TO: JAMES L. APP, CITY MANAGER

FROM: ROBERT A. LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: FISCAL IMPACT ANALYSIS OF THE 2003 GENERAL PLAN UPDATE

DATE: DECEMBER 2, 2003

Needs: For the City Council to: (1) receive a presentation from David Taussig, President of David A. Taussig & Associates, on the City's Fiscal Impact Analysis Model, including its findings and (2) accept public comments, questions, and input on the Fiscal Impact Analysis Model; and (3) receive and file the report and input received.

Facts:

1. Development of a Fiscal Impact Analysis Model for the City was included as a part of the 2003 General Plan Update program.

2. David A. Taussig & Associates (DTA) was retained in order to develop a Fiscal Impact Analysis Model for the City. Mr. Taussig was selected to perform this work for the City on the basis of his background and familiarity with developing Fiscal Impact Analysis Models.

3. A Fiscal Impact Analysis looks at the cost of providing services in comparison to revenues generated. (It does not relate to infrastructure funding which is addressed through Development Impact Fees.)

4. Fiscal Impact Analysis Models analyze and compare the costs of providing services to alternative land use densities, mixes of land uses, and development patterns (compact versus more spread-out).

5. The analysis also identifies the new cash flow to the City that would accrue as a result of the type and mix of development envisioned.

6. Attached to this staff report is a Fiscal Impact Summary (Summary) of the land use alternatives under review/consideration as part of the 2003 General Plan Update.

7. The Summary includes a review of:

   - Background information on the Fiscal Impact Analysis Model,
   - The Fiscal Impact Analysis Model assumptions,
   - The Fiscal Impact Analysis performed, and
   - The conclusions reached in terms of the fiscal effect (positive or negative) for each build-out projection analyzed (Minimum, Moderate, and Maximum Growth).

Analysis &

Conclusions: <u>Purpose of the Fiscal Impact Analysis Model</u>

The Model's purpose is to provide information on the recurring revenues and costs associated with new development. The significance of this type of analysis is to determine whether development is fully paying for all of the services that are being provided on its behalf by the City.

A positive fiscal balance provides the City Council with the opportunity to consider the following options:

- Allocation of the revenues to unfunded capital improvement projects;
- Allocation of the revenues to unfunded and/or under-funded City services;
- Increasing the level of service provided by the City; or
- Any combination of the above options.

<u>Assumptions of the Fiscal Impact Analysis Model</u>

As an information tool, the Model provides its findings based on the City's existing budget and the existing formulas for distributing sales tax and property taxes to the City. For the purpose of analysis, the Model assumes that the relationship between costs and revenues will not change, and the projections use year 2003 dollars.

Although there are strong indications that market forces will continue to support residential development, commercial and industrial development is not as predictable and a positive fiscal balance depends upon commercial and industrial development. Further, the location of commercial development (e.g. the focus on continued revitalization of the Downtown Area) is a strategic issue for the City and should be considered in any proposal to locate new commercial development.

The nature of some of the projected commercial projects, including retail and hotels, is that some of the projects may not get financed and may not get built. For example, the City has about nine (9) hotel projects that either have been approved, are pending applications, or are under discussion. Although the model, for the purpose of analysis, projects all of these projects as eventually being developed, in reality some may not be implemented. For that reason, it would be prudent to seek fiscal neutrality for new residential development, because there may not be adequate commercial development to off-set the costs of providing services to residential development.

While the Model assumptions have been fixed for the purposes of this Analysis, the Model can be changed as new information becomes available, as costs and revenues change, and as the City budget changes.

Since a positive fiscal balance is necessary to provide resources to address capital project funding and maintenance/enhancement of City services (and service levels), an analysis focused solely on the fiscal effect of residential development (with no additional commercial and industrial development) has been performed for proposed annexation areas. This was done to provide a "worst case" perspective for review and consideration as part of the Public Hearing Process on the 2003 General Plan Update.

<u>Overview of the Fiscal Impact Analysis Model Findings/Results</u>

According to DTA, build-out of the existing City with a combination of new residential and non-residential development provides the best opportunity for the City to cover its cost of providing services. The level of service does, however, make a difference between a positive fiscal balance or deficit. The results of the fiscal impact analysis of each build-out projection/land use alternative is identified in Figure 4 of the attached DTA Summary.

<u>Existing City Build-out</u> -- Build-out within the existing City boundaries, based on the land uses envisioned in the maximum development alternative, creates a positive fiscal balance that varies from $3,330,110 to $4,649,899 per year depending on the particular level of City services provided (high, medium, or low).

<u>Annexation Area Build-out</u> -- The deficit from build-out of the potential annexation areas varies from $2,207,542 to $1,795,153 per year depending on the particular level of City services provided.

<u>Total Build-out (Existing + General Plan + Annexation)</u> – There is a positive fiscal balance for total build-out at any of the levels of service evaluated (high, medium, or low). For a high level of service at total build-out, the fiscal effect on an annual basis would be $1,122,569. ($2,107,032 for a medium service level and $2,854,746 for a low level of service).

These findings and the others reviewed in the attached Summary are provided as input to consideration of the 2003 General Plan Update. The Draft 2003 General Plan Update establishes standards for the City services provided and further establishes a City policy of fiscal neutrality for development of potential annexation areas and specific plan areas.

Mitigation of negative fiscal impacts from annexation and specific plan areas can take a number of forms, including formation of Community Facilities Districts, assigning maintenance responsibility to homeowners associations, developer payment of endowment fees, or some combination of options.

The Model is designed to be refined as more current information becomes available, including new budgets and legislative changes to City revenues. For example, in response to the request of one of the members of the General Plan ad hoc Committee, DTA did an analysis of the so called "triple flip" proposal that is pending before the State of California.

The Model findings, however, provide useful information for consideration of:

- Selection of the approximate mix and density of land uses within the City and potential annexation areas;

- Formulation of policies related to fiscal impacts,

- Establishment of priorities and identification of possible funding sources for required capital improvement projects, existing/revised City services, and levels of services provided.

In closing, the purpose of this staff report is to provide information on the possible fiscal effects associated with development and to preview several of the options available for ensuring a balancing of revenues with costs.

Policy Reference: Paso Robles General Plan, Paso Robles Budget

Fiscal Impact: The estimated fiscal impact attributable to each land use alternative under review/consideration as part of the Draft 2003 General Plan Update is identified in Figure 4, Total Surplus/(Deficit) of the attached DTA Summary.

Options: At the conclusion of the public discussion, the City Council is requested to take one of the actions listed below:

a. Receive and file the information presented.

b. Amend, modify or reject the foregoing option.

Attachments:

Summary of conclusions of General Plan Fiscal Impact Analysis, November 11, 2003

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FISCAL IMPACT SUMMARY
CITY OF PASO ROBLES
GENERAL PLAN ALTERNATIVES

November 11, 2003

FISCAL IMPACT SUMMARY
CITY OF PASO ROBLES
GENERAL PLAN ALTERNATIVES

<u>Prepared For</u>

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EXECUTIVE SUMMARY

BACKGROUND

This executive summary describes a series of analyses of the potential fiscal impacts to the City of Paso Robles (the "City") expected to result from the future development of currently undeveloped and underdeveloped areas within the existing City limits and the proposed annexation areas under consideration as of October 14, 2003 as part of the 2003 General Plan Update. In preparing these analyses, David Taussig & Associates, Inc. ("DTA") relied on information provided by Rincon Consultants on the proposed General Plan Land Use Alternatives that are being reviewed and considered by the City. The fiscal analyses performed by DTA also used information from the City's 2003-04 Operating Budget (which has been reviewed for accuracy by the City's Administrative Services Director), as well as a series of interviews and discussions with the City's department heads.

PROJECT DESCRIPTION

DTA used three different approaches to project the fiscal impacts of new development on the City's General Fund.

- Evaluate fiscal impacts of buildout in accordance with the proposed General Plan within the current City boundaries (infill);
- Evaluate the fiscal impacts of buildout for just the proposed annexation areas;
- Evaluate the combination of infill and annexation development.

The first set of evaluations are based on anticipated future development within the existing City limits ("Buildout of Existing City"). Buildout of Existing City is expected to encompass 5,447 dwelling units and 4,525,825 building square feet of nonresidential development, with a total of 14,706 new residents and 8,565 new employees. Also, 968 new hotel rooms are expected to be constructed within the existing City limits by buildout.

The second set of evaluations focus on future development projected for all undeveloped land outside the existing City limits, but within the City's Sphere and expansion areas ("Buildout of Sphere & Expansion Areas"). Development within the potential annexation areas is expected to include 1,702 new dwelling units constructed on 509 newly annexed residential acres, but no nonresidential development. Buildout of Sphere & Expansion Areas is also expected to generate 4,595 residents, but no new employees. (There may be neighborhood commercial land uses provided but the amount and number of employees would not be significant.)

The third set of fiscal impact evaluations encompass future development on all undeveloped land both within the City's existing boundaries and within the City's Sphere and expansion areas ("Total Buildout"). The total development potential of the Draft 2003 General Plan Update is expected to include 7,149 new dwelling units, 4,525,825 building square feet of nonresidential development and 968 hotel rooms. The Total Buildout scenario is expected to generate 19,302 new residents and 8,565 new employees.

SCOPE AND METHODOLOGY

The fiscal impacts identified in this report include recurring municipal revenues and costs to the City that result from future development of currently undeveloped or underdeveloped properties. City revenues are generated from a variety of taxes, license and permit fees, fines, and other revenue sources, as listed in Figure 1. City expenditures are associated with a variety of services, such as police protection, fire protection, public works services, general government costs, community development costs, library costs, and recreation services.

Fiscal impacts have been estimated based on the level of development expected to have occurred by the year 2025, as assumed in the General Plan Alternatives. However, all fiscal projections are stated in constant / uninflated 2003 dollars, based on the assumption that the impacts of inflation on City revenues and costs will be identical through 2025.

The methodology employed in estimating the fiscal impacts for the analyses involved a combination of *Case Study* and *Per Capita Multiplier* methods for various cost and revenue categories, as formulated by City staff and DTA in the development of the fiscal impact model that provides the foundation for this analysis.

The three different approaches assuming buildout within the City, buildout outside the City, and the combined total buildout (as discussed above) were each analyzed at three separate levels of service for both police and fire protection (i.e., high, medium and low service levels). Specifically, high levels of service for police and fire protection were, respectively, 1.6 officers and 1.3 firefighters per thousand residents, and medium levels of service for police and fire protection were, respectively, 1.5 officers and 1.0 firefighter per thousand residents. Low levels of service for police and fire protection were, respectively, 1.4 officers and 0.8 firefighters per thousand residents.

CONCLUSIONS OF THE FISCAL IMPACT ANALYSES

Figures 4, 5, 6 and 7 depict the surplus/(deficit) of each buildout projection that was analyzed. The Buildout of Sphere & Expansion Areas analyses were characterized by the highest deficit levels, as a result of the fact that this scenario consists exclusively of residential development. As retail development generates direct sales tax, which is the largest source of City revenues, the absence of this type of development for a particular buildout projection causes the City General Fund to experience a negative fiscal impact, no matter what level of service is provided. For example, assuming that the City adopts high levels of service, Buildout of Sphere and Expansion Areas creates a deficit of services costs versus City revenues of $2,207,542 per year. The annual deficit per dwelling unit for this scenario is forecasted at $1,297 per year.

On the other hand, the best performing analysis from a fiscal impact perspective is the Buildout of Existing City, in which a combination of new residential and nonresidential development would generate a surplus for each level of service evaluated (high, medium and low). For example, based on low levels of service, the total surplus generated for the City under Buildout of Existing City is estimated at $4,544,842 per year. Please note that this buildout projection assumes the successful development of 2,906,529 square feet of retail space and 968 new hotel rooms. As new residential development by itself would generate a deficit projected at $663 per dwelling unit, the Buildout of Existing City would also create a deficit without retail and hotel development. However, the deficit per dwelling unit is lower for all three levels of service for the Buildout of Existing City versus the Buildout of Sphere and Expansion Areas as a result of limitations established by the County on the property tax revenues apportioned to the City under all future annexations.

The Total Buildout includes both the deficit from the Buildout of Sphere & Expansion Areas and the surplus from the Buildout of Existing City, so it provides a middle ground for the City's fiscal future. The Total Buildout creates a surplus of $1,017,512 per year with high levels of service, a surplus of $2,001,975 with medium levels of service, and a surplus of $2,749,689 with low levels of service.

It is important to note that the costs associated with residential development may be somewhat overstated in these analyses because all police and fire protection costs were calculated based on the number of residents generated, and therefore were exclusively assigned to residential development. Should a share of these costs be apportioned to non-residential development, the positive fiscal impacts of future non-residential development would be reduced, while the fiscal impacts of future residential development on the City would be less negative than indicated herein. Also, these analyses assume that the City's current basic revenue and cost structures will remain the same indefinitely (e.g., assumes that Motor Vehicle In-Lieu Fees will not be reduced or eliminated, assumes that the "triple-flip" proposal regarding property tax and sales tax revenues will not be implemented, and assumes no changes in current laws). Finally, the expectation of 968 hotel rooms is expected to generate almost $2.5 million in revenues for the Existing City and Total Buildout analyses. The relaxation of this assumption has a significant effect on the overall results for the Existing City and Total Buildout scenarios.

AB 7X and AB1766, otherwise known as the "Triple Flip" legislation, require that cities give up .5% of sales tax in their jurisdictions (1/2 of the sales tax they would receive without the legislation) to the State in exchange for an equal share of property tax. The Triple Flip allows cities to recoup their loss in sales tax via a State backfill property taxes that would ordinarily be directed to school districts as part of the Educational Revenue Augmentation Fund ("ERAF"). The provisions of the Triple Flip are expected to continue until all outstanding bonds/ancillary obligations issued to cover the State's current budget deficit have been paid/retired. The legislation will become effective in July, 2004; preliminary estimates of the effective window of this legislation are approximately five years. Unfortunately, there are concerns that due to the magnitude of the State's deficit, the State may unilaterally decide not to backfill local agencies, thereby causing a net loss to these agencies equal to one-half of their sales tax revenues. Figure 8 compares the total surplus/(deficit) for Existing City Buildout, Sphere & Expansion Buildout, and Total Buildout at medium levels of service assuming the scenario under which the State backfills 100% of the sales tax owed for reimbursement versus the scenario under which the State defaults on its backfill. Total Buildout and Buildout of Existing City stand to lose approximately $2.8 million per year if the State defaults; Buildout of Sphere and Expansion Areas only stands to lose approximately $62,000 per year if the State defaults, due to the lack of retail development planned for these areas. Please note, however, that this legislation is expected to be effective for only five years, whereas buildout is expected to occur in 2025. Therefore, if the State does default, the negative fiscal impacts of the Triple Flip will only affect the City for a five-year period.

A sample of the fiscal impact model for the Total Buildout – Medium Levels of Service is attached to this summary report to illustrate the factors utilized in the analyses.

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FIGURES 1-8

Fiscal Impact Analyses

FIGURE 1
City of Paso Robles

Recurring City Revenues

- Secured Property Tax
- Unsecured Property Tax
- Property Transfer Tax
- Sales Tax
- Safety Sales Tax
- Transient Occupancy Tax
- Franchise Fee Revenue
- Business License Revenue
- Licenses, Permits & Fines
- State Revenue
- Gasoline Tax / Traffic Congestion Relief
- Miscellaneous Revenue
- Investment Income Revenue

Recurring City Costs

- Police Protection
- Fire Protection
- Public Works
- General Government
- Community Development
- Library
- Recreation Services

FIGURE 2 – REVENUES FOR TOTAL BUILDOUT: MEDIUM LEVELS OF SERVICE

City of Paso Robles

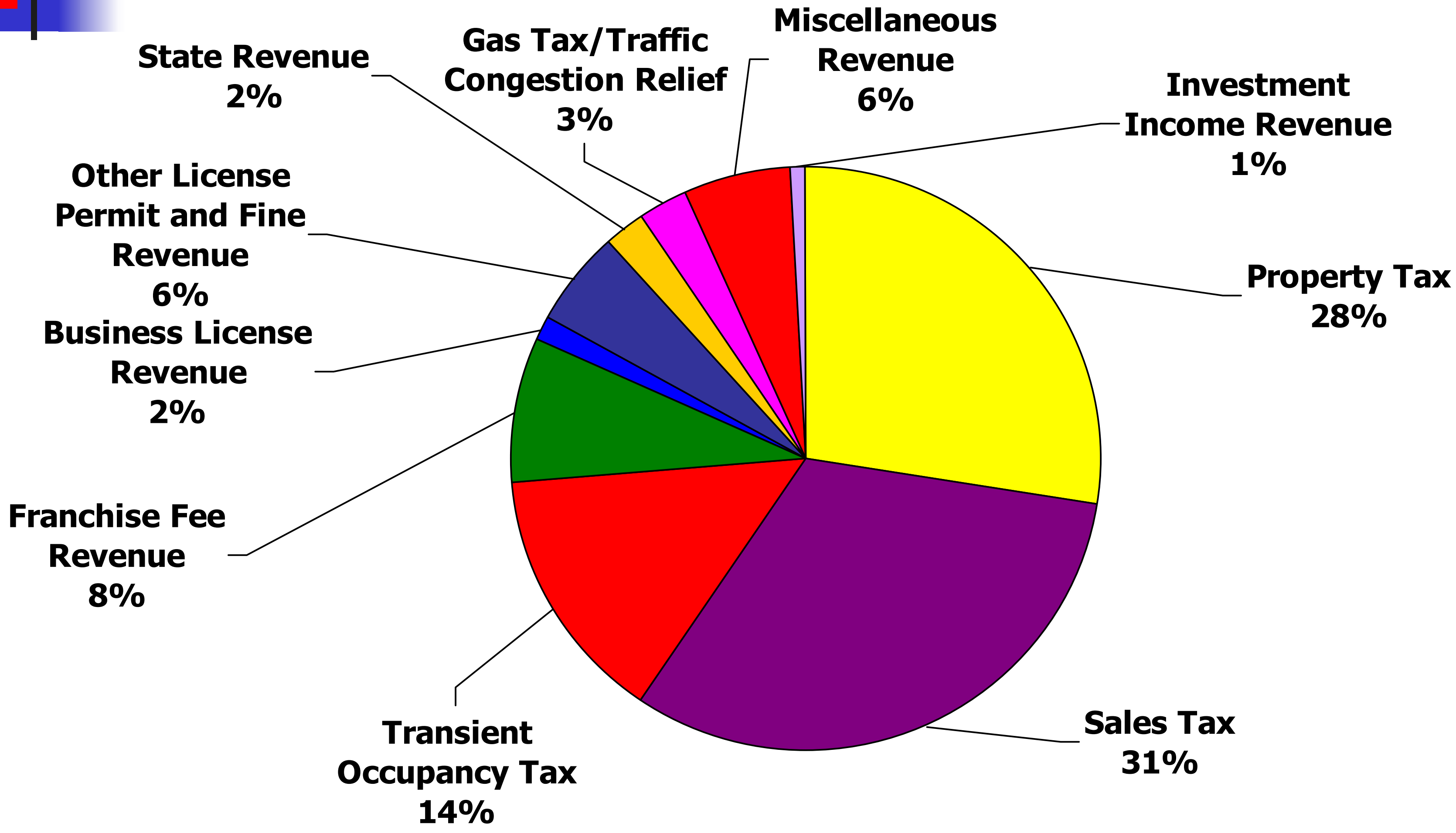


FIGURE 3 – COSTS FOR TOTAL BUILDOUT: MEDIUM LEVELS OF SERVICE

City of Paso Robles

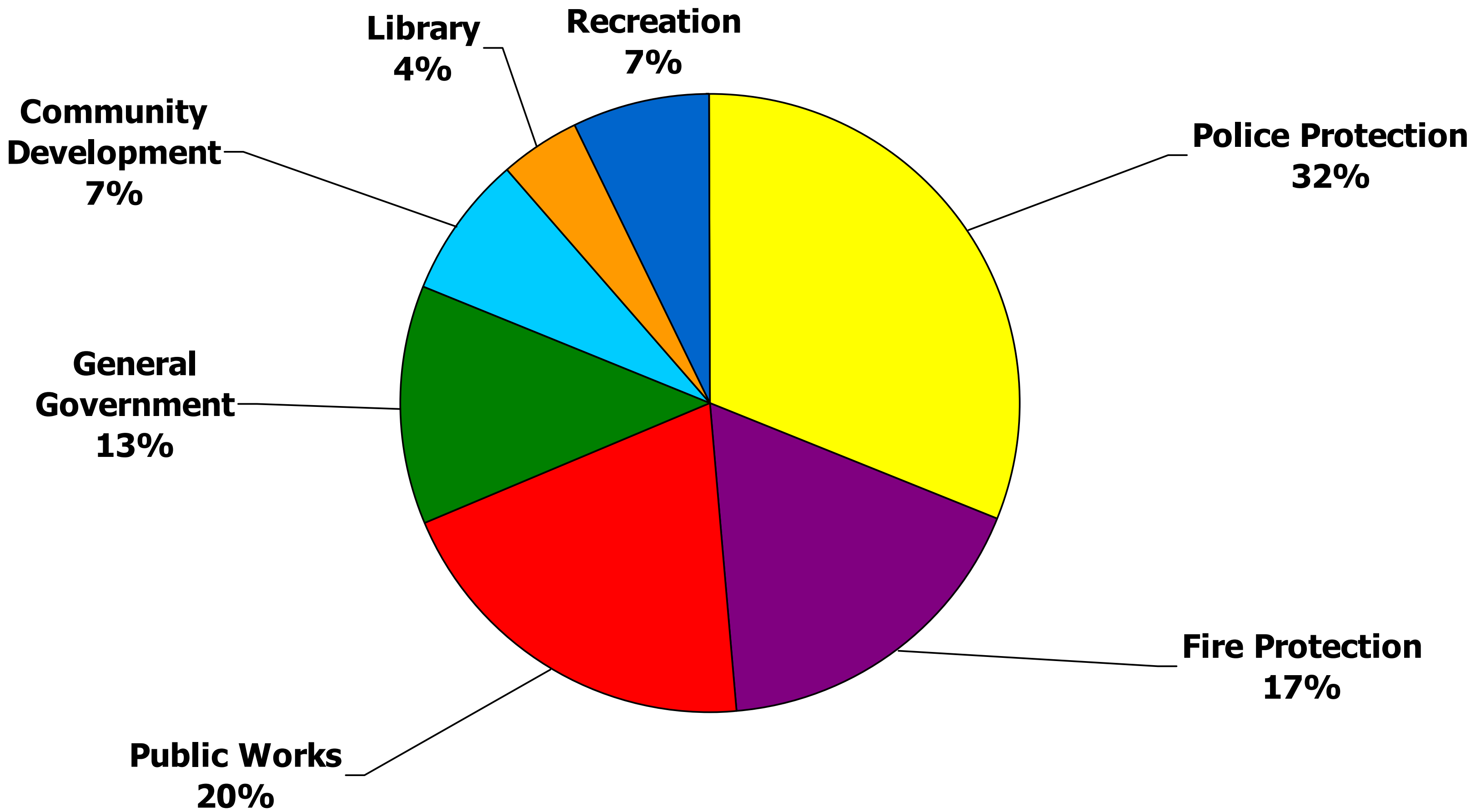


FIGURE 4 – TOTAL SURPLUS/(DEFICIT)
City of Paso Robles

LEVELS OF SERVICE

LAND-USE SCENARIOS

	High	Medium	Low
Existing City Buildout	$3,225,053	$3,975,140	$4,544,842
Sphere & Expansion Buildout	($2,207,542)	($1,973,165)	($1,795,153)
Total Buildout	$1,017,512	$2,001,975	$2,749,689

FIGURE 5 – DEFICIT PER DWELLING UNIT/1

City of Paso Robles

LEVELS OF SERVICE

LAND-USE SCENARIOS		High	Medium	Low
	Existing City Buildout	($905)	($767)	($663)
	Sphere & Expansion Buildout	($1,297)	($1,159)	($1,055)
	Total Buildout	($1,000)	($862)	($758)

1. Does not consider the surplus generated by non-residential development.

FIGURE 6 – TOTAL SURPLUS/(DEFICIT)
City of Paso Robles

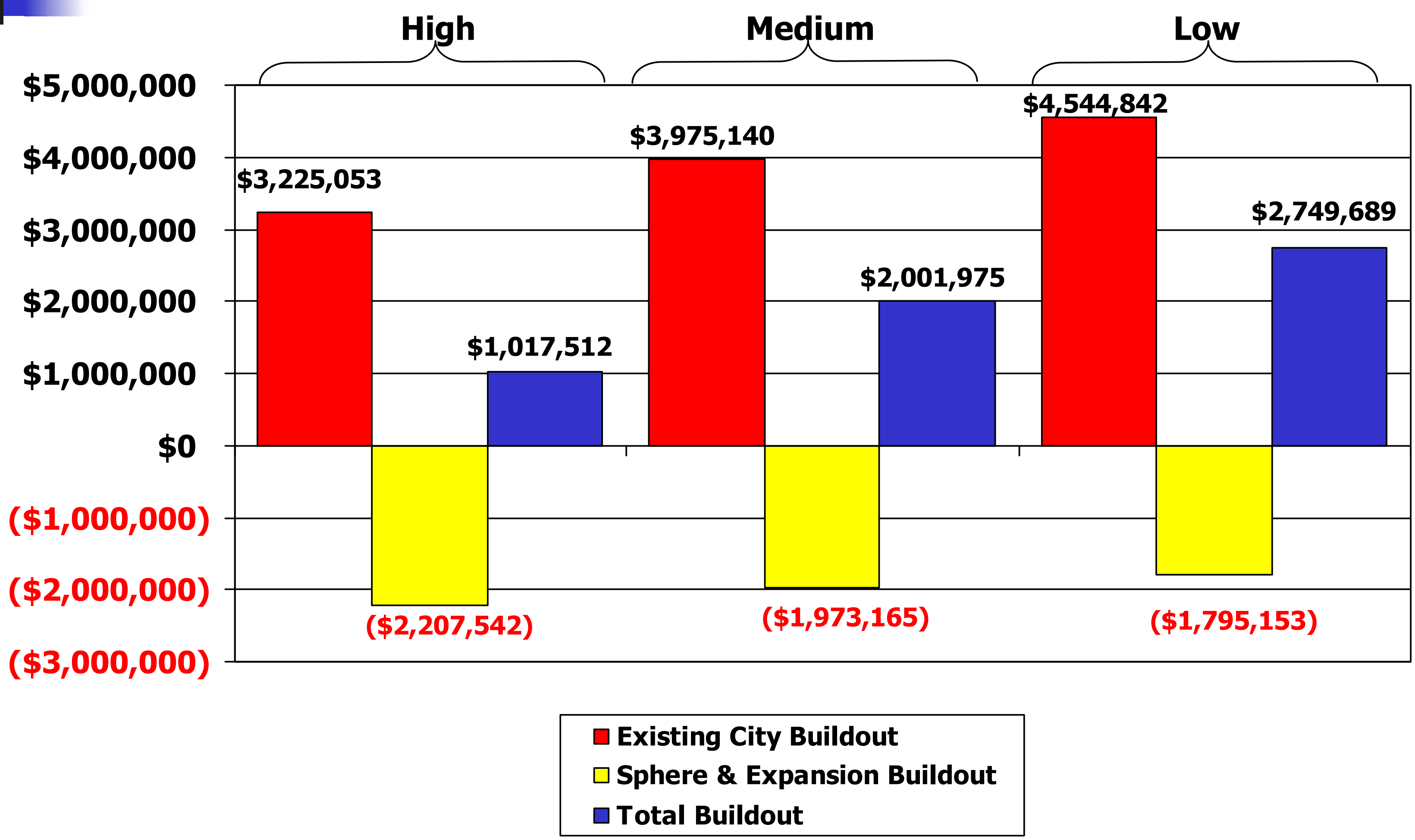


FIGURE 7 – DEFICIT PER DWELLING UNIT

City of Paso Robles

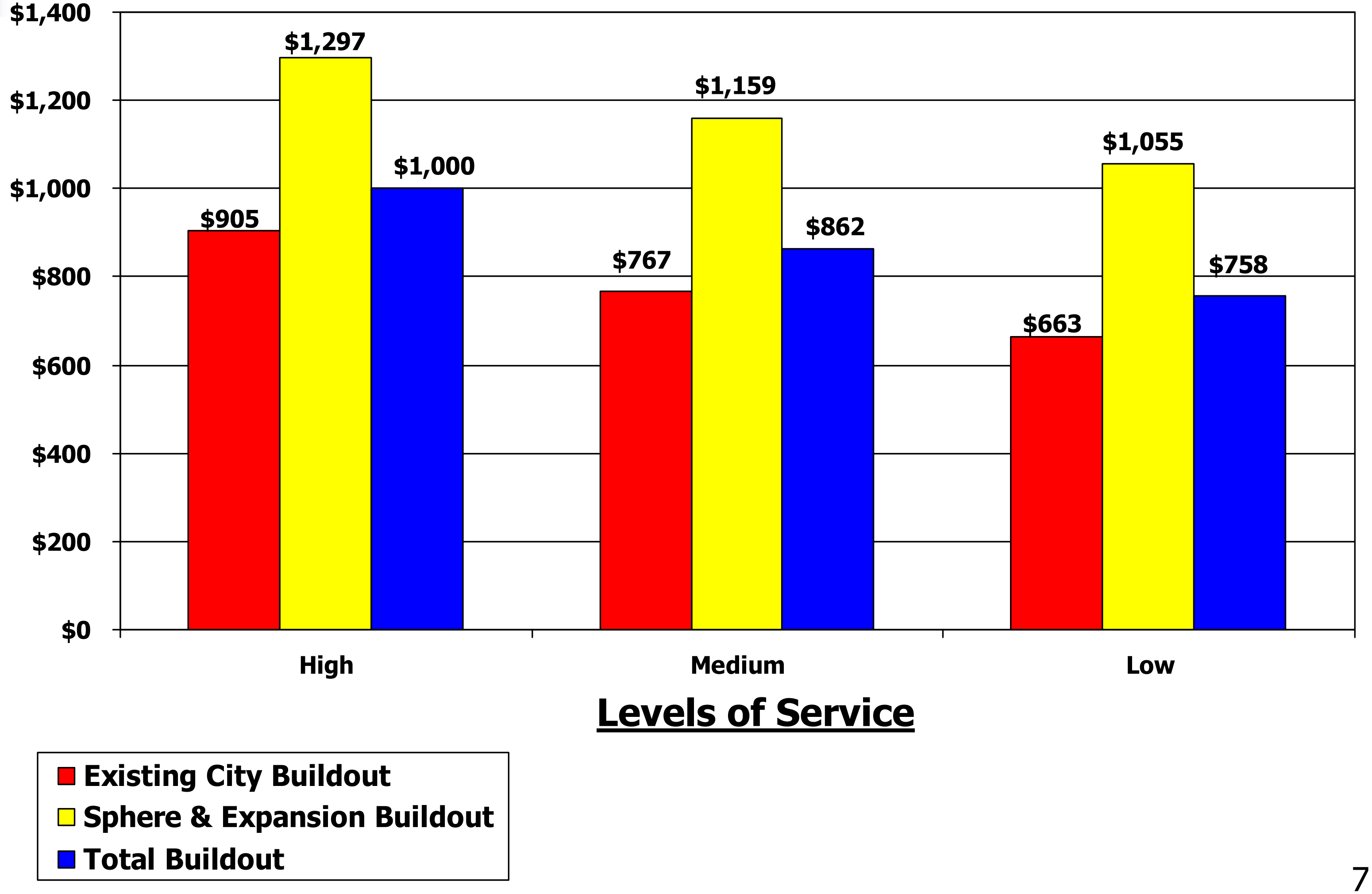
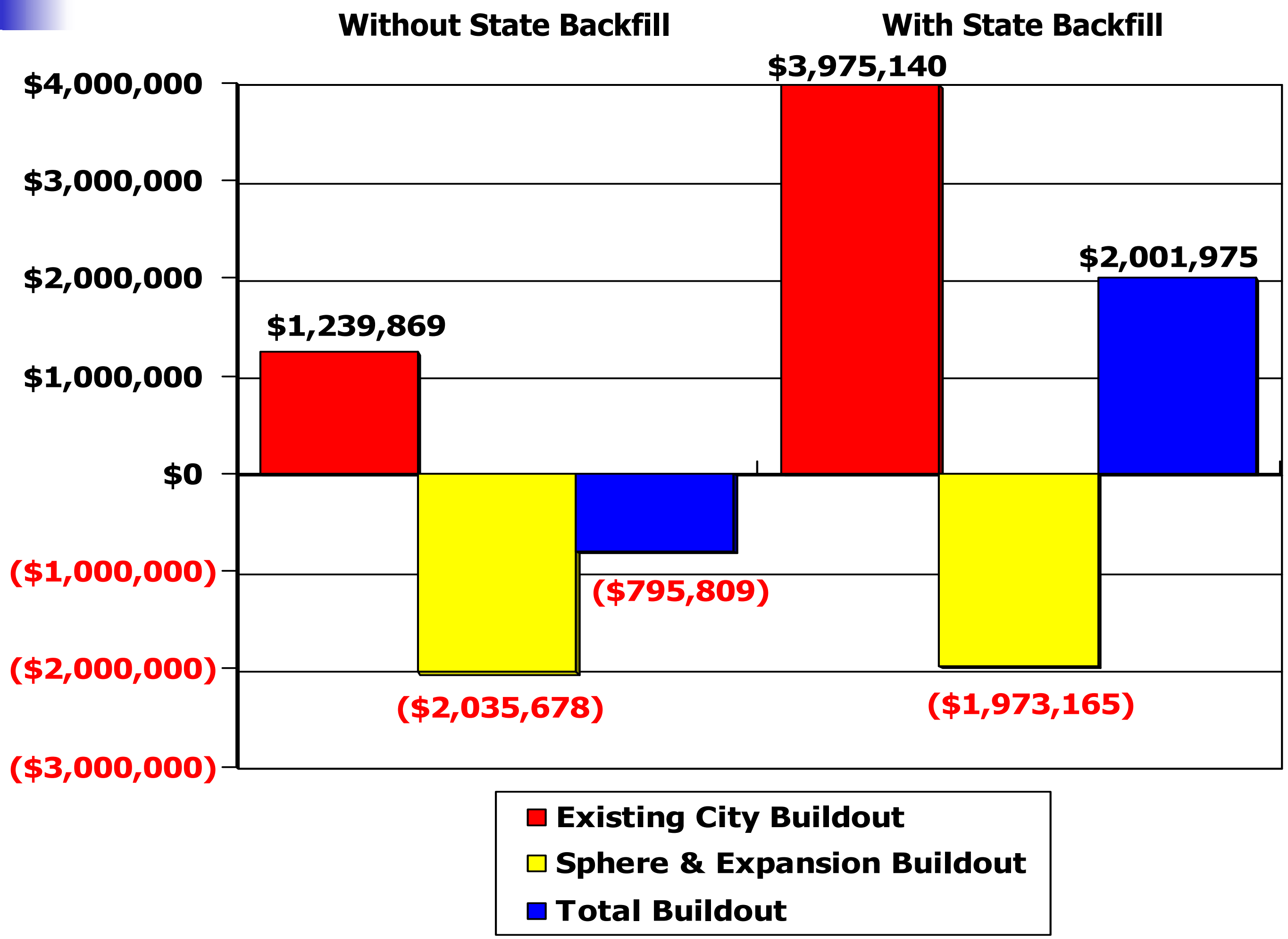


FIGURE 8 – "Triple-Flip"
Medium Levels Of Service
City of Paso Robles



TABLES 1-8

SAMPLE FISCAL IMPACT ANALYSIS
TOTAL DEVELOPMENT
MEDIUM LEVELS OF SERVICE

TABLE 1
CITY OF EL PASO DE ROBLES : MODEL
LAND USE SUMMARY: RESIDENTIAL AND COMMERCIAL
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

LAND USE			**BUILD-OUT 2025**
DWELLING UNITS	**WITHIN CITY LIMITS**	**OUTSIDE CITY LIMITS**	**TOTAL**
Single-Family Residential	3,129	1,271	4,400
Multi-Family Residential	2,318	431	2,749
TOTAL, DWELLING UNITS	5,447	1,702	7,149
PROJECT RESIDENTS /1			
Single-Family Residential	NA	NA	11,880
Multi-Family Residential	NA	NA	7,422
TOTAL, PROJECT RESIDENTS			19,302
PROJECT ACREAGE			
Single-Family Residential	NA	NA	4,446
Multi-Family Residential	NA	NA	773
TOTAL, RESIDENTIAL ACREAGE			5,219
SEE FOOTNOTES ON FOLLOWING PAGE			

TABLE 1 CONTINUED

	BUILD-OUT 2025
LAND NONRESIDENTIAL ACRES	
NONRESIDENTIAL ACRES	
Neighborhood Commercial (NC)	46
Office Professional (OP)	7
Community Commercial (CC)	10
Regional Commercial (RC)	60
Commercial Service (CS)	248
Business Park (BP)	1112
Industrial (IND)	2
TOTAL, NON-RESIDENTIAL	1,486
BUILDING NONRESIDENTIAL SQ.FT.	
Neighborhood Commercial (NC)	505,304
Office Professional (OP)	76,146
Community Commercial (CC)	106,933
Regional Commercial (RC)	661,103
Commercial Service (CS)	1,633,189
Business Park (BP)	1,539,882
Industrial (IND)	3,267
TOTAL, NON-RESIDENTIAL	4,525,825
NONRESIDENTIAL EMPLOYEES /2	
TOTAL, NON-RESIDENTIAL EMPLOYEES	8,565

NOTES:

1. U.S. Census

Persons Per Household - Single Family Detached	2.700

2. Economic Development Department, State of California

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 2
CITY OF EL PASO DE ROBLES : MODEL
CASE STUDY REVENUES: PROPERTY TAXES
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

ASSESSED VALUATION ASSUMPTIONS	
RESIDENTIAL	
Single-Family Residential	$418,707
Multi-Family Residential	$258,987
NON-RESIDENTIAL	
Neighborhood Commercial (NC)	$125
Office Professional (OP)	$110
Community Commercial (CC)	$125
Regional Commercial (RC)	$125
Commercial Service (CS)	$125
Business Park (BP)	$110
Industrial (IND)	$75
Base Year Value Per Unit	$150,000

SECURED PROPERTY TAX ASSUMPTIONS	
APPORTIONMENT FACTOR AS A PERCENT OF 1%	
PROPERTY TAXES PASSED THROUGH TO CITY - PROPERTY WITHIN CITY LIMITS	17.00%
PROPERTY TAXES PASSED THROUGH TO CITY - PROPERTY OUTSIDE CITY LIMITS	8.20%

UNSECURED PROPERTY TAX ASSUMPTIONS	
RESIDENTIAL:	
UNSECURED TAXES AS A % OF SECURED	2.75%
NON-RESIDENTIAL:	
UNSECURED TAXES AS A % OF SECURED	10.00%

TABLE 2 CONTINUED		BUILD-OUT
FISCAL YEAR	($s x1,000)	2025
SECURED ASSESSED VALUE CALCULATION:		
ANNUAL ASSESSED VALUES		
WITHIN CITY LIMITS		
Single-Family Residential		$1,310,135.7
Multi-Family Residential		$600,330.8
OUTSIDE CITY LIMITS		
Single-Family Residential		$532,177.2
Multi-Family Residential		$111,623.2
TOTAL RESIDENTIAL		$2,554,266.9
NON-RESIDENTIAL		
Neighborhood Commercial (NC)		$63,163.0
Office Professional (OP)		$8,376.1
Community Commercial (CC)		$13,366.7
Regional Commercial (RC)		$82,637.8
Commercial Service (CS)		$204,148.6
Business Park (BP)		$169,387.0
Industrial (IND)		$245.0
TOTAL NON-RESIDENTIAL		$541,324.3
SECURED PROPERTY TAX REVENUE CALCULATION:		
CITY OF EL PASO DE ROBLES		
RESIDENTIAL		$3,566.4
NON-RESIDENTIAL		$920.3
TOTAL SECURED TAX REVENUES TO CITY		$4,486.6
UNSECURED PROPERTY TAX REVENUE CALCULATION:		
CITY OF EL PASO DE ROBLES		
RESIDENTIAL		$98.1
NON-RESIDENTIAL		$92.0
TOTAL UNSECURED TAX REVENUES TO CITY		$190.1
TOTAL PROPERTY TAXES TO CITY		$4,676.7

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 3
CITY OF EL PASO DE ROBLES : MODEL
CASE STUDY: SALES TAXES AND PROPERTY TRANSFER TAXES
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

RESIDENTIAL INDIRECT SALES TAX GENERATION ASSUMPTIONS	
AVERAGE HOUSEHOLD INCOME ASSUMPTIONS:	
WEIGHTED AVERAGE RESIDENTIAL PRICE	$357,290
AVERAGE RESIDENTIAL MORTGAGE (45% DOWN)	$196,510
ANNUAL MORTGAGE PAYMENTS @ 8.00% & 30 YEARS	$17,303
AVG. HOUSEHOLD INCOME (4:1 INCOME/PAYMENT RATIO):	$69,212
RETAIL TAXABLE EXPENDITURES (% OF INCOME):	20.0%
PROJECT RESIDENTS' PURCHASES OUTSIDE PROJECT AND WITHIN INCORPORATED CITY:	50.0%

PROPERTY TRANSFER TAX ASSUMPTIONS	
RESIDENTIAL PROPERTY TURNOVER RATE	10.00%
BUS & COM PROPERTY TURNOVER RATE	5.00%
TRANSFER TAX AS A % OF PRICE	0.11%
PROPERTY TRANSFER TAX PASSED THROUGH TO CITY	50.00%

BUSINESS DIRECT SALES & USE TAX GENERATION ASSUMPTIONS	
SALES TAXES PASSED THROUGH TO CITY, APPLIED TO COSTS:	1.00%
COUNTYWIDE AND STATE POOLED TAX REVENUE (% of 1%)	0.00%
SAFETY SALES TAX REVENUE	0.0025%
DISPLACED EXISTING CITY SALES TAX	25.00%

PROJECT RETAIL TAXABLE SALES PER SQ. FT:	
Neighborhood Commercial (NC)	$225.00
Office Professional (OP)	$15.00
Community Commercial (CC)	$225.00
Regional Commercial (RC)	$225.00
Commercial Service (CS)	$225.00
Business Park (BP)	$15.00
Industrial (IND)	$10.00

TABLE 3 CONTINUED

FISCAL YEAR	($s x1,000)	BUILD-OUT 2025
SALES & USE TAX REVENUE CALCULATION (CUMULATIVE):		
INDIRECT SALES TAX GENERATION		
RESIDENTIAL TAXABLE EXPENDITURES		$98,959.4
TOTAL TAXABLE PURCHASES WITHIN CITY		$49,479.7
RESIDENTIAL SALES TAX GENERATION		$494.8
DIRECT SALES TAX GENERATION		
Neighborhood Commercial (NC)		$113,693.4
Office Professional (OP)		$1,142.2
Community Commercial (CC)		$24,060.0
Regional Commercial (RC)		$148,748.1
Commercial Service (CS)		$367,467.5
Business Park (BP)		$23,098.2
Industrial (IND)		$32.7
SUB-TOTAL DIRECT TAXABLE SALES		$678,242.2
LESS: DISPLACED EXISTING CITY SALES TAX		$169,560.5
TOTAL DIRECT TAXABLE SALES		$508,681.6
TOTAL DIRECT SALES TAX GENERATION		$5,086.8
TOTAL PROJECT SALES & USE TAX REVENUES, APPLIED TO COSTS		$5,581.6
RESIDENTIAL SAFETY SALES TAX REVENUES		$1.2
NON-RESIDENTIAL SAFETY SALES TAX REVENUES		$12.7
TOTAL PROJECT SALES & USE TAX REVENUES		$5,595.6
PROPERTY TRANSFER TAX CALCULATION (CUMULATIVE):		
RESIDENTIAL PROPERTY TRANSFER TAXES		$140.5
NON-RESIDENTIAL PROPERTY TRANSFER TAXES		$14.9
TOTAL ANNUAL PROPERTY TRANSFER TAXES		$155.4

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 4
CITY OF EL PASO DE ROBLES : MODEL
BUSINESS LICENSE, FRANCHISE FEE, T.O.T. REVENUES
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

BUSINESS LICENSE FEE REVENUE	
RESIDENTIAL	NA
NON-RESIDENTIAL (PER EMPLOYEE)	$31.09

FRANCHISE FEES (RESIDENTIAL - PER CAPITA; NONRESIDENTIAL - PER CAPITA AND EMPLOYEE)	RESIDENTIAL	NON-RESIDENTIAL
CABLE	$11.38	NA
GAS/ELECTRIC	$10.27	$10.27
LANDFILL	$26.58	$26.58
SOLID WASTE	$5.15	$5.15
TOTAL FRANCHISE	$53.38	$42.00

TRANSIENT OCCUPANCY TAX	
NUMBER OF AVAILABLE HOTEL ROOMS	968
OCCUPANCY RATE	70.00%
AVERAGE BILLING RATE PER ROOM	$100.00
% PASSED THROUGH TO CITY	10.00%

FISCAL YEAR ($s x1,000)	**BUILD-OUT 2025**
BUSINESS LICENSE FEE REVENUE	
TOTAL RESIDENTIAL	NA
NONRESIDENTIAL	
TOTAL NONRESIDENTIAL	$266.3
TOTAL, BUSINESS LICENSE FEE REVENUE	$266.3
FRANCHISE FEE REVENUE	
RESIDENTIAL CABLE FRANCHISE FEES	$219.7
NON-RESIDENTIAL CABLE FRANCHISE FEES	$0.0
RESIDENTIAL GAS & ELECTRIC FRANCHISE FEES	$198.3
NON-RESIDENTIAL GAS & ELECTRIC FRANCHISE FEES	$88.0
RESIDENTIAL LANDFILL FRANCHISE FEES	$513.0
NON-RESIDENTIAL LANDFILL FRANCHISE FEES	$227.6
RESIDENTIAL SOLID WASTE FRANCHISE FEES	$99.4
NON-RESIDENTIAL SOLID WASTE FRANCHISE FEES	$44.1
TOTAL, FRANCHISE FEE REVENUE	$1,390.1
TRANSIENT OCCUPANCY TAX REVENUE	
TOTAL, TRANSIENT OCCUPANCY TAX REVENUE	$2,473.2

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 5
CITY OF EL PASO DE ROBLES : MODEL
OTHER REVENUE AND REVENUE SUMMARY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

OTHER GENERAL REVENUES (MULTIPLIER METHOD)	RESIDENTIAL	NONRESIDENTIAL
OTHER LICENSES/PERMITS/FINES	$25.45	$52.61
STATE REVENUES	$18.76	$0.00
GASOLINE TAXES/TDA FUND	$25.59	NA
MISCELLANEOUS REVENUES/SERVICE CHARGES	$36.41	$36.41

INCOME FROM INVESTMENTS	
EFFECTIVE INTEREST /1	1.77%

1. Local Agency Investment Fund ("LAIF") Rat

FISCAL YEAR ($s x1,000)	BUILD-OUT 2025
PER CAPITA REVENUES	
OTHER LICENSES/PERMITS/FINES	
RESIDENTIAL	$491.2
NON-RESIDENTIAL	$450.6
TOTAL, LICENSES, PERMITS AND FINES	$941.8
STATE REVENUES	
RESIDENTIAL	$362.2
NON-RESIDENTIAL	$0.0
TOTAL, STATE REVENUES	$362.2
GASOLINE TAXES/TDA FUND	
RESIDENTIAL	$493.9
NON-RESIDENTIAL	$0.0
TOTAL, GASOLINE/TDA FUND REVENUES	$493.9
MISCELLANEOUS REVENUES	
RESIDENTIAL	$702.7
NON-RESIDENTIAL	$311.8
TOTAL, MISCELLANEOUS REVENUES	$1,014.5
TOTAL RESIDENTIAL PER CAPITA REVENUES	$3,080.3
TOTAL NON-RESIDENTIAL PER CAPITA REVENUES	$1,388.4
TOTAL PER CAPITA REVENUES	$4,468.7
TOTAL CASE STUDY RESIDENTIAL REVENUES	$4,301.0
TOTAL CASE STUDY NON-RESIDENTIAL REVENUES	$8,599.9
TOTAL CASE STUDY REVENUES	$12,900.9
RESIDENTIAL REV AVAILABLE FOR INV. INCOME	$7,381.3
NON-RESIDENTIAL REV AVAILABLE FOR INV. INCOME	$9,988.3
TOTAL REVENUES AVAILABLE FOR INVESTMENT INCOME	$17,369.6
RESIDENTIAL INVESTMENT INCOME	$65.3
NON-RESIDENTIAL INVESTMENT INCOME	$88.4
TOTAL INVESTMENT INCOME	$153.7

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 6
CITY OF EL PASO DE ROBLES : MODEL
POLICE DEPARTMENT, FIRE DEPARTMENT, PUBLIC WORKS & PER CAPITA COSTS
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

POLICE DEPARTMENT COSTS	
# OF SWORN OFFICERS PER 1,000 POPULATION /1	1.50
# OF NON-SWORN OFFICERS PER 1,000 POPULATION /2	0.50

1. Existing multiple of sworn officers per thousand population: 1.3
2. Existing multiple of non-sworn officers per thousand population: .54

FIRE DEPARTMENT COSTS	
# OF FIREFIGHTERS PER 1,000 POPULATION /1	1.00
# OF SUPPORT PERSONNEL PER THOUSAND POPULATION /2	0.11

1. Existing multiple of firefighters per thousand population: .67
2. Existing multiple of support personnel per thousand populatior

PUBLIC INFRASTRUCTURE REQUIREMENTS	
ROADS (LANE MILES)	204.6
SIGNALIZED INTERSECTIONS	33.5
PARK ACREAGE (GROSS) /1	135.1
OPEN SPACE (ACRES)	1199.4
TRAILS (LINEAL MILE)	40.9
STORM DRAIN MILES	125.5

1. 7 ACRES PER THOUSAND POPULATION (NEW DEVELOPMENT)

PUBLIC WORKS MAINTENANCE COSTS	COST	PERCENT RESIDENTIAL
PAVEMENT MAINTENANCE PER LANE MILE	$1,116	69%
SIGNALIZED INTERSECTION	$10,371	69%
PARK MAINTENANCE PER ACRE	$10,285	69%
OPEN SPACE MAINTENANCE PER ACRE	$43	69%
TRAIL MAINTENANCE PER MILE	$1,116	69%
STORM DRAIN MILES	$8,334	69%

OTHER COSTS (MULTIPLIER METHOD)	RESIDENTIAL	NONRESIDENTIAL
COMMUNITY DEVELOPMENT	$40.94	$40.94
LIBRARY	$34.45	$0.00
RECREATION SERVICES	$57.94	$0.00
GENERAL GOVERNMENT	$70.46	$70.46

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 6 CONTINUED	**BUILD-OUT**
FISCAL YEAR ($s x1,000)	**2025**
CITY DIRECT COSTS	
POLICE DEPARTMENT COSTS	
RESIDENTIAL	$4,817.2
NON-RESIDENTIAL	$0.0
TOTAL, POLICE DEPARTMENT COSTS	$4,817.2
FIRE DEPARTMENT COSTS	
RESIDENTIAL	$2,707.1
NON-RESIDENTIAL	$0.0
TOTAL, FIRE DEPARTMENT COSTS	$2,707.1
PUBLIC WORKS COSTS	
RESIDENTIAL PAVEMENT MAINTENANCE	$158.2
NONRESIDENTIAL PAVEMENT MAINTENANCE	$70.2
RESIDENTIAL TRAFFIC SIGNAL OPERATION	$240.8
NONRESIDENTIAL TRAFFIC SIGNAL OPERATION	$106.9
RESIDENTIAL PARK MAINTENANCE	$962.5
NONRESIDENTIAL PARK MAINTENANCE	$427.1
RESIDENTIAL OPEN SPACE MAINTENANCE	$36.1
NONRESIDENTIAL OPEN SPACE MAINTENANCE	$16.0
RESIDENTIAL TRAIL MAINTENANCE	$31.6
NONRESIDENTIAL TRAIL MAINTENANCE	$14.0
RESIDENTIAL STORM DRAIN MAINTENANCE	$724.4
NONRESIDENTIAL STORM DRAIN MAINTENANCE	$321.5
TOTAL, PUBLIC WORKS COSTS	$3,109.3
COMMUNITY DEVELOPMENT COSTS	
RESIDENTIAL	$790.2
NON-RESIDENTIAL	$350.6
TOTAL, COMMUNITY DEVELOPMENT COSTS	$1,140.9
LIBRARY	
RESIDENTIAL	$664.9
NON-RESIDENTIAL	NA
TOTAL, ANIMAL CONTROL COSTS	$664.9
RECREATION SERVICES	
RESIDENTIAL	$1,118.4
NON-RESIDENTIAL	NA
TOTAL, RECREATION SERVICES COSTS	$1,118.4
GENERAL GOVERNMENT	
RESIDENTIAL	$1,360.0
NONRESIDENTIAL	$603.5
TOTAL, GENERAL GOVERNMENT COSTS	$1,963.5

SHADED CELLS ARE VARIABLE ASSUMPTIONS OR INPUTS UNIQUE TO THE PROJECT.

TABLE 7
CITY OF EL PASO DE ROBLES : MODEL
DETAILED SUMMARY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

FISCAL YEAR	($s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING REVENUES			
SECURED PROPERTY TAXES			
RESIDENTIAL		$3,566.4	20.35%
NON-RESIDENTIAL		$920.3	5.25%
UNSECURED PROPERTY TAXES			
RESIDENTIAL		$98.1	0.56%
NON-RESIDENTIAL		$92.0	0.53%
PROPERTY TRANSFER TAXES			
RESIDENTIAL		$140.5	0.80%
NON-RESIDENTIAL		$14.9	0.08%
SALES TAXES			
RESIDENTIAL		$494.8	2.82%
NON-RESIDENTIAL		$5,086.8	29.03%
SAFETY SALES TAXES			
RESIDENTIAL		$1.2	0.01%
NON-RESIDENTIAL		$12.7	0.07%
TRANSIENT OCCUPANCY TAX			
RESIDENTIAL		$0.0	0.00%
NON-RESIDENTIAL		$2,473.2	14.11%
FRANCHISE FEE REVENUES			
RESIDENTIAL		$1,030.4	5.88%
NON-RESIDENTIAL		$359.7	2.05%
BUSINESS LICENSE REVENUES			
RESIDENTIAL		NA	0.00%
NON-RESIDENTIAL		$266.3	1.52%
OTHER LICENSES/PERMITS/FINES			
RESIDENTIAL		$491.2	2.80%
NON-RESIDENTIAL		$450.6	2.57%
STATE REVENUES			
RESIDENTIAL		$362.2	2.07%
NON-RESIDENTIAL		$0.0	0.00%
GASOLINE TAXES/TRAFFIC CONGESTION RELIEF			
RESIDENTIAL		$493.9	2.82%
NON-RESIDENTIAL		$0.0	0.00%
MISCELLANEOUS REVENUES			
RESIDENTIAL		$702.7	4.01%
NON-RESIDENTIAL		$311.8	1.78%
INVESTMENT INCOME REVENUES			
RESIDENTIAL		$65.3	0.37%
NON-RESIDENTIAL		$88.4	0.50%
TOTAL RESIDENTIAL REVENUES		$7,446.6	
TOTAL NON-RESIDENTIAL REVENUES		$10,076.7	
TOTAL ONGOING REVENUES		$17,523.3	

TABLE 7 CONTINUED

FISCAL YEAR ($s x1,000)	BUILD-OUT 2025	% OF TOTAL
ONGOING COSTS		
POLICE DEPARTMENT COSTS		
RESIDENTIAL	$4,817.2	31.04%
NON-RESIDENTIAL	$0.0	0.00%
FIRE DEPARTMENT COSTS		
RESIDENTIAL	$2,707.1	17.44%
NON-RESIDENTIAL	$0.0	0.00%
PUBLIC WORKS DEPARTMENT COST		
RESIDENTIAL	$2,153.7	13.88%
NON-RESIDENTIAL	$955.7	6.16%
GENERAL GOVERNMENT COSTS		
RESIDENTIAL	$1,360.0	8.76%
NON-RESIDENTIAL	$603.5	3.89%
COMMUNITY DEVELOPMENT COSTS		
RESIDENTIAL	$790.2	5.09%
NON-RESIDENTIAL	$350.6	2.26%
LIBRARY COSTS		
RESIDENTIAL	$664.9	4.28%
NON-RESIDENTIAL	NA	0.00%
RECREATION SERVICES COSTS		
RESIDENTIAL	$1,118.4	7.21%
NON-RESIDENTIAL	NA	0.00%
TOTAL RESIDENTIAL COSTS	$13,611.5	
TOTAL NON-RESIDENTIAL COSTS	$1,909.8	
TOTAL ONGOING COSTS	$15,521.4	
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)	($6,164.9)	
ANNUAL NON-RESIDENTIAL ONGOING SURPLUS/(DEFICIT)	$8,166.9	
TOTAL ANNUAL ONGOING SURPLUS/(DEFICIT)	$2,002.0	
ANNUAL RESIDENTIAL REVENUE/COST RATIO	0.55	
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO	5.28	
TOTAL ANNUAL REVENUE/COST RATIO	1.13	

TABLE 8a
CITY OF EL PASO DE ROBLES : MODEL
RESIDENTIAL ONLY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

FISCAL YEAR ($s x1,000)	**BUILD-OUT 2025**
ONGOING REVENUES	
TOTAL RESIDENTIAL REVENUES	$7,446.6
ONGOING COSTS	
TOTAL RESIDENTIAL COSTS	$13,611.5
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)	($6,164.9)
ANNUAL RESIDENTIAL SURPLUS/(DEFICIT) PER DWELLING UNIT	($0.862)
ANNUAL RESIDENTIAL REVENUE/COST RATIO	0.55

TABLE 8b
CITY OF EL PASO DE ROBLES : MODEL
NON-RESIDENTIAL ONLY
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

FISCAL YEAR	($s x1,000)	**BUILD-OUT 2025**
ONGOING REVENUES		
TOTAL NON-RESIDENTIAL REVENUES		$10,076.7
ONGOING COSTS		
TOTAL NON-RESIDENTIAL COSTS		$1,909.8
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT)		$8,166.9
ANNUAL NON-RESIDENTIAL SURPLUS/(DEFICIT) PER NON-RESIDENTIAL ACRE		$5.5
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28

TABLE 8c
CITY OF EL PASO DE ROBLES : MODEL
SUMMARY - MIXED
FISCAL IMPACT ANALYSIS - TOTAL BUILDOUT
MEDIUM LEVELS OF SERVICE

FISCAL YEAR	($s x1,000)	**BUILD-OUT 2025**	**% OF TOTAL**
ONGOING REVENUES			
TOTAL RESIDENTIAL REVENUES		$7,446.6	42.50%
TOTAL NON-RESIDENTIAL REVENUES		$10,076.7	57.50%
TOTAL ON-GOING REVENUES		$17,523.3	
ONGOING COSTS			
TOTAL RESIDENTIAL COSTS		$13,611.5	87.70%
TOTAL NON-RESIDENTIAL COSTS		$1,909.8	12.30%
TOTAL ON-GOING COSTS		$15,521.4	
ANNUAL RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		($6,164.9)	
ANNUAL NON-RESIDENTIAL ONGOING SURPLUS/(DEFICIT)		$8,166.9	
TOTAL ANNUAL ONGOING SURPLUS/(DEFICIT)		$2,001.975	
ANNUAL RESIDENTIAL REVENUE/COST RATIO		0.55	
ANNUAL NON-RESIDENTIAL REVENUE/COST RATIO		5.28	
TOTAL ANNUAL REVENUE/COST RATIO		1.13	