars spent on basic needs to increased traffic due to longer commutes.

The City of San Marcos has recently updated its Housing Element as part of the 6th Cycle Housing Element Updates. The City's Housing Element, adopted in July 2021 provides for the accommodation of the 2021-2029 RHNA that has been assigned to San Marcos. The total housing growth need for the City of San Marcos identified for the 2021-2029 planning period is 3,116 units. The City of San Marcos is not required to ensure that actual development to accommodate the RHNA occurs; however, the City must facilitate housing production by ensuring that land has the appropriate General Plan and zoning designations and that unnecessary development constraints have been removed.

The City's 2021-2029 Housing Element demonstrates that a majority of the City's RHNA can be accommodated at vacant sites within approved Specific Plans, including the University District Specific Plan and the San Marcos Creek District

Specific Plan. It is important to recognize that any changes to the land use plan for sites identified to accommodate the City's RHNA, including (and especially) sites within Specific Plan areas could require the City to update its Housing Element and resubmit it to the State Department for Housing and Community Development for re-review and approval, where approval of the updated Plan is not guaranteed. As part of the Alternatives studied in this Report, no sites identified to accommodate the City's RHNA have seen a reduction in their potential capacity, and as such, the City's existing plan to accommodate its RHNA can be maintained with the Current General Plan or either Alternative.

VEHICULAR TRAFFIC

Like so many cities throughout southern California, most San Marcos residents have access to a vehicle and rely on driving to accomplish most daily tasks, including commuting to and from school and work, and purchasing goods and services. Safe and efficient vehicular circulation is a priority for City residents and increased congestion is often cited as a primary concern when considering the potential impacts of new development. Traffic volumes and congestion on San Marcos streets have been increasing in the last several years in direct response to employment and population growth within both the City and region. As noted by several community members at public workshops and via online surveys, as well as the City's General Plan Advisory Committee members, congestion is a special concern in areas adjacent to schools where student pick-ups and drop-offs create unique traffic issues at specific times of the day.

For San Marcos residents, 89 percent of all trips for all trip purposes were by motor vehicle, one percent by transit, five percent by bike, and five percent by walking. For school trips, a higher proportion of trips (19 percent) are made by walking, however this small percentage of active transportation users does not alleviate the broader issue. For preparation of the San Marcos General Plan Update Existing Conditions Report, specific roadway segments and intersections were studied in March 2020. It was found that all roadways operate at a Level of Service (LOS) D or better (with the standard measuring scale of an "A" being the best and an "F" being the worst). In addition, weekday AM and PM peak hour operations were assessed at 31 key intersections within the City when schools were in session. In general, during the weekday AM and PM peak hours, most of intersections with LOS E/F conditions are located near the SR-78 freeway, including at the freeway ramp terminal intersections. Major intersections on Twin Oaks Valley Road and San Marcos Boulevard are also operating at LOS E/F during AM and PM peak hours.

In addition to internally caused traffic congestion, major throughfares throughout the City suffer from pass-through traffic; regional commuters may try to avoid congestion on SR-78 by utilizing San Marcos streets. This pass-through traffic occurs mostly during peak commute hours by people going to and from work.

San Marcos has already noticed the growing challenge of traffic within the City and has begun to implement traffic reducing strategies. New activity centers, such as the Creek District and University District, are designed with a mix of uses to allow people to live, work, and play all within their center, thereby reducing VMT and improving traffic flow. The land use alternatives studied in this Report seek to replicate this objective by locating new growth in areas near existing or planned activity centers, along transit corridors, and around multimodal transportation facilities. While considering creative and innovative ways to reduce traffic congestion, it is noted that potential improvements take administrative and financial resources. Although some improvements may be made with local and state funds, other improvements may require increasing capital improvement program or other development fees. Increasing fees may reduce the City's competitiveness for business development compared to other jurisdictions and will not necessarily take cars off the road.

To encourage improvements, the Sustainable Communities and Climate Protection Act (SB 375) of 2008, also known as the California Anti-Sprawl Bill, was signed into law on September 30, 2008. The SB 375 regulation provides incentives for cities and developers to bring housing and jobs closer together and to improve public transit. The goal behind SB 375 is to reduce automobile commuting trips and

thus help meet the statewide targets for reducing greenhouse gas emissions set by AB 32. The legislation required Metropolitan Planning Organizations (MPOs) to look at the interface between land use and transportation; it also requires MPOs to develop strategies to reduce vehicle miles of travel (VMT), which is a precursor to greenhouse gas emissions (GHG). San Marcos is within the jurisdiction of the San Diego Association of Governments (SANDAG), which serves as the forum for regional decision-making for the entire San Diego region. SANDAG released its 2050 Regional Transportation Plan in 2011; the Plan includes preparing the broader Active Transportation program, including Safe Routes to School and Safe Routes to Transit.

SPECIFIC PLANS

The City of San Marcos Zoning Ordinance establishes regulations for the development of land uses and improvements in accordance with the goals and policies of the General Plan; these regulations include density and intensity standards, building heights limits, minimum building setbacks, provisions related to parking and open space, and other similar requirements. As an alternative to traditional zoning standards, property owners may prepare and submit to the City for review and adoption a "Specific Plan" which creates customized zoning standards for specific projects and properties. In other words, a "Specific Plan" takes the place of traditional zoning, and acts as the official zoning for the site. Like the City's traditional zoning requirements, Specific Plans act as a bridge between the General Plan and zoning regulations for future development of a particular area. The preparation of a Specific Plan can be a costly and time-consuming process; not all proposed projects benefit from preparing a Specific Plan and in many cases traditional zoning standards may help an applicant achieve development of a property consistent with their vision.

As of early 2022, the City of San Marcos has over 60 adopted Specific Plans that regulate development of 3,600 acres (nearly 23% of the entire City and 17% of the overall Planning Area). In some cases the Specific Plan covers multiple parcels and represents a comprehensive vision for development of a geographic area, but in other cases a Specific Plan was prepared for a single parcel where traditional zoning was not available to allow for the type of development proposed at the site. Some communities are more open to using Specific Plans as a tool to facilitate development; the number of Specific Plans in San Marcos indicates that the development community sees Specific Plans as a particularly valuable tool to guide development and indicates that the City's existing traditional zoning regulations may not be adequate, on their own, to regulate the type of development that has been proposed in the City. While Specific Plans allow for development flexibility, they can lead to inconsistent and incompatible land uses becoming neighbors and have the potential to discourage cohesion and regional planning efforts in favor of site-specific development. The City's Current General Plan has several areas designated for future Specific Plans without having an adopted Specific Plan for the site, or without having allowed underlaying land use, which can create challenges when planning for uses on the site or on adjacent sites.

Many of the City's adopted Specific Plan areas are built-out and no future land use changes are anticipated in these locations. However, where future Specific Plans were identified but not yet adopted, the alternatives considered in this Report seek to either preserve the goal to adopt a Specific Plan for a site if the site is unique and traditional zoning would not be adequate to accommodate the desired development, or transition the general plan land use to a traditional land use, thereby allowing for adoption of a traditional zone to implement development regulations (in place of a future Specific Plan). As part of the City's comprehensive General Plan Update, the City will be completing a focused update to its Zoning Ordinance in order to create consistency between the General Plan and Zoning, and issues related to Specific Plan implementation or modifications to the City's traditional zones will be addressed at that time.

RECREATIONAL AND OPEN SPACE PRESERVATION

There are large natural, open space areas within the City and its Sphere Of Influence that have not yet been developed and have been preserved as natural open space or for very limited development. Historically, San Marcos was an agrarian town with most residents living on open acres and ranchettes. Large pastures and open spaces have been a part of the San Marcos experience since the community's earliest days and current residents continue to express the enjoyment they feel when utilizing these open recreational spaces.

Land use and planning decisions play a role in determining community members' behavioral and lifestyle choices that ultimately impact their physical health and mental well-being. The quality, safety, location, and convenience of the recreational amenities, such as trails, parks, gyms, and open spaces may impact a residents' decision to use them, which in turn influences physical activity levels. Ensuring safe access and connectivity to recreational spaces for bicycles, pedestrians, and other active transportation users is another way to promote recreational activity.

There is large support from community members in preserving these natural, open, and recreational spaces. This desire for preservation necessitates that new development occur in infill locations where vacant and underutilized land is available, which is generally along and around the community's transportation corridors, including SR-78. One way to ensure residents still have the space and freedom to play outdoors is by preserving and expanding upon public parks and ensuring safe accessibility to all recreational spots whether they be neighborhood parks or regional open spaces.

In addition to the expressed public desire of preservation, portions of the planning area are identified as a subarea in SANDAG's Multiple Habitat Conservation Program (MHCP). In addition, other portions of the planning area occur within the boundaries of the County of San Diego's North County Multiple Species Conservation Program (MSCP).

The protection of watersheds and water quality is a prominent concern for San Marcos since all of the major creeks and their tributaries (San Marcos, Agua Hedionda, and Escondido) are listed by the State Water Resources Control Board as impaired for a variety of pollutants that ultimately affect the water quality of surface and groundwater supplies and biological resources. The City has partnered with other jurisdictions in the watersheds to implement Water Quality Management Plans in coordination with the San Diego Regional Water Quality Control Board Region 9 for nutrients and bacteria to protect the watersheds and address the water body impairments. The City is the lead agency for the nutrient management plan in the Upper San Marcos Creek Watershed.

The balance of preserving the community's valuable open space resources while accommodating new development is a challenge and an opportunity. New development can occur in areas with higher access to resources, including multimodal transportation facilities, goods, jobs, and services. But these areas tend to be located in areas adjacent to transit corridors, including SR-78. There are potential public health concerns with locating new residential development in proximity to highway facilities, and specific design and construction techniques are required to minimize those impacts.

COMMUNITY CHARACTER (UNIFIED SENSE OF IDENTITY)

Community character refers to the physical appearance of a city, including the design or layout of the community. Communities that can provide a sense of place through recurring design elements, celebration of historic resources, and recognition of cultural amenities, leading to a stronger sense of identity. These features that protect and promote community character also attract visitors and may generate tourism. Designing neighborhoods and commercial corridors to encourage social interaction, through walking and bicycling opportunities, public gathering areas, as well as focal areas (i.e., parks and neighborhood commercials hubs), supports social interaction and encourages a sense of community. The economic, social, physical, and cultural aspects of a community, which is the active participation of its citizens and businesses in community affairs and activities, is another important part of community

character.

Today, San Marcos offers an interface between urban, suburban, and rural living. Surrounded by foothills, it is a midsize suburban city with a family-friendly atmosphere that has become an education hub for North County. As San Marcos has grown, there have been different visions coming from different parts of the City on what San Marcos should look and feel like. Differing visions also stem from the numerous Specific Plans areas (discussed elsewhere in this section). Neighborhoods and districts that comprise the City all have unique and individual features that give them their own identity. Some distinct districts include the University District (North City), the Twin Oaks Valley Neighborhood, and San Elijo Hills. Looking forward, North City and the Creek District are two unique areas of the City with their own individual identities but as they grow and develop, will also become a key part of the holistic community-wide identity. While attention to design is important, community identity at the municipal level is also important to address. When asked, GPAC members, stakeholders, and the general public, often addressed complaints pertaining to their own district or neighborhood; for example, "The San Marcos Boulevard intersection in the Creek District is too dangerous for pedestrians to use." While insightful and encouraged to share personal experiences, shifting the communities' mindset towards a more communal standpoint, can help to alleviate problems across the City that may seem unconnected but are actually intertwined, and can encourage a stronger community bond and image.

Land Use Planning can help foster a greater sense of identity by physically connecting neighborhoods; this can be accomplished through contiguous trail networks, shared open spaces and green belts, centralized neighborhood commercial centers, and public transportation systems that have stops and lines throughout the various districts of the City. Communication and coordination between developers, planners, community members, and the City can help foster unique ideas and styles for district projects while showcasing a cohesive city.

For the General Plan Update to ensure that San Marcos remains unique and retains its appeal, those characteristics that distinguish San Marcos from other communities must be identified and, where appropriate, retained or incorporated into new development. The General Plan can enhance the sense of community in San Marcos by connecting neighborhoods and commercial areas to the community's key focal points, including the University District, San Marcos Creek, and San Elijo Hills. Community design policies and decisions related to the circulation network can support improved connectivity and community, as can encouraging buildings that are oriented and scaled to the pedestrian.

TRANSIT

As discussed, the main form of transportation in San Marcos is by personal vehicle. The most common trips are single occupancy. As imagined, this creates a severe traffic problem at certain times of the day. Public transit can help alleviate VMTs, decrease commute time, and reduce air pollution. While a majority of San Marcos adults have access to a car, populations such as youths and seniors do not have such high accessibility rates. Public transit could focus on catering to specific groups by creating shuttle or bus lines that connect specific neighborhoods to specific destinations. These routes could link neighborhoods to school campuses, or senior living complexes to commercial or recreational areas. People have more of an incentive to take public transit when it directly benefits them and does not add extra hassle to their commute. Bus stops too far away from destinations, too few and unsafe stops, line transfers, wait times and divided transit routes all discourage usage. Throughout the General Plan Update process, there has been public support for new, creative public transit ideas. Namely, local shuttles that stay within City borders and cater to San Marcos residents, has been supported by community members.

Existing public transit found in the City includes the SPRINTER rail line, the County bus authority, and the BREEZE bus service. North County Transit District (NCTD) provides train and bus service and shared-ride paratransit service throughout the North County region of San Diego County. NCTD offers six types of public transit operations, of which SPRINTER and BREEZE service San Marcos. There are currently 95 BREEZE stops within the City. While some bus stops in the City include amenities such as benches and/or shelters, most do not and generally consist of just a signpost. There is one park-and-ride lot identified by NCTD in San Marcos, which is the Barham Park-and- Ride located near SR-78 at Barham Drive. It should be noted that there are several park-and-ride lots adjacent to San Marcos, most of which are in Escondido.

The SPRINTER is a diesel hybrid rail connection between Escondido and Oceanside. The line spans 22 miles and connects Oceanside, Vista, San Marcos and Escondido along the SR-78 corridor and has 15 stations. San Marcos is served by three stations: San Marcos Civic Center Station, Cal State San Marcos, and Palomar College Station. The Nordahl Road station is located just east of the city boundaries in the City of Escondido. The CSUSM campus gained an important alternative for transportation to and from campus when the SPRINTER light-rail line began service, complete with a train station on campus.

The BREEZE bus service is a public road transportation network for residents of North San Diego County. Transit riders can access BREEZE bus routes which operates within San Marcos and connect to several destinations in the region. The five routes that operate within San Marcos are: 304, 305, 347, 353, 445.

Transit cannot stand alone, it needs proper support amenities and infrastructure to reach its full ridership potential. Stop amenities could include shaded benches, lighting, sidewalks, crosswalks, pedestrian signal infrastructure, curb ramps, and streetscape amenities. Sidewalks are generally provided on both sides of arterial and local streets across the City. California's Complete Streets Act (Assembly Bill 1358) took effect in 2011 and requires local jurisdictions to plan for land use transportation policies that reflect a "complete streets" approach to mobility. "Complete streets" comprises a suite of policies and street design guidelines which provide for the needs of all road users, including pedestrians, bicyclists, transit operators and riders, children, the elderly, and the disabled. Complete streets, also known as multimodal networks, provide a range of safety, health, and environmental benefits. Multimodal transportation networks can lead to safer travel for all roadway users as travel routes are considered that reduce the occurrence and severity of vehicular collisions with pedestrians and bicyclists. Complete streets also allow people to walk or bike as a viable transportation option which promotes an active lifestyle by increasing physical activity rates. Reducing the amount that people drive by increasing the opportunity for walking, bicycling, and transit also reduces vehicle emissions and improves air quality.

An up-and-coming transit opportunity San Marcos could support and implement is the idea of "microtransit." Microtransit is simply tech-enabled shared transportation that is somewhere in between traditional fixed route transit and ride hailing technology. With microtransit, routes are adaptive; there are no set schedules to follow as they shift constantly based on rider demand; and its vehicles range in size from vans, shuttles, or buses.

EXISTING DEVELOPMENT

San Marcos features a variety of housing opportunities, quality schools, conveniently located neighborhood parks, shopping centers, and transportation facilities which come together to create a special sense of place and quality of life that San Marcos residents cherish. The City provides a variety of recreational opportunities, including biking and hiking trails, youth programming, and senior activities and services which add to the City's sense of community.

San Marcos is located in northern San Diego County, nestled between Escondido to the east and Vista and Carlsbad to the west. State Route 78 runs horizontally through the center of the City; I-15 Freeway is just east of the City borders. Regional mobility is important because San Marcos' location affords residents, visitors and employers convenient access to all parts of Northern San Diego County and its vast array of amenities and activities.

When discussing land use, it is important to distinguish between existing land uses that reflect on-the-ground development and planned land uses. SANDAG and the San Diego County Assessor maintain a database of existing "on-the-ground" land uses on individual parcels for cities and counties within its jurisdiction, including for the City of San Marcos. For the purposes of the City's General Plan Update, a combination of SANDAG and Assessor on-the-ground land use data is used as a starting point for establishing baseline conditions. As reflected in the map on the opposite page, the City of San Marcos is primarily composed of single family residential development and open space and recreation opportunities.

Vacant land identified on the map includes some projects currently under development, including development within Specific Plans. Upon preparation of the General Plan Update Environmental Impact Report, all baseline conditions will be updated to accurately reflect on-the-ground development at the time environmental impacts are analyzed. **Table 3** below represents the existing development totals for the City of San Marcos.

Table 3: Existing Development Estimates

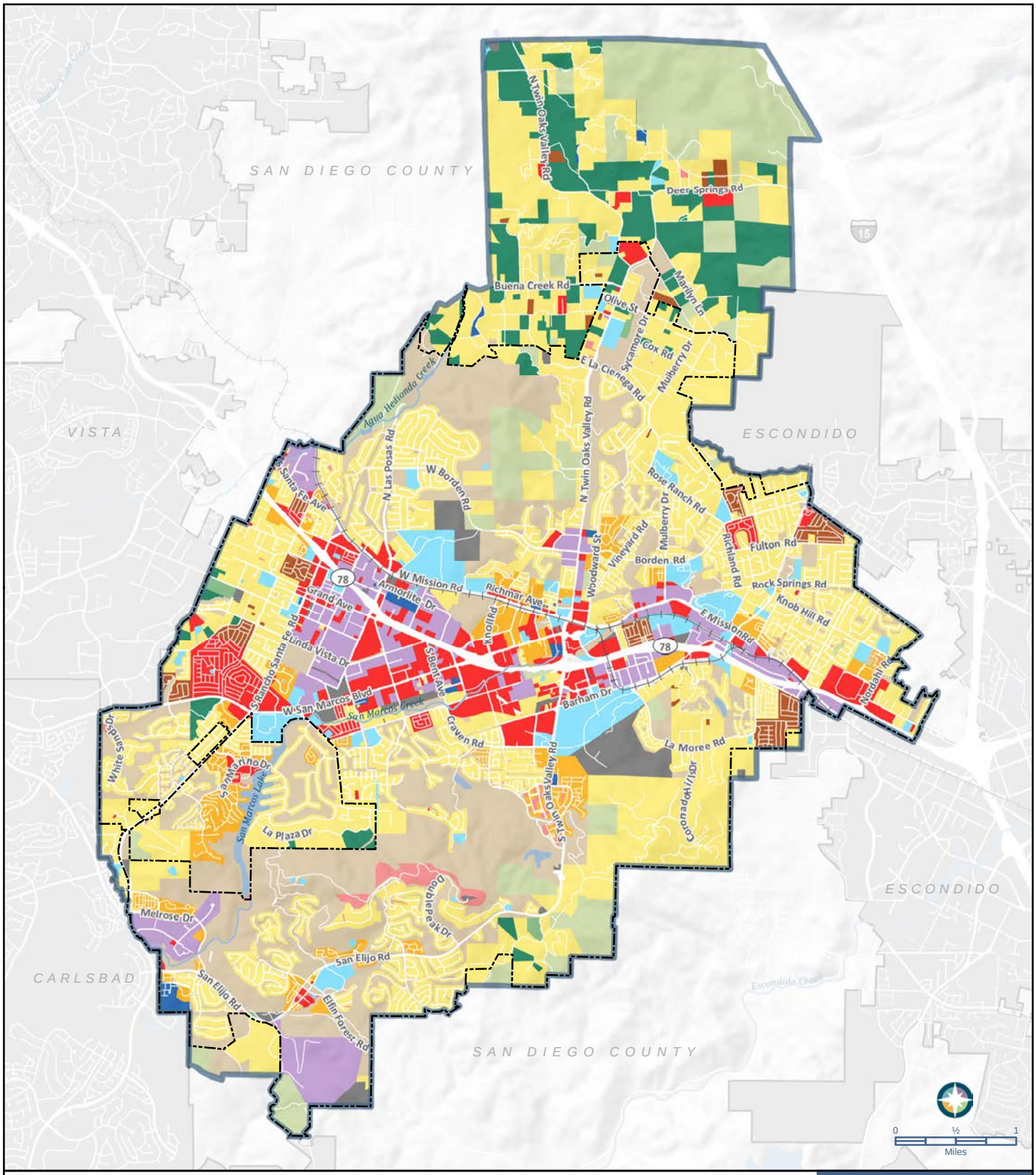
	Units [1]	Population [1]	Nonresidential Square Footage (SF) [2]	Jobs [3]
City	30,665	95,858	16,743,073	34,678
Planning Area	3,334	10,447	342,102	684
Total	33,999	106,305	17,085,175	35,362

(1) City of San Marcos Existing Conditions fieldwork, 2022. .

(2) Existing nonresidential square footage is based on SANDAG's 2019 Existing Land Use Inventory, San Diego County Assessor information (2021), and typical nonresidential development intensities for existing projects in the City of San Marcos. For example, 10 acres of "Commercial" development at a typical floor area ratio of 0.12 FAR would yield 52,272 square feet of nonresidential development (10 acres x 43,560 square feet/acre x 0.12 FAR = 52,272 square feet). Assumptions for each existing nonresidential development type are included in Appendix A for reference. This figure has been crosschecked with available commercial real estate transaction data from Costar which confirms the above estimate. Note that the nonresidential square footage for public institutions, is not included in this figure, but the jobs associated with those institutions are reflected in the existing development totals.

(3) Existing jobs estimates are based on-the-ground conditions validated by the 2017 Longitudinal Housing Employment Data prepared by the U.S. Census Bureau (note that 2017 represents the most recent data set for this source of employment information).

Figure 2: Existing Development Pattern



LEGEND

- City of San Marcos
- Planning Area
- Agricultural
- Irrigated Farm
- Rural
- Single Family
- Multifamily
- Manufactured Home
- Commercial
- Industrial
- Institutional
- Co-Op/Miscellaneous
- Multiple
- Recreational & Government
- Vacant

Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

EXISTING DEVELOPMENT PATTERN

RESIDENTIAL AND MIXED-USE DEVELOPMENT OPPORTUNITIES

Under the Current General Plan there are numerous Land Use Designations for differing residential and commercial categories. In total, the land use classification system includes 25 land use designations. These land use designations identify the types and nature of development allowed in particular locations. Some designations are common and found throughout the City, while others have yet to be implemented on the ground due to explicit design standards and regulations.

As many other cities in California, San Marcos is in need of additional housing units, as per the Regional Housing Allocation (RHNA) Cycles that are renewed every 8-year cycle. San Marcos can look to the Mixed-Use land use classification to help alleviate the housing burden.

To plan efficiently, San Marcos has the opportunity to "clean up" land use designations, namely those found in the residential, commercial, industrial, and mixed-use categories. With fewer, more refined, and less restrictive land use categories, San Marcos can distinctly create land use plans that represent the desired vision for the City. There are currently 4 Mixed-Use Categories in the City General Plan: Mixed-Use 1 and 2 involve residential uses, while Mixed-Use 3 and 4 are nonresidential. Both Mixed Use 1 and Mixed Use 2 allow for a wide variety of commercial, office, civic, and residential uses integrated as a cohesive development. These uses may be mixed "vertically" (on separate floors of a building) or "horizontally" (in separate buildings) on a single site or on adjacent parcels. To maintain a pedestrian scale and orientation, retail and other active uses are encouraged at street level. The only difference between the two is that Mixed Use 1, the maximum intensity of development is a floor area ratio (FAR) of 1.75 and 20.1–30.0 du/ac. Whereas for Mixed Use 2, the maximum intensity of development is a FAR of 2.25 and 30.1–45.0 du/ac. It should be noted that no land within the Planning Area is currently designated as Mixed Use 2.

The City accommodates a significant portion of its RHNA in areas planned for mixed-use development, where new residential development can be supported by easy access to goods and services (like supermarkets and financial institutions), and the introduction of new mixed-use development into areas where these challenges exist can expand opportunities for existing residents. In addition, the City of San Marcos has an Inclusionary Housing Ordinance which helps to affirmatively further fair housing throughout the community and assists in creating more integrated and balanced neighborhoods throughout the City.

Since San Marcos only has a finite amount of land, mixed-use developments can help increase the amount of housing space available, while at the same time, provide space for other uses (such as retail or industrial) in the City without necessarily consuming more, undeveloped land. There has been public support and desire to strengthen the local community and economy through land use planning. Increasing the amount of commercial land and placing residential units within walking distance to these businesses encourages people to shop at these local spots. In a comprehensive study of transportation, land use, air quality, and health, researchers found that when many destinations are near homes and there is a direct path to get there, people are more likely to engage in active transportation for at least 30 minutes on any given day. These results highlight the importance of urban form and of a comfortable, safe, and inviting pedestrian environment. They suggest that a mix of land uses and development densities, a connected and well-maintained pedestrian network, and traffic calming measures can increase physical activity and health.

In developing more residential units, the City needs to make sure the residential options are diverse and accessible to a range of groups. Often times, special groups, such as first-time homebuyers, seniors, persons with disabilities, and students, need different accommodations than the standard residential development provides. The City of San Marcos has a high proportion of large families, who may have trouble finding large units that are affordable. Getting creative in where housing is placed, how it is designed, and how it is accessed can help San Marcos alleviate housing burdens on long term residents and potential newcomers alike. The age profile of the study geographies has also been trending older over the past decade. The City's 55 to 74 year-old population grew between 2010 and 2018. The City of San Marcos is committed to evaluating the effectiveness of programs for special needs groups (seniors, disabled persons, large family households, single parent and female-headed households, people of color, agricultural workers, homeless persons, and students) and making modifications to these programs as necessary to support these populations most effectively. To increase the supply of quality student housing, the University District Specific Plan includes diverse housing options, including student housing. Consistent with the City's Inclusionary Housing requirement, 15 percent of all dwelling units will be reserved as affordable for low and moderate income households (exclusive of student housing). While full-time students cannot occupy these affordable units, they will be an important resource for the higher education community hub.

The housing needs of the student population could also be met through general multi-family development and mixed used development in other areas of the City such as the San Marcos Creek District. Mixed-use also does not necessarily need to contain commercial uses. Looking towards Mixed-Use land use designations-and due to amount of available land, current uses, and need for housing-San Marcos has the opportunity to mesh residential units with safe, clean, industrial uses. While there may be initial push back to placing such a sensitive land use (housing) next to industrial uses, awareness can be spread that industrial uses are diverse in operation and material use. Hazardous, toxic, and dangerous materials would be accounted for and distanced from these potential new residential areas.

EDUCATIONAL HUB

San Marcos has established itself as an educational hub with its own lower education school district (San Marcos Unified) and with the three higher education campuses (California State University San Marcos, Palomar College, University of St. Augustine) within City borders. The 2012 General Plan placed a large emphasis on molding San Marcos to be a higher educational hub for the region. Universities such as Cal State San Marcos and Palomar College have grown both physically and in student population over the years. The CSUSM campus originated with 4 main buildings and has now grown to 11 buildings with more underway. The CSUSM Master Plan is designed to accommodate 25,000 full-time equivalent students on campus with a full build-out anticipated in 2030. Palomar College is a public, two-year community college enrolling approximately 30,000 full- and part-time students. The San Marcos Campus is on 200 acres of land and is composed of over 50 major buildings. The University of St. Augustine for Health Sciences (USAHS) is a for-profit graduate institution that emphasizes health science and education. The campus is comprised of three buildings and over 56,000 square feet of office/institutional space.

The University District Specific Plan was adopted by the City as a targeted update to a distinct district of the Heart of the City Specific Plan in a manner that renews its original objectives of a "university village" atmosphere. University District is located at the core of San Marcos, and is envisioned as an urban mixed-use center with a variety of housing types, as well as strong emphasis on pedestrian movement and mass transit. In keeping with the objectives of the original Heart of the City Specific Plan, the University District concept intends to "attract clean, campus-related and 'spin-off' development of a high design quality, while continuing to enhance the City's original vision of creating an authentic governmental, administrative, educational, and corporate downtown center." Prominent themes addressed in the Specific Plan include: integrating Low Impact Development (LID) and sustainable design features; providing a range of residential unit types for students, faculty, families, and seniors; maintaining and enhancing the strong physical connections between the University District, CSUSM, Civic Center, San Marcos Creek, project parks, and the SPRINTER light rail line; and providing commercial and office uses along State Route 78.

The City's 2019 community profile shows that while higher-education institutions in the City confer more than 9,500 degrees and certificates annually, just 4 percent of alumni of those institutions work in the City while 29 percent work in San Diego and 14 percent work in other Trade Area cities. Through well-established relations fostered by both the City and University administrations, San Marcos can enhance the local community by tapping-into the college-town culture. Fostering this college-town culture makes students feel more at home and encourages them to engage with the local community. People more comfortable and involved in their local communities have greater odds of remaining in town to work, live, and play. Whilst working on creating greater relations with students, the City can specifically plan to expand career and housing options within the City, specifically catering to graduating students. The decline in young professionals (aged 20-34) in particular suggests that the City may not be retaining those institutions' graduates. The City could consider policies that will attract job sectors that are better aligned with their residents' skills, such as professional services. Such policies, including those that support entrepreneurship and small business growth, will also help the City retain graduates from its local educational institutions.

ALTERNATIVES

INTRODUCTION TO ALTERNATIVES

This section presents the Current General Plan and two Alternatives along with a comparative analysis addressing projected growth, generation of new vehicular trips, fiscal impacts, and infrastructure improvements. This information presented in the analysis is intended to foster informed discussions and decision-making considering what to reflect in the Benchmark Plan.

The Current General Plan and both Alternatives are intended to present a different approach to planning the future of San Marcos. It is not expected that all components of one map will be preferable to reflect on the Benchmark Plan. Rather, the citywide Alternatives are presented so that potential impacts can be considered, should all changes in one Alternative be reflected on the Benchmark Plan. This provides a comparative level of analysis of impacts

Throughout the Visioning process, the majority of participants indicated that growth needs to occur around activity nodes and along the community's multi-modal corridors.

Locating future and existing employment, retail, commercial areas, office areas, civic, and residential uses in proximity to one another and other supporting uses can create new thriving nodes of mixed-use activity that create a sense of place in San Marcos while also preserving and protecting the community's valued existing businesses and neighborhoods.

This would allow for these types of uses to support one another and maximize market potential. The Land Use Alternatives were developed with the intent of focusing new growth in areas with easy access to local and regional transportation facilities, along major existing corridors like Mission Boulevard and San Marcos Boulevard, and around unique community assets like places of higher education and the Civic Center.

Determining the location and amount of growth, prioritizing infill in key locations, and addressing the balance of new residential and nonresidential development will be necessary to ensure for orderly, long-term growth.

The General Plan will continue to include policies to balance growth in a fiscally-sustainable way so that existing and future residents continue to enjoy the community services, amenities, and infrastructure that they value. Taking a pro-active role in planning for how the City will grow and where it will grow allows the City of San Marcos to be in the "driver's seat" instead of relying on external forces to drive decision-making.

This chapter provides an overview of the City's Current General Plan (which could be considered the "Business as Usual" alternative) and introduces the General Plan Update's two land use alternatives which reflect changes in land use for specific parcels different than what is shown in Current General Plan. The alternatives are based upon feedback received from the community through the project's outreach activities, initial land use-related direction provided by the General Plan Advisory Committee, decisionmakers, and staff, land use change requests submitted by the public, and consideration of current general planning best practices.

The alternatives are as follows:

- Current General Plan. The Current General Plan map pertains to buildout according to the current General Plan Land Use Map, originally adopted in 2012 and amended through 2022.
- Alternative 1: Activity Nodes. The Activity Nodes Alternative identifies potential changes in land use and development intensity to encourage balanced growth between commercial, industrial, and residential uses.
- Alternative 2: Corridors. The Housing-Focused Growth Alternative identifies potential changes in land use and development intensity to accommodate a significant amount of new residential development, as well as continuing to accommodate balanced job growth in greenfield areas.

The chapter is organized into two sections. The first section provides descriptions of the land use designations that apply to one or more of the land use alternatives (and the Current General Plan), and the second section presents the Current General Plan and the two land use alternatives. This includes a summary and map of each alternative, a description of how Alternatives 1 and 2 deviate from the current General Plan land use map, and a table that compares the composition of existing and proposed land use designations within each alternative.

LAND USE DESIGNATIONS

The City of San Marcos General Plan Land Use Plan designates land uses within the City. Residential land uses are described based on allowable density and nonresidential land uses are described based on allowable intensity. Density is described in terms of dwelling units per net acre of land (du/net acre). Development "intensity," refers to the allowable floor area ratio (FAR) for nonresidential development. FAR represents the ratio of building square footage to lot size determined by dividing the total gross floor area of all buildings on a lot by the land area of that lot. Figure 3 provides an example of how the same FAR can look depending on the number of floors and building configuration.

Current and New Land Use Designations

The Land Use Alternatives are based on the land use designations in the current General Plan, with some minor modifications to consolidate land use designations to streamline development direction.

The following consolidations/renaming have occurred:

- Hillside Residential 1 and Hillside Residential 2 have been consolidated and renamed to Hillside Residential
- Medium Density Residential 1 and Medium Density Residential 2 have been consolidated and renamed to Medium Density Residential
- Commercial and Neighborhood Commercial have been consolidated and renamed to Commercial
- Office Professional and Business Park have been consolidated and renamed to Office Professional
- Mixed-Use 1 and Mixed-Use 2 have been consolidated and renamed to Mixed-Use 45
- Mixed-Use 3 and Mixed-Use 4 have been consolidated and renamed to Mixed-Use 0 (note that this designation is only applied to parcels in the Current General Plan and is not applied to any parcels in either Alternative)

In addition, four new land use designations have been proposed to support the community's vision for future development. These include:

- Mixed-Use 75
- Transitional-Industrial
- Transitional-Residential
- Transitional-Commercial

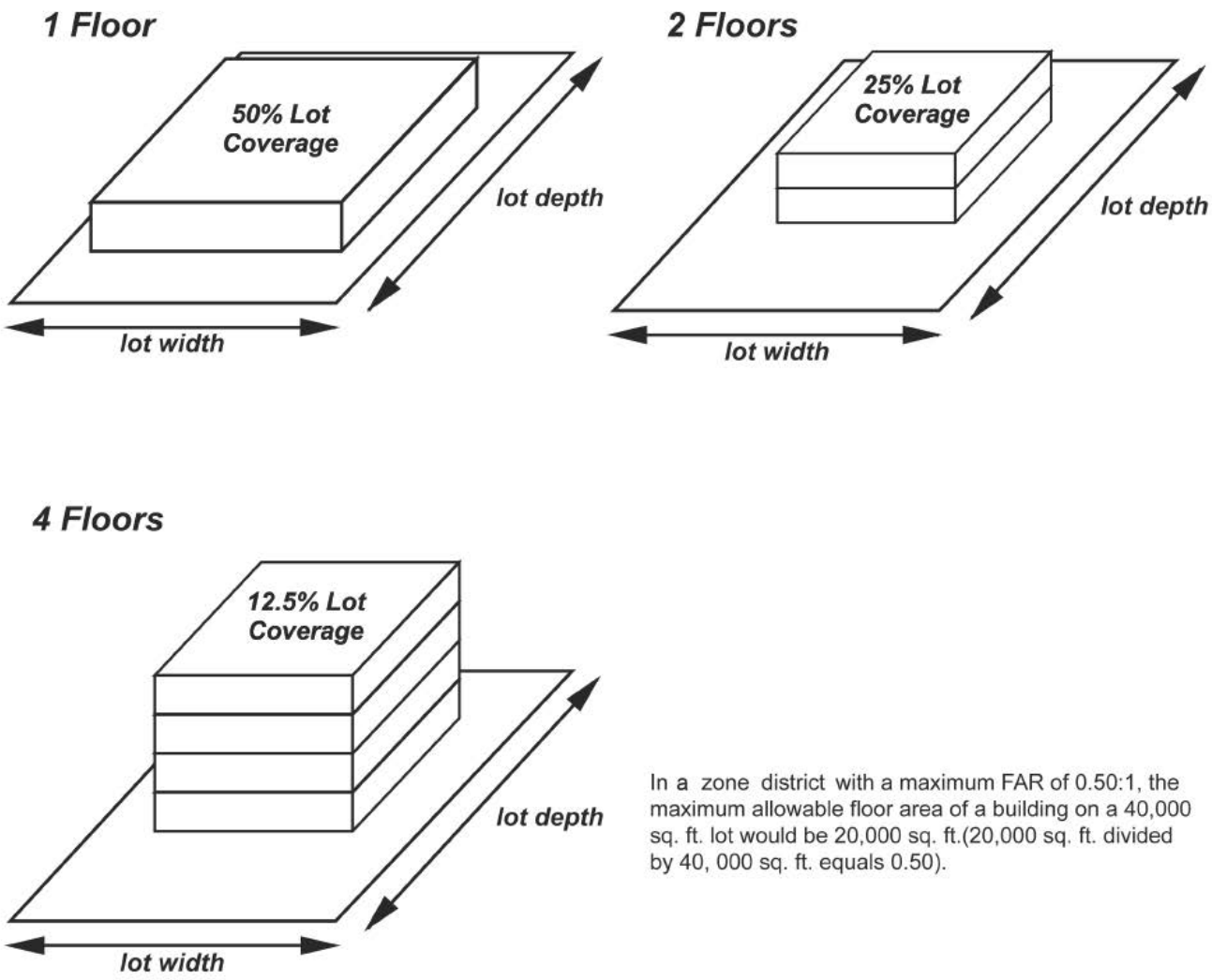
The new designations are highlighted in yellow in **Table 4** and example images for the new land uses, and MU-45, are presented at the end of this section. Some of these new uses only apply in limited ways in each Alternative. If the Benchmark Plan does not reflect one or more of the new land uses anywhere in the City, that new land use designation would not be included in the new General Plan.

All land use designations are subject to further refinement based on the Benchmark Plan's objectives. Additionally, the exact policy mechanism by which the new land use designations are implemented will be defined in the Land Use Element. For example, it is possible that certain land use objectives could be implemented via a traditional land use designation, a land use overlay, or some other policy mechanism that best represents the City's land use vision.

New Land Use Designation Example Illustrations

In the pages following the land use definition table, the Report includes general representative pictures of project and building types which illustrate the vision for each of the new and mixed-use land use designations. These photos should be used for illustrative purposes only and are not intended to represent required architecture or specific development standards (which would be defined in the City's Zoning Ordinance, not the General Plan). Rather, these photos are intended to demonstrate how these new land use designations could support development of vibrant and dynamic activity centers in key locations throughout the community.

Figure 3: Floor Area Ratio Example



In a zone district with a maximum FAR of 0.50:1, the maximum allowable floor area of a building on a 40,000 sq. ft. lot would be 20,000 sq. ft.(20,000 sq. ft. divided by 40, 000 sq. ft. equals 0.50).

$$\text{Floor Area Ratio (FAR)} = \frac{\text{Gross Building Area (All Floors)}}{\text{Lot Area}}$$

Note:
Variations may occur if upper floors are stepped back from ground level lot coverage

Table 4: Land Use Designations

Name	Definition	Notes
Residential Designations		
Agricultural/ Residential (AG) 0.125-1.0 du/ac	Agricultural uses as the primary use. Agricultural uses include greenhouses, wholesale nurseries, and agricultural crops. Raising poultry, cattle, birds, small animals, horses, and bovine animals is permitted. Agricultural tourism activities may also be allowed. This designation allows a maximum density of 0.125–1.0 dwelling units (du) per parcel based on location and slope.	No change from Current General Plan
Hillside Residential (HR) 0.05-0.50 du/ac	Single-family homes in hillside areas as the primary use with the objective of preserving the hillside. Agricultural uses include trees, flower and vegetable gardens, and other horticultural stock. Horses and certain combinations of poultry and bovine animals are permitted. This designation allows a maximum density of 0.05–0.50 du/acre, depending on slope.	Combined Hillside Residential 1 and Hillside Residential 2 designations
Rural Residential (RR) 1.0-2.0 du/ac	Single-family homes and limited agricultural uses. Agricultural uses include flower and vegetable gardens, fruit trees, and horticultural stock. This designation allows a maximum density of 1.0–2.0 du/ac.	No change from Current General Plan
Very Low Density Residential (VLDR) 2.1-4.0 du/ac	Conventional single-family residential development characterized by individual single-family homes constructed in subdivisions, or by custom units built on individual lots. This designation allows a maximum density of 2.1–4.0 du/ac.	No change from Current General Plan
Low Density Residential (LDR) 4.1-8.0 du/ac	Single-family and duplex residential development including detached condominiums, clustered homes, and courtyard housing. Mobile home parks are also allowed. This designation allows a maximum density of 4.1–8.0 du/ac.	No change from Current General Plan
Low Medium Density Residential (LMDR) 8.1-12.0 du/ac	Row homes, townhomes, and multi-family (apartments and condominiums), and duplex units. Small-lot single-family homes with alley access and unique design features are included. Mobile home parks are allowed as consistent with zoning. This designation allows a maximum density of 8.1–12.0 du/ac.	No change from Current General Plan
Medium Density Residential (MDR) 12.1-20.0 du/ac	Row homes, townhomes, and multi-family (apartments and condominiums) units. This designation allows a maximum density of 12.1–20.0 du/ac.	Combined Medium Density Residential 1 and Medium Density Residential 2 designations
Medium High Density Residential (MHDR) 20.1-30.0 du/ac	Multi-family units (apartments and condominiums), row homes, and townhomes. This designation allows a maximum density of 20.1–30.0 du/ac.	No change from Current General Plan
High Density Residential (HDR) 31.0-45.0 du/ac	Multi-story, multi-family (apartments and condominiums) developments with either surface or structured parking, typically found along or near major transportation corridors within walking distance of commercial centers and transit services. This designation allows a maximum density of 30.1–45.0 du/ac.	No change from Current General Plan

Name	Definition	Notes
Nonresidential Designations		
Commercial (C) 0.70 FAR max	Commercial areas where a wide range of retail activities, restaurants, services, and offices are permitted. Typical uses include general retail, markets, commercial services, restaurants, hardware, home improvements centers, financial institutions, lodging, and commercial recreation. The maximum intensity of development is a FAR of 0.70.	Combined Neighborhood Commercial and Commercial designations and modified the definition
Office Professional (OP) 1.50 FAR max	Employee-intensive office-based working environments including administrative and professional offices, research and development, "clean" industry, technology centers, supporting retail, and industrial support services. The maximum intensity of development is a FAR of 1.50.	Combined Business Park and Office Professional designations and modified the definition
Light Industrial (LI) 0.60 FAR max	Light manufacturing, processing, assembly, wholesale, office, and research and development laboratories, all within enclosed buildings with limited outdoor storage, in freestanding or campus-style industrial development. Supporting uses, such as office, limited retail, and business services, are also allowed. The maximum intensity of development is a FAR of 0.60.	No change from Current General Plan
Industrial (I) 0.50 FAR max	Manufacturing, assembly, processing, and distribution of goods. Warehousing and wholesale activities associated with industrial operations, and small-scale support retail, service commercial, and office uses may also be established. Allows outdoor storage as part of industrial operations and, in limited circumstances, without buildings on-site. The maximum intensity of development is a FAR of 0.50.	No change from Current General Plan
Public/Institutional (PI) 3.0 FAR max	Facilities built and maintained for public use such as academic facilities, institutional uses, community service facilities, water and sewer facilities, detention and drainage facilities, cemeteries, police and fire stations, and other government buildings and property. This designation may include privately owned facilities built and maintained for public use. The maximum intensity of development is a FAR of 3.0.	No change from Current General Plan
Parks (P)	Active and passive public or privately owned parks. Park lands are for outdoor and indoor recreation including playing fields, playgrounds, community centers, small accessory buildings, and other appropriate recreational uses. Community gardens may be considered for some parks.	No change from Current General Plan
Open Space (OS)	Undeveloped lands, visually significant open lands, trails, utility corridors, water areas, and wildlife habitat. Land designated as open space is intended to remain undeveloped in the future.	No change from Current General Plan

Name	Definition	Notes
Mixed-Use and Transitional Designations		
Mixed-Use 0 (MU-0) 1.50 FAR max	Provides for a variety of commercial, office professional, and business park uses integrated as a cohesive development. These uses may be mixed "vertically" (on separate floors of a building) or "horizontally" (on a single site or adjacent parcels). Typical uses include commercial retail, commercial services, office, and business park uses. Retail and other active services are encouraged at street level. This designation does not allow residential uses. The maximum intensity of development is a FAR of 1.50.	Combined Mixed-Use 3 and Mixed-Use 4, modified the definition, and renamed
Mixed-Use 45 (MU-45) 20.1-45.0 du/ac and 2.25 FAR max	A wide variety of commercial, office, civic, and residential uses integrated as a cohesive development. These uses may be mixed "vertically" (on separate floors of a building) or "horizontally" (in separate buildings) on a single site or on adjacent parcels. The maximum intensity of development is a FAR of 2.25 and 20.1–45.0 du/ac.	Combined Mixed-Use 1 and Mixed-Use 2, modified the definition, and renamed
Mixed-Use 75 (MU-75) 45.1-75.0 du/ac and 1.75 FAR max	A wide variety of commercial, office, civic, and residential uses integrated as a cohesive development. These uses may be mixed "vertically" (on separate floors of a building) or "horizontally" (in separate buildings) on a single site or on adjacent parcels. The maximum intensity of development is a FAR of 1.75 and 45.1-75.0 du/ac.	New designation
Transitional-Residential (T-R) 0-45.0 du/ac and 1.75 FAR max	A flexible designation allowing for stand-alone residential and nonresidential uses in primarily "horizontal" formats. Transitional designations allow for a gradual transformation of uses over time while allowing for the historic development pattern to remain as an allowable and envisioned use within the designated area. Transitional-Residential can apply to areas with existing residential development where new nonresidential development is desired. The maximum intensity of development is a FAR of 1.75 and up to 45.0 du/ac (in this transitional designation, there is no minimum density in recognition of the existing residential development pattern).	New designation
Transitional-Commercial (T-C) 20.1-75.0 du/ac and 1.75 FAR max	A flexible designation allowing for stand-alone commercial, residential and supportive uses in primarily "horizontal" formats. Transitional designations allow for a gradual transformation of uses over time while allowing for the historic development pattern to remain as an allowable and envisioned use within the designated area. Transitional-Commercial can apply to areas with existing commercial development where new residential development is desired. The maximum intensity of development is a FAR of 1.75 and 20.1-75.0 du/ac.	New designation
Transitional-Industrial (T-I) 20.1-45.0 du/ac and 1.75 FAR max	A flexible designation allowing for stand-alone industrial, residential and supportive uses in primarily "horizontal" formats. Transitional designations allow for a gradual transformation of uses over time while allowing for the historic development pattern to remain as an allowable and envisioned use within the designated area. Transitional-Industrial can apply to areas with existing industrial development where new residential development is desired. The maximum intensity of development is a FAR of 1.75 and 20.1-45.0 du/ac.	New designation
Specific Plan (SP) Varies	Applied to areas where a Specific Plan has been adopted by the City. A Specific Plan is a detailed plan for the development of a particular area and may contain residential, commercial, industrial, public, and/or open space uses. Detailed land use regulations are contained within each adopted Specific Plan document. The maximum allowable density/intensity of development varies by location.	No change from Current General Plan

Mixed-Use 0 (MU-0)

Max FAR : 1.5

Mixed-Use 45 (MU-45)

Max DU/AC : 45 DU/AC
Max FAR : 1.75

Mixed-Use 75 (MU-75)

Max DU/AC : 75 DU/AC
Max FAR : 2.25

Transitional Residential (T-R)

Max DU/AC : 45 DU/AC
Max FAR : 1.75






Transitional Commercial (T-C)

Max DU/AC : 75 DU/AC
Max FAR : 1.75

SAN MARCOS GENERAL PLAN UPDATE

Transitional Industrial (T-I)

Max DU/AC : 45 DU/AC
Max FAR : 1.75





DEVELOPMENT POTENTIAL COMPARISON

One of the General Plan's primary objectives is to establish the reasonable long-term buildout potential for housing units, nonresidential building square footage, population, and employment that could be generated by the Land Use Map. Buildout capacity is calculated by three factors: 1) the density and intensity allowed per acre; 2) the number of acres of land that can be developed as a particular land use; and 3) the increases in units, population, square footage, and employment associated with new development at buildout. **Table 5** identifies the distribution of acreage by land use designation for the Current General Plan and both Alternatives.

Table 5: Acreage by Land Use Designation

Land Use Designation [1]	Current General Plan	Alternative 1: Activity Nodes		Alternative 2: Corridors	
		Total	Change from Current GP [2]	Total	Change from Current GP [2]
Residential Development Use					
AG	4,349	4,411	1%	4,411	1%
HR	1,412	1,412	0%	1,412	0%
RR	934	867	-7%	867	-7%
VLDR	1,153	1,129	-2%	1,124	-3%
LDR	1,053	1,066	1%	1,066	1%
LMDR	153	157	3%	153	0%
MDR	332	365	10%	296	-11%
MHDR	50	31	-38%	24	-52%
HDR	0	34	100%	28	100%
Subtotal	9,436	9,472	0.4%	9,381	-1%
Nonresidential Development Use					
C	365	375	3%	190	-48%
OP	104	90	-13%	69	-34%
LI	406	330	-19%	295	-27%
I	322	246	-24%	91	-72%
PI	847	900	6%	902	6%
P	691	691	0%	691	0%
OS	3,052	3,023	-1%	3,023	-1%
ROW	2,052	2,048	0%	2,049	0%
Subtotal	7,839	7,703	-2%	7,310	-7%
Mixed-Use/Transitional Designations					
MU-0	67	9	-87%	0	-100%
MU-45	107	64	-40%	14	-87%
MU-75	0	0	100%	4	100%
T-R	0	53	100%	128	100%
T-C	0	112	100%	338	100%
T-I	0	130	100%	368	100%
SPA	3,619	3,525	-3%	3,525	-3%
Subtotal	3,793	3893	3%	4,377	15%
TOTAL	21,068	21,068	0%	21,068	0%

(1) Numbers may not add due to rounding

(2) For new land use designations where existing acreage is zero, Change from Current GP is reflected as a 100% increase.

Potential Buildout

Table 6 compares the projected amount of housing and nonresidential development in the City at buildout (2045) under each Alternative, with existing development (2022) included for reference. Using the Current General Plan as a comparison, the Table also includes relative growth over the Current General Plan to assist with understanding land use, housing, and job implications associated with potential land use changes. The potential buildout numbers are based on expected density and intensity levels for each land use type. The assumptions for expected densities and intensities by designation are presented in Appendix A for reference.

The potential buildout summary is not a goal; it simply represents the reasonable development potential that could occur within the community over the coming decades. It is used to help determine things such as roadway improvements, number of parks needed, potential environmental impacts, and mitigation (if any) required to offset impacts that could occur with implementation of the General Plan. The development potential of each individual parcel is influenced not only by the land use designation, but by market conditions, physical site characteristics, environmental constraints, infrastructure requirements, and detailed standards in the zoning code. Therefore, we do not assume that all parcels develop to their maximum potential (end of the density or intensity range), because there is inherently some variation in development types within any given land use. The information contained in **Table 6** are estimates and further refinement of potential buildout will be prepared for the Benchmark Plan.

It is noted that based on the reasonable assumptions used to identify the potential buildout of the Current Plan and Alternatives (see Appendix A), Alternative 1 could be expected to generate nominally less nonresidential square feet and slightly fewer jobs compared to the Current General Plan. The Current General Plan reflects a very optomistic outlook for nonresidential development, especially retail development, a significant portion of which of which has not been realized based on current market conditions. Alternative 1 takes a moderately more realistic look at the potential for nonresidential development and has identified areas currently planned for nonresidential uses that may be developed for residential uses. However, nothing in Alternative 1 would preclude nonresidential development at the levels allowed under the Current General Plan, if market conditions warranted that level of development.

Table 6: Summary of Potential Buildout Under Land Use Alternatives Percentage Comparison

	Existing Development [1, 2, 3]	Current General Plan [5]	Alternative 1: Activity Nodes			Alternative 2: Corridors		
			Total	Change from Current GP	% Change from Current GP	Total	Change from Current GP	% Change from Current GP
Units [4]	33,999	42,705	52,159	9,454	22%	69,615	26,910	63%
Population [4]	106,305	132,335	159,724	27,389	21%	210,330	77,995	59%
Nonresidential Square Feet	17,085,175	24,163,770	23,994,602	-169,168	-1%	26,089,787	1,926,017	8%
Jobs	35,362	45,563	43,841	-1,722	-4%	54,456	8,893	20%

(1) City of San Marcos Existing Conditions fieldwork, 2022.

(2) Existing nonresidential square footage is based on SANDAG's 2019 Existing Land Use Inventory, San Diego County Assessor information (2021), and typical nonresidential development intensities for existing projects in the City of San Marcos. For example, 10 acres of "Commercial" development at a typical floor area ratio of 0.12 FAR would yield 52,272 square feet of nonresidential development (10 acres x 43,560 square feet/acre x 0.12 FAR = 52,272 square feet). Assumptions for each existing nonresidential development type are included in Appendix A for reference. This figure has been crosschecked with available commercial real estate transaction data from Costar which confirms the above estimate.

(3) Existing jobs estimates are based on 2017 Longitudinal Housing Employment Data prepared by the U.S. Census Bureau (note that 2017 represents the most recent data set for this source of employment information).

(4) See Appendix A for detailed assumptions by land use type, including expected densities, intensities, and average persons per household. Unit and nonresidential totals for Land Use Alternatives reflect the general development potential of approved Specific Plans.

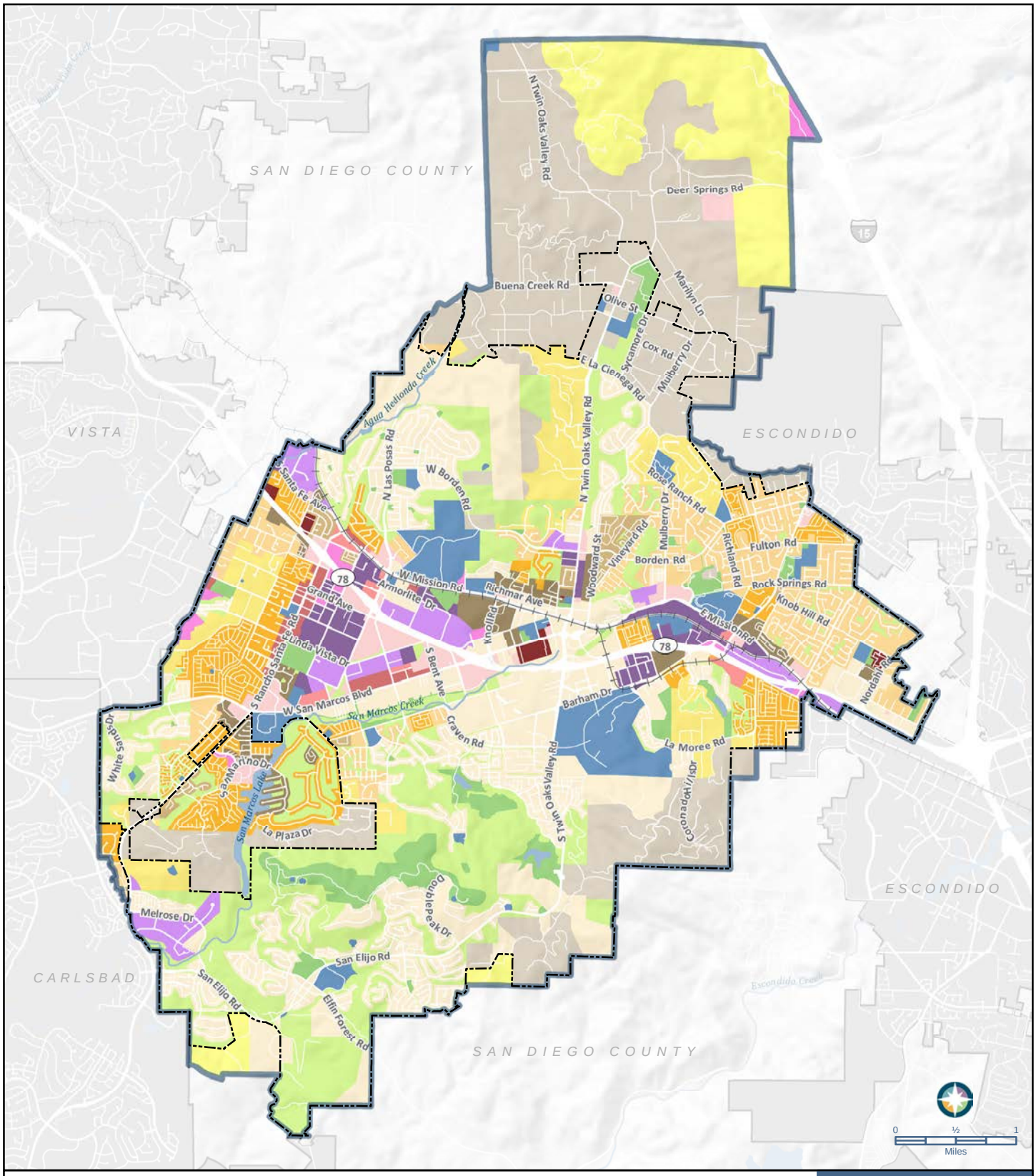
(5) Minor modifications have been made to the City's Current Land Use Designations to consolidate land use categories into more broad development ranges. The result of this process yields a modest theoretical increase in development potential over what would be allowed using the existing land use designations, without modification. This increase is negligible (less than 1%). For the purposes of this Report, the development potential of the Current Plan is based on the updated land use designations.

CURRENT GENERAL PLAN

The Current General Plan defines the current land use setting for the City of San Marcos which was conceived in the Current General Plan to enhance fiscal stability, livability, and local employment by promoting housing and economic activity. The land uses are currently laid out to take advantage of the unique natural qualities of the City and the accessibility of major thoroughfares. As discussed previously, the land use pattern of a significant portion of the City is dictated by adopted Specific Plans, which guide the land uses for these special development areas. Most of these Specific Plans are built-out, but several (University District, Creek District) will play an important role in defining the City's future land use pattern.

The Current General Plan represents a "business as usual" approach and provides the City with a choice on whether any land use change should occur within the City, or if the City would like to continue down its current path. Based on the assumptions for the Current Plan, there continues to be some limited development potential when comparing the Current Plan against existing development/conditions. However, this potential growth is limited and if the City continues with this approach, sporadic new development (residential or nonresidential) would be anticipated. If the Current General Plan land uses are maintained, the City can continue to expect future General Plan Amendments (GPAs), including requests for Specific Plans, in order to accommodate future growth.

Figure 4: Current General Plan



LEGEND

- City of San Marcos
- Planning Area
- AG - Agricultural
- HR - Hillside Residential
- RR - Rural Residential
- VLDR - Very Low Density Residential
- LDR - Low Density Residential
- LMDR - Low Medium Density Residential
- MDR - Medium Density Residential
- MHDR - Medium High Density Residential
- MU-0 - Mixed Use 0
- MU-45 - Mixed Use 45
- C - Commercial
- OP - Office Professional
- LI - Light Industrial
- I - Industrial
- PI - Public/Institutional
- P - Parks
- OS - Open Space
- SPA - Specific Plan Area

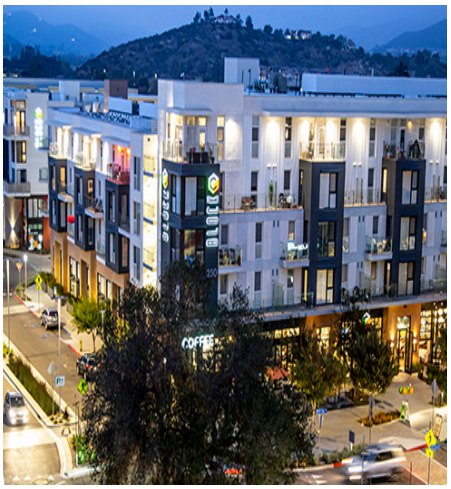
Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

CURRENT GENERAL PLAN

ALTERNATIVE 1: ACTIVITY NODES

Alternative 1, Activity Nodes, focused new growth in areas around the community's existing and planned activity centers, including light rail transit stations, places of higher education, key intersections, and along transportation facilities.



By directing future development to these activity nodes, the City can support the development of more walkable districts where people can live and work in proximity. This Alternative allows for the transition of nonresidential uses in and around these activity centers to convert to residential uses or mixed-use development over time. As a result, Alternative 1 represents an opportunity to add a more diverse set of housing choices via a wider range of densities than allowed under the Current General Plan. With new higher density housing options, the City can attract more young professionals within the North County area, while expanded lower-density townhomes and condos will enable empty-nesters and those looking to downsize to remain within their current community. The multitude of residential choices will allow old and new residents to grow within their community as they transition through different life stages, thereby strengthening the community core. Additionally, new housing opportunities will allow people currently working in San Marcos to have housing options closer to their jobs, thereby reducing commute times, vehicle miles traveled, and impacts to local infrastructure.

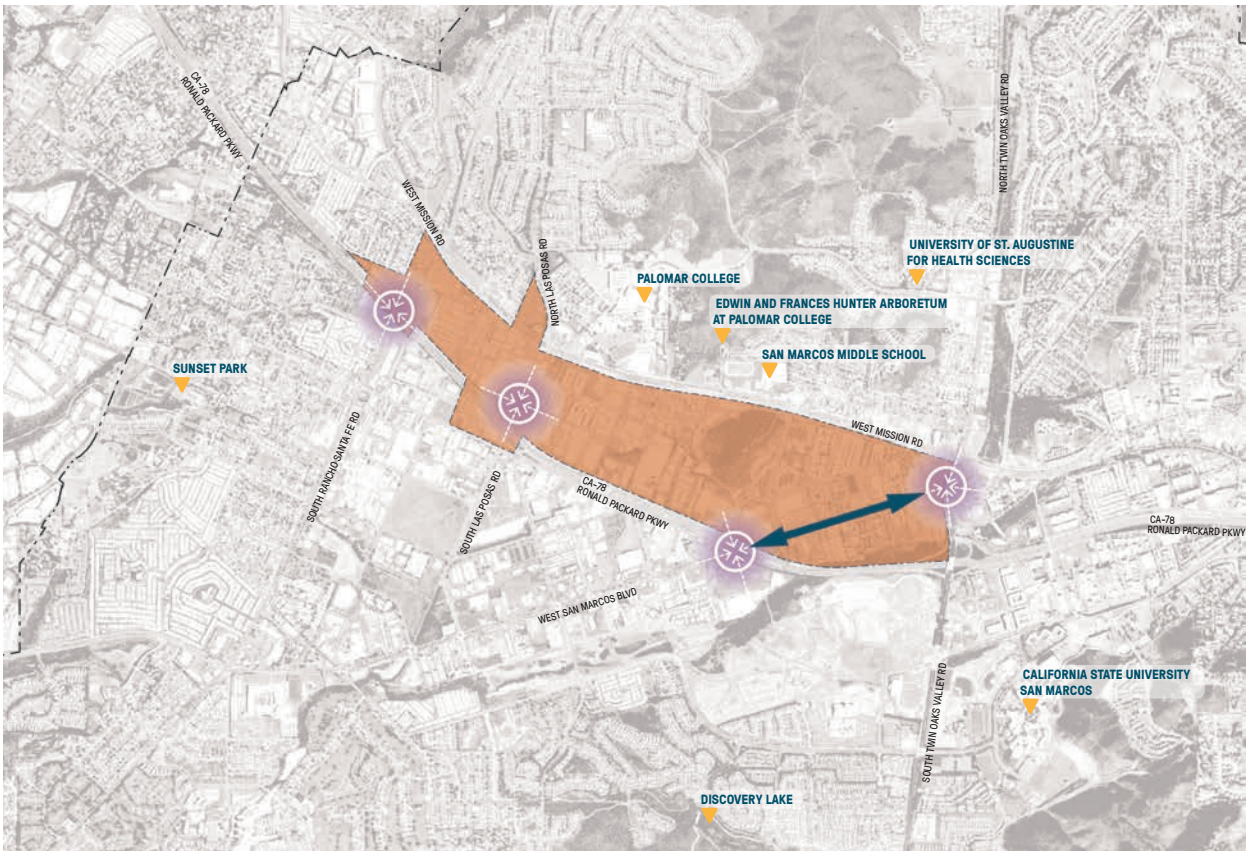
In allowing for new housing development, Alternative 1 results in a modest (less than 1%) reduction in the anticipated development of nonresidential uses. As previously discussed, the development potentials considered in this Report represent general estimates as to the type of development that could be anticipated as the City builds-out under the Land Use Map. It is possible that market demand for nonresidential development may outpace the assumptions analyzed in this Report. Alternative 1 maintains the same maximum FAR potential as the Current Plan, and expands opportunities for mixed- and transitional-format developments. However, the focus in Alternative 1 is on maintaining the City's nonresidential development potential at a similar level to the Current General Plan while expanding housing opportunities.

Concentrating the new development into identified key nodes will ensure that growth is focused in areas strategically identified for change, thereby protecting the remainder of the City and existing residential neighborhoods. Alternative 2 works to supplement San Marcos' housing supply to bolster the vitality of the community, while allowing for transition in key areas to safeguard the City's existing assets.

Alternative 1 considers changes to 628 acres in the City (approximately 3% of the total Planning Area). No changes are proposed to the remaining 97% of the Planning Area.

Figure 5: Alternative One Land Use Framework

ALTERNATIVE 1 : WEST SIDE



ALTERNATIVE 1 : EAST SIDE

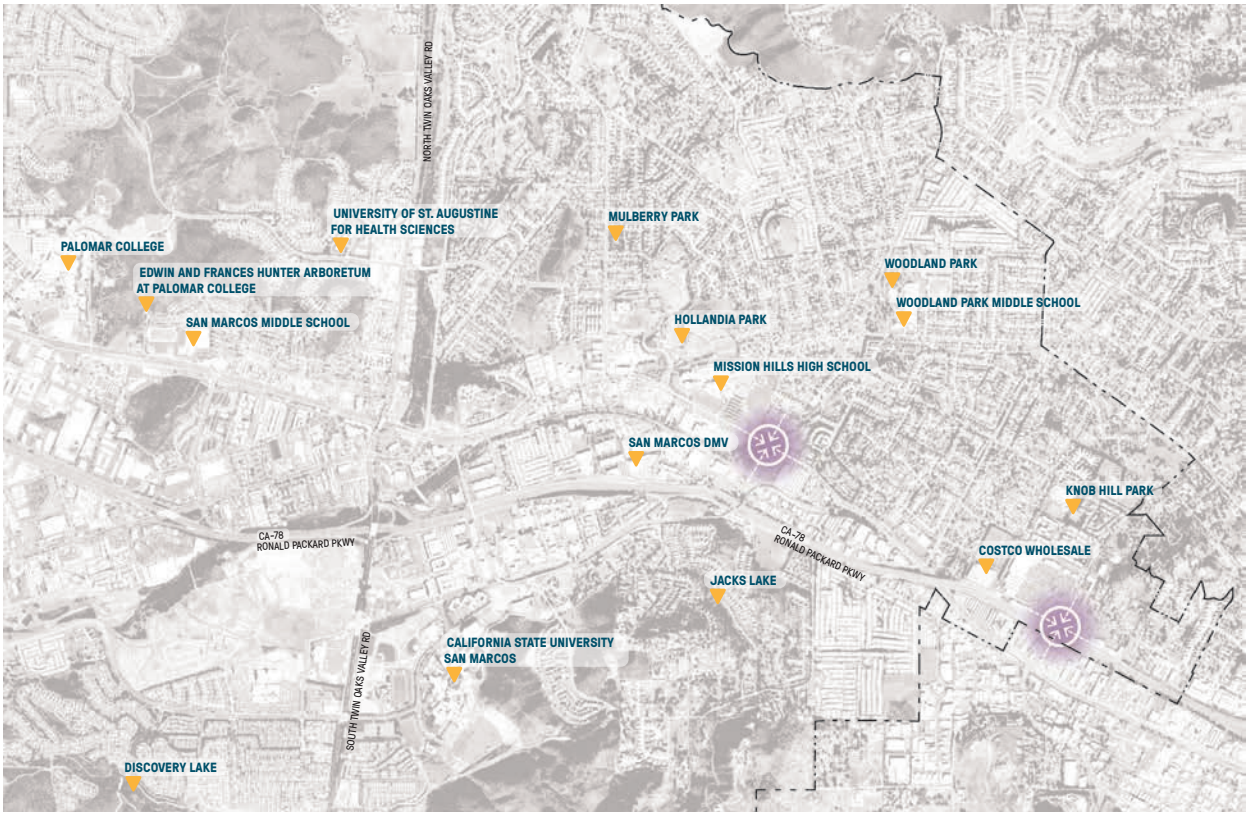
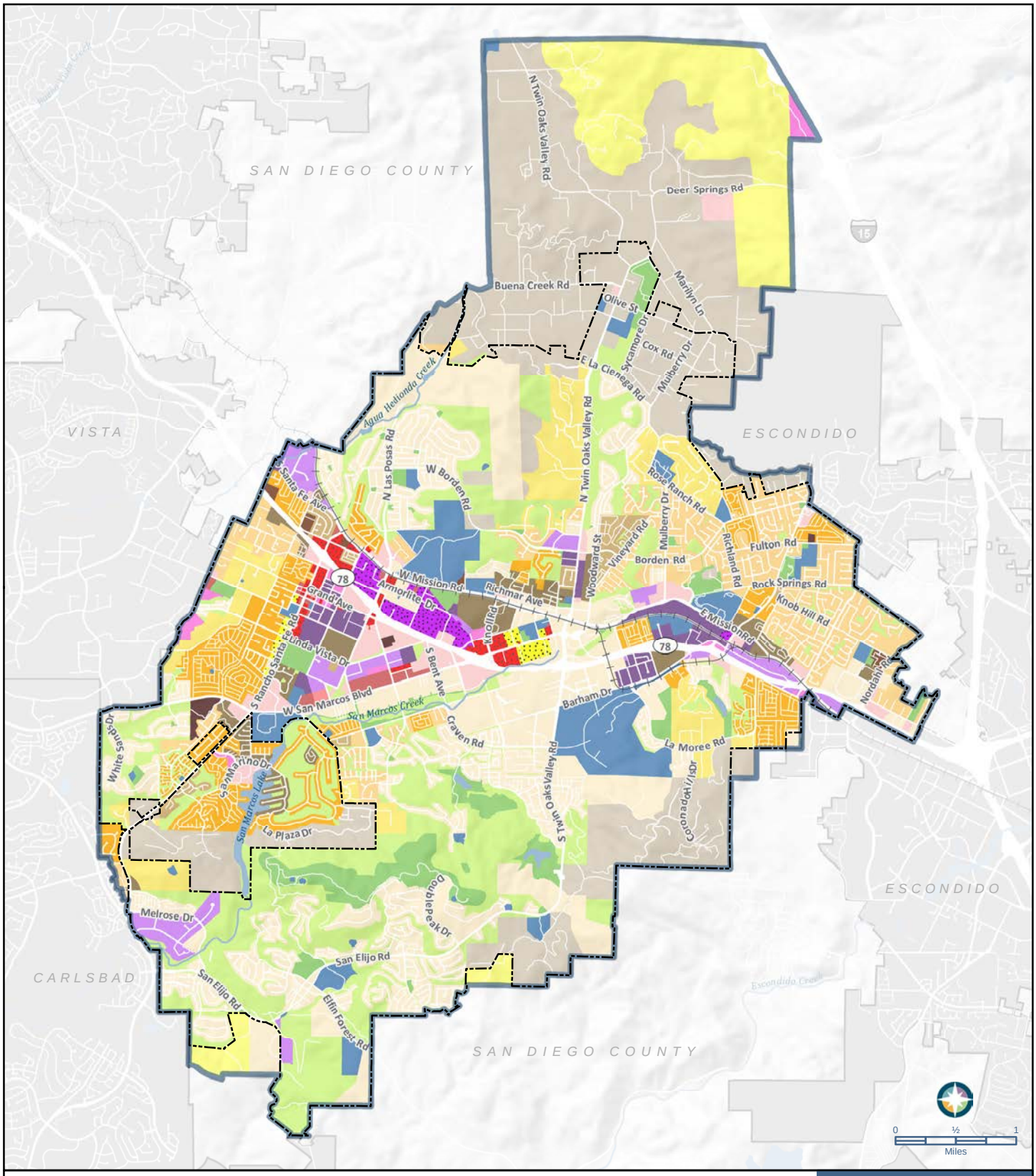


Figure 6: Alternative One Land Use Plan



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- OS - Open Space
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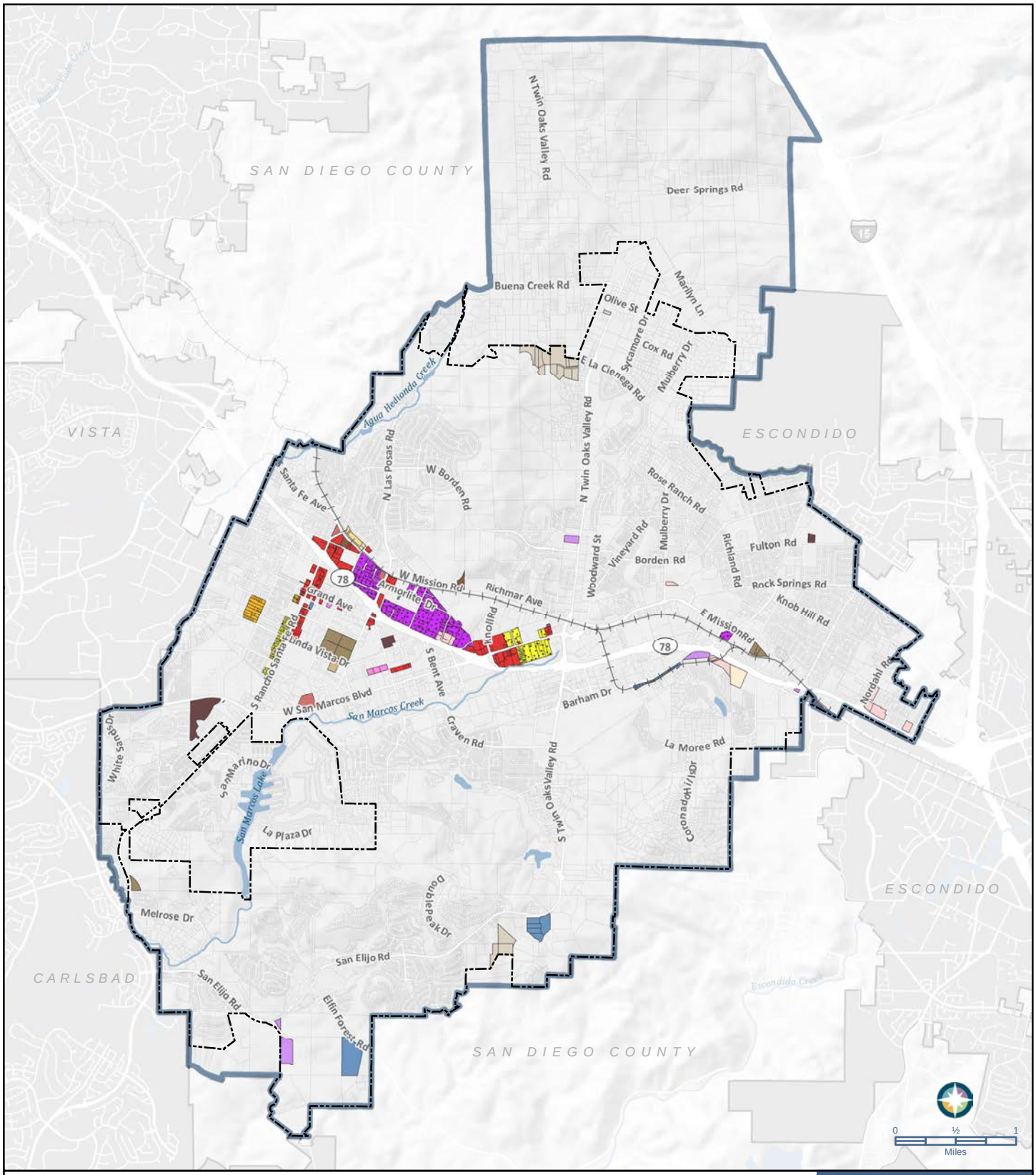
- T-C - Transitional Commercial
- T-I - Transitional Industrial

Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

ALTERNATIVE 1: ACTIVITY NODES

Figure 7: Alternative One - Land Use Changes from Current Plan



LEGEND

- City of San Marcos
- Planning Area

Alternative 1 Land Use

- AG - Agricultural
- VLDR - Very Low Density Residential
- LDR - Low Density Residential
- LMDR - Low Medium Density Residential
- MDR - Medium Density Residential
- MHDR - Medium High Density Residential
- HDR - High Density Residential
- MU-45 - Mixed Use 45
- C - Commercial
- OP - Office Professional
- LI - Light Industrial
- I - Industrial
- PI - Public/Institutional
- SPA - Specific Plan Area
- T-R - Transitional Residential
- T-C - Transitional Commercial
- T-I - Transitional Industrial

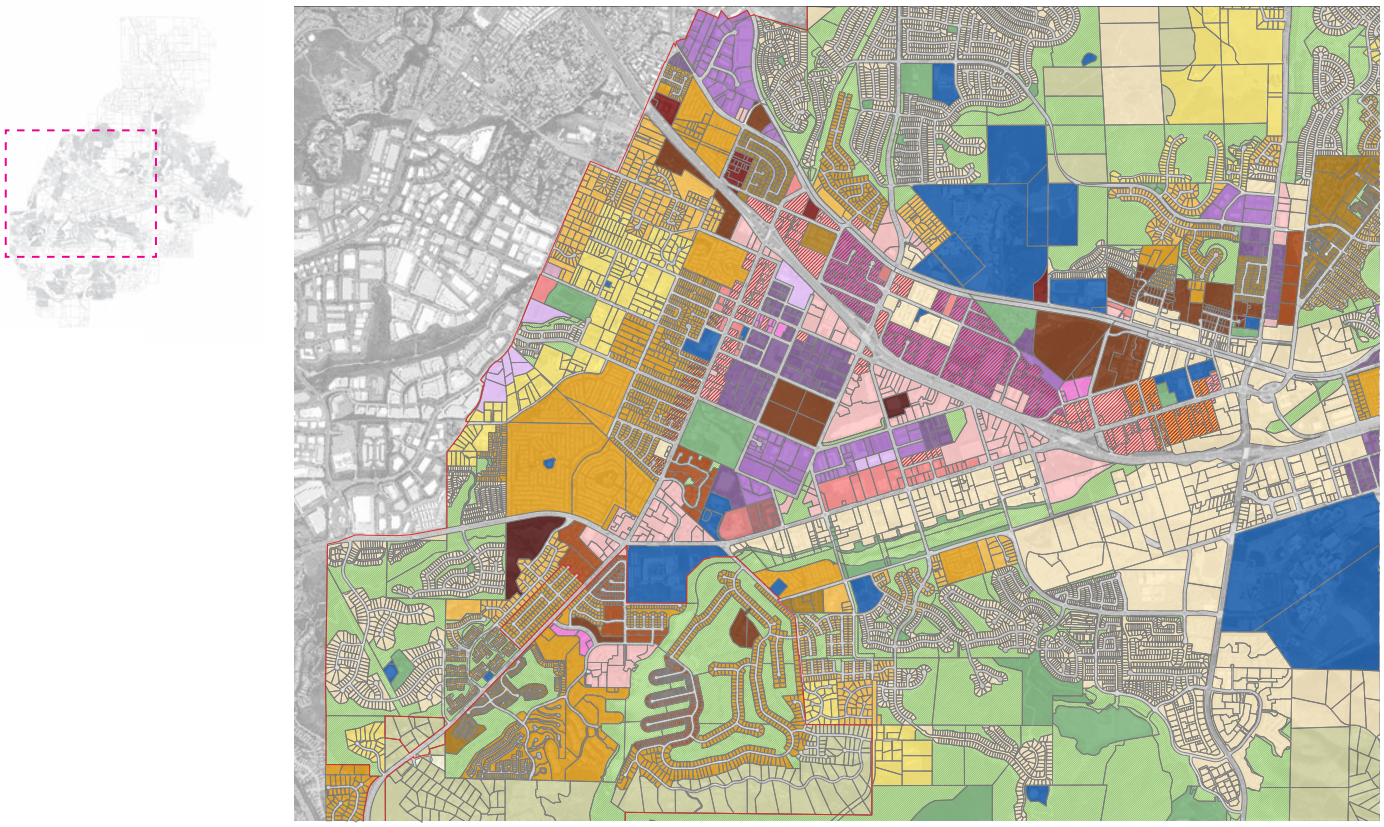
Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

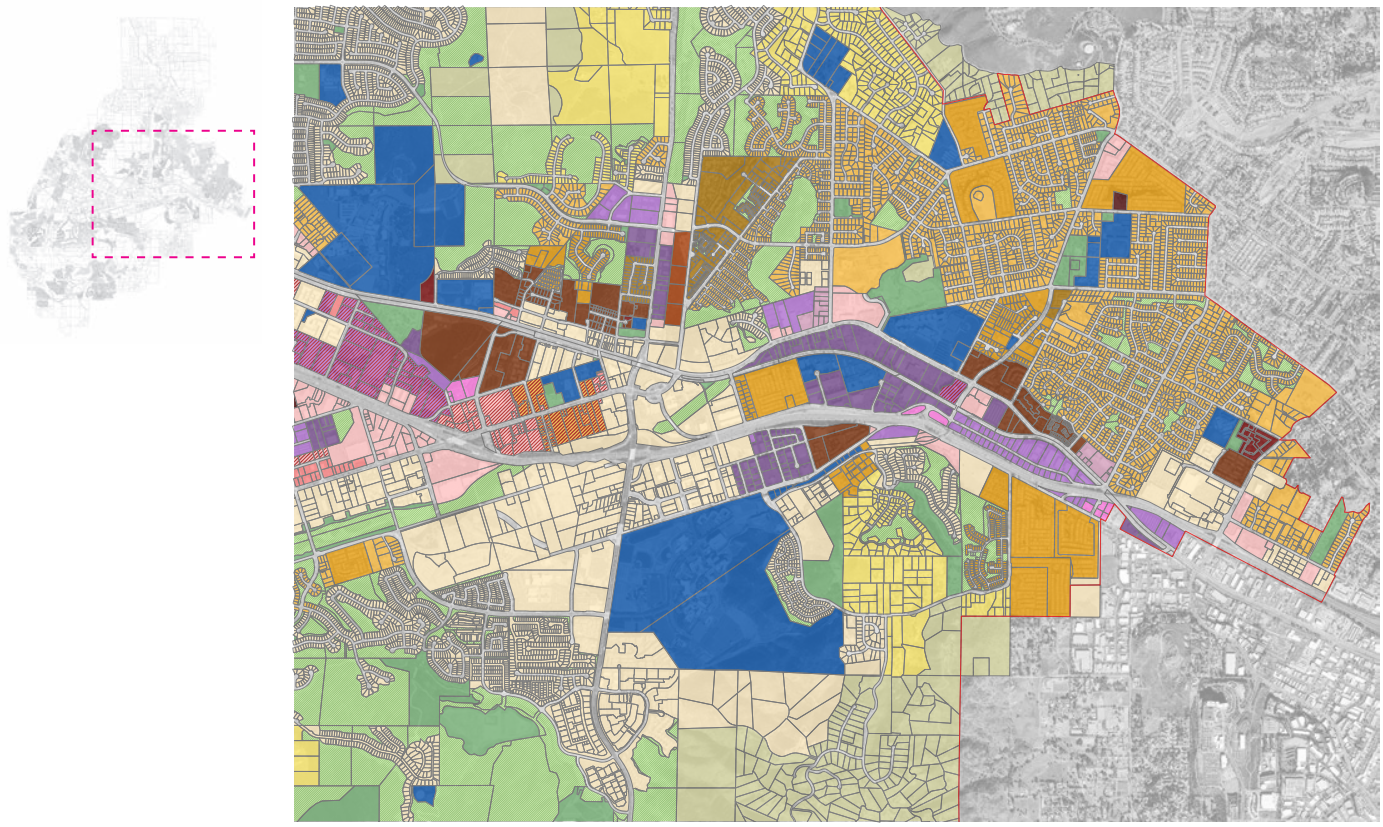
ALTERNATIVE 1 LAND USE CHANGES

Figure 8: Alternative One Focus Areas

ALTERNATIVE 1 : WEST SIDE



ALTERNATIVE 1 : EAST SIDE



ALTERNATIVE 2: CORRIDORS

Alternative 2, Corridors, offers a vision for San Marcos that is focused on allowing for new development not along at and around activity nodes, but also along the corridors that connect those nodes. In other words, Alternative 2 is the natural evolution of Alternative 1, where nodes are connected through mixed-use and transitional development patterns creating additional development potential while supporting defined paths of development along and around activity centers and the multimodal corridors that connect places around San Marcos.

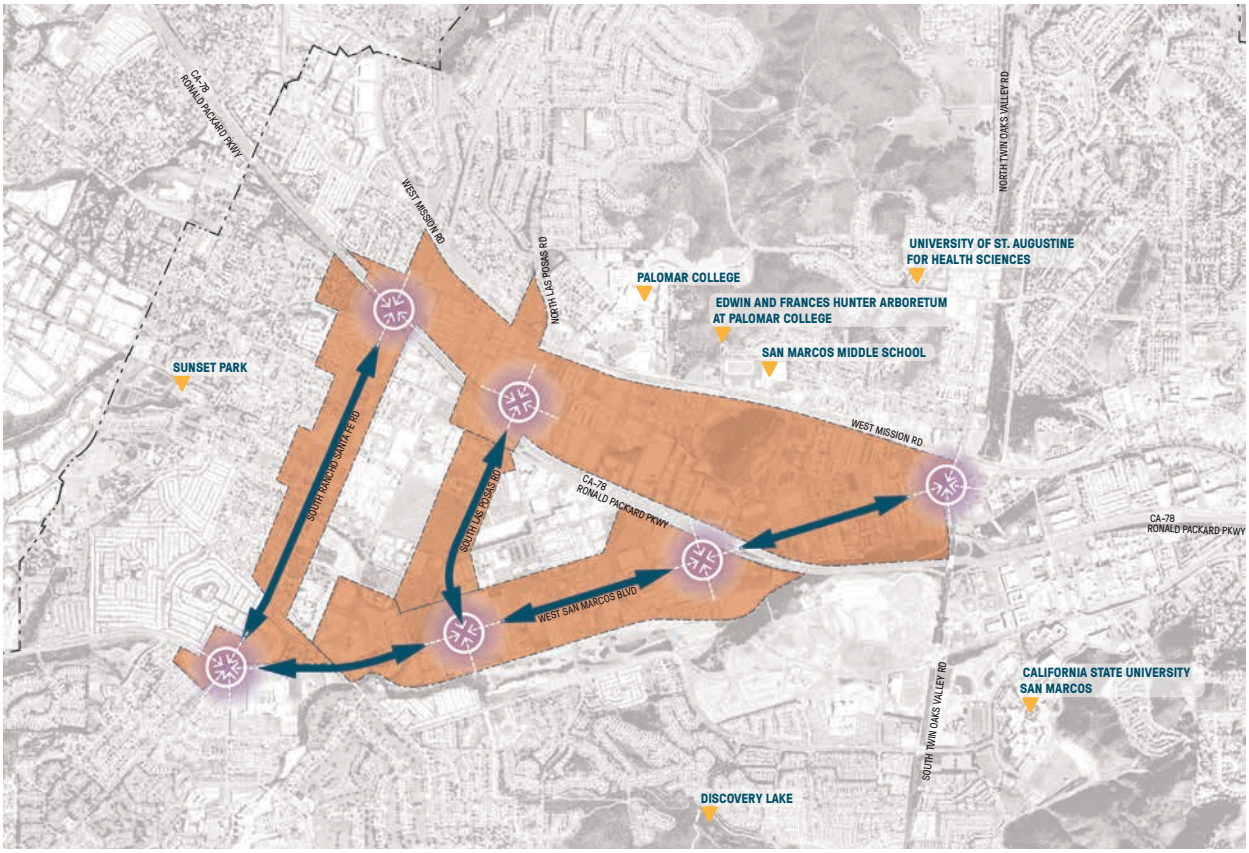
This approach recognizes the importance of expanded housing choices as well as the necessity for expanded employment opportunities, as well as allowing for existing development to remain and transition gradually over time through the broader application of transitional designations, San Marcos is imagined as a City with thriving and active employment centers that are complemented by attractive, sufficient, and attainable housing options connected by vibrant, walkable, and attractive corridors. The expansion of both housing and employment will be focused in key locations that work well to allow for a mix of uses to come together to support each other.

The mixed-use development envisioned in this Alternative is strategically allocated for proportional densities and intensities of housing and employment, weighed slightly more heavily to the potential for residential development. As San Marcos grows, Alternative 2 will focus that growth by increasing the density and intensity within key locations to allow for stable growth in all sectors. This balanced growth will create opportunities for continuous growth and investment in both the residential and nonresidential sectors of San Marcos and allow for a wider range of attainable housing options to support people working in San Marcos but currently living in other communities. As new mixed-use activity centers develop over time and provide a range of new housing and competitive employment choices, residents will be better linked to their place of work while providing businesses with a large clientele and a sufficient workforce nearby.

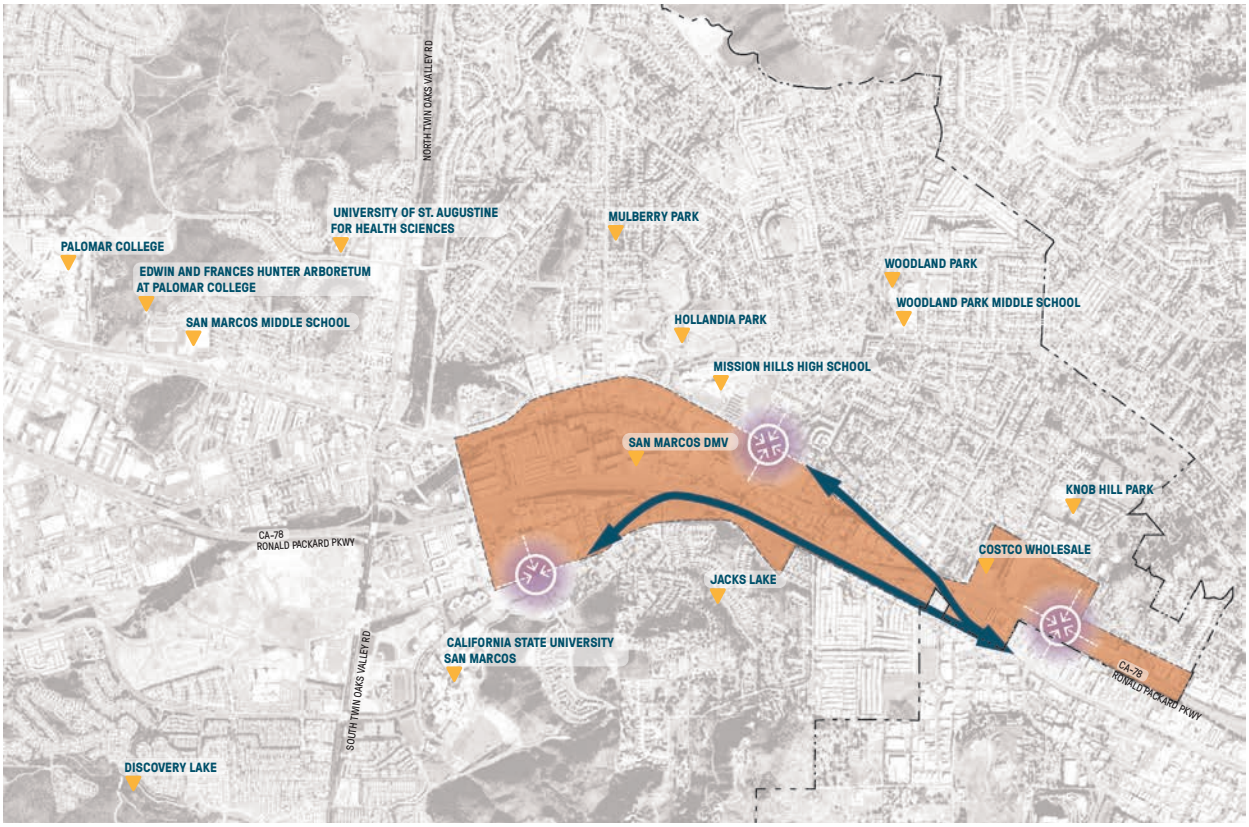
Alternative 2 considers changes to 1,171 acres in the City (approximately 6% of the total Planning Area). No changes are proposed to the remaining 94% of the Planning Area.

Figure 9: Alternative Two Land Use Framework

ALTERNATIVE 2 : WEST SIDE

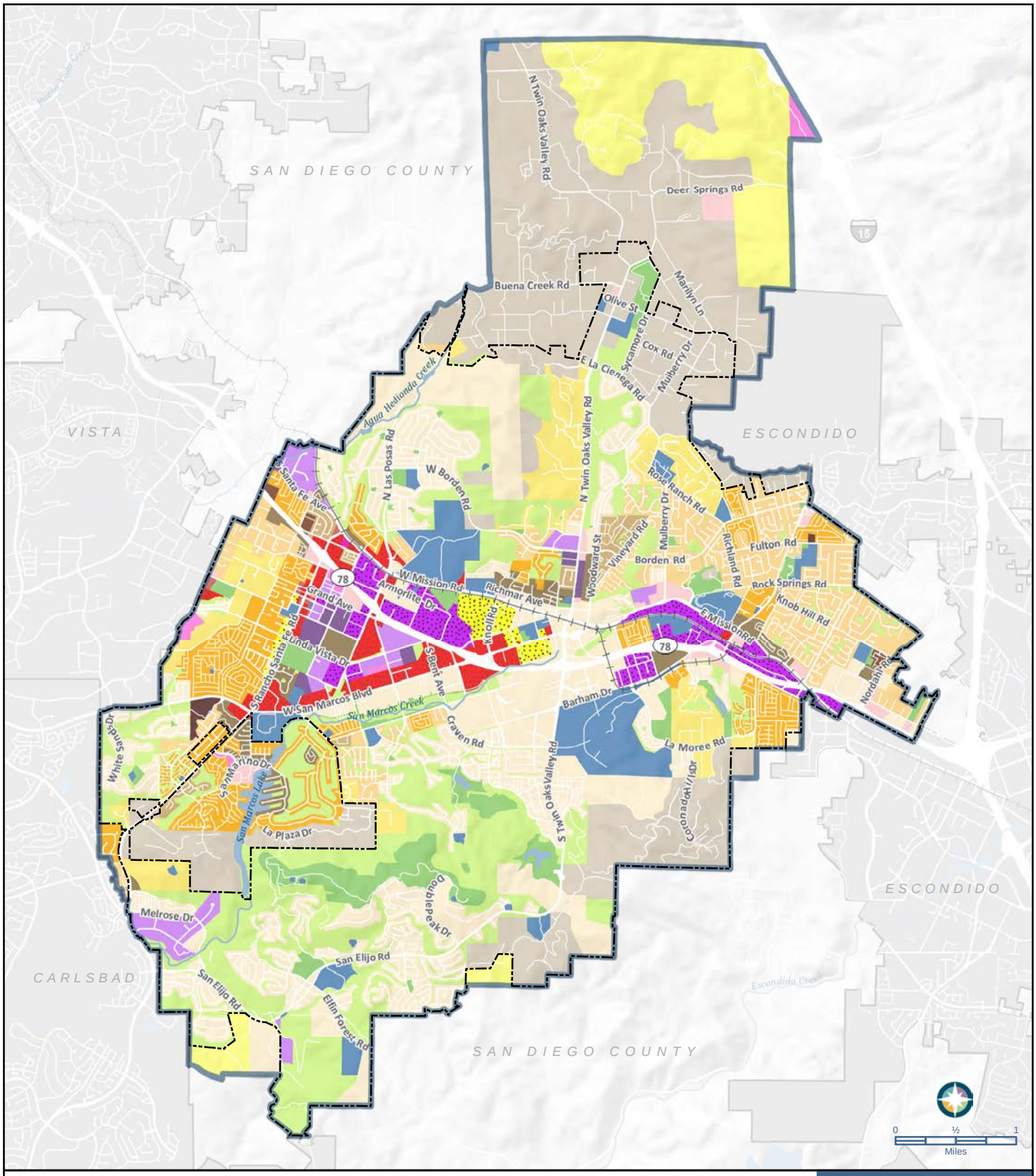


ALTERNATIVE 2 : EAST SIDE



SAN MARCOS GENERAL PLAN UPDATE

Figure 10: Alternative Two Land Use Plan



LEGEND

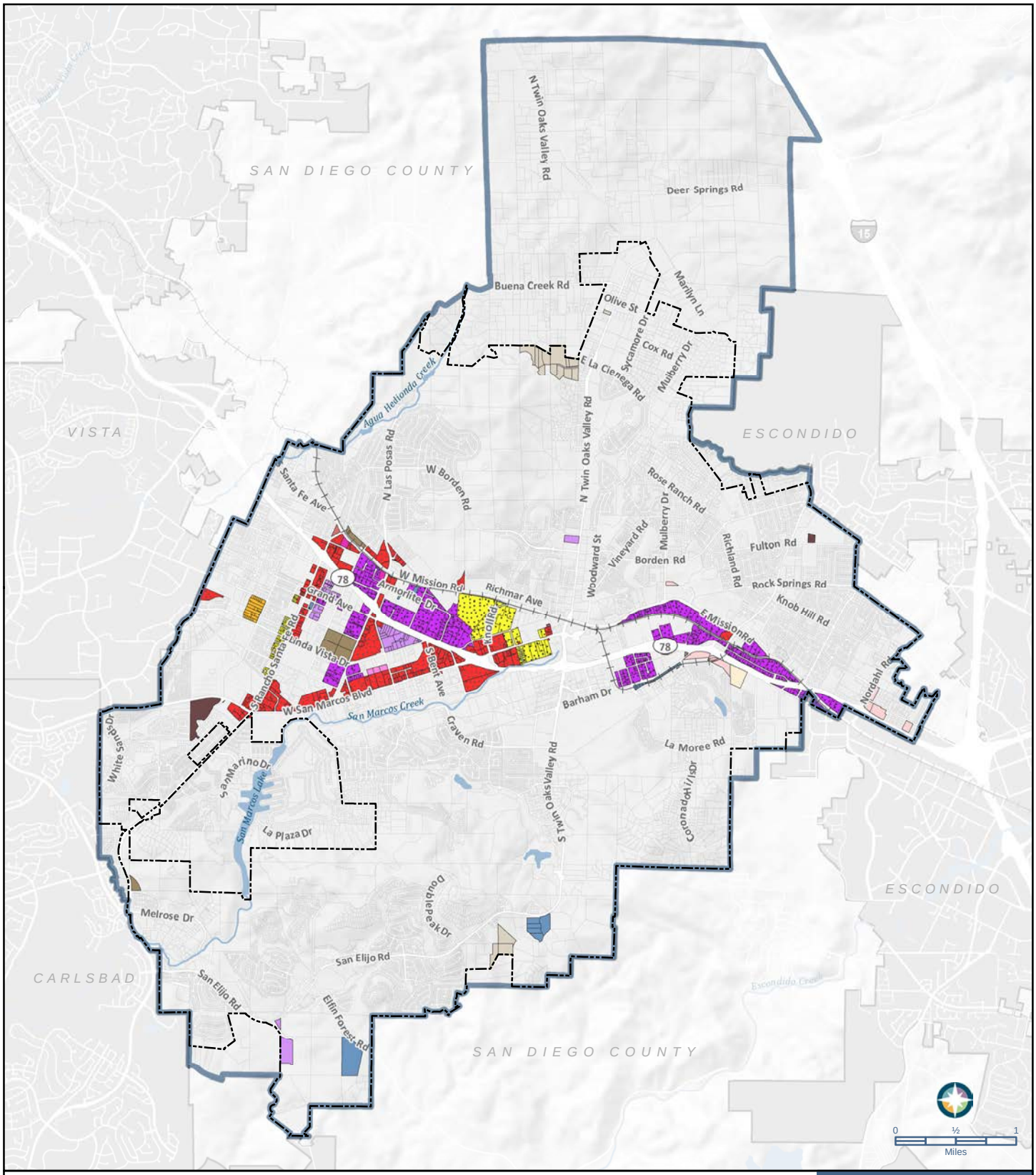
- City of San Marcos
- Planning Area
- AG - Agricultural
- HR - Hillside Residential
- RR - Rural Residential
- VLDR - Very Low Density Residential
- LDR - Low Density Residential
- LMDR - Low Medium Density Residential
- MDR - Medium Density Residential
- MHDR - Medium High Density Residential
- HDR - High Density Residential
- MU-45 - Mixed Use 45
- MU-75 - Mixed Use 75
- C - Commercial
- OP - Office Professional
- LI - Light Industrial
- I - Industrial
- PI - Public/Institutional
- P - Parks
- OS - Open Space
- SPA - Specific Plan Area
- T-R - Transitional Residential
- T-C - Transitional Commercial
- T-I - Transitional Industrial

Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

ALTERNATIVE 2: CORRIDORS

Figure 11: Alternative Two - Land Use Changes from Current Plan



LEGEND

- City of San Marcos
- Planning Area

Alternative 2 Land Use

- AG - Agricultural
- LDR - Low Density Residential
- MDR - Medium Density Residential
- HDR - High Density Residential
- MU-45 - Mixed Use 45
- MU-75 - Mixed Use 75
- C - Commercial
- OP - Office Professional
- LI - Light Industrial
- PI - Public/Institutional
- SPA - Specific Plan Area
- T-R - Transitional Residential
- T-C - Transitional Commercial
- T-I - Transitional Industrial

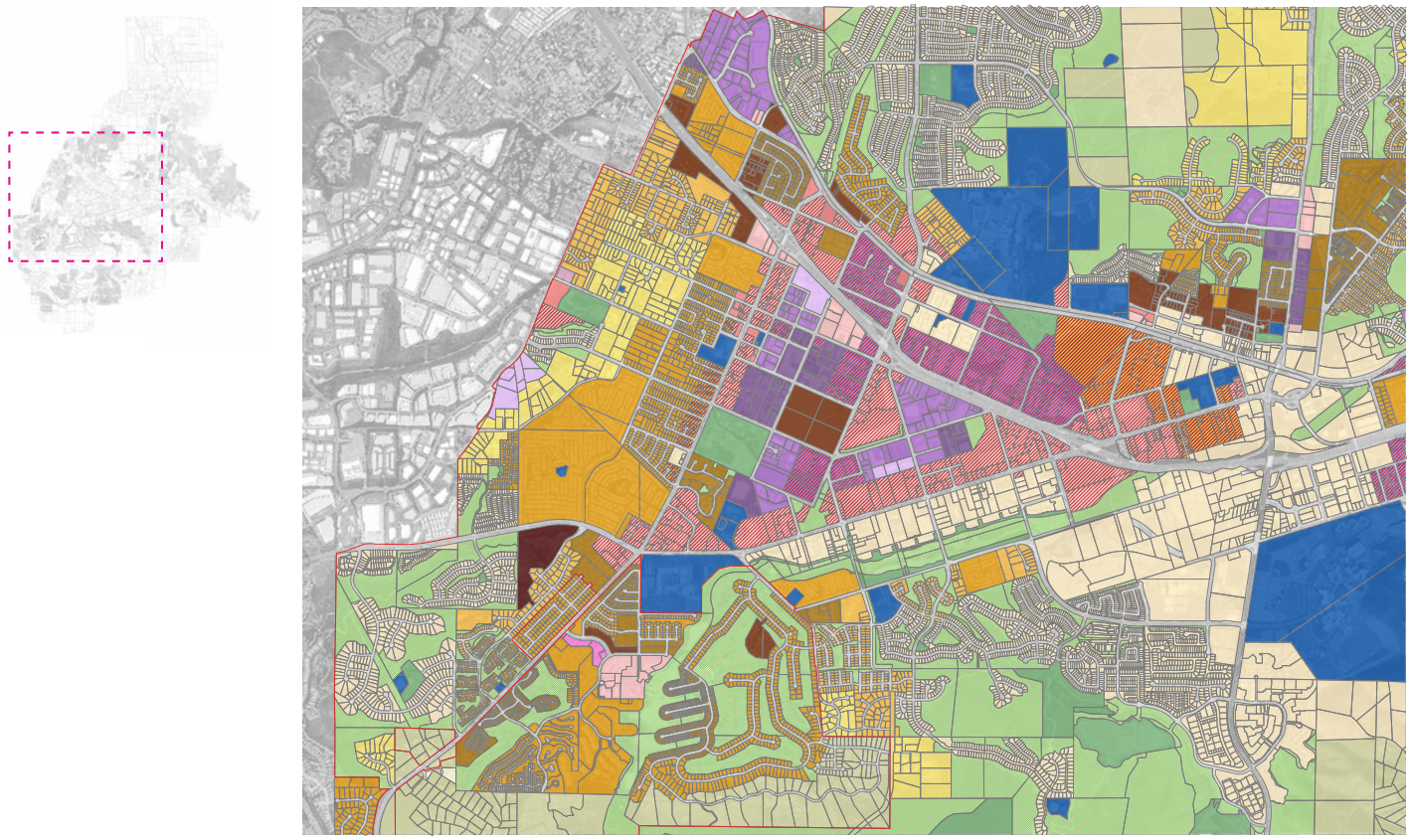
Data sources: City of San Marcos; SANGIS; CalAtlas; SWA. Map date: April 22, 2022.

CITY OF SAN MARCOS GENERAL PLAN

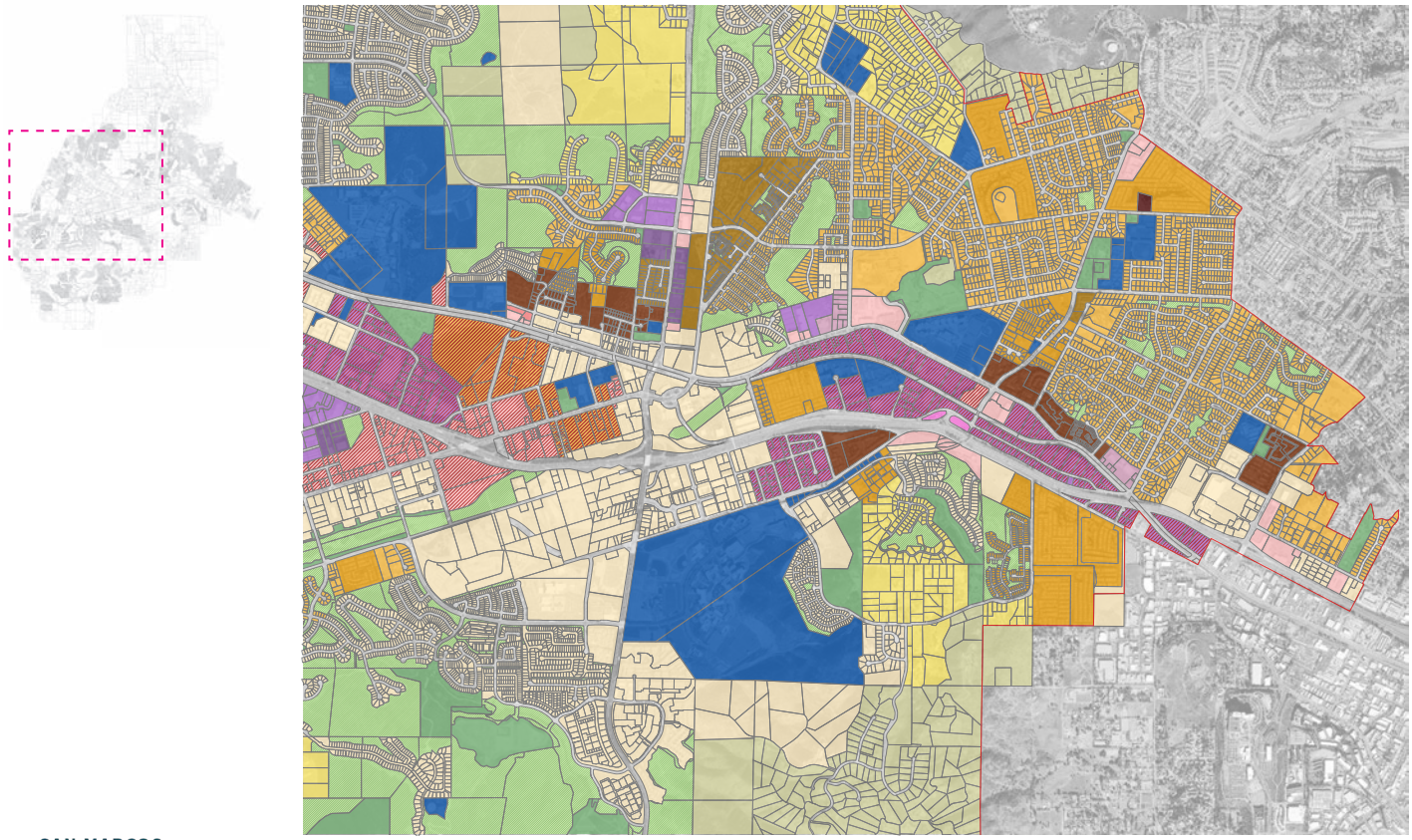
ALTERNATIVE 2 LAND USE CHANGES

Figure 12: Alternative Two Focus Areas

ALTERNATIVE 2 : WEST SIDE



ALTERNATIVE 2 : EAST SIDE



MOBILITY CONSIDERATIONS

This section documents the preliminary transportation results for the San Marcos General Plan land use alternatives. To evaluate the anticipated differences of the two project land use alternatives, citywide and sphere of influence (SOI) weekday trip generation was estimated for the current General Plan and compared to the two alternatives. In addition, this memorandum discusses opportunities to reduce the effects of the trips generated by the alternatives, such as shorter vehicle trips and increased biking, walking and transit trips, based on each alternative's spatial allocation of increased development.

This section presents a short summary of the analysis conducted. Please see Appendix B for detailed information.

Key Findings

Key transportation findings for the land use alternatives comparison are discussed below. Generally, while both alternatives are expected to result in increased city/SOI trips compared to the current General Plan due to higher development intensity, they also provide greater opportunities for biking, walking, and transit trips by increasing development in high-quality transit and low VMT areas. Compared to Alternative 1, Alternative 2 includes a greater intensification of development in such areas.

Trip Generation

- Alternative 1 (Activity Nodes) is estimated to generate 17 percent more weekday daily trips, eight percent more AM peak hour trips, and 13 percent more PM peak hour trips compared to buildout of the current General Plan.
- Alternative 2 (Corridors) is estimated to generate 52 percent more weekday daily trips, 35 percent more AM peak hour trips, and 41 percent more PM peak hour trips compared to buildout of the current General Plan.
- Approximately 20 percent of daily residential, retail, and office trips could remain within the city and SOI under the current General Plan and alternatives.

Development in High-Quality Transit Areas

- Both alternatives increase the share of citywide/SOI development that would occur within the High Quality Transit Area (HQTA) – approximately 30 percent of citywide/SOI residential dwelling units and 35 percent of nonresidential square footage would be within the HQTA under both alternatives.
- Compared to the current General Plan, Alternative 1 would increase residential development by 64 percent and nonresidential development by nine percent within the HQTA. In comparison, Alternative 2 would increase residential development by 122 percent and nonresidential development by 20 percent within the HQTA as compared to the current General Plan.
- HQTA development accounts for 64 percent of the residential development increase under Alternative 1 (this alternative reduces nonresidential square footage compared to the current General Plan); HQTA development accounts for 43 percent of the residential development increase and 78 percent of the nonresidential development increase under Alternative 2.

Development in Low-VMT Areas

- Both alternatives increase the share of citywide/SOI development that would occur within the low Vehicle Miles Traveled (VMT) areas – approximately 41 to 44 percent of citywide/SOI residential dwelling units and 17 to 19 percent of nonresidential square footage would be within the low VMT areas under the alternatives.
- Compared to the current General Plan, Alternative 1 would increase residential development by 68 percent and nonresidential development by seven percent within the low VMT areas. In comparison, Alternative 2 would increase residential development by 141 percent and nonresidential development by 36 percent within the low VMT areas as compared to the current General Plan.
- Low VMT area development accounts for 92 percent of the residential development increase under Alternative 1; low VMT area development accounts for 67 percent of the residential development increase and 69 percent of the nonresidential development increase under Alternative 2.

FISCAL CONSIDERATIONS

This fiscal impact analysis compares the expected increase in City General Fund revenues with the increase in General Fund costs from increased demand for public services as a result of new development and the corresponding growth in the City's service population, which includes new residents and workers.

While the impacts of the San Marcos General Plan land use alternatives are quantified based on a stabilized buildout outcome (Buildout Potential), these impacts might evolve during buildout as well as subsequent years after completion. Due to uncertainty about budgetary and economic factors, this analysis does not consider the effect of external changes affecting the City's General Fund such as changes to State or federal laws affecting municipal budgets. In addition, the analysis is premised on the City's existing budgetary structure, and we assume that there will not be any significant changes in the way in which the City provides services or levies local tax and fee rates. Finally, the analysis assumes that the current City compensation structure remains constant in real terms (e.g. adjusted for inflation).

It is also important to stress that net fiscal impacts illustrated in this analysis (annual surpluses or deficits) are simply indicators of fiscal performance; they do not mean that the City will automatically have surplus revenues or deficits, because it must have a balanced budget each year. Persistent shortfalls shown in a fiscal analysis may indicate the need to reduce service levels or obtain additional revenues; persistent surpluses will provide resources to reduce liabilities such as deferred maintenance, or to improve service levels.

This section presents a short summary of the analysis conducted. Please see Appendix C for detailed information.

Key Findings

The key findings from this analysis are summarized in **Table 7** and **Table 8** and further described below. All results are expressed in constant 2021 dollars.

All three of the Alternatives are estimated to have a positive net fiscal impact on the City's General Fund at buildout. As shown in Table 2, the net fiscal surplus from new development in San Marcos is estimated to range between $2.5 million to $3.1 million for the three alternatives, which represents about a three to four percent increase over the General Fund's current revenues. These net new fiscal benefits would provide funds that the City could use to expand levels of public services and facilities throughout San Marcos. The Alternative 2 buildout has the highest net fiscal benefit, while Alternative 1 and the Current General Plan buildout would generate around the same net fiscal benefit. In all cases, property tax is the single largest revenue source, while public safety is the largest expenditure category.

The finding that General Fund revenues will increase faster than the costs stems in part from the assumption that many of the City's functions include a fixed cost component that will accommodate increased growth without proportional increase in costs. For example, none of the Alternatives necessitate a major expansion in City owned or operated infrastructure or facilities such as road, parks, public safety or community buildings (e.g. police, fire, library, etc.), relative to baseline trends. In addition, many City Departments include administrative components that do not need to expand proportional to service population growth. While the results do not account for major infrastructure investments or changes to City policy that might impact municipal revenues or costs (e.g., taxes or service levels), the positive results under these "business-as-usual" conditions suggests that there is likely an opportunity as growth occurs for the City to make some level of investment or change to serve community goals and needs while still maintaining a balanced budget.

The analysis suggests that the net fiscal benefit per resident overall is lower than the net fiscal benefit per worker, and that the net fiscal impact of single-family residential units is positive while the net fiscal impact of multifamily units is just slightly negative. While the property values of non-residential uses are lower than those of residential uses, the relatively lower impacts of workers on municipal services relative to residents results in higher net fiscal benefits related to new workers, as shown in **Table 8**. Within residential uses, single family units have a strongly positive net fiscal impact, while the net fiscal impact of multifamily units is negative. This is driven by the higher property values associated with single family units, which more than offsets the higher costs associated with their larger household sizes relative to multifamily units. The value for multifamily units also reflects the City's inclusionary housing requirement, which does not apply to single-family units.

However, while the household sizes of single family and multifamily units are relatively similar under current conditions (3.3 persons versus 2.9 persons), trends in multifamily development suggest that newer units are likely to be smaller and have smaller household sizes in the future. This will in turn reduce costs associated with these units and likely improve their net fiscal impacts. In addition, to the extent that future multi-family units are developed as condos rather than rental, the fiscal impact will improve and may even surpass the fiscal benefits of single-family because of more frequent re-sale rates (which re-sets the units' assessed values).

Table 7: Estimated Annual Fiscal Impacts of Net New Development at Buildout

	Alternative 1	Alternative 2	Current General Plan
Annual Growth in General Fund Revenues	***$28,220,870***	***$53,665,194***	***$16,405,808***
Property Tax	$11,988,479	$21,451,473	$7,273,094
Sales Tax	$5,742,272	$11,525,655	$3,409,431
Other Revenues	$10,490,119	$20,688,067	$5,723,283
Annual Growth in General Fund Expenditures	***$25,680,258***	***$50,583,227***	***$13,865,031***
General Government	$2,030,508	$3,999,558	$1,096,292
Development Services	$2,629,996	$5,180,388	$1,419,962
Public Works	$3,487,223	$6,868,895	$1,882,787
Parks and Recreation	$1,418,268	$2,793,608	$765,737
Public Safety	$16,114,262	$31,740,778	$8,700,253
Net Fiscal Impact of Proposed Growth	**$2,540,612**	**$3,081,967**	**$2,540,777**
% of Current GF Revenues *$77,744,631*	**3%**	**4%**	**3%**

Table 8: Costs and Revenues Per Person and Unit

Category	Density Per Unit/Sq. Ft.	Cost Per Person/Unit	Revenue Per Person/Unit By GF Category				Revenue Per Person/ Unit	Net Fiscal Impact Per Person/ Unit
			Sales Tax	Property Tax*	TOT	All Other GF		
Residents	3.1	**$445.39**	$58.03	$227	$3.03	$177.25	**$465**	**$20**
Single Family	3.3	**$1,469.78**	$191.51	$880	$9.99	$584.93	**$1,666**	**$197**
Multi-Family	2.9	**$1,291.62**	$168.30	$507	$8.78	$514.03	**$1,198**	**-$94**
Employees		**$210.39**	$51.84	$182	$12.11	$88.63	**$335**	**$124**

* The per person revenue for property tax is based on a weighted average of distribution of land uses under existing conditions. This factor will be different under different land use mix scenarios.

PUBLIC UTILITIES AND INFRASTRUCTURE COMPARATIVE ANALYSIS

Implementation of any of the alternatives will result in both population and infrastructure growth within the San Marcos Planning Area. The City contains several departments that provide general governmental services, public safety services, transportation infrastructure maintenance, and parks and recreation services and facilities, among other services. Of these government functions, some services such as finance, administration, and City Council support are not strongly tied to population growth or land use changes, and these types of services and their associated costs would not be significantly impacted or altered based on the growth projections in any of the Land Use Map alternatives. Other departments such as Public Safety, Public Works, Development Services, and Parks and Recreation provide services that are directly related to when, where, and how much growth occurs in the city. The Public Works Department maintains existing roads and drainage systems whereas the Development Services Department plans, finances, and constructs new capital improvements such as roads, bridges, and drainage systems. Capital improvements that must be developed to accommodate new growth in the city are typically funded through a variety of sources, with development impact fees, State funds, vehicle registration fees, and gas taxes serving as the primary sources. Development impact fees are intended to address the impacts of new development on infrastructure, public facilities, and other services. However, the development impact fees are structured only to fund the initial project, and the costs of maintaining infrastructure throughout the city falls to revenue from the General Fund and special taxes. The Current General Plan and Alternative 1 have the potential to yield less growth than Alternative 2, and this may require less funding for initial capital improvements than Alternative 2, however the concern for the long-term maintenance of these projects still remains a concern. A comparative discussion of the need for expanded water and wastewater services for each of the alternatives is provided below.

Increased Water and Wastewater Demands

The Planning Area's water supply and services are provided primarily by Vallecitos Water District (VWD), a member agency of the San Diego County Water Authority (SDCWA). Limited portions of the Business/ Industrial District, College Area Neighborhood, Twin Oaks Valley Neighborhood, and Richland Neighborhood are served by Vista Irrigation District (VID). A southern portion of the Questhaven/La Costa Meadows Neighborhood is served by the Olivenhain Municipal Water District (OMWD), and an eastern portion of the Richland Neighborhood is served by Rincon. The City has reviewed the most recent water and wastewater master plans from VWD, VID, and the City of Vista to evaluate how water and sewer utility services are provided within San Marcos and consider existing capacity to support new development. The future growth projections in these plans are based on growth anticipated under the City's Current General Plan Land Use Map. These plans include a range of infrastructure improvements that must be implemented over time as the city's population base continues to grow and the demand for water and wastewater services increases correspondingly. For more information on the boundaries of service, see the General Plan Existing Conditions Report.

As described in its 2015 Urban Water Management Plan (UWMP), VWD projects a shortage in its supply capabilities starting in year 2020. VWD planned demand-reduction actions and conservation measures in its 2015 UWMP to account for this shortage. However, VWD projections based on normal water year data can be exceeded in dry years by 7 percent as per the San Diego County Water Authority (SDCWA) 2015 UWMP, which would exacerbate VWD's water supply shortage. Since the VWD is the primary supplier of water across the Planning Area, the projected water supply shortage identified in the 2015 VWD UWMP will likely prove to be a challenge for San Marcos as it grows under any alternative scenario, including growth allowed under the Current General Plan.

Growth under the Current General Plan can be considered the "business as usual" plan and is generally accounted for in the service providers' existing planning efforts. Alternative 1, or the "Activity Node" Alternative, focuses growth in and around existing and planned activity and transit centers; this provides for increased population growth and generally consistent employment growth when compared to the Current General Plan. Alternative 2, or the "Corridors" Alternative, provides for further expansion of growth beyond that envisions in Alternative 1; there is greater potential for land use changes at higher densities and intensity levels than under Alternative 1. Alternative 2 provides for the greatest amount of growth when compared to the Current General Plan and Alternative 1; it also requires the greatest amount of infrastructure capacity and subsequently has the highest costs. The Current General Plan and Alternative 1 both plan for approximately the same amount of non-residential square footage whereas, comparatively, Alternative 2 has noticeably more non-residential development potential than the other maps.

In general, residential uses have notably higher demands for water and wastewater services when compared to commercial and industrial uses. As such, the Current General Plan would have a lower demand for water and wastewater when compared to Alternatives 1 and 2. Alternative 1 is projected to have a reduced demand for water and wastewater services when compared to the Alternative 2. While all three of the alternatives presented in this report would require increases in service levels for water and wastewater services over existing conditions, including expanded water supplies, expansion of conveyance infrastructure, and increased treatment capacity, the General Plan Update will include a range of policies and action items that require new development to pay its fair share portion of costs associated with infrastructure expansions, and mechanisms that ensure new development cannot be approved and constructed until adequate infrastructure is in place to serve the new development. The policy guidance provided in the General Plan Update would ensure that the City is able to adequately provide and fund the additional water and wastewater.

Given the projected shortfalls in water supplies and wastewater treatment capacity under all development buildout scenarios, the General Plan will need to include policies and actions aimed at the following:

- Reducing per capita usage through conservation
- Coordinating with service providers to increase supplies and treatment capacity
- Policies and action items that will help to cover the costs associated with infrastructure expansions, and mechanisms that ensure new development cannot be approved and constructed until adequate infrastructure is in place to serve the new development.

NEXT STEPS

BENCHMARK PLAN

The City Council, the GPAC, City staff, and the consultant team will use this Report to prepare and refine the Benchmark Plan. First, the GPAC will make recommendations for land use and development intensity modifications to the Current Land Use Map (Business as Usual), considering the concepts described and the areas identified in this Report. Next, the City Council will review the GPAC's input and recommendations, identify any recommended changes for consideration, and direct City staff and the consultant team to prepare the Benchmark Plan.

As the map evolves in the coming weeks and months, and the Benchmark Plan is developed, all materials will be posted on the project's website. Please refer to the website (https://sanmarcos.generalplan.org/) for additional information, including documents prepared for the project, community surveys, and information regarding upcoming meetings to discuss the project.

ENVIRONMENTAL IMPACT REPORT

An Environmental Impact Report (EIR), including all necessary technical studies, will be prepared for the General Plan Update and will analyze potential impacts associated with implementation of the General Plan. This analysis will be based on the buildout potential tied to the Benchmark Plan, as described above. The EIR will clearly and comprehensively evaluate potential environmental impacts; identify mitigation measures and project alternatives that can reduce impacts to a less than significant level, and identify those impacts that cannot be reduced to a less than significant level, state as significant and unavoidable.

The EIR will serve as a "tiering document" to facilitate streamlined environmental review of all subsequent development and infrastructure projects undertaken in the City, which are consistent with the General Plan.

PUBLIC HEARINGS

Preparation of the Draft General Plan Policy Document and Draft Environmental Impact Report will take several months after the Benchmark Plan is developed. Upon completion of these draft documents, the City will begin a public review period of the draft documents so that community members and other stakeholders may comment on the General Plan Update work products.

All material will be posted to the project website and the City will host open houses so that community members can learn more about the General Plan Update, the draft Policy Document, and environmental impacts. All community feedback on the draft documents will be summarized and delivered to the Planning Commission and City Council for their consideration alongside the draft documents.

The Draft General Plan and Draft EIR will be presented to the Planning Commission and City Council during the public review period to provide the community further opportunities to comment on the documents during the public comment portions of these meetings. Following completion of the Final EIR and revised Draft General Plan policy document, these documents will be brought to the Planning Commission for a recommendation and to City Council for consideration of adoption.

The City Council can, at any time, request modifications to the draft documents, including the Benchmark Plan, however any significant deviations from the Benchmark Plan may necessitate additional technical analysis to ensure all potential impacts are adequately analyzed.

No draft documents should be construed as policy decisions or policy direction until such time as the required public hearings are complete and the City Council has made a decision on the draft documents.

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APPENDIX A
ASSUMPTIONS

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Table A-1: General Plan Land Use Assumptions

General Plan Designation	Density Range and/or Maximum Floor Area Ratio	Effective Target Density and/or Floor Area Ratio [1]	Persons Per Household [2]	Jobs Ratio (SF/Job)	Percent Residential	Percent Nonresidential
Residential Designation						
Agricultural/Residential	0.125-1.0 du/ac	0.25	3.3	-	100%	0%
Hillside Residential	0.05-0.50 du/ac	0.3	3.3	-	100%	0%
Rural Residential	1.0-2.0 du/ac	1	3.3	-	100%	0%
Very Low Density Residential	2.1-4.0 du/ac	4	3.3	-	100%	0%
Low Density Residential	4.1-8.0 du/ac	5	3.3	-	100%	0%
Low Medium Density Residential	8.1-12.0 du/ac	9	2.9/3.3	-	100%	0%
Medium Density Residential	12.1-20.0 du/ac	14	2.9	-	100%	0%
Medium High Density Residential	20.1-30.0 du/ac	22	2.9	-	100%	0%
High Density Residential	31.0-45.0 du/ac	32	2.9	-	100%	0%
Nonresidential Designations						
Commercial	0.70 FAR	0.3	-	600	0%	100%
Office Professional	1.50 FAR	0.3	-	600	0%	100%
Light Industrial	0.60 FAR	0.3	-	700	0%	100%
Industrial	0.50 FAR	0.35	-	700	0%	100%
Public Institutional [3]	3.0 FAR	-	-	-	0%	100%
Park	-	-	-	-	0	100%
Open Space	-	-	-	-	0	100%
Right-of-Way	-	-	-	-	0	100%
Specific Plan Area [4]	-	-	-	-	-	-
Mixed-Use and Transitional Designations						
Mixed-Use 0	1.50 FAR	-	-	500	0%	100%
Mixed-Use 45	20.1-45.0 du/ac and 2.25 FAR	36	2.9	600	80%	20%
Mixed-Use 75	45.1-75.0 du/ac and 1.75 FAR	50	2.9	500	80%	20%
Transitional-Residential	0-45.0 du/ac and 1.75 FAR	32	2.9	450	80%	20%
Transitional-Commercial	20.1-75.0 du/ac and 1.75 FAR	46	2.9	450	40%	60%
Transitional-Industrial	20.1-45.0 du/ac and 1.75 FAR	32	2.9	550	20%	80%

Source: De Novo Planning Group, 2022

(1) The effective target density and/or floor area ratio represents an expected average density or intensity of development across all designated acreage of a specific land use type. These figures reflect reasonable expectations of development patterns in San Marcos based on past development trends, market demand, and land use objectives. Parcels may develop above or below the effective target density or intensity. For land use designations where residential and nonresidential development are allowed (mixed-use and transitional designations), the density represents the effective number of dwelling units assumed per acre across a percentage of acreage associated with that land use designation and the FAR represents the amount of nonresidential development (i.e., nonresidential development in addition to residential units). For example, the potential development projected for a 10 acre site designated Mixed-Use 45 would be 288 units (10 acres x 80% residential x effective density of 36 du/ac) and 21,780 square feet of nonresidential development (10 acres x 20% nonresidential x 43,560 sf [sf in an acre] x an FAR of 0.25).

(2) Economic and Planning Systems, 2022.

(3) Where possible, the potential buildout of Public Institutional land uses reflect the known development potential, including population and/or jobs, generated by the use. Note that the nonresidential square footage of major educational facilities, including CSU San Marcos and Palomar College, are not included in the totals for buildout potential; jobs and student populations serve as the baseline for analysis of potential impacts.

(4) Specific Plan Area development projections are based on existing conditions for built-out Specific Plans and the allowed development potential for Specific Plans where change is expected during the planning period.

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APPENDIX B
MOBILITY IMPACT MEMO

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KITTELSON & ASSOCIATES
750 The City Drive, Suite 410
Orange, CA 92868
P 714.468.1997

Technical Memorandum

May 18, 2022 Project# 24296

To: City of San Marcos

From: Michael Sahimi and Tim Erney – Kittelson & Associates, Inc.

CC: Amanda Tropiano – De Novo Planning Group

RE: San Marcos General Plan Update – Land Use Alternatives Transportation Assessment

This memorandum documents the preliminary transportation results for the San Marcos General Plan land use alternatives. To evaluate the anticipated differences of the two project land use alternatives, citywide and sphere of influence (SOI) weekday trip generation was estimated for the current General Plan and compared to the two alternatives. In addition, this memorandum discusses opportunities to reduce the effects of the trips generated by the alternatives, such as shorter vehicle trips and increased biking, walking and transit trips, based on each alternative's spatial allocation of increased development.

Land Use Alternatives Summary

Three land use scenarios have been developed by the project team:

- **Current General Plan:** Buildout of land uses in the city under the current General Plan.
- **Alternative 1 (Activity Nodes):** Land use changes are focused in and around existing and planned activity centers, such as transit stations, major intersections, and employment destinations.
- **Alternative 2 (Corridors):** Land use changes are expanded more broadly beyond activity nodes to additional north/south and east/west corridors. This can be considered a more robust evolution of the land use changes considered in Alternative 1, with more potential land use changes at higher density and intensity levels.

The development potential for these alternatives is presented in Table 1. It should be noted that based on the development assumptions used to generate the potential buildout of the Current Plan and each Alternative, Alternative 1 may be expected to generate slightly less nonresidential square footage and slightly fewer jobs than the Current General Plan. This is in large part due to the Current General Plan planning for a very optimistic nonresidential development market. Alternative 1 takes a moderately more conservative approach to the potential for nonresidential development, given market trends away from big-box retail and the shift to online shopping. However, there is nothing to prevent more nonresidential development, and jobs, under Alternative 1 should market conditions warrant that development.

Table 1: Land Use Alternatives (Entire Planning Area - City and Sphere of Influence)

	Current General Plan	Alternative 1: Activity Nodes	Alternative 2: Corridors
Units	42,705	52,159	69,615
Population	132,335	159,724	210,330
Nonresidential SF	24,163,770	23,994,602	26,089,787
Jobs	45,563	43,841	54,456
Jobs/Housing Ratio	1.06	0.84	0.78

SOURCE: DE NOVO PLANNING GROUP, 2022

As shown in Table 1, Alternative 1 increases the number of dwelling units in the city and its sphere of influence compared to the current General Plan, but decreases the amount of nonresidential square footage. Alternative 2 further increases the number of dwelling units and also increases the nonresidential square footage. With both alternatives, the jobs/housing ratio would be substantially lower than with the current General Plan.

A detailed comparison of each alternative to the current General Plan is provided in Table 2.

Table 2: Summary of Potential Buildout Under Land Use Themes Percentage Comparison

	Current General Plan	Alternative 1: Activity Nodes			Alternative 2: Corridors		
		Total	Change	% Change	Total	Change	% Change
Units	42,705	52,159	9,454	22%	69,615	26,910	63%
Population	132,335	159,724	27,389	21!	210,330	77,995	59%
Nonresidential Square Feet	24,163,770	23,994,602	-169,168	-1%	26,089,787	1,926,017	8%
Jobs	45,563	43,841	-1,722	-4%	54,456	8,893	20%

SOURCE: DE NOVO PLANNING GROUP, 2022

The current General Plan and two alternatives vary in their densities and mix of uses. Current and proposed land use designations include the following, which allow for a mix of residential and nonresidential uses and can be supportive of more walking and biking trips.

- **Mixed Use 0 (Current General Plan and Alternative 1):** Provides for a variety of commercial, office professional, and business park uses integrated as a cohesive development. The maximum intensity of development is a floor area ratio[1] (FAR) of 1.50.
- **Mixed Use 45 (Current General Plan, Alternative 1, and Alternative 2):** A wide variety of commercial, office, civic, and residential uses integrated as a cohesive development. The maximum intensity of development is a FAR of 2.25 and 20.1–45.0 dwelling units per acre (du/ac).
- **Mixed Use 75 (Alternative 2):** A wide variety of commercial, office, civic, and residential uses integrated as a cohesive development. The maximum intensity of development is a FAR of 1.75 and 45.1-75.0 du/ac.

Under the current General Plan, nine percent of residential dwelling units and eight percent of nonresidential square footage fall under these mixed-use designations. With Alternative 1, four percent of residential dwelling units and three percent of nonresidential square footage fall under these designations. Under Alternative 2, one percent of residential dwelling units and nonresidential square footage are within the MU-45 or MU-75 designations.

The two alternatives also include the following transitional land use designations, which account for a mix of uses but would be developed standalone rather than as mixed-use developments.

- **Transitional Commercial:** A flexible designation allowing for stand-alone commercial, residential, and supportive uses in primarily "horizontal" formats. Transitional-Commercial can apply to areas with existing commercial development where new residential development is desired. The maximum intensity of development is a FAR of 1.75 and 20.1-75.0 du/ac.
- **Transitional Industrial:** A flexible designation allowing for stand-alone industrial, residential, and supportive uses in primarily "horizontal" formats. Transitional-Industrial can apply to areas with existing industrial development where new residential development is desired. The maximum intensity of development is a FAR of 1.75 and 20.1-45.0 du/ac.

[1] Floor area ratio (FAR) represents the ratio of building square footage to lot size determined by dividing the total gross floor area of all buildings on a lot by the land area of that lot.

- **Transitional Residential:** A flexible designation allowing for stand-alone residential and nonresidential uses in primarily "horizontal" formats. Transitional-Residential can apply to areas with existing residential development where new nonresidential development is desired. The maximum intensity of development is a FAR of 1.75 and up to 45.0 du/ac.

Citywide/SOI Trip Generation Comparison

Trip generation rates published in the Institute of Transportation Engineers (ITE) Trip Generation Handbook, 11th Edition, were used to develop weekday daily, AM peak hour, and PM peak hour trip generation under each alternative, as shown in Table 3. Land use code assumptions and allocations within each land use designation are provided in Attachment A; detailed trip generation tables are provided in Attachment B.

Compared to the current General Plan, Alternative 1 (Activity Nodes) is estimated to increase daily trips in the city and SOI by approximately 17 percent and peak hour trips by approximately eight to 13 percent. Alternative 2 (Corridors) is estimated to increase daily trips by approximately 52 percent, with an increase during the peak hours between 35 and 41 percent. It should be noted that the increase in trips is higher in the PM peak hour than the AM peak hour; this is because the uses with the highest number of trips being generated (residential and retail) generate more trips in the PM peak hour compared to the AM peak hour.

Table 3: Trip Generation Comparison

Alternative		Daily Trips	AM Peak Hour Trips	PM Peak Hour Trips
Current General Plan	Total Trips	542,573	37,512	51,202
Alternative 1: Activity Nodes	Total Trips	637,445	40,693	57,842
	Change from Current General Plan	94,872	3,181	6,640
		17%	8%	13%
Alternative 2: Corridors	Total Trips	826,377	50,566	72,267
	Change from Current General Plan	283,804	13,054	21,065
		52%	35%	41%

SOURCE: INSTITUTE OF TRANSPORTATION ENGINEERS, 2021; KITTELSON & ASSOCIATES, 2022.

Note, the trip generation estimates presented in Table 3 do not account for trip internalization (i.e., trips that stay within a site rather than vehicle trips external to a site) and switching to non-vehicle modes which can result from intensifying a mix of uses that is encouraged by mixed-use land use designations. However, the current General Plan and both alternatives include mixed-use designations that encourage this type of development and resulting on-site trip capture. In addition, subsequent sections in this memo compare each alternative's allocation of development in transit-rich areas or parts of the city that are conducive to walking and biking to a mix of local uses.

In addition to mixed-use designations that can encourage on-site trip internalization, the overall mix of uses and density within the city and SOI under the current General Plan and the two alternatives could support shorter vehicle trips and increased walking, biking, and transit use by providing opportunities for trips to remain within the city and SOI. Approximately 20 percent of daily residential, retail, and office trips could remain within the city and SOI under the current General Plan and alternatives.[2] As shown in Table 4, the percentage increase in daily trips from the current General Plan to the alternatives is lower when focusing only on trips that would start or end outside the city.

[2] This is based on internal trip capture estimation calculations derived from National Cooperative Highway Research Program (NCHRP) Report 684.

Table 4: Trip Generation Comparison (Trips Starting or Ending Outside City)

Alternative		Daily Trips
Current General Plan	Total Trips	440,322
Alternative 1: Activity Nodes	Total Trips	508,724
	Change from Current General Plan	68,402
		16%
Alternative 2: Corridors	Total Trips	665,233
	Change from Current General Plan	224,911
		51%

SOURCE: INSTITUTE OF TRANSPORTATION ENGINEERS, 2021; KITTELSON & ASSOCIATES, 2022.

High-Quality Transit Areas

Development projects that are located in high-quality transit areas (HQTA) are likelier to result in lower vehicle trip generation since they would be conducive to transit trips as opposed to single-occupant vehicle trips, helping reduce vehicle miles traveled (VMT) and traffic congestion. The California Public Resources Code defines a high-quality transit area as the half-mile mile area around either of the following:

- An existing major transit stop, defined as a site containing an existing rail transit station or the intersection of two or more major bus routes with a combined frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods (typically defined as 7:00 AM to 9:00 AM and 4:00 PM to 6:00 PM, respectively).
- An existing stop along a high-quality transit corridor, defined as a corridor with fixed route bus service with combined service intervals (gaps between buses serving the corridor) no longer than 15 minutes during peak commute hours.

High-quality transit areas in the city and SOI based on this definition are shown in Figure 1. As shown in the figure, HQTA in the city and SOI consist of the areas around the Sprinter light rail stations as well as areas around Mission Road due to combined directional headways of approximately 15 minutes at bus stops serving both Breeze routes 304 and 305. Locating increased residential and nonresidential development in these areas may increase the transit mode share for commute trips and other trip purposes, thereby reducing vehicle trip generation.

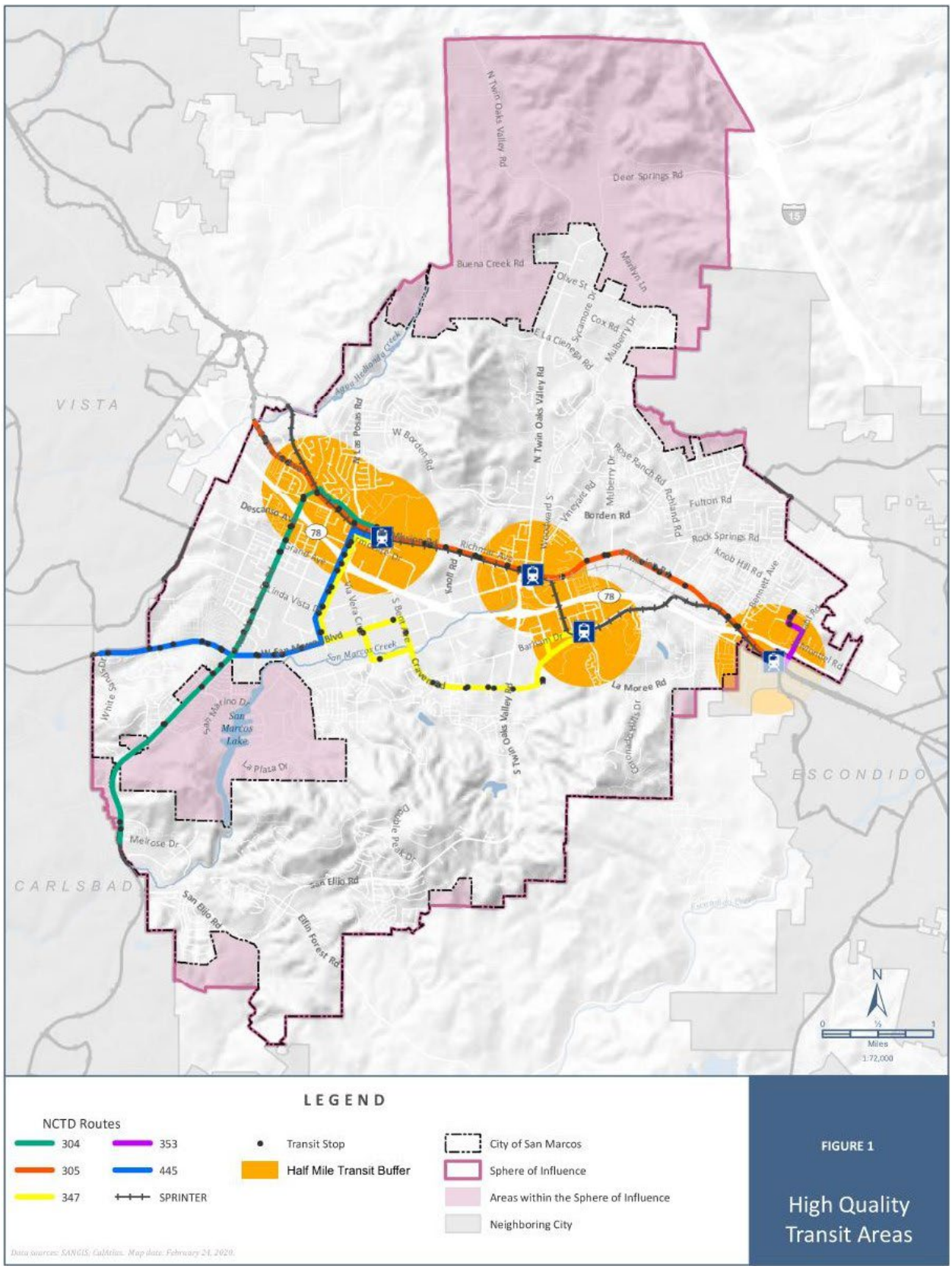


FIGURE 1

High Quality Transit Areas

Table 5 provides a comparison of the amount of development within the HQTA for the current General Plan and the two alternatives. As shown in the table, both alternatives would similarly increase the share of citywide/SOI development that would occur within the HQTA – approximately 30 percent of citywide/SOI residential dwelling units and 35 percent of nonresidential square footage would be within the HQTA under both alternatives.

However, the two alternatives would differ in the magnitude of development within the HQTA. Compared to the current General Plan, Alternative 1 would increase residential development by 64 percent and nonresidential development by nine percent within the HQTA. In comparison, Alternative 2 would increase residential development by 122 percent and nonresidential development by 20 percent within the HQTA as compared to the current General Plan. Overall, HQTA-located development would account for 64 percent of the residential development increase under Alternative 1 (this alternative reduces nonresidential square footage compared to the current General Plan); HQTA-located development would account for 43 percent of the residential development increase and 78 percent of the nonresidential development increase under Alternative 2.

Table 5: HQTA Development Comparison

		Residential Development (DU)	Nonresidential Development (SF)
Current General Plan	Development in HQTA	9,545	7,603,493
		22%	31%
Alternative 1: Activity Nodes	Development in HQTA	15,636	8,261,627
		30%	34%
	Increase in Development in HQTA	6,092	658,134
		64%	9%
	HQTA as Share of Development Increase	64%	N/A
Alternative 2: Corridors	Development in HQTA	21,222	9,098,531
		30%	35%
	Increase in Development in HQTA	11,678	1,495,038
		122%	20%
	HQTA as Share of Development Increase	43%	78%

SOURCE: KITTELSON & ASSOCIATES, 2022.

Both alternatives increase the share of citywide development that would be within the HQTA, helping increase transit use and decrease the vehicular mode share. However, Alternative 2 includes substantially more residential and nonresidential development within this transit-supportive area and thus would have the higher potential for transit usage and reduced number of trips by private vehicles.

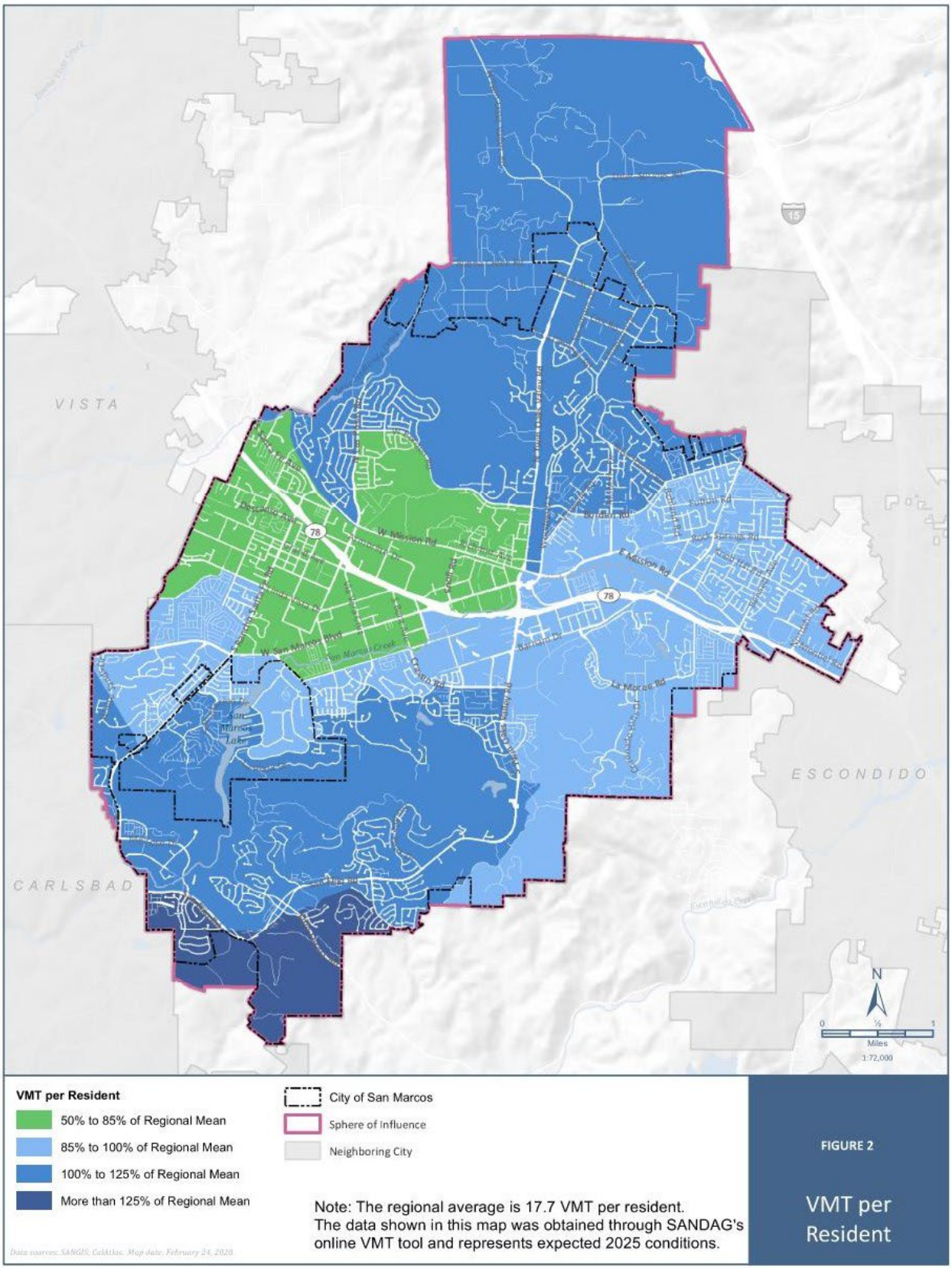
Low-VMT Areas

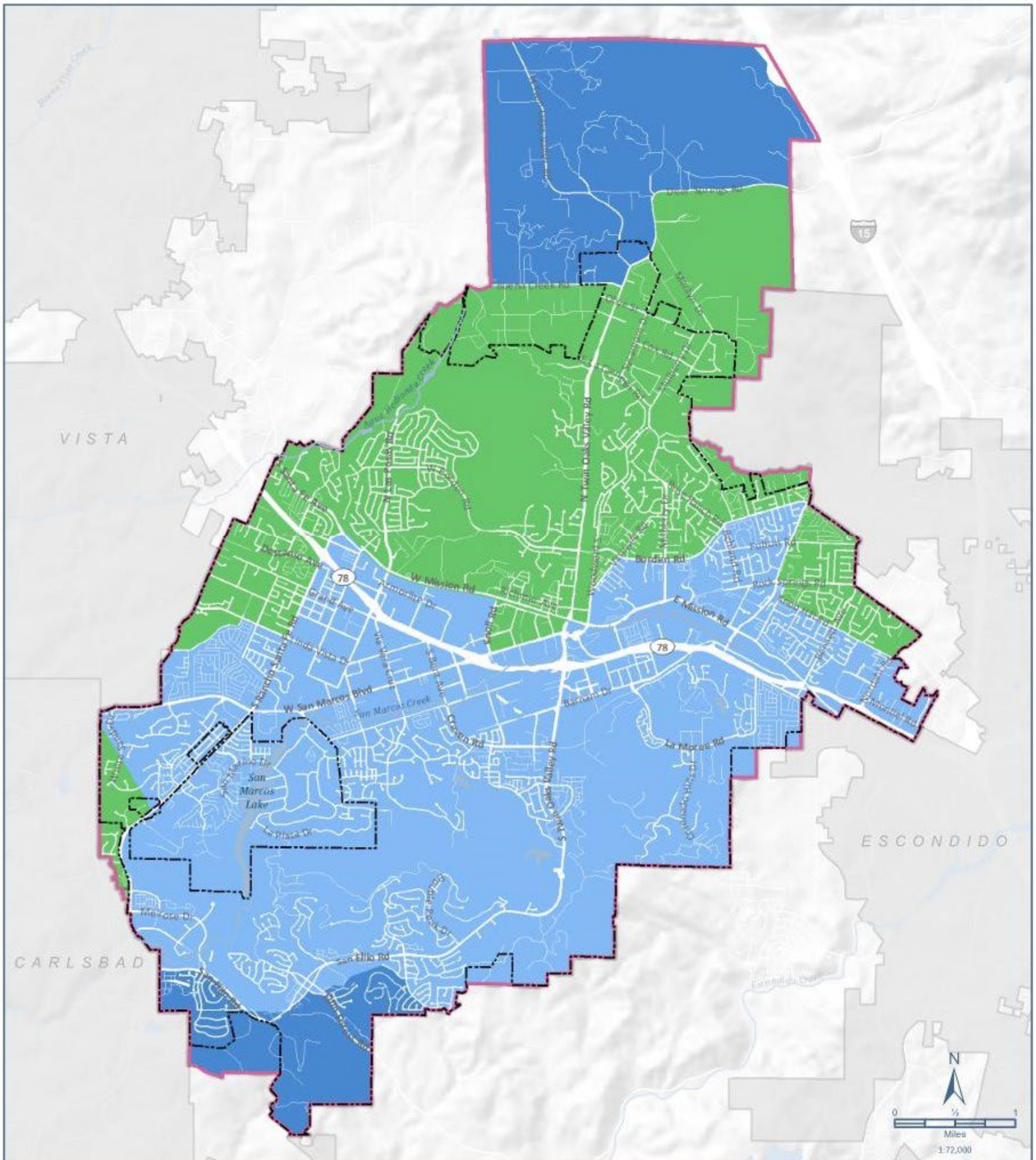
Development projects in areas that currently generate lower levels of vehicle miles traveled (VMT) per resident or per employee (due to a mix of land uses and non-vehicular transportation facilities) are more likely to result in lower vehicle trip generation or shorter vehicle trips.[3] Areas that exhibit low VMT per resident (for residential projects) and low VMT per employee (for nonresidential projects) are shown in green in Figures 2 and 3. Low VMT is defined as 85 percent or less of the countywide average VMT per resident or employee. The information in these maps was obtained through the San Diego Association of Governments (SANDAG) online VMT mapping tool,[4] which maps residential and employee VMT at the census tract level. The VMT presented is from the 2021 regional plan activity-based model, representing expected VMT levels for the year 2025. The mapping tool provides estimated 2025 VMT levels that have been interpolated between the base year version of the model representing 2016 conditions and horizon year version of the model representing 2050 conditions (based on current land use buildout projections throughout the region's cities and unincorporated areas). Therefore, the 2025 VMT levels from the tool can be utilized to generally understand existing 2022 VMT levels in the city.

As shown in the figures, low residential VMT areas are concentrated around SR 78, west of Twin Oaks Valley Road; low employee VMT areas are generally north of SR 78. Locating increased residential and nonresidential development in these respective areas can help increase the nonmotorized mode share and decrease vehicle trip lengths.

[3] According to the Governor's Office of Planning and Research "Technical Advisory on Evaluating Transportation Impacts in CEQA" (December 2018), projects located in areas with low VMT, and that incorporate similar features (i.e., density, mix of uses, transit accessibility), will tend to exhibit similarly low VMT. Maps created with VMT data can illustrate areas that are currently below threshold VMT. New development in such locations would likely result in a similar level of VMT.

[4] Accessed here:
https://sandag.maps.arcgis.com/apps/webappviewer/index.html?id=bb8f938b625c40cea14c825835519a2b


VISTA
ESCONDIDO
CARLSBAD
78
15
W. Mission Rd
W San Marcos Blvd
San Marcos Creek
La Moree Rd
Twin Oaks Valley Rd
N
0
½
1
Miles
1:72,000
VMT per Resident
50% to 85% of Regional Mean
85% to 100% of Regional Mean
100% to 125% of Regional Mean
More than 125% of Regional Mean
City of San Marcos
Sphere of Influence
Neighboring City
Note: The regional average is 17.7 VMT per resident.
The data shown in this map was obtained through SANDAG's online VMT tool and represents expected 2025 conditions.
Data sources: SANGIS, CalAtlas. Map date: February 24, 2020.
FIGURE 2
VMT per Resident



VMT per Employee
- 50% to 85% of Regional Mean
- 85% to 100% of Regional Mean
- 100% to 125% of Regional Mean

City of San Marcos
Sphere of Influence
Neighboring City

Note: The regional average is 17.0 VMT per employee.
The data shown in this map was obtained through SANDAG's online VMT tool and represents expected 2025 conditions.

Data sources: SANGIS, CalAtlas. Map date: February 24, 2020.

FIGURE 3

VMT per Employee

Table 6 provides a comparison of development within the low VMT areas (shown in green in Figures 2 and 3) for the current General Plan and the two alternatives. As shown in the table, both alternatives similarly increase the share of citywide/SOI development that would occur within the low VMT areas – approximately 41 to 44 percent of citywide/SOI residential dwelling units and 17 to 19 percent of nonresidential square footage would be within the respective low VMT areas under the alternatives.

Similar to development in the HQTA, the two alternatives differ in the magnitude of development within the low VMT areas. Compared to the current General Plan, Alternative 1 would increase residential development by 68 percent and nonresidential development by seven percent within the low VMT areas. In comparison, compared to the current General Plan, Alternative 2 would increase residential development by 141 percent and nonresidential development by 36 percent within the low VMT areas. Low VMT area development would account for 92 percent of the residential development increase under Alternative 1; low VMT area development would account for 67 percent of the residential development increase and 69 percent of the nonresidential development increase under Alternative 2.

Table 6: Low VMT Area Development Comparison

		Residential Development (DU)	Nonresidential Development (SF)
Current General Plan	Development in Low VMT Area	12,773	3,710,029
		30%	15%
Alternative 1: Activity Nodes	Development in Low VMT Area	21,432	3,972,736
		41%	17%
	Increase in Development in Low VMT Area	8,659	262,707
		68%	7%
	Low VMT Area as Share of Development Increase	92%	N/A
Alternative 2: Corridors	Development in Low VMT Area	30,813	5,038,339
		44%	19%
	Increase in Development in Low VMT Area	18,040	1,328,310
		141%	36%
	Low VMT Area as Share of Development Increase	67%	69%

SOURCE: KITTELSON & ASSOCIATES, 2022.

Similar to the increases in HQTA development, both alternatives would increase the share of citywide development that would be within the low VMT areas, helping increase the non-vehicular mode share and decrease vehicle trip lengths since such areas are likelier to include a mix of uses, transit accessibility, and non-motorized facilities. However, Alternative 2 includes substantially more residential and nonresidential development within these low VMT areas, thereby resulting in a higher potential for reduced number of trips by single-occupant vehicles.

Key Findings

Key transportation findings for the land use alternatives comparison are discussed below. Generally, while both alternatives are expected to result in increased city/SOI trips compared to the current General Plan due to higher development intensity, they also provide greater opportunities for biking, walking, and transit trips by increasing development in high-quality transit and low VMT areas. Compared to Alternative 1, Alternative 2 includes a greater intensification of development in such areas.

- Trip Generation:
  - Alternative 1 (Activity Nodes) is estimated to generate 17 percent more weekday daily trips, eight percent more AM peak hour trips, and 13 percent more PM peak hour trips compared to buildout of the current General Plan.
  - Alternative 2 (Corridors) is estimated to generate 52 percent more weekday daily trips, 35 percent more AM peak hour trips, and 41 percent more PM peak hour trips compared to buildout of the current General Plan.
  - Approximately 20 percent of daily residential, retail, and office trips could remain within the city and SOI under the current General Plan and alternatives.
- Development in High-Quality Transit Areas:
  - Both alternatives increase the share of citywide/SOI development that would occur within the HQTA – approximately 30 percent of citywide/SOI residential dwelling units and 35 percent of nonresidential square footage would be within the HQTA under both alternatives.
  - Compared to the current General Plan, Alternative 1 would increase residential development by 64 percent and nonresidential development by nine percent within the HQTA. In comparison, Alternative 2 would increase residential development by 122 percent and nonresidential development by 20 percent within the HQTA as compared to the current General Plan.
  - HQTA development accounts for 64 percent of the residential development increase under Alternative 1 (this alternative reduces nonresidential square footage compared to the current General Plan); HQTA development accounts for 43 percent of the residential development increase and 78 percent of the nonresidential development increase under Alternative 2.
- Development in Low-VMT Areas:
  - Both alternatives increase the share of citywide/SOI development that would occur within the low VMT areas – approximately 41 to 44 percent of citywide/SOI residential dwelling units and 17 to 19 percent of nonresidential square footage would be within the low VMT areas under the alternatives.
  - Compared to the current General Plan, Alternative 1 would increase residential development by 68 percent and nonresidential development by seven percent within the low VMT areas. In comparison, Alternative 2 would increase residential development by 141 percent and nonresidential development by 36 percent within the low VMT areas as compared to the current General Plan.
  - Low VMT area development accounts for 92 percent of the residential development increase under Alternative 1; low VMT area development accounts for 67 percent of the residential development increase and 69 percent of the nonresidential development increase under Alternative 2.

Attachments

Attachment A: Land Use Allocation Assumptions

Attachment B: Detailed Trip Generation Tables

Attachment C: Internal-to-City Trip Calculation Worksheets

Attachment A: Land Use Allocation Assumptions

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Current General Plan

	Row Labels	Number of Single-Family Units	Number of Multi-Family Units	Non- Residential Square Feet
Agricultural	AG	1,087	0	0
Commercial	C	0	0	4,765,583
Hillside Residential	HR	424	0	0
Industrial	I	0	0	4,908,017
Low Density Residential	LDR	5,264	1	591
Light Industrial	LI	0	0	5,304,455
Low Medium Density Residential	LMDR	688	688	0
Medium Density Residential	MDR	0	4,651	0
Medium High Density Residential	MHDR	0	1,108	0
Mixed Use 0	MU-0	0	0	880,180
Mixed Use 45	MU-45	0	3,869	1,170,369
Office Professional	OP	0	0	1,365,477
Open Space	OS	0	800	633,268
Parks	P	0	257	203,398
Public/Institutional	PI	0	0	0
ROW	ROW	0	0	0
Rural Residential	RR	934	0	0
Specific Plan Area	SPA	8,216	10,106	4,932,433
Very Low Density Residential	VLDR	4,613	0	0
	(blank)			
	Grand Total	**21,226**	**21,479**	**24,163,770**

Single-Family				Multi-Family						Non-Residential											
SF Detached Housing (ITE LU Code 210)		SF Attached Housing (ITE LU Code 215)		MF Housing (Low-Rise) (ITE LU Code 220)		MF Housing (Mid-Rise) (ITE LU Code 221)		MF Housing (High-Rise) (ITE LU Code 222)		Shopping Center (>150k) (ITE LU Code 820)		Shopping Plaza (40-150k) (ITE LU Code 821)		Industrial Park (ITE LU Code 130)		General Light Industrial (ITE LU Code 110)		General Office Building (ITE LU Code 710)		Business Park (ITE LU Code 770)	
%	DU	%	DU	%	DU	%	DU	%	DU	%	SF	%	SF	%	SF	%	SF	%	SF	%	SF
100%	1,087																				
										100%	4,765,583										
100%	424																				
																100%	4,908,017				
50%	2,632	50%	2,632							26%	153	5%	28	27%	158	29%	170	12%	72	2%	9
																100%	5,304,457				
		100%	688	100%	688																
				100%	4,651																
				50%	554	50%	554														
												33%	293,393					33%	293,393	33%	293,393
				25%	967	75%	2,902					50%	585,184					50%	585,184		
																		100%	1,365,477		
				66%	532	34%	268			26%	164,069	5%	30,247	27%	168,972	29%	182,621	12%	77,258	2%	10,101
				66%	171	34%	86			26%	52,697	5%	9,715	27%	54,272	29%	58,656	12%	24,814	2%	3,244
100%	934																				
74%	6,119	26%	2,097	66%	6,720	34%	3,386			26%	1,277,907	5%	235,593	27%	1,316,101	29%	1,422,408	12%	601,750	2%	78,674
100%	4,613																				
	15,809		5,417		14,283		7,196		0		6,260,409		1,154,160		6,447,520		6,968,312		2,947,948		385,421
	21,226								21,479												24,163,770

Alternative 1

Row Labels		Number of Single-Family Units	Number of Multi-Family Units	Non- Residential Square Feet
Agricultural	AG	1,103	0	0
Commercial	C	0	0	4,895,054
High Density Residential	HDR	0	1,081	0
Hillside Residential	HR	424	0	0
Industrial	I	0	0	3,748,962
Low Density Residential	LDR	5,331	0	0
Light Industrial	LI	0	0	4,305,974
Low Medium Density Residential	LMDR	707	707	0
Medium Density Residential	MDR	0	5,115	0
Medium High Density Residential	MHDR	0	677	0
Mixed Use 0	MU-0	0	0	118,874
Mixed Use 45	MU-45	0	2,314	700,053
Office Professional	OP	0	0	1,177,839
Open Space	OS	0	0	0
Parks	P	0	0	0
Public/Institutional	PI	0	0	0
ROW	ROW	0	0	0
Rural Residential	RR	867	0	0
Specific Plan Area	SPA	8,210	10,106	4,555,583
Transitional Commercial	T-C	0	5,166	1,712,271
Transitional Industrial	T-I	0	4,152	1,977,951
Transitional Residential	T-R	0	1,683	802,041
Very Low Density Residential	VLDR	4,516	0	0
	(blank)			
	Grand Total	**21,157**	**31,002**	**23,994,602**

Single-Family				Multi-Family						Non-Residential											
SF Detached Housing (ITE LU Code 210)		SF Attached Housing (ITE LU Code 215)		MF Housing (Low-Rise) (ITE LU Code 220)		MF Housing (Mid-Rise) (ITE LU Code 221)		MF Housing (High-Rise) (ITE LU Code 222)		Shopping Center (>150k) (ITE LU Code 820)		Shopping Plaza (40-150k) (ITE LU Code 821)		Industrial Park (ITE LU Code 130)		General Light Industrial (ITE LU Code 110)		General Office Building (ITE LU Code 710)		Business Park (ITE LU Code 770)	
%	DU	%	DU	%	DU	%	DU	%	DU	%	SF	%	SF	%	SF	%	SF	%	SF	%	SF
100%	1,103																				
										100%	4,895,055										
						100%	1,081														
100%	424																				
																100%	3,748,962				
50%	2,665	50%	2,665																		
																		100%	4,305,975		
		100%	707	100%	707																
				100%	5,114																
				50%	339	50%	339														
												33%	39,625							33%	39,625
				25%	579	75%	1,736					50%	350,026							50%	350,026
																				100%	1,177,839
100%	867																				
74%	6,115	26%	2,095	66%	6,720	34%	3,386			26%	1,180,271	5%	217,593	27%	1,215,547	29%	1,313,732	12%	555,775	2%	72,663
				50%	2,583	50%	2,583					100%	1,712,271								
				100%	4,152									47%	920,586	53%	1,057,365				
				100%	1,683							81%	646,485					19%	155,556		
100%	4,516																				
	15,690		5,467		21,877		9,125		0		6,075,326		2,966,000		5,885,095		6,677,072		2,278,821		112,288
			21,157						31,002												23,994,602

Alternative 2

Row Labels		Number of Single-Family Units	Number of Multi-Family Units	Non- Residential Square Feet
Agricultural	AG	1,103	0	0
Commercial	C	0	0	2,481,786
High Density Residential	HDR	0	904	0
Hillside Residential	HR	424	0	0
Industrial	I	0	0	1,386,392
Low Density Residential	LDR	5,331	0	0
Light Industrial	LI	0	0	3,851,901
Low Medium Density Residential	LMDR	688	688	0
Medium Density Residential	MDR	0	4,150	0
Medium High Density Residential	MHDR	0	536	0
Mixed Use 45	MU-45	0	503	152,043
Mixed Use 75	MU-75	0	208	45,299
Office Professional	OP	0	0	906,902
Open Space	OS	0	0	0
Parks	P	0	0	0
Public/Institutional	PI	0	0	0
ROW	ROW	0	0	0
Rural Residential	RR	867	0	0
Specific Plan Area	SPA	8,210	10,106	4,555,583
Transitional Commercial	T-C	0	15,533	5,148,304
Transitional Industrial	T-I	0	11,778	5,611,391
Transitional Residential	T-R	0	4,093	1,950,186
Very Low Density Residential	VLDR	4,494	0	0
	(blank)			
	Grand Total	**21,116**	**48,500**	**26,089,787**

Single-Family				Multi-Family						Non-Residential											
SF Detached Housing (ITE LU Code 210)		SF Attached Housing (ITE LU Code 215)		MF Housing (Low-Rise) (ITE LU Code 220)		MF Housing (Mid-Rise) (ITE LU Code 221)		MF Housing (High-Rise) (ITE LU Code 222)		Shopping Center (>150k) (ITE LU Code 820)		Shopping Plaza (40-150k) (ITE LU Code 821)		Industrial Park (ITE LU Code 130)		General Light Industrial (ITE LU Code 110)		General Office Building (ITE LU Code 710)		Business Park (ITE LU Code 770)	
%	DU	%	DU	%	DU	%	DU	%	DU	%	SF	%	SF	%	SF	%	SF	%	SF	%	SF
100%	1,103																				
										100%	2,481,786										
						100%	904														
100%	424																				
																100%	1,386,392				
50%	2,665	50%	2,665																		
																		100%	3,851,901		
		100%	688	100%	688																
				100%	4,150																
				50%	268	50%	268														
				25%	126	75%	377					50%	76,022						50%	76,022	
						50%	104	50%	104			50%	22,650						50%	22,650	
																			100%	906,902	
100%	867																				
74%	6,115	26%	2,095	66%	6,720	34%	3,386			26%	1,180,271	5%	217,593	27%	1,215,547	29%	1,313,732	12%	555,775	2%	72,663
				50%	7,767	50%	7,767					100%	5,148,304								
				100%	11,778									26%	1,485,138	74%	4,126,253				
				100%	4,093							73%	1,428,265					27%	521,921		
100%	4,494																				
	15,668		5,448		35,590		12,806		104		3,662,057		6,892,834		4,087,077		9,291,886		2,083,270		72,663
			21,116						48,500												26,089,787

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Attachment B: Detailed Trip Generation Tables

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San Marcos GPU
TRIP GENERATION

Trip Generation Rates									
Land Use		Rate	Daily	AM Peak Hour			PM Peak Hour		
				In	Out	Total	In	Out	Total
210	Single-Family Detached Housing	per DU	9.43	26%	74%	0.70	63%	37%	0.94
215	Single-Family Attached Housing	per DU	7.20	31%	69%	0.48	57%	43%	0.57
220	Multifamily Housing (Low-Rise) [a]	per DU	6.74	24%	76%	0.40	63%	37%	0.51
221	Multifamily Housing (Mid-Rise) [a]	per DU	4.54	23%	77%	0.37	61%	39%	0.39
222	Multifamily Housing (High-Rise) [a]	per DU	4.54	34%	66%	0.27	56%	44%	0.32
820	Shopping Center (>150k)	per KSF	37.01	62%	38%	0.84	48%	52%	3.40
821	Shopping Plaza (40-150k) [b]	per KSF	67.52	62%	38%	1.73	49%	51%	5.19
130	Industrial Park	per KSF	3.37	81%	19%	0.34	22%	78%	0.34
110	General Light Industrial	per KSF	4.87	88%	12%	0.74	14%	86%	0.65
710	General Office Building	per KSF	10.84	88%	12%	1.52	17%	83%	1.44
770	Business Park	per KSF	12.44	85%	15%	1.35	26%	74%	1.22

Source: ITE Trip Generation Manual, 11th Edition

[a] Not Close to Rail Transit

[b] Supermarket - No

NOTE: "DU" denotes dwelling units; "KSF" denotes thousand square feet of floor area.

San Marcos GPU
TRIP GENERATION

Trip Generation Estimates (Current General Plan)									
Land Use		Size	Daily	AM Peak Hour			PM Peak Hour		
				In	Out	Total	In	Out	Total
210	Single-Family Detached Housing	15,809 DU	149,079	2,877	8,189	11,066	9,362	5,498	14,860
215	Single-Family Attached Housing	5,417 DU	39,002	806	1,794	2,600	1,760	1,328	3,088
220	Multifamily Housing (Low-Rise) [a]	14,283 DU	96,267	1,371	4,342	5,713	4,589	2,695	7,284
221	Multifamily Housing (Mid-Rise) [a]	7,196 DU	32,670	612	2,051	2,663	1,712	1,094	2,806
222	Multifamily Housing (High-Rise) [a]	0 DU	0	0	0	0	0	0	0
820	Shopping Center (>150k)	6,260.409 KSF	231,698	3,261	1,998	5,259	10,217	11,068	21,285
821	Shopping Plaza (40-150k) [b]	1,154.160 KSF	77,929	1,238	759	1,997	2,935	3,055	5,990
130	Industrial Park	6,447.520 KSF	21,728	1,776	416	2,192	482	1,710	2,192
110	General Light Industrial	6,968.312 KSF	33,936	4,538	619	5,157	634	3,895	4,529
710	General Office Building	2,947.948 KSF	31,956	3,943	538	4,481	722	3,523	4,245
770	Business Park	385.421 KSF	4,795	442	78	520	122	348	470
TOTAL TRIPS			**719,060**	**20,864**	**20,784**	**41,648**	**32,535**	**34,214**	**66,749**

Retail Trip Adjustment	Daily	AM Peak Hour			PM Peak Hour		
		In	Out	Total	In	Out	Total
Pass-by and Diverted Trip Reductions (57% of Retail Trips)	-176,487	-2,564	-1,571	-4,136	-7,497	-8,050	-15,547
TOTAL TRIPS	542,573	18,300	19,213	37,512	25,038	26,164	51,202

Internal to City Trip Adjustment	Daily
Internalization Reduction (21% of Residential, Retail, and Office Trips)	-102,251
TOTAL TRIPS	440,322

San Marcos GPU
TRIP GENERATION

Trip Generation Estimates (Alternative 1: Activity Nodes)									
Land Use		Size	Daily	AM Peak Hour			PM Peak Hour		
				In	Out	Total	In	Out	Total
210	Single-Family Detached Housing	15,690 DU	147,957	2,856	8,127	10,983	9,292	5,457	14,749
215	Single-Family Attached Housing	5,467 DU	39,362	813	1,811	2,624	1,776	1,340	3,116
220	Multifamily Housing (Low-Rise) [a]	21,877 DU	147,451	2,100	6,651	8,751	7,029	4,128	11,157
221	Multifamily Housing (Mid-Rise) [a]	9,125 DU	41,428	776	2,600	3,376	2,171	1,388	3,559
222	Multifamily Housing (High-Rise) [a]	0 DU	0	0	0	0	0	0	0
820	Shopping Center (>150k)	6,075.326 KSF	224,848	3,164	1,939	5,103	9,915	10,741	20,656
821	Shopping Plaza (40-150k) [b]	2,966.000 KSF	200,264	3,181	1,950	5,131	7,543	7,851	15,394
130	Industrial Park	5,885.095 KSF	19,833	1,621	380	2,001	440	1,561	2,001
110	General Light Industrial	6,677.072 KSF	32,517	4,348	593	4,941	608	3,732	4,340
710	General Office Building	2,278.821 KSF	24,702	3,048	416	3,464	558	2,724	3,282
770	Business Park	112.288 KSF	1,397	129	23	152	36	101	137
TOTAL TRIPS			**879,759**	**22,036**	**24,490**	**46,526**	**39,368**	**39,023**	**78,391**

Retail Trip Adjustment	Daily	AM Peak Hour			PM Peak Hour		
		In	Out	Total	In	Out	Total
Pass-by and Diverted Trip Reductions (57% of Retail Trips)	-242,314	-3,617	-2,217	-5,833	-9,951	-10,597	-20,549
TOTAL TRIPS	637,445	18,419	22,273	40,693	29,417	28,426	57,842

Internal to City Trip Adjustment	Daily
Internalization Reduction (22% of Residential, Retail, and Office Trips)	-128,721
TOTAL TRIPS	508,724

San Marcos GPU
TRIP GENERATION

Trip Generation Estimates (Alternative 2: Corridors)									
Land Use		Size	Daily	AM Peak Hour			PM Peak Hour		
				In	Out	Total	In	Out	Total
210	Single-Family Detached Housing	15,668 DU	147,749	2,852	8,116	10,968	9,279	5,449	14,728
215	Single-Family Attached Housing	5,448 DU	39,226	811	1,804	2,615	1,770	1,335	3,105
220	Multifamily Housing (Low-Rise) [a]	35,590 DU	239,877	3,417	10,819	14,236	11,435	6,716	18,151
221	Multifamily Housing (Mid-Rise) [a]	12,806 DU	58,139	1,090	3,648	4,738	3,046	1,948	4,994
222	Multifamily Housing (High-Rise) [a]	104 DU	472	10	18	28	18	15	33
820	Shopping Center (>150k)	3,662.057 KSF	135,533	1,907	1,169	3,076	5,976	6,475	12,451
821	Shopping Plaza (40-150k) [b]	6,892.834 KSF	465,404	7,394	4,531	11,925	17,529	18,245	35,774
130	Industrial Park	4,087.077 KSF	13,773	1,126	264	1,390	306	1,084	1,390
110	General Light Industrial	9,291.886 KSF	45,251	6,051	825	6,876	846	5,194	6,040
710	General Office Building	2,083.270 KSF	22,583	2,787	380	3,167	510	2,490	3,000
770	Business Park	72.663 KSF	904	83	15	98	23	66	89
TOTAL TRIPS			**1,168,911**	**27,528**	**31,589**	**59,117**	**50,738**	**49,017**	**99,755**

Retail Trip Adjustment	Daily	AM Peak Hour			PM Peak Hour		
		In	Out	Total	In	Out	Total
Pass-by and Diverted Trip Reductions (57% of Retail Trips)	-342,534	-5,302	-3,249	-8,551	-13,398	-14,090	-27,488
TOTAL TRIPS	826,377	22,226	28,340	50,566	37,340	34,927	72,267

Internal to City Trip Adjustment	Daily
Internalization Reduction (21% of Residential, Retail, and Office Trips)	-161,144
TOTAL TRIPS	665,233

Attachment C: Internal-to-City Trip Calculation Worksheets

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Adapted from NCHRP 8-51 Internal Trip Capture Estimation Tool

Project Name: San Marcos GPU
Scenario Description: Current GP
Analysis Period: Daily

Land Use	Units	Estimated Vehicle Trips		
		Total	Entering	Exiting
Residential	42,705 DU	317,018	158,509	158,509
Retail	7,415 KSF	309,627	154,814	154,813
Office	3,333 KSF	36,751	18,376	18,375
Total		**663,396**	**331,699**	**331,697**

Internal Person-Trip Origin-Destination Matrix (Computed at Origin)			
Origin (From)	Destination (To)		
	Residential	Retail	Office
Residential		60,233	0
Retail	17,029		4,644
Office	368	4,043	

Internal Person-Trip Origin-Destination Matrix (Computed at Destination)			
Origin (From)	Destination (To)		
	Residential	Retail	Office
Residential		51,089	551
Retail	14,266		735
Office	0	23,222	

Internal and External Trips Summary (Entering Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	14,266	144,243	158,509
Retail	55,131	99,683	154,814
Office	735	17,641	18,376

Internal and External Trips Summary (Exiting Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	51,089	107,420	158,509
Retail	15,001	139,812	154,813
Office	4,043	14,333	18,375

Internal and External Trips Summary (Entering and Exiting Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	65,354	251,664	317,018
Retail	70,132	239,495	309,627
Office	4,778	31,973	36,751
Overall	140,264	523,132	663,396

Adapted from NCHRP 8-51 Internal Trip Capture Estimation Tool

Project Name: San Marcos GPU
Scenario Description: Alternative 1: Activity Nodes
Analysis Period: Daily

Land Use	Units	Estimated Vehicle Trips		
		Total	Entering	Exiting
Residential	52,159 DU	376,198	188,099	188,099
Retail	9,041 KSF	425,112	212,556	212,556
Office	2,391 KSF	26,099	13,050	13,049
Total		**827,409**	**413,705**	**413,704**

Internal Person-Trip Origin-Destination Matrix (Computed at Origin)			
Origin (From)	Destination (To)		
	Residential	Retail	Office
Residential		71,478	0
Retail	23,381		6,377
Office	261	2,871	

Internal Person-Trip Origin-Destination Matrix (Computed at Destination)			
Origin (From)	Destination (To)		
	Residential	Retail	Office
Residential		70,143	392
Retail	16,929		522
Office	0	31,883	

Internal and External Trips Summary (Entering Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	16,929	171,170	188,099
Retail	73,014	139,542	212,556
Office	522	12,528	13,050

Internal and External Trips Summary (Exiting Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	70,143	117,956	188,099
Retail	17,451	195,105	212,556
Office	2,871	10,178	13,049

Internal and External Trips Summary (Entering and Exiting Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	87,072	289,126	376,198
Retail	90,465	334,647	425,112
Office	3,393	22,706	26,099
Overall	180,930	646,479	827,409

Adapted from NCHRP 8-51 Internal Trip Capture Estimation Tool

Project Name: San Marcos GPU
Scenario Description: Alternative 2: Corridors
Analysis Period: Daily

Land Use	Units	Estimated Vehicle Trips		
		Total	Entering	Exiting
Residential	69,616 DU	485,463	242,732	242,731
Retail	10,555 KSF	600,937	300,469	300,468
Office	2,156 KSF	23,487	11,744	11,743
Total		**1,109,887**	**554,945**	**554,942**

Internal Person-Trip Origin-Destination Matrix (Computed at Origin)			
Origin (From)	Destination (To)		
	Residential	Retail	Office
Residential		92,238	0
Retail	33,051		9,014
Office	235	2,583	

Internal Person-Trip Origin-Destination Matrix (Computed at Destination)			
Origin (From)	Destination (To)		
	Residential	Retail	Office
Residential		99,155	352
Retail	21,846		470
Office	0	45,070	

Internal and External Trips Summary (Entering Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	21,846	220,886	242,732
Retail	94,821	205,648	300,469
Office	470	11,274	11,744

Internal and External Trips Summary (Exiting Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	92,238	150,493	242,731
Retail	22,316	278,152	300,468
Office	2,583	9,160	11,743

Internal and External Trips Summary (Entering and Exiting Trips)			
Land Use	Internal	External	Total Vehicle Trips
Residential	114,084	371,379	485,463
Retail	117,137	483,800	600,937
Office	3,053	20,434	23,487
Overall	234,274	875,613	1,109,887

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APPENDIX C

FISCAL IMPACT MEMO

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MEMORANDUM

To: De Novo Planning Group

From: Economic & Planning Systems, Inc. (EPS)

Subject: Fiscal Impact Analysis for the San Marcos General Plan Update; EPS #194040

Date: May 18, 2022

The Economics of Land Use

This memorandum evaluates fiscal impacts associated with various land use alternatives being considered as part of the San Marcos General Plan Update. It is prepared by Economic & Planning Systems, Inc. (EPS) as part of a consultant team hired by the City of San Marcos and led by De Novo Planning Group to complete the General Plan Update.

The analysis looks at three (3) Alternatives of varying levels of potential new office, retail, industrial, housing, and other land use development types. Two of the Alternatives are focused on two areas of the City: (1) the area between San Marcos Boulevard and West Mission Road between Rancho Santa Fe Road and Twin Oaks Valley Road (the "West" focus area), and (2) the area east of the Civic Center between SR-78 and East Mission Boulevard (the "East" focus area).

The first Alternative, also called the "Activity Node" alternative, focuses land use changes in and around existing and planned activity centers, such as transit stations, major intersections, and employment destinations. The second Alternative, called the "Corridor" alternative, involves expanded land use changes more broadly beyond activity nodes to north/south and east/west corridors. The maps showing the areas including land use changes associated with Alternatives 1 and 2 are shown in **Figure 1** and **Figure 2**. The third Alternative evaluated in this analysis reflects the buildout projected in the City's current General Plan's land use plan. The residential and employee growth over existing conditions that would result from the Alternatives are summarized in **Table 1.**

This fiscal impact analysis compares the expected increase in City General Fund revenues with the increase in General Fund costs from increased demand for public services as a result of new development and the corresponding growth in the City's service population, which includes new residents and workers.

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Figure 1 Map of Land Use Changes for Alternative 1: Activity Nodes

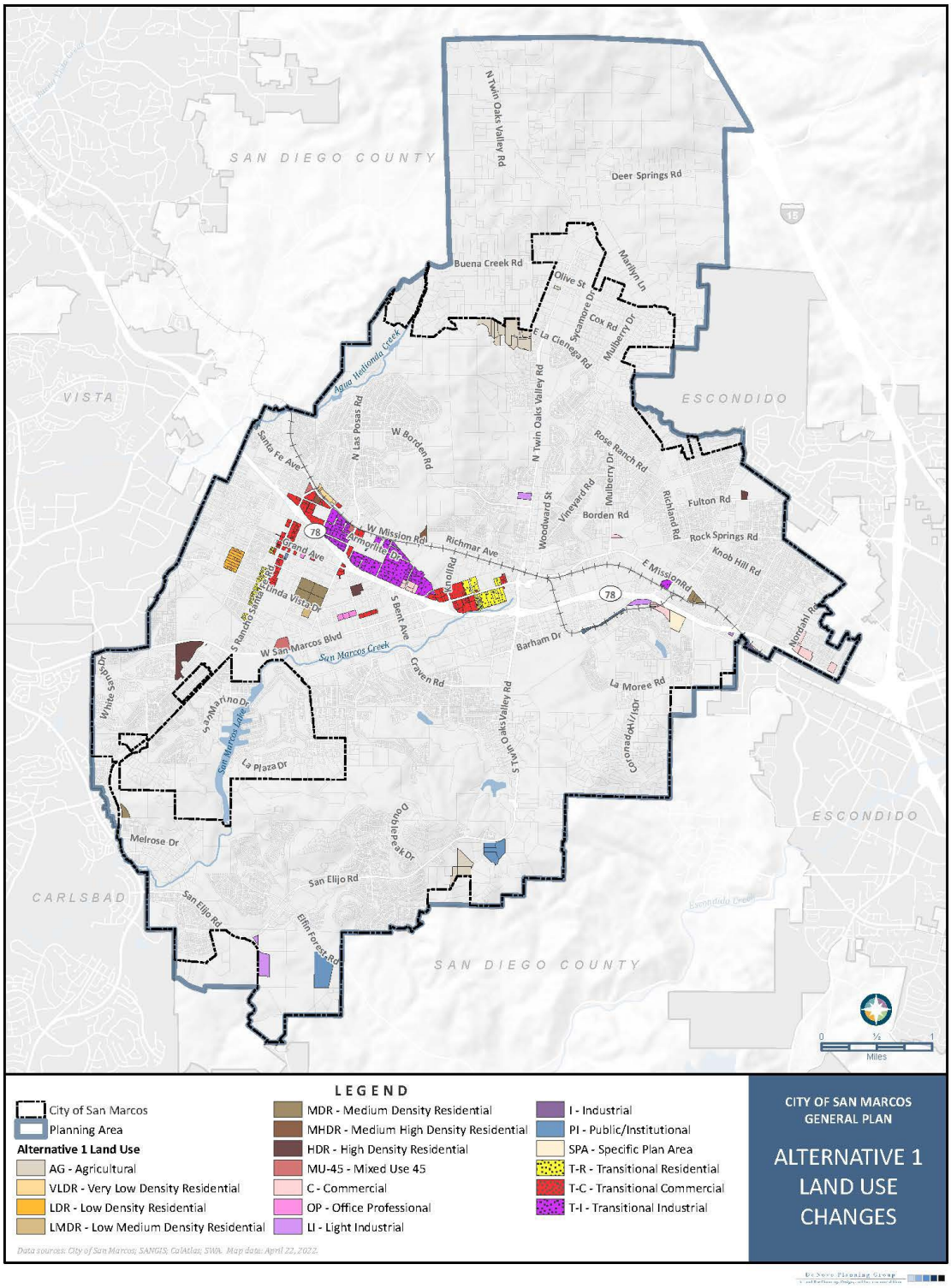
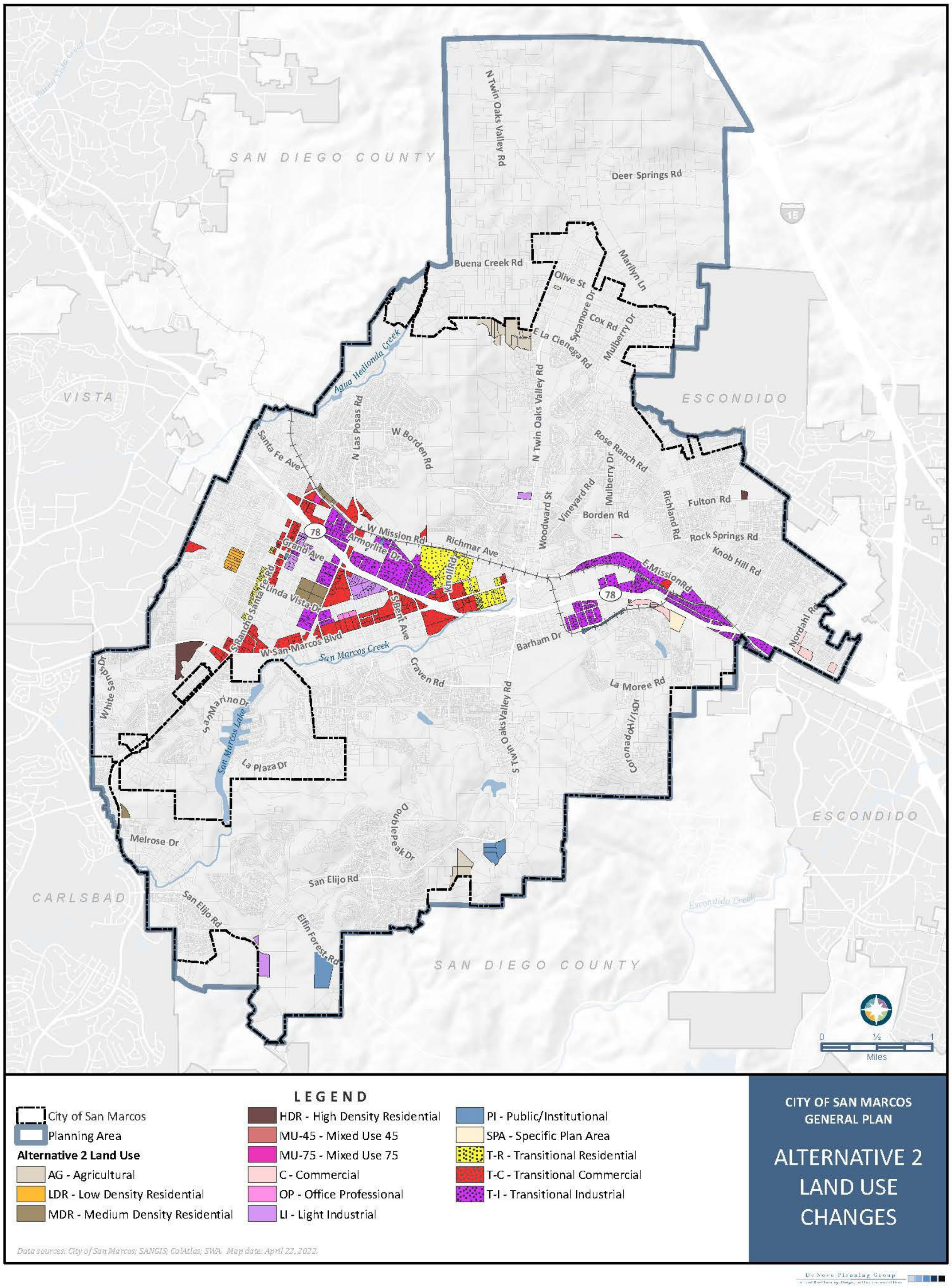


Figure 2 Map of Land Use Changes for Alternative 2: Corridors



While the impacts of the San Marcos General Plan land use alternatives are quantified based on a stabilized buildout outcome (Buildout Potential), these impacts might evolve during buildout as well as subsequent years after completion. Due to uncertainty about budgetary and economic factors, this analysis does not consider the effect of external changes affecting the City's General Fund such as changes to State or federal laws affecting municipal budgets. In addition, the analysis is premised on the City's existing budgetary structure, and we assume that there will not be any significant changes in the way in which the City provides services or levies local tax and fee rates. Finally, the analysis assumes that the current City compensation structure remains constant in real terms (e.g. adjusted for inflation).

It is also important to stress that net fiscal impacts illustrated in this analysis (annual surpluses or deficits) are simply indicators of fiscal performance; they do not mean that the City will automatically have surplus revenues or deficits, because it must have a balanced budget each year. Persistent shortfalls shown in a fiscal analysis may indicate the need to reduce service levels or obtain additional revenues; persistent surpluses will provide resources to reduce liabilities such as deferred maintenance, or to improve service levels.

Table 1 Growth over Existing Development by Development Theme

Summary of Land Use Alternatives							
	Existing Development	**Alternative 1: Activity Nodes**		**Alternative 2: Corridors**		**Current General Plan**	
		Growth from Existing	Percent Growth	Growth from Existing	Percent Growth	Growth from Existing	Percent Growth
Development Space							
Housing Units	33,999	18,160	34.8%	35,616	51.2%	8,706	20.4%
SF Units	*19,270*	*1,887*	*8.9%*	*1,845*	*8.7%*	*1,956*	*9.2%*
MF Units	*14,729*	*16,273*	*52.5%*	*33,771*	*69.6%*	*6,750*	*31.4%*
Nonresidential Space (Sq. Ft.) [1]	17,085,175	6,909,427	28.8%	9,004,612	34.5%	7,078,595	29.3%
Retail Sq. Ft.	*5,296,404*	*2,141,922*	*28.8%*	*2,791,430*	*34.5%*	*2,194,364*	*29.3%*
Office Sq. Ft.	*1,879,369*	*760,037*	*28.8%*	*990,507*	*34.5%*	*778,645*	*29.3%*
Industrial Sq. Ft.	*9,909,402*	*4,007,468*	*28.8%*	*5,222,675*	*34.5%*	*4,105,585*	*29.3%*
Population							
Residents	106,305	53,419	33.4%	104,024	49.5%	26,030	19.7%
SF Residents	*63,591*	*6,227*	*8.9%*	*6,089*	*8.7%*	*6,455*	*9.2%*
MF Residents	*42,714*	*47,192*	*52.5%*	*97,936*	*69.6%*	*19,575*	*31.4%*
Jobs	35,362	8,479	19.3%	19,094	35.1%	10,201	22.4%
Retail Jobs	*11,150*	*4,509*	*28.8%*	*5,877*	*34.5%*	*4,620*	*29.3%*
Office Jobs	*3,132*	*1,267*	*28.8%*	*1,651*	*34.5%*	*1,298*	*29.3%*
Industrial Jobs	*14,156*	*5,725*	*28.8%*	*7,461*	*34.5%*	*5,865*	*29.3%*
Other Jobs	*6,923*	*(3,022)*	*-77.5%*	*4,105*	*37.2%*	*(1,582)*	*-29.6%*
Total Service Population	119,743	56,641	32.1%	111,280	48.2%	29,906	20.0%

[1] The distribution of non-residential space among different use types in the Alternatives is based on the current distribution in the City.

Source: DeNovo Planning Group; EPS

Key Findings

The key findings from this analysis are summarized in **Table 2** and **Table 3** and further described below. All results are expressed in constant 2021 dollars.

- ***All three of the Alternatives are estimated to have a positive net fiscal impact on the City's General Fund at buildout.*** As shown in **Table 2**, the net fiscal surplus from new development in San Marcos is estimated to range between $2.5 million to $3.1 million for the three alternatives, which represents about a three to four percent increase over the General Fund's current revenues. These net new fiscal benefits would provide funds that the City could use to expand levels of public services and facilities throughout San Marcos. The Alternative 2 buildout has the highest net fiscal benefit, while Alternative 1 and the Current General Plan buildout would generate around the same net fiscal benefit. In all cases, property tax is the single largest revenue source, while public safety is the largest expenditure category.

  The finding that General Fund revenues will increase faster than the costs stems in part from the assumption that many of the City's functions include a fixed cost component that will accommodate increased growth without proportional increase in costs. For example, none of the Alternatives necessitate a major expansion in City owned or operated infrastructure or facilities such as road, parks, public safety or community buildings (e.g. police, fire, library, etc.), relative to baseline trends. In addition, many City Departments include administrative components that do not need to expand proportional to service population growth. While the results do not account for major infrastructure investments or changes to City policy that might impact municipal revenues or costs (e.g., taxes or service levels), the positive results under these "business-as-usual" conditions suggests that there is likely an opportunity as growth occurs for the City to make some level of investment or change to serve community goals and needs while still maintaining a balanced budget.

- ***The analysis suggests that the net fiscal benefit per resident overall is lower than the net fiscal benefit per worker, and that the net fiscal impact of single-family residential units is positive while the net fiscal impact of multifamily units is just slightly negative.*** While the property values of non-residential uses are lower than those of residential uses, the relatively lower impacts of workers on municipal services relative to residents results in higher net fiscal benefits related to new workers, as shown in **Table 3**. Within residential uses, single family units have a strongly positive net fiscal impact, while the net fiscal impact of multifamily units is negative. This is driven by the higher property values associated with single family units, which more than offsets the higher costs associated with their larger household sizes relative to multifamily units. The value for multifamily units also reflects the City's inclusionary housing requirement, which does not apply to single-family units.

  However, while the household sizes of single family and multifamily units are relatively similar under current conditions (3.3 persons versus 2.9 persons), trends in multifamily development suggest that newer units are likely to be smaller and have smaller household sizes in the future. This will in turn reduce costs associated with these units and likely improve their net fiscal impacts. In addition, to the extent that future multi-family units are developed as condos rather than rental, the fiscal impact will improve and may even surpass

the fiscal benefits of single-family because of more frequent re-sale rates (which re-sets the units' assessed values).

Table 2 Estimated Annual Fiscal Impacts of Net New Development at Buildout

	Alternative 1	Alternative 2	Current General Plan
Annual Growth in General Fund Revenues	***$28,220,870***	***$53,665,194***	***$16,405,808***
Property Tax	$11,988,479	$21,451,473	$7,273,094
Sales Tax	$5,742,272	$11,525,655	$3,409,431
Other Revenues	$10,490,119	$20,688,067	$5,723,283
Annual Growth in General Fund Expenditures	***$25,680,258***	***$50,583,227***	***$13,865,031***
General Government	$2,030,508	$3,999,558	$1,096,292
Development Services	$2,629,996	$5,180,388	$1,419,962
Public Works	$3,487,223	$6,868,895	$1,882,787
Parks and Recreation	$1,418,268	$2,793,608	$765,737
Public Safety	$16,114,262	$31,740,778	$8,700,253
Net Fiscal Impact of Proposed Growth	**$2,540,612**	**$3,081,967**	**$2,540,777**
% of Current GF Revenues *$77,744,631*	**3%**	**4%**	**3%**

Table 3 Costs and Revenues Per Person and Unit

Category	Density Per Unit/Sq. Ft.	Cost Per Person/Unit	Revenue Per Person/Unit By GF Category: Sales Tax	Property Tax*	TOT	All Other GF	Revenue Per Person/ Unit	Net Fiscal Impact Per Person/ Unit
Residents	3.1	**$445.39**	$58.03	$227	$3.03	$177.25	**$465**	**$20**
Single Family	3.3	**$1,469.78**	$191.51	$880	$9.99	$584.93	**$1,666**	**$197**
Multi-Family	2.9	**$1,291.62**	$168.30	$507	$8.78	$514.03	**$1,198**	**-$94**
Employees		**$210.39**	$51.84	$182	$12.11	$88.63	**$335**	**$124**

* The per person revenue for property tax is based on a weighted average of distribution of land uses under existing conditions. This factor will be different under different land use mix scenarios.

Methodological Overview

This section describes the methodology used in calculating impact of the proposed Alternatives on the City of San Marcos' General Fund. The analysis is based on a variety of sources, including the City's Fiscal Year 2021-22 Adopted Operating Budget, the proposed buildouts estimated by De Novo Planning Group, and demographic and market data for San Marcos. EPS utilized estimates of potential growth in population, employment, and residential units and square feet of non-residential for each land use provided by De Novo Planning Group, as detailed in **Table 4**. In addition, the estimates rely on factors such likely market values and budget practices. All results are expressed in constant 2021 dollars.

Table 4 Existing Development Conditions and Development Themes

Summary of Land Use Alternatives							
	Existing Development	Alternative 1: Activity Nodes		Alternative 2: Corridors		Current General Plan	
		Buildout Potential	Change from Existing	Buildout Potential	Change from Existing	Buildout Potential	Change from Existing
Housing Units	**33,999**	**52,159**	**18,160**	**69,615**	**35,616**	**42,705**	**8,706**
SF Units	*19,270*	*21,157*	*1,887*	*21,115*	*1,845*	*21,226*	*1,956*
MF Units	*14,729*	*31,002*	*16,273*	*48,500*	*33,771*	*21,479*	*6,750*
Residents	**106,305**	**159,724**	**53,419**	**210,330**	**104,024**	**132,335**	**26,030**
SF Residents	*63,591*	*69,818*	*6,227*	*69,680*	*6,089*	*70,046*	*6,455*
MF Residents	*42,714*	*89,906*	*47,192*	*140,650*	*97,936*	*62,289*	*19,575*
Nonresidential Space [1]	**17,085,175**	**23,994,602**	**6,909,427**	**26,089,787**	**9,004,612**	**24,163,770**	**7,078,595**
Retail Sq. Ft.	*5,296,404*	*7,438,327*	*2,141,922*	*8,087,834*	*2,791,430*	*7,490,769*	*2,194,364*
Office Sq. Ft.	*1,879,369*	*2,639,406*	*760,037*	*2,869,877*	*990,507*	*2,658,015*	*778,645*
Industrial Sq. Ft.	*9,909,402*	*13,916,869*	*4,007,468*	*15,132,076*	*5,222,675*	*14,014,987*	*4,105,585*
Jobs	**35,362**	**43,841**	**8,479**	**54,456**	**19,094**	**45,563**	**10,201**

[1] The distribution of non-residential space among different use types in the Alternatives is based on the current distribution.

Source: DeNovo Planning Group; EPS

As noted, the fiscal analysis assumes that certain basic City services can be expanded without proportional increases in costs. Accordingly, a proportion of the budget for all City Departments is assumed to be fixed. Increases in the variable component are entirely attributable to population and / or employment growth.[1]

For each revenue and expenditure item in the budget, EPS used one of the two forecasting methodologies described below, depending on which was most appropriate for the item:

- **Per Service Population:** The relative impacts of residents and workers on City revenues and expenditures are different, given the differing amounts of time they spend in the City and differing usage of City services. In order to account for these differing impacts, EPS

[1] This approach excludes the impact that visitors to the City might have on City costs and revenues, an assumption that is equivalent to assuming they have a neutral impact on the City budget (i.e. revenues off-set costs)

calculates the revenues and costs generated by new population on per service population basis. For most budget items, this service population consists of all residents plus 38 percent of all workers. This "resident equivalency" factor for workers is based on analysis of commute patterns in and out of the City. The exceptions to this formula for service population are transient occupancy tax (TOT) on the revenues side, and parks and recreation on the expenditures side. The different service populations for these items are described in the relevant sections below. The current amount for each budget item is divided by the appropriate service population given current conditions, and then multiplied by the increase in the corresponding increase in service population associated with each alternative.

- **Case Study:** A case study approach is used to calculate budget items for which there is a set formula related to the item, such as property tax and sales tax.

General Fund Revenues

This section describes the methodology and assumptions used for each revenue item estimated in this analysis.

Property Tax

Property taxes are based on the net assessed value increase of land and improvements driven by new development. The assessed value is estimated on a per unit basis for housing units, and a per square foot basis for non-residential uses, including office, retail, and industrial space. The values are based on current sale and rental rates in San Marcos reported by Zillow and CoStar.[2] The value for multifamily units takes into account the City's inclusionary housing requirement, by assuming that 15 percent of all new multifamily units would be rented at levels affordable to households earning 100 percent of area median income for San Diego County, whether as part of a mixed-income multifamily project or within a fully-affordable project supported through the payment of in-lieu fees.[3]

San Diego County collects property tax based on 1.0 percent of the assessed value, and the City receives on average 8.8 percent of the County's property tax base. The median values per unit and per square foot of space for each land use category, and the associated property tax generated, are shown in **Table 5.** It is important to note that this analysis does not project growth in revenues from new development in the City's existing special assessment districts, such as community facility districts (CFD), as those assessments are not based on property value and vary among different districts. EPS also understands that the City does not charge a property transfer tax on sales of property, which is a common General Fund revenue source in other cities. If the City was to adopt such a tax, the fiscal impacts of new residential development on the General Fund would be more positive.

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[2] Sale and rental rates represent the averages for 2021. The rents for multifamily rental units are based on average reported rents for units built since 2012.

[3] The City's inclusionary requirement allows for units rented at levels affordable to extremely-low, very-low, low, and moderate income households. EPS assumes that developers are most likely to set rents affordable to low income households (earning 80 percent of area median income) or moderate income households (earning 120 percent of area median income), and therefore set the affordable rents affordable to the average of those two income levels.

Table 5 Median Property Value and Tax Generation by Land Use Category

Land Use Category	Per Unit/Sq. Ft. Assessed Value	Property Tax	Share to City
Rate		*1%*	*8.80%*
Single Family (Per Unit)	$1,000,000	$10,000	$880
Multifamily (Per Unit) [1]	$576,000	$5,760	$507
Retail (Per Sq. Ft.)	$400.00	$4.00	$0.35
Office (Per Sq. Ft.)	$400.00	$4.00	$0.35
Industrial/Flex (Per Sq. Ft.)	$300.00	$3.00	$0.26
TOTAL			

[1] Assumes 15 percent of units are affordable to households earning 100 percent of area median income for San Diego County.

Sources: Zillow; CoStar: City of San Marcos; DeNovo; EPS

Based on these per unit and per square feet factors, the net new assessed property tax associated with each alternative is shown in **Table 6**. The growth ranges from $7.3 million to $21.5 million, with the largest generation stemming from the Alternative 2 buildout. This result reflects the higher growth associated in Alternative 2 compared to the other alternatives reflecting the higher growth rate projected for new development in that alternative.

Table 6 Property Tax Estimates

Land Use Category	Estimated Growth in Property Tax at Buildout		
	Alternative 1	Alternative 2	Current General Plan
Single Family	$1,660,560	$1,623,600	$1,721,280
Multifamily	$8,248,458	$17,117,844	$3,421,440
Retail	$753,957	$982,583	$772,416
Office	$267,533	$348,659	$274,083
Industrial/Flex	$1,057,971	$1,378,786	$1,083,874
TOTAL	**$11,988,479**	**$21,451,473**	**$7,273,094**

Sources: Zillow; CoStar: EPS

Sales Tax

Growth in sales tax generation due to the proposed land use alternatives is based on four categories of taxable sales: (1) sales generated by new residents and households; (2) sales generated by new workers; (3) sales occurring through business-to-business taxable

transactions in the City; and (4) the City's share of the County sales tax pool.[4] Some portion of the City's sales tax is also generated by consumers who are neither residents, workers, or businesses. This includes visitors and students who are not also residents of the City. Given that the land use alternatives do not specifically project growth in these populations, the analysis does not estimate any growth in sales tax associated with these categories of consumers.

The methodology for estimating each of the analyzed categories of consumers is described in the following section:

Resident-Generated Sales Tax

New taxable sales by residents are estimated based on median household income, average spending on taxable items,[5] and the portion of spending captured in the City, as shown in **Table 7**. Average spending on taxable items is estimated using the Consumer Expenditure Survey, which provides national averages for share of household incomes spent on different consumer products, broken out by income bracket. As the median household income in San Marcos is approximately $86,000, EPS used the share of spending on taxable items reported for households earning $70,000-$99,999, which is approximately 28 percent of household income. EPS also assumed that resident households will spend approximately 75 percent of their taxable spending in the City of San Marcos. This capture rate includes daily spending by residents who also work in the City, as well as residents who may normally commute out of the City for work but in the future are likely to work at least part-time from home given current trends in work-from-home (WFH) arrangements.

Table 7 Retail Spending and Sales Tax Generation Per Household

Category	Amount
Median Household Income	$86,408
Percent of Income Spent on Taxable Items	28.00%
Annual Household Spending on Taxable Items	$24,194
Capture in San Marcos	75%
Annual Household Taxable Spending in San Marcos	$18,146
City's Share of Sales Tax Rate	1%
Total Sales Tax Captured Per HH	**$181.46**

Sources: Consumer Expenditure Survey 2019-2020, BLS; EPS

[4] Sales tax collected on certain types of taxable transactions, including some types of online sales, are allocated to a pool on a countywide basis, which is then allocated to cities in each county based on the city's pro rata share of total countywide sales tax generation.

[5] Taxable items include food eaten away from the home (i.e. dining out), apparel, vehicle purchases, motor fuels, household supplies and furnishings, personal care products, reading products, and tobacco products.

Worker-Generated Sales Tax

New taxable sales by workers are based on estimates of daily spending by workers during the workday, spending on taxable items, and the portion of spending captured in the City, as shown in **Table 8.** These estimates are based on data from various surveys of average expenditures by workers per day on food and beverages, plus some additional spending assumed for personal and household goods that workers may buy near their place of employment rather than their place of residence. The analysis also assumes that the average worker will only work in San Marcos four days per week, reflecting current trends in WFH arrangements. The analysis assumes that 90 percent of daily worker spending would occur within the City.

Table 8 Retail Spending and Sales Tax Per Worker

Category	Amount
Daily Worker Spending To/ From Work on Taxable Items	$30
Annual Worker Spending on Taxable Items [1]	$5,760
Capture in San Marcos	90%
Worker Spending in San Marcos	$5,184
City's Share of Sales Tax Rate	1%
Total Annual Sales Tax Captured Per Worker	**$51.84**

[1] Assumes four on-site workdays per week, or 192 workdays per year, accounting for some level of workers that will work part-time from home.

Sources: Visa; MoneyCrashers; EPS

Business-To-Business Taxable Transactions

In addition to workers, residents, and other consumers, businesses in the City also engage in taxable spending. In order to estimate the proportion of taxable sales attributable to businesses, EPS reviewed the sales tax generation from the Business and Industry business group reported in the City's quarterly sales tax reports, which are assumed to represent sales tax revenues related to business-to-business transactions. EPS also assumed that the proportion of the sales tax generated in this group relative to the sales tax generated from new workers would remain constant, as growth in workers would be associated with growth in local business activity. The City's 2021 sales tax revenues from the Business and Industry category was equivalent to approximately 95 percent of the estimated sales tax generated by workers. Therefore, this analysis assumes that growth in the sales tax revenues attributable to business-to-business activity will equal 95 percent of the sales tax generated by new workers, estimated according to the methodology described above.

County Pool Sales Tax

Sales tax collected on certain types of taxable transactions are allocated to a countywide pool, which is then allocated to cities in the County based on each city's pro rata share of total countywide sales tax generation. Since this allocation does not scale directly with an increase in residents or workers, but rather with changes in amount of taxable sales in the City relative to the whole County, EPS assumed that the proportion of the City's sales tax revenues coming from the County pool relative to the proportion collected from residents and workers would remain constant. In other words, the City's pro rata share of the Countywide sales tax generation would scale proportionally with spending by new residents and workers. The City's 2021 sales tax revenues from the pool were equivalent to approximately 50 percent of the estimated sales tax generated by residents and workers. Therefore, this analysis assumes that growth in the sales tax revenues collected from the pool will equal 50 percent of the sales tax generated by new residents and workers, estimated according to the methodologies described above.

Estimated Sales Tax Growth

The estimates of net new sales tax generated under each Alternative is shown in **Table 9**. Worker-generated sales tax is calculated using only on the proportion of new workers likely to commute into the City (86 percent), so as to not double-count taxable spending by residents who also work in the City. The greatest amount of net new sales tax is generated in Alternative 2, which is also the theme that adds the largest amount of new service population to the City.

Table 9 Sales Tax Estimates

Category	Estimated Growth in Sales Tax at Buildout		
	Alternative 1	Alternative 2	Current General Plan
Per Household Rate	*$181.46*	*$181.46*	*$181.46*
Per Worker Rate	*$51.84*	*$51.84*	*$51.84*
Resident-Generated	$3,295,255	$6,462,765	$1,579,763
Worker-Generated [1]	$377,550	$850,211	$454,227
County Pool [2]	$1,716,194	$3,417,139	$950,423
Business-to-Business [3]	$353,272	$795,539	$425,018
TOTAL	**$5,742,272**	**$11,525,655**	**$3,409,431**

[1] Based on proportion of growth in resident and worker-generated sales tax.
[2] Based on proportion of growth in worker-generated sales tax.

Sources: EPS

While new retail space envisioned within the alternatives will likely result in new sales tax generated to the City, the net impact of this space is not included in this analysis. This is a conservative assumption that suggests the orientation of the new space will largely serve new service population located within the City, rather than serve as a destination draw for capturing retail spending from the broader area, and its fiscal impacts are therefore captured in the above analysis.

Transient Occupancy Tax

Transient occupancy tax (TOT) will be generated by new hotel development included as part of new non-residential development. This analysis does not include any specific assumptions about

the number of new hotel rooms that will be developed. Instead, the amount of TOT collected by the City is assumed to change proportionally to the change in number of new residents and workers in the City. Given that hotel stays in the City are primarily for business purposes, this analysis assumes that 80 percent of the change in TOT will be associated with the change in the number of workers in the City, and 20 percent of the change will be associated with the change in the number of residents. The net new TOT generated by each Alternative is shown in **Table 11.**

Other Revenues

The City collects additional categories of revenues not specified above that contribute to the General Fund. These revenues include Licenses and Permits, Intergovernmental Revenues, Charges for Services, Fines and Forfeitures, Use of Money and Property, and Miscellaneous Revenue. The impact of the Themes on these revenues is estimated using service population cost factors, shown in **Table 10.** The service population for all budget items is calculated as all residents plus one-half of employees, with the exception of TOT (as described in the previous section).

Table 10 Other General Fund Revenues Categories and Revenues Per Service Population

2021/22 GF Revenue Categories	Budget Amount	Service Population [1]	Revenue per Service Population
Transient Occupany Tax	$719,525	47,550	$15.13
Licenses and Permits	$5,603,088	109,740	$51.06
Intergovernmental	$753,476	109,740	$6.87
Charges for Services	$10,361,301	109,740	$94.42
Fines and Forfeitures	$414,800	109,740	$3.78
Use of Money and Property	$1,422,133	109,740	$12.96
Miscellaneous Revenues	$896,650	109,740	$8.17
Total	**$20,170,973**		**$192.38**

[1] The service population is assumed to be 100% of residents plus 38% of City residents, except for transient occupancy tax, which is calculated as 80% of workers and 20% of residents. The service population does not include residents or employees in the City's Sphere of Influence.

Sources: City of San Marcos Adopted 2021-22 Budget; DeNovo Planning Group; EPS

The net new revenue collected from these other General Fund sources in each Alternative is shown in **Table 11.** Alternative 2 generates the highest amount of new revenues within most budget item, due to the assumption that residents generate twice as much revenue than workers.

Table 11 Other General Fund Revenue Estimates

Other General Fund Revenue Categories	Estimated Growth in Other GF Revenues at Buildout		
	Alternative 1	Alternative 2	Current General Plan
Transient Occupany Tax	$264,309	$545,963	$202,265
Licenses and Permits	$2,943,920	$5,798,734	$1,589,452
Intergovernmental	$395,884	$779,786	$213,742
Charges for Services	$5,443,935	$10,723,093	$2,939,235
Fines and Forfeitures	$217,940	$429,284	$117,668
Use of Money and Property	$747,203	$1,471,790	$403,423
Developer Fees	$5,817	$11,458	$3,141
Miscellaneous Revenues	$471,109	$927,959	$254,357
TOTAL	**$10,490,119**	**$20,688,067**	**$5,723,283**

Sources: City of San Marcos Adopted 2021-22 Budget; DeNovo Planning Group; EPS

General Fund Expenditures

This section describes the methodology and key assumptions for calculating various General Fund expenditure items. The expenditures consist of both fixed and variable costs. While fixed costs are independent of new development, variable costs are assumed to increase based on new growth in the City. Only variable costs are used to estimate General Fund expenditures in this analysis.

As with most General Fund revenues, the costs associated with each Alternative are estimated on a per service population basis. The analysis utilizes the same assumption that residents have double the impact of workers, and so the service population consists of all residents plus 38 percent of workers. The only exception is for Parks and Recreation Services, which is explained further below.

The variable budgets and cost factors for each expenditure budget item is shown in **Table 12**.

Table 12 General Fund Expenditure Categories and Costs Per Residents and Workers

2021/22 GF Expenditure Categories	Budget Amount	Percent Variable	Amount Variable	Service Population [1]	Variable Cost per Service Population
General Government	$19,323,073	20%	$3,864,615	109,740	$35.22
Development Services [2]	$6,674,139	75%	$5,005,604	109,740	$45.61
Public Works	$8,849,523	75%	$6,637,142	109,740	$60.48
Parks and Recreation	$3,599,137	75%	$2,699,353	109,740	$24.60
Public Safety	$40,893,148	75%	$30,669,861	109,740	$279.48
Total	**$79,339,020**		**$18,206,714**		**$445.39**

[1] The service population is assumed as 100% of City residents plus 38% of employees for all categories except Parks and Recreation, where the service population is assumed to be only residents. The service population does not include residents or employees in the City's Sphere of Influence.

[2] Development fees are netted out from the Development Services budget, given restrictions on their uses and level of annual variability based on development trends.

Sources: City of San Marcos Adopted 2021-22 Budget; DeNovo Planning Group; EPS

General Government

The City's General Government includes the City Council, City Manager, City Clerk, City Attorney, Human Resources, Economic Development, Finance, Information Systems, and Real Property Services. New development of the scale proposed by the Alternatives typically impacts administrative and legislative government costs by only a fraction of these department's operating budgets. As a result, EPS assumes that 20 percent of the cost of general government services are variable and will be affected by new development.

Development Services

The Development Services Department includes Planning, Building, Engineering, and Watershed Program Management. All of these divisions will be impacted by growth in population and building development. Since the analysis includes an estimate of revenue generated per service population for permits and licenses—which contribute to the Development Services budget—it assumes a variable cost of 75 percent for the Department's costs.

Public Works

This category includes costs associated with maintaining right-of-way, public infrastructure facilities, parks and landscape, streets, City buildings, flood control, storm drains, street lights, traffic signals, public parks and places, and special districts. At buildout, additional staff and equipment will be necessary to provide these maintenance services associated with increased population and employment. Public works costs are assumed to be 75 percent variable.

Public Safety

Costs in this category are related to fire protection and emergency medical services provided by the San Marcos Fire Protection District and law enforcement services provided by the San Diego County Sheriff's department. The costs include expenses for personnel as well as facilities for these services. New development will attract new residents and employees who may require additional public safety personnel and/or staff time and equipment. Total public safety costs are assumed to be 75 percent variable to reflect this increased demand for services.

Parks and Recreation

The Parks and Recreation department is responsible for providing programs and services at the City's parks and recreation facilities. The costs for parks and recreation are allocated to residents only, as these services are assumed to be used at a very low rate by workers in the City. Given that the demands for recreation programming and services will directly increase with new population, the costs are assumed to be 75 percent variable.

Total General Fund Expenditures

Total estimated net new General Fund expenditures associated with each Alternative is shown in **Table 13.** As was the case with the General Fund revenues, the largest impact on General Fund expenditures is seen in Alternative 2, where the growth in residential and worker population will be the greatest.

Table 13 General Fund Expenditure Estimates

2021/22 GF Expenditure Categories	Estimated Growth in GF Expenditures at Buildout		
	Alternative 1	Alternative 2	Current General Plan
General Government	$2,030,508	$3,999,558	$1,096,292
Development Services	$2,629,996	$5,180,388	$1,419,962
Public Works	$3,487,223	$6,868,895	$1,882,787
Parks and Recreation	$1,418,268	$2,793,608	$765,737
Public Safety	$16,114,262	$31,740,778	$8,700,253
Total	**$25,680,258**	**$50,583,227**	**$13,865,031**

Sources: City of San Marcos Adopted 2021-22 Budget; DeNovo Planning Group; EPS

Net Fiscal Impact on General Fund

Based on the assumptions and analysis described above, the annual net fiscal impact associated with the San Marcos General Plan Update land use alternatives is estimated at around $2.5-$3.1 million at buildout, as summarized in **Table 2** (shown again below). Actual fiscal impacts may vary due to the actual timing of new buildout and changes in economic and budgetary conditions.

Table 2 Annual Fiscal Impacts Summary of Net New Development at Buildout

	Alternative 1	Alternative 2	Current General Plan
Annual Growth in General Fund Revenues	***$28,220,870***	***$53,665,194***	***$16,405,808***
Property Tax	$11,988,479	$21,451,473	$7,273,094
Sales Tax	$5,742,272	$11,525,655	$3,409,431
Other Revenues	$10,490,119	$20,688,067	$5,723,283
Annual Growth in General Fund Expenditures	***$25,680,258***	***$50,583,227***	***$13,865,031***
General Government	$2,030,508	$3,999,558	$1,096,292
Development Services	$2,629,996	$5,180,388	$1,419,962
Public Works	$3,487,223	$6,868,895	$1,882,787
Parks and Recreation	$1,418,268	$2,793,608	$765,737
Public Safety	$16,114,262	$31,740,778	$8,700,253
Net Fiscal Impact of Proposed Growth	**$2,540,612**	**$3,081,967**	**$2,540,777**
% of Current GF Revenues *$77,744,631*	**3%**	**4%**	**3%**

Overall, all three Alternatives generate a net fiscally-positive result for the City, which means that more development will provide more revenues than costs and allow the City to increase its service level under the assumptions used in this analysis. The greatest fiscal benefit is associated with Alternative 2, which also represents the greatest increase in new development. This result reflects that the assumptions contained within this analysis suggest that revenues will increase at a faster rate than costs as new development and service population comes in. These assumptions reflect static, "business-as-usual" conditions, where the costs of ongoing operations and maintenance of City services do not scale up proportionally with new population. They do not take into account any new major infrastructure needs and associated costs that may result from the scale of growth projected in the Alternatives, nor do they reflect any changes to City policy that may impact the revenue or costs associated with new land uses and population. However, the positive results do reflect that there is likely some level of opportunity as growth occurs for the City to make infrastructure investments or policy adjustments that serve City goals and needs while still maintaining its fiscal health.