



Staff Report

TO: City Council
FROM: Robert L. Vestal, Public Works Director
DATE: December 3, 2024
SUBJECT: Potrero Extension Benefit Area

Description Discussion on the infrastructure needed to support future development within the Potrero Extension Benefit Area.

Background and Analysis:

City staff is seeing significant interest in development occurring west of Pennsylvania Avenue and south of I-10. The area is referred to as the Potrero Extension Benefit Area due to the need for Potrero Blvd to extend east to support the proposed projects. Most of the proposed development occurs outside the City boundary and is requesting to annex into the City. The following is a list of some of the projects in the pre-entitlement and entitlement phases:

- Lilac Logistics - Industrial Facility (158,112 SF)
- Inland Harbor – 5 Industrial Buildings (1,145,183 SF)
- Orbis Beaumont Heights - 5 Warehouse Buildings (5,275,306 SF)
- 79 North – Warehouse Facility (404,200 SF)
- Beaumont Hills Commerce Center - Industrial development (204.7 AC), Commercial Development (36.8 AC), Employment District (23.9 AC), Traditional Neighborhood (64.8 AC), and Public Facilities (20.8 AC)
- Project Mustang – Warehouse Building (457,444 SF)
- Potrero Interchange Industrial Warehouse – Warehouse (577,920 SF)
- Legacy Highlands – Industrial (12,192,480 SF), Commercial (134,200 SF)

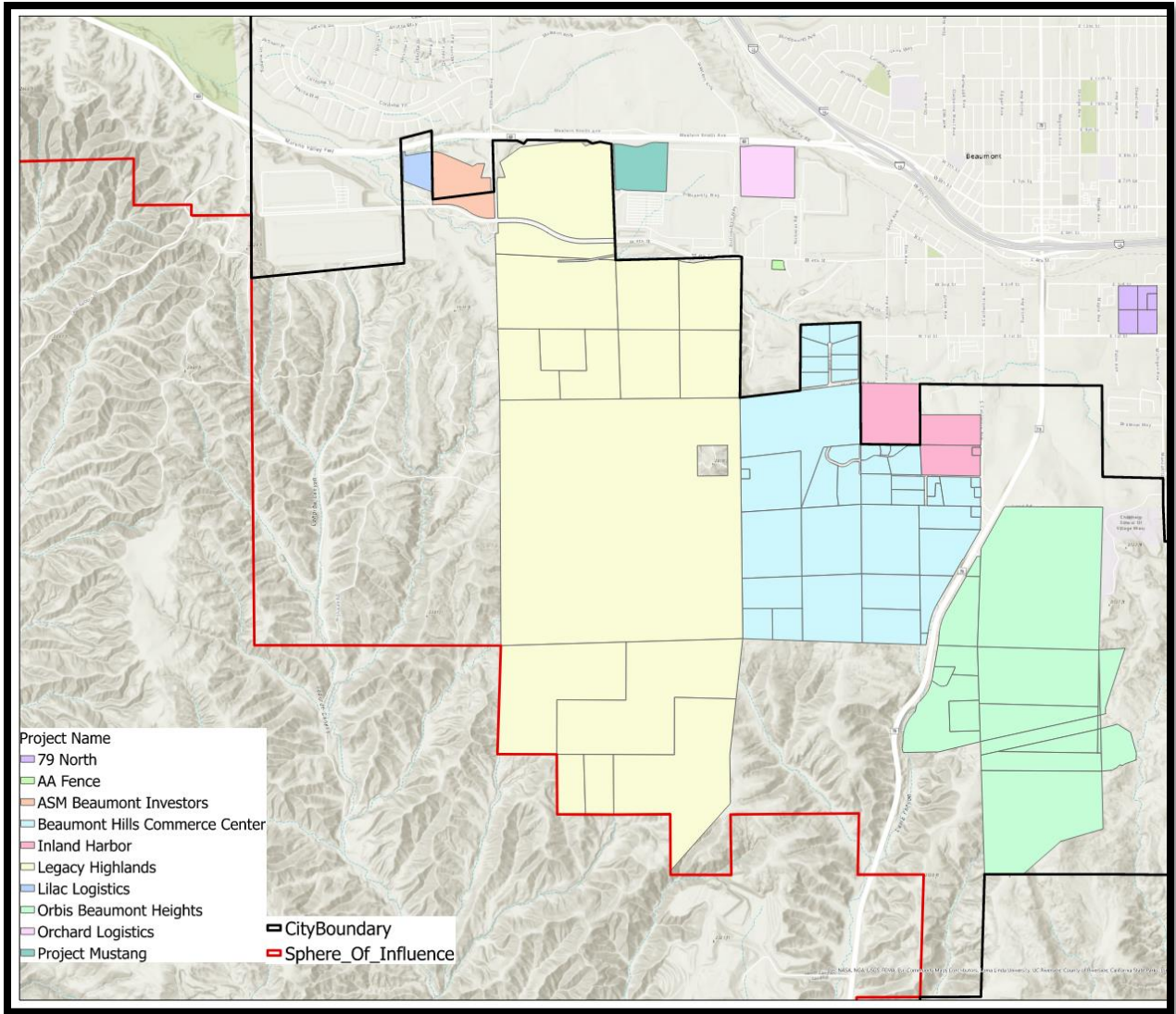


Figure 1 - Potrero Extension Benefit Area (Proposed Development)

There is very little infrastructure within the Potrero Extension Benefit Area capable of supporting major development. Currently, each project is submitting an entitlement package and proposing infrastructure that only benefits the individual project and does not consider the development of the area. The City’s 2040 General Plan - Mobility plan provides an illustrative road network in the influence area but is not sufficient to provide a cohesive master plan. Similarly, the Sewer Master Plan does not consider this area with enough detail to develop an optimized sewer network and strategic lift stations.

NEXUS STUDY

City staff engaged Fehr and Peers, using on-call services, to perform a focused nexus study and infrastructure delivery plan for the Potrero Extension Benefit Area. The study will consider roadway alignments, connection points, cost estimates, and other factors

to ensure the area's efficient development. The Nexus study will also identify the rough proportionality of the fee to the developments contributing to facility needs.

Similarly, Wastewater is currently advertising for a focused sewer study to optimize sewer facilities and lift station locations.

Having master-planned facilities for streets and sewers will enable staff to ensure that each project proposes the appropriate facilities in the appropriate locations. Below is an exhibit showing a conflict in street alignments due to a lack of cohesive master-planned facilities.

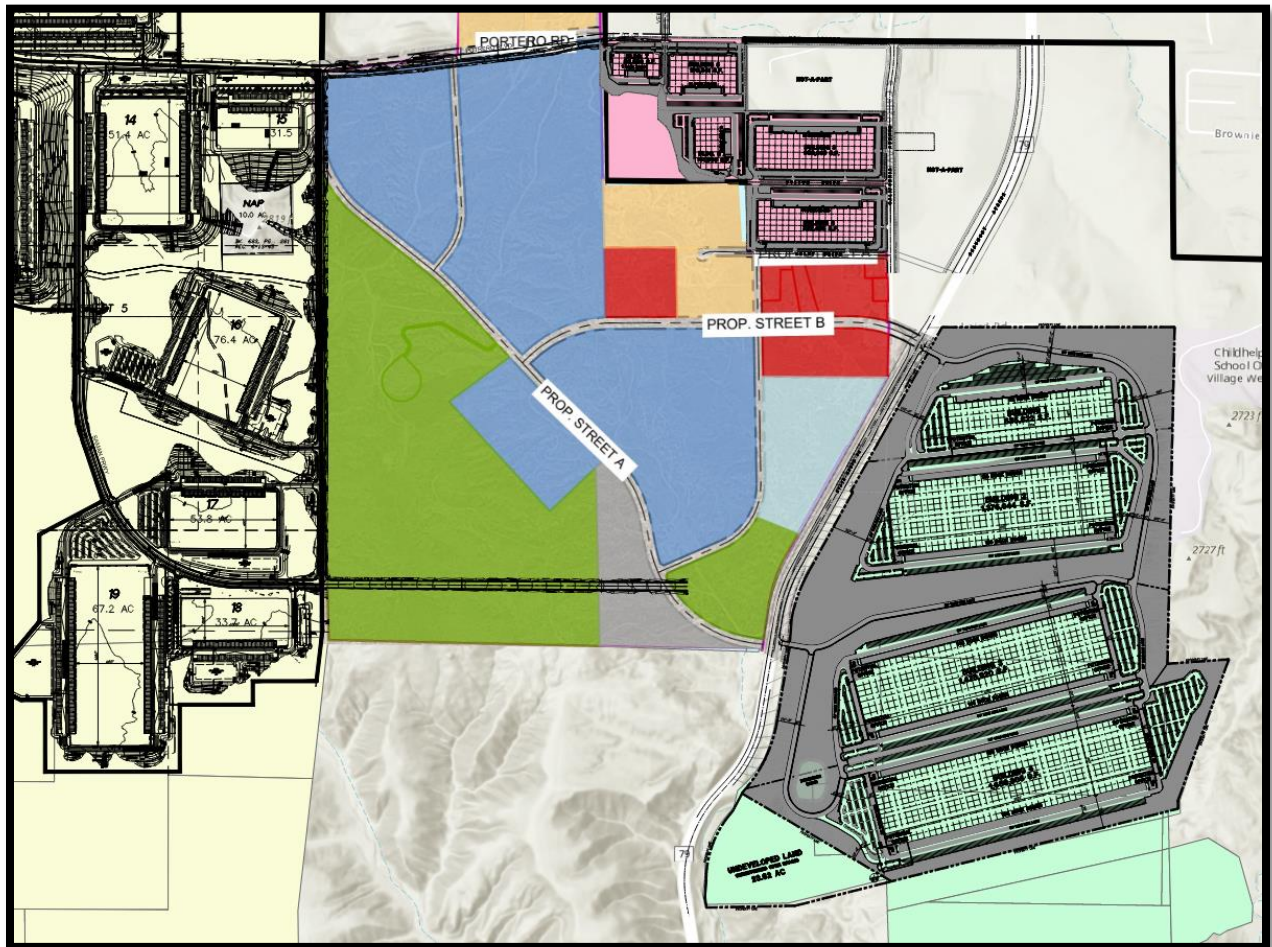


Figure 2 - Road Alignment Conflict

FUTURE FUNDING

In addition to providing cohesive master-planned facilities, City staff is exploring options to fund the design and construction of the facilities. The intent is to have development or the City design and construct entire backbone facilities. City staff will bring a future item to discuss the options and obtain direction.

Fiscal Impact:

The estimated cost to prepare this staff report is \$1,500.

There is no fiscal impact associated with this item.

Recommended Action:

Receive and file.

Attachments:

- A. Industrial Projects Exhibit
- B. Industrial Projects with Infrastructure Overlay Exhibit
- C. Nexus Study Scope and Fee