

DRAFT MEMORANDUM

To: City of Pleasanton
From: Jason Moody and Michael Nimon
Subject: Fiscal Impact Analysis of the East Pleasanton Specific Plan;
EPS #121090
Date: July 25, 2013

The Economics of Land Use



Introduction

Over the past year, the City of Pleasanton has been planning for new development in East Pleasanton through the East Pleasanton Specific Plan (EPSP). The City's General Plan calls for a potential mix of housing, office, retail, and industrial uses as well as parks and open space. The EPSP area comprises approximately 1,110 acres on the northeast edge of the City and consists of mostly undeveloped land, combined with previously used industrial and mining uses and lakes.

Economic & Planning Systems (EPS) has been involved in assessing a variety of economic and financial issues associated with the EPSP program options. These initial financial feasibility screens have informed the allocation and magnitude of potential development options based on the infrastructure burden relative to the potential finished value of each program option. Four revised options have been prepared based on input from the Task Force over the last several months, with revised infrastructure cost estimates prepared by Kier & Wright Civil Engineers Surveyors.

The fiscal impact analysis is focused on the City's General Fund budget, comparing the costs of providing public services and maintaining public facilities with the primary revenue sources available to cover these expenditures. This analysis is being developed concurrently with the Fiscal Impact Analysis of the City of Pleasanton General Plan and evaluates the fiscal implications of the EPSP options at buildout. It is conducted in constant 2013 dollars. This analysis is designed to compare the fiscal performance of the four development options and to inform growth policies and should not be used for actual budgeting purposes. It builds on the financial feasibility work conducted as part of the EPS financial feasibility analysis.

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Key Findings

The key findings from this fiscal impact analysis are described below and summarized in **Table S-1**.

1. **Development of EPSP is likely to have no adverse fiscal impact on the City's General Fund at buildout.** This analysis estimates that new growth will result in benefit on the City with net new annual revenue ranging between \$387,000 and \$1.4 million (see **Table S-1**). Property tax will comprise the largest revenue to the City, while public safety will result in the most significant cost to the General Fund.
2. **Fiscal impact ranges between options based on their size and development composition.** Option 6 results in the highest fiscal benefit to the City, while option 2 results in the lowest fiscal impact. While Option 6 appears to be the most feasible due to the larger number of residential uses and high development value, Option 1 has the lowest development value. The larger differences between the options are likely to depend on the relative fiscal performance of specific product types, ability to leverage existing services, and special tax capacity that could shift the cost burden from the City's General Fund. Development program for each option is shown in **Table 1**.
3. **Fiscal results (annual surpluses or deficits) are simply indicators of fiscal performance; they do not mean that the City will accordingly have surplus revenues or deficits because it must have a balanced budget each year.** While the results of the fiscal impact analysis are preliminary, persistent shortfalls shown in a fiscal impact analysis may indicate the need to reduce service levels or obtain additional revenues; persistent surpluses will provide the City with resources to improve overall service levels or reduce liabilities, or to address deferred maintenance.

Table S-1 – Annual General Fund Impact Summary

Item	Option 1	Option 4	Option 5	Option 6
Revenues	\$3,756,844	\$3,986,327	\$4,088,725	\$5,488,346
Expenditures	<u>\$2,832,722</u>	<u>\$3,599,265</u>	<u>\$3,137,148</u>	<u>\$4,085,968</u>
Net Fiscal Impact	\$924,122	\$387,062	\$951,577	\$1,402,378

Sources: City of Pleasanton and Economic & Planning Systems, Inc.

Methodological Overview

EPS developed a fiscal impact model designed to test how EPSP affects General Fund costs and revenues at buildout. While State and Federal funding sources are considered indirectly, the analysis is focused primarily on the City's General Fund expenditure and revenue items that (1) represent a substantive component of the overall budget and (2) are likely to be affected by the General Plan policies and growth trends. Thus, General Fund costs and revenues that are relatively small or are operated on a cost-recovery basis are excluded from the analysis.

This analysis is based on the mid-term FY2012-13 budget, the most recent budget adopted by the City and assumed as the existing service level “baseline” for the purpose of projecting General Fund revenues and costs. However, it is recognized that recent budget cuts have, in many cases, reduced City service levels below historic and/or optimal service levels. While economic conditions have gradually started to improve after the end of the Great Recession, long-term structural outcomes are uncertain.

This memorandum documents actual cost for each department reflected in the most recent budget. In some cases, a current service is below the preferred standard; given the current fiscal situation, it is recognized that the City’s current service provision may not be optimal. To the extent that service standards improve above those estimated in this analysis, the City’s General Fund expenditures will increase.

This analysis utilizes several forecasting approaches to evaluate the General Fund costs and revenues associated with new growth. The primary methodology and factors for each General Fund item are summarized in **Table 2** and highlighted below.

- **Service population.** The service population for any given budget item is defined as the universe of individuals that generate impacts and is based on a review of the various population groups—including residents and employees—relative to each of the City’s service providers. For each department, the relative impacts of employment and population are compared and used to estimate a total service population. For instance, for general government, an employee is estimated to have a service demand profile equal to about half the service demanded by a typical resident. Other types of City services, such as parks and library, are provided to the extent that they are accessed by the population. For these departments, an employee is only likely to access services during non-work hours and therefore has a significantly lower impact than the residential population.
- **Case study.** A case study approach was used to calculate fiscal impacts for budget items that may not vary directly with service population or for which detailed data is available to make a more precise estimate. For example, the case study approach is used to estimate property and sales tax revenues.
- **Not estimated.** Some budget items were not estimated because certain City revenues and expenditures are either not directly related to growth and development and/or generated on a cost-recovery basis.

While EPS had previously conducted interviews and developed a more detailed approach for forecasting costs, these costs are currently being revised by the City. As a result, the average cost approach is generally used in this analysis as a proxy for the actual expenditures that would be triggered by EPSP. These costs may vary based on existing service capacity, negotiated cost increases, and many other department-specific factors. Once the City completes its ongoing interviews with key service providers, the cost estimates in this analysis will be revised.

Key Market and Demographic Assumptions

As described above, population and employment are key factors that are expected to drive changes in the City's General Fund costs and revenues. As shown in **Table 3**, Pleasanton has a population of 73,000 residents and roughly 53,000 jobs with a service population of 106,000. Pleasanton has 26,200 housing units with an average household size of 2.8.

Market assumptions in this analysis are based on Economic and Fiscal Impact Analysis for East Pleasanton Specific Plan prepared by EPS in November 2012 as well as other supplemental research presented in the **Appendix**. Key market assumptions are summarized in **Table 4** and demographic assumptions are summarized in **Table 5** and are described below:

Development Value

The fiscal impact analysis considers the potential market value of various development types envisioned by the EPSP, including residential, retail, office, and industrial/flex uses. EPS assumes real estate values that are typical of the Pleasanton real estate market. This analysis relies on value assumptions that are representative of new development projects, seeking to avoid overestimation of building values. Additional valuation considerations were applied in the analysis of higher-density housing and industrial/flex uses, as discussed below.

EPS relies on variety of sources to estimate real estate values, including current market data concerning residential and commercial transactions occurring in the City and surrounding areas. In particular, EPS reviewed residential sales data from The Gregory Group and commercial sales data from CoStar Group. EPS also considered real estate values developed as part of continuing work on the Fiscal Impact Analysis of the City of Pleasanton General Plan as well as the EPSP infrastructure feasibility analysis, to ensure basic consistency.

Based on guidance from the EPSP team, EPS assumes that the 30 dwelling units per acre product will be rental. The analysis assumes that the affordable units will represent 20 percent of the for-sale units and 15 percent of the rentals with all inclusionary housing accommodated in the 30 dwelling units per acre category.

The Specific Plan options call for between 1.1 million and 2.3 million square feet of industrial/flex space. The relative magnitude of this particular use within the overall program makes it critical to the infrastructure feasibility evaluation. To address this notion, the EPS analysis conservatively assumes that infrastructure/flex value is at the lower end of the value spectrum, \$95 per square foot (the observed range of value is roughly \$95 to \$500 per square foot). The assumption of low-value industrial/flex reflects an \$8 million soil mitigation cost required to support new industrial/flex development¹. This value also reflects uncertainty associated with the specific nature of the industrial/flex space development as well as the probability that such a large amount of industrial/flex space could be developed over a longer-term time horizon. To the extent that certain real estate product types do not generate sufficient economic value to

¹ Given that the soil mitigation cost applies predominantly to industrial uses, it is netted out of finished industrial value for the purpose of this analysis, which translates into a lower industrial land value.

allow for a "fair share" contribution to project-wide infrastructure costs, the overall Project feasibility will be more challenging.

Property Turnover

Property turnover rates are assumed to range between 5 and 15 percent a year. Residential for sale detached turnover rates are assumed to be 7 percent per annum and for-sale attached rates are assumed to be 15 percent per annum, as higher density residential property typically turns over more frequently. Residential rental and commercial uses turnover is assumed at 5 percent per annum as investment product typically turns over less frequently. Additionally, industrial uses are not assumed to turn over in this analysis and therefore, do not generate any document transfer tax to the City.

Population, Employment, and Service Population Estimates

Pleasanton currently has an average household size of 2.8. Based on the 2010 Census, this analysis assumes that new housing units will accommodate a range of household sizes ranging from 2.2 in multifamily rental units to 3.2 in single-family detached units. Employment estimates are based on average employee densities of 440 square feet for retail, 260 square feet for office, and 590 square feet for industrial uses based on the City's 1998 Development Impact Fee Report. These densities will range in specific orientation and location of commercial space.

Service population is a measure commonly used to incorporate job as well as resident growth into allocations of service demand and associated costs. Service population for the City of Pleasanton was derived based on a weighting of residents relative to nonresident employees. These calculations compare Pleasanton's residents and employees based on commute patterns and the estimated proportion of time spent at work, as shown in the **Appendix**. For example, residents who work outside the City are estimated to spend an average of about 50 percent of their time in the City relative to those who don't work or who both live and work in the City. After accounting for regional commute patterns, the typical worker is estimated to have a service burden of about 68 percent of the typical resident.

Table 1
Development Program by Option
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Use	Option 1	Option 4	Option 5	Option 6
Residential (Dwelling Units)				
<u>Attached¹</u>				
30 du/ac (MR)	130	167	214	89
30 du/ac (BMR)	175	225	252	391
23 du/ac	195	250	249	322
<u>Detached</u>				
11 du/ac	0	0	360	748
8 du/ac	0	641	0	504
4 du/ac	<u>500</u>	<u>0</u>	<u>355</u>	<u>100</u>
Residential Total	1,000	1,283	1,430	2,154
Retail (Square Feet)				
0.3 FAR	91,000	91,000	91,000	91,000
Office Campus (Square Feet)				
0.35 FAR	442,000	442,000	442,000	442,000
Industrial/Flex (Square Feet)				
0.36 FAR	1,442,000	2,296,000	1,148,000	1,148,000
Destination Use²	Yes	Yes	Yes	Yes
OSC & TS²	Yes	Yes	Yes	Yes

¹ Includes a mix of Market Rate (MR) and Below Market Rate (BMR) units. BMRs comprise 15% of total and are provided in high-density residential projects.

² EPS conservatively assumes that Operations Service Center (OSC) and Transfer Station (TS) do not contribute to infrastructure feasibility. However, the land for the OSC and TS is assumed to be developed with value-generating uses.

Source: Gates + Associates and EPS

Table 2
Budget Summary and Estimating Factors
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	FY2012-13 Mid-Total	% Variable (1)	Allocation Factor	
			#	Units
General Revenues				
Property Tax	\$43,910,000		24.6%	of 1% of new assessed value
Property Tax In Lieu of VLF	\$4,771,990		6.51%	of citywide AV growth
Documentary Transfer Tax	\$608,864		\$0.55	per \$1,000 in sold value
Sales and Use Tax	\$19,446,679		0.95%	of estimated taxable sales
Business Licenses	\$2,900,000		\$23.28	per non-retail employee (3)
Hotel and Motel Tax	\$3,450,000		-	not estimated
Licenses and Permits	\$58,429		\$0.54	per service pop
Fines and Forfeits	\$488,426		\$4.52	per service pop
Franchise Fees	\$2,058,666		\$19.05	per service pop
Miscellaneous Revenue	\$1,989,616		\$18.41	per service pop
Recreation Revenues	\$3,237,957		-	not estimated (4)
Public Safety Sales Tax	\$347,218		-	not estimated
Building Permits	\$1,611,990		-	not estimated (4)
Interest Income and Rents	\$313,850		-	not estimated
Planning and Zoning Fees	\$94,535		-	not estimated (4)
Plan Check Fees	\$1,071,147		-	not estimated (4)
Public Works Fees	\$109,019		-	not estimated (4)
Library Fee Revenue	\$85,855		-	not estimated (4)
Vehicle License Fee	\$0		-	not estimated
Intergovernmental	\$530,500		-	not estimated
Interfund Charges	<u>\$2,609,163</u>		-	not estimated
Total Revenues	\$89,693,904			
General Fund Expenditures				
General Government (2)	\$12,113,226	10%	\$11.21	per service pop
Community Development				
Administration	\$632,563	10%	-	not estimated
Traffic Engineering	\$1,767,166	50%	\$8.18	per service pop
Engineering Services	\$3,226,944	50%	\$14.93	per service pop
Building & Safety	\$2,401,481	50%	\$11.11	per service pop
Planning	\$2,185,359	50%	\$10.11	per service pop
Housing	\$319,876		\$4.38	per capita
Economic Development	\$1,031,496	20%	\$1.91	per service pop
Police	\$24,328,013	90%	\$202.61	per service pop
Fire	\$14,217,879	90%	\$118.41	per service pop
Operations Services				
Administration	\$685,483	10%	-	not estimated
Streets	\$3,043,381	90%	-	case study
Support Services	\$3,944,122	10%	\$3.65	per service pop
Parks	\$6,435,915		-	case study
Landscape Architecture	\$129,779	50%	\$0.60	per service pop
Community Services	\$6,716,140		-	case study
Library Services	\$4,114,723		\$56.39	per capita
Senior Housing Water and Sewer Subsidy	\$330,000		\$4.52	per capita
Net Transfers and Improvements (5)	<u>\$2,070,358</u>		-	not estimated
Total Expenditures	\$89,693,904			

Note: excludes operating and capital transfers.

(1) Percentage of costs that are population-dependent, as opposed to fixed costs.

(2) Includes City Council, City Manager, Law, Finance, Administrative Services, and General Government.

(3) Nets out a portion of revenue paid by retail uses based on gross receipts. Actual business license in the City is based on gross receipts with the per employee approach used as a proxy.

(4) Considered as part of the cost net out.

(5) Include capital and operating improvements, including debt service for capital improvements (golf course and fire station), stormdrain (levy shortfall), paratransit subsidy, and cemetery fund subsidy.

Sources: City of Pleasanton and Economic & Planning Systems, Inc.

Table 3
Citywide General Assumptions and Data (FY2012-13)
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Total
Population	72,972
Population (net of mobile homes) (1)	71,911
Housing Units	26,183
Persons/Household	2.80
Employment (1)	53,454
Service Population (2)	108,065

(1) Calendar year.

(2) Estimated by adding total residential population and 64% of total employment. It represents a measure of public service demand in which employees are given a share of resident weight because of more limited service requirements. See Table A-1 for additional detail.

Sources: City of Pleasanton, and Economic & Planning Systems, Inc.

Table 4
Property Value Estimates
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Use	Value Unit/SF	Option 1	Option 4	Option 5	Option 6
Residential					
<u>Attached¹</u>					
30 du/ac (MR)	\$372,000	\$48,360,000	\$62,124,000	\$79,608,000	\$33,108,000
30 du/ac (BMR) ²	\$0	\$0	\$0	\$0	\$0
23 du/ac	\$450,000	\$87,750,000	\$112,500,000	\$112,050,000	\$144,900,000
<u>Detached</u>					
11 du/ac	\$800,000	\$0	\$0	\$288,000,000	\$598,400,000
8 du/ac	\$975,000	\$0	\$624,975,000	\$0	\$491,400,000
4 du/ac	\$1,400,000	<u>\$700,000,000</u>	<u>\$0</u>	<u>\$497,000,000</u>	<u>\$140,000,000</u>
Residential Total		\$836,110,000	\$799,599,000	\$976,658,000	\$1,407,808,000
Retail					
0.3 FAR	\$367	\$33,397,000	\$33,397,000	\$33,397,000	\$33,397,000
Office Campus					
0.35 FAR	\$217	\$95,914,000	\$95,914,000	\$95,914,000	\$95,914,000
Industrial/Flex					
0.36 FAR	\$95	\$136,990,000	\$218,120,000	\$109,060,000	\$109,060,000
Total Value		\$1,102,411,000	\$1,147,030,000	\$1,215,029,000	\$1,646,179,000

¹ Attached housing program includes a mix of Market Rate (MR) and Below Market Rate (BMR) units. BMRs comprise 15% of total units and are provided in high-density residential projects.

² While the City has a 15% inclusionary requirement for rentals, the policy is currently inconsistent with the Palmer case that states that affordable requirement may not be enforced on rental projects. While future legislation may change these findings, this analysis assumes that affordable housing will be not-for profit and exempt from the tax roll.

Source: EPS.

Table 5
New Population and Employment Growth Projections
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Land Use	Units	Net Increase	Population/Empl. Assumptions	New Population	New Employment	New Service Population (1)
SCENARIO 1						
Residential						
			<u>Average HH Size</u>			
30 du/ac	dwelling units	305	2.2	662	0	662
23 du/ac	dwelling units	195	2.2	423	0	423
11 du/ac	dwelling units	0	2.4	0	0	0
8 du/ac	dwelling units	0	3.2	0	0	0
4 du/ac	dwelling units	<u>500</u>	3.2	<u>1,580</u>	<u>0</u>	<u>1,580</u>
Subtotal		1,000		2,666	0	2,666
Commercial						
			<u>Average Empl. Density</u>			
Retail	1,000 sq. ft.	91	440	0	207	140
Office	1,000 sq. ft.	442	260	0	1,700	1,150
Industrial	1,000 sq. ft.	<u>1,442</u>	590	<u>0</u>	<u>2,444</u>	<u>1,653</u>
Subtotal		1,975		0	4,351	2,943
Total				2,666	4,351	5,608
SCENARIO 4						
Residential						
			<u>Average HH Size</u>			
30 du/ac	dwelling units	392	2.2	851	0	851
23 du/ac	dwelling units	250	2.2	543	0	543
11 du/ac	dwelling units	0	2.4	0	0	0
8 du/ac	dwelling units	641	3.2	2,026	0	2,026
4 du/ac	dwelling units	<u>0</u>	3.2	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal		1,283		3,420	0	3,420
Commercial						
			<u>Average Empl. Density</u>			
Retail	1,000 sq. ft.	91	440	0	207	140
Office	1,000 sq. ft.	442	260	0	1,700	1,150
Industrial	1,000 sq. ft.	<u>2,296</u>	590	<u>0</u>	<u>3,892</u>	<u>2,632</u>
Subtotal		2,829		0	5,798	3,922
Total				3,420	5,798	7,342
SCENARIO 5						
Residential						
			<u>Average HH Size</u>			
30 du/ac	dwelling units	466	2.2	1,011	0	1,011
23 du/ac	dwelling units	249	2.2	540	0	540
11 du/ac	dwelling units	360	2.4	878	0	878
8 du/ac	dwelling units	0	3.2	0	0	0
4 du/ac	dwelling units	<u>355</u>	3.2	<u>1,122</u>	<u>0</u>	<u>1,122</u>
Subtotal		1,430		3,553	0	3,551
Commercial						
			<u>Average Empl. Density</u>			
Retail	1,000 sq. ft.	91	440	0	207	140
Office	1,000 sq. ft.	442	260	0	1,700	1,150
Industrial	1,000 sq. ft.	<u>1,148</u>	590	<u>0</u>	<u>1,946</u>	<u>1,316</u>
Subtotal		1,681		0	3,853	2,606
Total				3,553	3,853	6,157
SCENARIO 6						
Residential						
			<u>Average HH Size</u>			
30 du/ac	dwelling units	480	2.2	1,042	0	1,042
23 du/ac	dwelling units	322	2.2	699	0	699
11 du/ac	dwelling units	748	2.4	1,825	0	1,825
8 du/ac	dwelling units	504	3.2	1,593	0	1,593
4 du/ac	dwelling units	<u>100</u>	3.2	<u>316</u>	<u>0</u>	<u>316</u>
Subtotal		2,154		5,475	0	5,475
Commercial						
			<u>Average Empl. Density</u>			
Retail	1,000 sq. ft.	91	440	0	207	140
Office	1,000 sq. ft.	442	260	0	1,700	1,150
Industrial	1,000 sq. ft.	<u>1,148</u>	590	<u>0</u>	<u>1,946</u>	<u>1,316</u>
Subtotal		1,681		0	3,853	2,606
Total				5,475	3,853	8,081

(1) Estimated by adding total residential population and 68% of total employment. It represents a measure of public service demand in which employees are given a share of resident weight because of more limited service requirements. See Table A-4 for additional detail.

(2) Estimated by adding total residential population and 68% of total employment.

Sources: City of Pleasanton and Economic & Planning Systems, Inc.



APPENDIX

Table A-1
Annual General Fund Revenues at EPSP Buildout
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Option 1	Option 4	Option 5	Option 6
Property Tax	\$2,716,341	\$2,826,282	\$2,993,831	\$4,056,185
Property Tax In Lieu of VLF	\$310,868	\$323,450	\$342,625	\$464,205
Documentary Transfer Tax	\$39,075	\$38,607	\$49,964	\$73,642
Sales and Use Tax	\$345,800	\$345,800	\$345,800	\$452,953
Business Licenses	\$106,297	\$139,992	\$94,697	\$97,742
Licenses and Permits	\$3,032	\$3,970	\$3,329	\$4,369
Fines and Forfeits	\$25,347	\$33,184	\$27,828	\$36,524
Franchise Fees	\$106,834	\$139,867	\$117,292	\$153,945
Miscellaneous Revenue	<u>\$103,250</u>	<u>\$135,175</u>	<u>\$113,358</u>	<u>\$148,781</u>
Total Revenues	\$3,756,844	\$3,986,327	\$4,088,725	\$5,488,346

Sources: City of Pleasanton and Economic & Planning Systems, Inc.

Table A-2
Property Tax and Property Tax In Lieu of VLF Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Assumption / Factor	Option 1	Option 4	Option 5	Option 6
<u>Property Tax</u>					
Net Increase in Assessed Value (1)		\$1,102,411,000	\$1,147,030,000	\$1,215,029,000	\$1,646,179,000
Property Tax	1.00% of net value increase	\$11,024,110	\$11,470,300	\$12,150,290	\$16,461,790
Property Tax to Pleasanton	24.6% of the tax increment	\$2,716,341	\$2,826,282	\$2,993,831	\$4,056,185
<u>Property Tax In Lieu of VLF</u>					
Existing Property Tax in Lieu of VLF	\$4,771,990				
Citywide Assessed Value (2)	\$16,922,583,182				
Project Net Assessed Value Increase		\$1,102,411,000	\$1,147,030,000	\$1,215,029,000	\$1,646,179,000
% Increase in Assessed Value		6.5%	6.8%	7.2%	9.7%
Net New Property Tax In Lieu of VLF		\$310,868	\$323,450	\$342,625	\$464,205

(1) Existing uses in EPSP are assumed to have minimal value and are excluded from this analysis.

(2) Net assessed value projection for FY 2012-2013 based on the City's General Fund budget.

Sources: City of Pleasanton and Economic & Planning Systems, Inc.

Table A-3
Documentary Transfer Tax Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	New Assessed Value	Annual Turnover Rate (1)	Annual Documentary Transfer Value	General Fund Share (\$0.55 per \$1,000 in AV)
Option 1				
<u>Residential Uses</u>				
30 du/ac (MR)	\$48,360,000	5%	\$2,418,000	\$1,330
23 du/ac	\$87,750,000	15%	\$13,162,500	\$7,239
11 du/ac	\$0	10%	\$0	\$0
8 du/ac	\$0	7%	\$0	\$0
4 du/ac	<u>\$700,000,000</u>	7%	<u>\$49,000,000</u>	<u>\$26,950</u>
Subtotal	\$836,110,000		\$64,580,500	\$35,519
<u>Commercial Uses</u>				
Retail	\$33,397,000	5%	\$1,669,850	\$918
Office	\$95,914,000	5%	\$4,795,700	\$2,638
Industrial	<u>\$136,990,000</u>	0%	<u>\$0</u>	<u>\$0</u>
Subtotal	\$266,301,000		\$6,465,550	\$3,556
Total	\$1,102,411,000		\$71,046,050	\$39,075
Option 4				
<u>Residential Uses</u>				
30 du/ac (MR)	\$62,124,000	5%	\$3,106,200	\$1,708
23 du/ac	\$112,500,000	15%	\$16,875,000	\$9,281
11 du/ac	\$0	10%	\$0	\$0
8 du/ac	\$624,975,000	7%	\$43,748,250	\$24,062
4 du/ac	<u>\$0</u>	7%	<u>\$0</u>	<u>\$0</u>
Subtotal	\$799,599,000		\$63,729,450	\$35,051
<u>Commercial Uses</u>				
Retail	\$33,397,000	5%	\$1,669,850	\$918
Office	\$95,914,000	5%	\$4,795,700	\$2,638
Industrial	<u>\$218,120,000</u>	0%	<u>\$0</u>	<u>\$0</u>
Subtotal	\$347,431,000		\$6,465,550	\$3,556
Total	\$1,147,030,000		\$70,195,000	\$38,607
Option 5				
<u>Residential Uses</u>				
30 du/ac (MR)	\$79,608,000	5%	\$3,980,400	\$2,189
23 du/ac	\$112,050,000	15%	\$16,807,500	\$9,244
11 du/ac	\$288,000,000	10%	\$28,800,000	\$15,840
8 du/ac	\$0	7%	\$0	\$0
4 du/ac	<u>\$497,000,000</u>	7%	<u>\$34,790,000</u>	<u>\$19,135</u>
Subtotal	\$976,658,000		\$84,377,900	\$46,408
<u>Commercial Uses</u>				
Retail	\$33,397,000	5%	\$1,669,850	\$918
Office	\$95,914,000	5%	\$4,795,700	\$2,638
Industrial	<u>\$109,060,000</u>	0%	<u>\$0</u>	<u>\$0</u>
Subtotal	\$238,371,000		\$6,465,550	\$3,556
Total	\$1,215,029,000		\$90,843,450	\$49,964
Option 6				
<u>Residential Uses</u>				
30 du/ac (MR)	\$33,108,000	5%	\$1,655,400	\$910
23 du/ac	\$144,900,000	15%	\$21,735,000	\$11,954
11 du/ac	\$598,400,000	10%	\$59,840,000	\$32,912
8 du/ac	\$491,400,000	7%	\$34,398,000	\$18,919
4 du/ac	<u>\$140,000,000</u>	7%	<u>\$9,800,000</u>	<u>\$5,390</u>
Subtotal	\$1,407,808,000		\$127,428,400	\$70,086
<u>Commercial Uses</u>				
Retail	\$33,397,000	5%	\$1,669,850	\$918
Office	\$95,914,000	5%	\$4,795,700	\$2,638
Industrial	<u>\$109,060,000</u>	0%	<u>\$0</u>	<u>\$0</u>
Subtotal	\$238,371,000		\$6,465,550	\$3,556
Total	\$1,646,179,000		\$133,893,950	\$73,642

(1) EPS assumption; reflects a turnover range between 5% and 15% with a higher rate for residential uses and a lower rate for commercial uses. Industrial uses are assumed to not turn over for the purpose of this analysis, which is a conservative assumption.

Sources: City of Pleasanton and Economic & Planning Systems, Inc.

Table A-4
Local Household Sales Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	4 du/ac	8 du/ac	11 du/ac	23 du/ac	30 du/ac	Total
Blended Average (market-rate and inclusionary units)						
Value	\$1,400,000	\$975,000	\$800,000	\$450,000	\$372,000	
Annual Mortgage/Rent Payment (1)	\$85,767	\$59,730	\$49,010	\$27,568	\$24,100	
Average Household Income (2)	\$285,889	\$199,101	\$163,365	\$91,893	\$80,333	
<u>Annual Retail Spending</u>						
Taxable Spending Share (3)	17%	17%	20%	31%	33%	
Taxable Spending	\$47,172	\$33,847	\$32,673	\$28,487	\$26,510.00	
Spending Share Captured in Pleasanton	70%	70%	70%	70%	70%	
Net New Taxable Sales in Pleasanton (per unit)	\$33,020	\$23,693	\$22,871	\$19,941	\$18,557	
Net New Taxable Sales in Pleasanton (total)						
Option 1	\$16,510,097	\$0	\$0	\$3,888,449	\$5,659,885	\$26,058,431
Option 4	\$0	\$15,187,252	\$0	\$4,985,191	\$7,274,344	\$27,446,787
Option 5	\$11,722,169	\$0	\$8,233,607	\$4,965,251	\$8,647,562	\$33,568,588
Option 6	\$3,302,019	\$11,941,303	\$17,107,605	\$6,420,927	\$8,907,360	\$47,679,213

(1) For single family detached and condo/townhome owners, an average mortgage payment is assumed on 80% of the value with a 30-year fixed loan and a 6.5% annual interest. Multifamily payment is based on the historic 10-year average increased by 10 percent to reflect the new space premium.

(3) Based on the BLS FY2011-12 Consumer Expenditure Survey for each respective income group with EPS assumptions for the 11du/acre cohort.

Sources: City of Pleasanton, ACS, BLS, and Economic & Planning Systems, Inc.

**Table A-5
Sales Tax Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090**

Item	New Development	Taxable Sales Per Sq.Ft.	New Sales
New Retail			
Neighborhood/Lake Front Retail	91,000 sq.ft.	\$400	\$36,400,000
Total New Resident Spending (1)			
Option 1			\$26,058,431
Option 4			\$27,446,787
Option 5			\$33,568,588
Option 6			\$47,679,213
Net New Sales from EPSP			
Option 1			\$36,400,000
Option 4			\$36,400,000
Option 5			\$36,400,000
Option 6			\$47,679,213
Net New Sales Tax (0.95% of Taxable Sales)			
Option 1			\$345,800
Option 4			\$345,800
Option 5			\$345,800
Option 6			\$452,953

(1) From Table 9.

Sources: City of Pleasanton, and Economic & Planning Systems, Inc.

**Table A-6
Business License Tax Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090**

Item	Estimating Factor	Option 1	Option 4	Option 5	Option 6
<u>Retail</u>					
Net New Sales		\$36,400,000	\$36,400,000	\$36,400,000	\$47,679,213
Net New Sales From Businesses With \$250,000+ in Annual Gross Receipts	90%	\$32,760,000	\$32,760,000	\$32,760,000	\$42,911,292
Business License Tax					
Total Business License Tax From Retail	\$0.30 per \$1,000 in sales	\$9,828	\$9,828	\$9,828	\$12,873
<u>Non-Retail Workspace</u>					
Non-Retail Employees (1)		4,144	5,592	3,646	3,646
Total Business License Tax	\$23.28 per employee	\$96,469	\$130,164	\$84,869	\$84,869
Net New Business License Tax		\$106,297	\$139,992	\$94,697	\$97,742

(1) Tax "per employee" is calculated after deducting tax and employment attributed to retail uses.

Sources: City of Pleasanton, and Economic & Planning Systems, Inc.

Table A-7
Other Revenue Estimates
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Existing Revenue	Option 1	Option 4	Option 5	Option 6
New Service Population Growth		5,608	7,342	6,157	8,081
Licenses and Permits	\$0.54 per service pop	\$3,032	\$3,970	\$3,329	\$4,369
Fines and Forfeits	\$4.52 per service pop	\$25,347	\$33,184	\$27,828	\$36,524
Franchise Fees	\$19.05 per service pop	\$106,834	\$139,867	\$117,292	\$153,945
Miscellaneous Revenue	\$18.41 per service pop	\$103,250	\$135,175	\$113,358	\$148,781

Table A-8
Increase in Annual General Fund Expenditures at EPSP Buildout
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Option 1	Option 4	Option 5	Option 6
General Government	\$62,861	\$82,298	\$69,015	\$90,581
Community Development	\$248,600	\$325,467	\$272,936	\$358,226
Housing	\$11,687	\$14,990	\$15,574	\$24,000
Economic Development	\$10,706	\$14,016	\$11,754	\$15,427
Police	\$1,136,242	\$1,487,569	\$1,247,476	\$1,637,299
Fire	\$664,047	\$869,372	\$729,055	\$956,877
Operations Services				
Streets	\$60,520	\$64,660	\$57,000	\$60,500
Parks	\$348,600	\$369,600	\$348,600	\$348,600
Community Services	\$127,074	\$162,999	\$169,340	\$260,969
Library Services	\$150,330	\$192,829	\$200,331	\$308,728
Senior Housing Water and Sewer Subsidy	<u>\$12,056</u>	<u>\$15,465</u>	<u>\$16,067</u>	<u>\$24,760</u>
Total Cost	\$2,832,722	\$3,599,265	\$3,137,148	\$4,085,968

Sources: City of Pleasanton and Economic & Planning Systems, Inc.

Table A-9
Community Services Cost Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Assumption	Option 1	Option 4	Option 5	Option 6
Total Cost	\$6,716,140				
Offsetting Revenue	\$3,237,957				
<i>% Recovery</i>	48%				
Net Cost	\$3,478,183				
<i>Average Per Capita</i>	\$48				
Projected Population at Buildout		2,666	3,420	3,553	5,475
Net Increase in General Fund Cost		\$127,074	\$162,999	\$169,340	\$260,969

Sources: City of Pleasanton Community Services Department and Economic & Planning Systems, Inc.

Table A-10
Street Maintenance Division Cost Estimate*
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Item	Assumption	Option 1	Option 4	Option 5	Option 6
Net Increase In Mileage					
Arterials/Collectors (1)		3.03	3.23	2.85	3.03
Average Road Maintenance Cost (2)	\$20,000				
Total Cost Increase		\$60,520	\$64,660	\$57,000	\$60,500

*Note: reflects the operations services cost share reflective of routine preventative maintenance.

(1) Covers Busch and El Charro Roads and Boulder Street as estimated by Kier & Wright; smaller residential and intract roads are assumed to be maintained through private sources.

(2) Based on the MTP2035 Road Maintenance Report for Sacramento Area Council of Governments; reflects routine preventative maintenance (pothole repair, sidewalks).

Sources: MTP 2035 Issue Papers: Road Maintenance Sacramento Area Council of Governments, Kier & Wright, and Economic & Plan

**Table A-11
Parks and Open Space Cost Estimate
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090**

Item	Net Increase in Acreage	Average Maintenance Cost Per Acre (1)	Total Cost Increase
Option 1			
Public Parks	11	\$21,000 (2)	\$231,000
Public Open Space and Trails	<u>42</u>	\$2,800 (3)	<u>\$117,600</u>
Total	53		\$348,600
Option 4			
Community Park	12	\$21,000 (2)	\$252,000
Public Open Space and Trails	<u>42</u>	\$2,800 (3)	<u>\$117,600</u>
Total	54		\$369,600
Option 5			
Community Park	11	\$21,000 (2)	\$231,000
Public Open Space and Trails	<u>42</u>	\$2,800 (3)	<u>\$117,600</u>
Total	53		\$348,600
Option 6			
Community Park	11	\$21,000 (2)	\$231,000
Public Open Space and Trails	<u>42</u>	\$2,800 (3)	<u>\$117,600</u>
Total	53		\$348,600

(1) Based on the existing cost for landscaping maintenance, facility maintenance, and water usage; rounded. Net of user fees.

(2) Community parks range vary in amenities with the maintenance cost ranging between \$14,000 and \$28,000 per acre based on specific improvements and facilities. Given uncertainty about specific level and type of amenities in planned parks, this analysis reflects the midpoint of the existing cost range.

(3) Includes 8 acres of trails; the cost is based on the Financing Plan cost estimate for Bernal open space inflated to FY2012-13 dollars.

Sources: City of Pleasanton Operations Service Department and Economic & Planning Systems, Inc.

Table A-12
Pleasanton Service Population Factors Based on Resident to Employee Equivalences
Fiscal Impact Analysis of the East Pleasanton Specific Plan; EPS #121090

Service Population Category	Commute Patterns (1)		Resident to Employee Equivalences		
	#	Distribution	Weight (2)	Weighted Avg.	Normalized to 100%
Pleasanton Residents					
Not in Labor Force	40,103	57%	100%	57%	
Employed in the City	4,645	7%	100%	7%	
Employed Outside of the City	<u>25,963</u>	<u>37%</u>	50%	<u>18%</u>	
Total Residents	70,711	100%		82%	100%
Pleasanton Jobs					
Live in the City	4,645	10%	100%	10%	
Live Outside the City	<u>39,852</u>	<u>90%</u>	50%	<u>45%</u>	
Total Jobs	44,497	100%		55%	68%

(1) Based on data from Census 2010; employment estimate varies from the City's estimate.

(2) Based on the assumed 50/50 split between residents and employees.