

CHAPTER 11

GROWTH MANAGEMENT ELEMENT

1.0 INTRODUCTION

The Growth Management Element focuses on the City's ability to accommodate growth and development, while providing an adequate infrastructure and circulation system. The Growth Management Element also focuses on ways for the City to enhance long-term revenue sources, so that the City can continue to provide its residents and businesses with the highest level and quality of services.

2.0 AUTHORITY FOR THE ELEMENT

State Government Code Section 65303 allows jurisdictions to adopt, "any other elements or address any other subjects, which, in the judgment of the legislative body, relate to the physical development of the county or city." Once adopted, an optional element carries the same legal weight as any other of the elements as required by Government Code Section 65300.5.

3.0 SUMMARY OF EXISTING CONDITIONS

This section provides an overview of existing conditions related to growth management, including public facilities and fiscal resources.

3.1 PUBLIC FACILITIES AND SERVICES

3.1.1 WATER AND SEWER FACILITIES AND SERVICES

Existing conditions for water and sewer facilities are detailed in Section 3.1 of Chapter 7, *Conservation Element*.

3.1.2 STORM DRAINAGE FACILITIES AND SERVICES

Existing storm drain conditions are detailed in Section 3.2 of Chapter 6, *Safety Element*.

3.1.3 SOLID WASTE FACILITIES AND SERVICES

Solid waste disposal facilities and programs are discussed in Section 3.3 of Chapter 7, *Conservation Element*.

3.1.4 EMERGENCY SERVICES

An existing condition discussion of emergency services is found in Section 3.3 of Chapter 6, *Safety Element*.

3.1.5 COMMUNITY/CIVIC/EDUCATIONAL/AND CULTURAL FACILITIES

The City offers a wide range of cultural, community civic and education facilities and services. Existing conditions for these facilities and services can be found in Section 3.2 of Chapter 2, *Land Use Element*, Section 3.0 of Chapter 3, *Community Design Element*, and Section 3.1 of Chapter 8, *Open Space/Recreation Element*.

3.2 FISCAL RESOURCES

3.2.1 FACTORS AFFECTING FISCAL SUSTAINABILITY

Many factors affect the performance of the Cerritos municipal budget – local needs, state legislation, national economy, etc. But two factors stand out as being significant, especially as they relate to the General Plan update process. The first is the City's stage of land use development, having now developed nearly all developable parcels. The second is the City's strategic fiscal positioning in the formative period of its development. Both factors now exert a strong influence on the fiscal performance and sustainability of Cerritos.

Cerritos completed its initial growth phase and is now a fully developed City with little available developable land. Nearly all of the City is fully developed with urban land uses and complete urban infrastructure. This means, among other things, that the City has reached a stabilized population and land use pattern. This stabilized population and land use pattern can be expected to remain into the indefinite future without significant changes in land use intensity and residential density.

There is very little vacancy in the local real estate market, indicating that homes, stores, offices and industries in the City are fully occupied. While some turnover continues, residential, retail, commercial and industrial vacancy rates are low, when space is available at all. This condition of stabilized occupancy can also be expected to prevail into the indefinite future without significant changes in the City's subregional competitiveness.

Cerritos has reached a plateau for providing new roads, public facilities, and public services to a stable population. The fiscal performance of the City will be qualitatively different now than it was when the City was rapidly growing. With a stabilized population and a physically built out city, Cerritos faces a future with more maintenance than new construction, as well as more stability than growth.

The other factor that significantly affects the fiscal performance of Cerritos is the strategic planning and programs initiated early in the City's municipal history. The formation of the Cerritos Redevelopment Agency (CRA) with favorable tax increment benefits helped provide the tools to attract major regional retail users. Most notably, these include the Cerritos Auto Square, the Los Cerritos Center and the Cerritos Towne Center.

These regional sales tax generators and the CRA tax increment revenues have provided the City with substantive, stable and long-term revenue streams. These revenue streams have provided the resources that enable the City to provide high-quality public services and public facilities. In addition, these revenue streams have enabled the City to build substantial reserves to secure future services for City residents and businesses. The high-quality of life enjoyed in Cerritos is an indication of the fiscal stability the City has so far experienced, by design.

A general high level of satisfaction was revealed in the Cerritos 2000 Community Assessment interview and focus groups of residents, business leaders and City officials. The survey indicates that there are no major concerns facing the City at this time. Some concerns were raised, but had little to do with the scope, level of quality of the public services or facilities, except roadway maintenance. The financial resources captured by the City early in its development period helped pay for many of the high-quality public services and facilities that satisfy local residents and businesses.

The fact that the City is now built out, within a fixed jurisdictional boundary, fully occupied, with a stable population, and with fully financed public infrastructure and facilities, suggests that the main concern for the City now is how to continue to sustain this high level of services indefinitely.

3.2.2 MUNICIPAL COST PROFILE

Overall municipal service costs are reflected in the budgetary expenditures of the City's General Fund budget and Redevelopment Agency budget. Both budgets had a combined total expenditure of \$146,000,000 for Fiscal Year 2000-2001 (00-01). These expenditures cover all operating and capital expenses.

The General Fund budget for Fiscal year 2000-2001 exceeded \$66,000,000 for operations and \$32,000,000 in capital projects. Similarly, the Redevelopment Agency budget is nearly \$32,000,000 with another \$15,000,000 for low/moderate income housing. The General Funding expenditures cover most of the direct public services to City residents, businesses and visitors. These include Community and Safety Services, Public Works, Community Development, Administrative Services and the Cerritos Center for the Performing Arts.

Growth in the scope and quality for public services is reflected in the growth of General Fund expenditures. General Fund expenditures were half of today's \$66 million in Fiscal Year 93-94, and half of that in Fiscal Year 88-89. Aside from inflationary increases, it is clear that the City is increasing the scope and quality of its municipal services.

Capital expenditures continue to provide high-quality public facilities, such as the Cerritos Center for the Performing Arts, Civic Center Complex, Cerritos Senior Center at Pat Nixon Park, Heritage Park and Cerritos Sheriff's Station/Community Safety Center. The \$35 million Cerritos Library, with associated civic center parking, is the newest addition to this list of extraordinary public facilities. The City is also interested in providing a museum for its residents, and in July 2001 purchased a building on the southeast corner of Bloomfield Avenue and 183rd Street for this purpose. Maintenance of streets also continues to consume capital expenditures. A street rehabilitation program is part of the City's Capital Improvement Program (CIP) to systematically maintain the City's street system.

The Cerritos Redevelopment Agency is limited in scope to mainly capital projects in the Los Cerritos and Los Coyotes Redevelopment Project Areas. The CRA also provides capital for low/moderate housing within the City. The \$32 million FY 00-01 expenditures for the CRA cover mainly government buildings, streets and highways and parks and open space. Over \$15 million will be allocated in FY 00-01 for low/moderate income housing programs in the City. Much of the work of the CRA has been already completed within the redevelopment project areas, and thus, the CRA will primarily be paying off indebtedness until the agency reaches the sunset date for each project area.

MUNICIPAL REVENUE SOURCES

The Cerritos General Fund receives revenue from several major sources. Retail sales tax is the single largest revenue source for the City, generating an expected \$24 million in FY 00-01. Revenue from interest income generated from the General Fund reserve fund amount to over \$12.5 million for FY 00-01. These two sources alone account for one-half of all General Fund revenues. Smaller sources of revenue include ground rent (\$2.8 million), property tax (\$1.5 million) and a variety of intergovernmental

transfers. It is clear that the Cerritos General Fund is critically dependent on retail sales tax and interest income from reserves. Any significant decrease in these two revenue streams has the potential to reduce discretionary monies in the General Fund and thus result in budget consolidation or tightening efforts by the City.

Tax increment revenue from each project area, interest income, property rental and lease revenues provide revenue for the CRA. These property tax based revenue streams amounted to \$19.7 million in FY 00-01. However, both redevelopment project areas are expected to terminate between 2011 and 2016, with a possible extension to 2020 and 2025. Much of the CRA revenue is obligated to pay back outstanding development bonds. Aside from low/moderate income housing allocations, the CRA has limited borrowing capacity to finance major capital improvements at this time.

The City is fortunate to have a continuing stream of retail sales tax and a huge reserve from which it can draw interest income. Retail sales tax revenues to the City increased from \$14 million in 1990 to \$24 million in FY 00-01. Interest income has grown from \$10.2 million in 1990 to \$12.5 million today. Similarly, ground rent income has increased from \$0.5 million to \$2.9 million. Tax increment revenues have increased from \$14.3 million a decade ago to \$19.7 million in FY 00-01. These growth rates have helped the City finance the growing scope and level of public services and facilities.

BUDGET SUSTAINABILITY

From the review of existing fiscal resources, it is evident the City and CRA budget are fiscally sustainable, though highly dependent on retail sales tax revenue. The retail sales tax and interest income revenue streams to Cerritos have helped create the City's extraordinary fiscal stability. The establishment of retail sales tax revenue streams, the formation of a CRA, the formation and maintenance of a reserve fund, and the near completion of capital projects will allow Cerritos to enjoy fiscal stability indefinitely, under current conditions.

The City's fiscal stability is largely dependent, however, on a number of factors. Any significant decrease in the retail sales tax and interest income streams of revenue could limit the amount of resources available to maintain the City's high level of public services and facilities. Similarly, any significant increase in new capital expenditures for public facilities could reduce the amount of the reserve fund, weakening interest income. Finally, any significant expansion in the scope and level of public services may trigger deficit financing from the reserve fund also. Thus, any significant changes to future revenue streams or expenditures may jeopardize the fiscal sustainability Cerritos now enjoys.

4.0 PLANNING FACTORS, GOALS AND POLICIES

INFRASTRUCTURE SYSTEMS AND SERVICE

Planning Factor

The City's infrastructure systems must be expanded, improved and regularly maintained to meet both existing and future needs. The City's built out nature increases the likelihood of potential impacts of new development on infrastructure systems. As new development occurs, ensuring adequate infrastructure is provided should be of particular concern to the City. The City must make every effort to ensure infrastructure and services meet the needs of existing development and provide necessary improvement to meet the needs of future development. The City's infrastructure includes water, sewer, storm drainage, energy, communication, fiber optic and other systems.

Goal GM-1 *Water and sewer service shall be adequate to meet the health and safety needs of residents and businesses in Cerritos.*

Policies GM-1.1 Ensure new development pays its fair share of costs associated with providing adequate water and sewer service.

GM-1.2 Consider the requirement of new development paying its fair share of costs of extending reclaimed water system throughout the City.

GM-1.3 Continue to maintain, improve and replace aging water and sewer systems to ensure the provision of these services to all areas of the community. To this end:

- Continue to evaluate existing facilities and set priorities identifying the most needed improvements;
- Continue to evaluate infrastructure along those streets scheduled for reconstruction or improvements. When infrastructure improvements are necessary, include those improvements as part of the street improvement or reconstruction project.

GM-1.4 Ensure that water and sewer infrastructure systems are adequate to accommodate any intensification of

uses, as well as existing uses, particularly as development intensifies and/or redevelopment occurs in the City.

Goal GM-2 *Ensure storm water conveyance systems are adequate.*

Policies GM-2.1 Ensure that new development provides sufficient analysis of potential drainage impacts.

GM-2.2 Ensure that new development pays its fair share of costs of expanding or upgrading storm water facilities and/or services.

GM-2.3 Ensure that storm water conveyance systems are adequate to accommodate any intensification of uses, as well as existing uses, particularly as development intensifies and/or redevelopment occurs in the City.

GM-2.4 Continue to periodically review and recommend changes, as appropriate, to the Los Angeles County Department of Public Works for the Storm Drainage Master Plan for Los Angeles County.

Goal GM-3 *Provide continued solid waste services to residents and businesses.*

Policy GM-3.1 Ensure residents and businesses contribute to costs for solid waste services.

Goal GM-4 *Promote and provide state-of-the-art energy, communication, fiber optic and other systems that meet the needs of the community.*

Policies GM-4.1 Work with the providers of the energy, communication, fiber optic and other systems in Cerritos to maintain, improve, expand and replace, when necessary, these systems throughout the City. To this end, the City should inform system providers of roadways projects requiring the reconstruction of streets, so that the providers may evaluate their infrastructure systems to determine if improvements are necessary and could be made during the street improvement or reconstruction project.

GM-4.2 Encourage the provision of energy, communication, fiber optic and other systems that are adequate to accommodate any intensification of uses, as well as existing uses, particularly as development intensifies and/or redevelopment occurs in the City.

Related Goals and Policies: Refer to Goal CON-2 and Policy CON-2.1 in the Conservation Element, which addresses the City's desire to ensure an adequate energy supply to the community.

POLICE, FIRE AND MEDICAL SERVICES

Planning Factor

Safety from crime and urban fires, and readily available medical facilities is a primary concern for the City. Cerritos is committed to ensuring the safety of the community from crime, such as graffiti, burglary or assault, and minimizing the risks to both residents and workers from urban fires. In addition, the City seeks to ensure that adequate medical facilities are readily available within the City limits. As of 2002, no hospitals or emergency care facilities operated within the City, forcing residents and workers to drive to neighboring cities to receive emergency medical care.

Goal GM-5 *Provide a high level of emergency services including, sheriff, fire and medical for residents.*

Policies GM-5.1 Provide periodic reviews of emergency response times to ensure existing staffing and facilities meets demand.

GM-5.2 Coordinate with Los Angeles County Sheriff's Department and Los Angeles County Fire Protection District to ensure a continued level of services to meet the needs of the community.

GM-5.3 Encourage the development and operation of medical facilities, including emergency care facilities, medical offices, and hospitals, within the City.

TRANSPORTATION AND CIRCULATION IMPROVEMENTS

Planning Factor

As future development is reviewed, it is important to consider their impacts on the local road system. Therefore, to consider potential impacts, it is important to consider the relationship between new development and transportation system improvements to ensure a balance between development levels and the capacity of the transportation system.

Goal *GM-6* *Provide adequate transportation and circulation system to meet the needs of residents and businesses in Cerritos.*

Policies *GM-6.1* Ensure that new development shall contribute its share of transportation and circulation costs.

GM-6.2 Ensure that all future development is consistent with the City's adopted Capital Improvement Program.

GM-6.3 Ensure that all future development's transportation and circulation impacts are properly mitigated.

GM-6.4 Coordinate with regional transportation authorities to ensure compliance with regional strategies.

Related Goals and Policies: Refer to Goal CIR-8 and its associated policies in the Circulation Element, which address the need for a public transportation system to serve the needs of the community.

COMMUNITY, CIVIC, EDUCATIONAL AND CULTURAL FACILITIES

Planning Factor

Cerritos takes great pride in providing the community with an extraordinary level of community facilities. Through continual evaluation of community needs and through public participation, Cerritos should continue to provide the high-quality community services residents enjoy.

Goal *GM-7* *Provide extraordinary public facilities, including libraries, schools, civic facilities and cultural facilities.*

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| Policies | GM-7.1 | Continually assess community needs for civic and cultural facilities and services. |
| | GM-7.2 | Ensure that private development contributes financially to the quality of the civic, educational and cultural environment. |
| | GM-7.3 | Explore the potential of developing a Community Theater in cooperation with the ABC Unified School District. |

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FISCAL SUSTAINABILITY

Planning Factor

In order to continue to provide the highest level of services to the community and continue to provide for adequate infrastructure to meet the needs of new development, sustainable long-term revenue sources are needed, particularly as the fiscal benefits associated with the City's two redevelopment project areas come to a close in the near future. The ability of the City of Cerritos to adequately maintain reliable sources of revenue will be critical in ensuring that the high-quality of services continues in the future.

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| Goal | <i>GM-8</i> | <i>Ensure Cerritos continues to provide a reliable and sustainable fiscal resource to fund municipal operations to ensure high-quality public services and facilities.</i> |
| Policies | GM-8.1 | Investigate new opportunities for broadening the retail sales tax base. |
| | GM-8.2 | Support legislation designed to protect sales tax revenue from other methods of distribution (i.e., per capita distribution) and State acquisition. |
| | GM-8.3 | Promote the development and/or redevelopment of commercial retail facilities on vacant and/or underutilized properties within the City. |
| | GM-8.4 | Provide incentives to attract additional high-quality restaurants to the City. |
| | GM-8.5 | Assist local merchants and/or property owners that wish to revitalize older businesses or shopping |

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centers through various strategies such as establishing business improvements districts.

Goal GM-9 *Promote the generation of additional transient occupancy tax revenues.*

Policies GM-9.1 Encourage the expansion of existing overnight facilities.

GM-9.2 Identify potential sites for new overnight accommodation facilities.

Goal GM-10 *Develop new sources of land rent revenue.*

Policies GM-10.1 Investigate the potential for creating an Economic Development Corporation as a means to acquire property, develop property and issue use rights.

GM-10.2 Investigate the potential for creating other government entities, such as business improvement districts, to promote the generation of new land rent revenues.



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