

EXHIBIT K

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CITY OF JURUPA VALLEY



ECONOMIC/FISCAL IMPACT ANALYSIS: RIVERSIDE TRANSMISSION RELIABILITY PROJECT

DECEMBER 2, 2015



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I. INTRODUCTION

BACKGROUND

The City of Jurupa Valley (“City”) incorporated as Riverside County’s 28th city on July 1, 2011. Since the days leading up to its incorporation, the City has endured a number of significant, externally-introduced financial challenges, including state legislation redirecting Vehicle License Fee revenues, rapidly rising public safety contract costs, and a sluggish economic recovery. The City, along with three other newly incorporated cities in Riverside County -- Eastvale, Menifee, and Wildomar -- fought off disincorporation this past year, thanks in part to County debt forgiveness via SB 107 (Chapter 325, Statutes of 2015) and the City’s healthy General Fund reserves. While City staff is projecting that the fiscal year 2015-16 year-end General Fund reserve balance will continue to be healthy (approximately 31 percent of expenditures), the City’s budget deficit is expected to be \$2.5 million, and annual revenue neutrality payments of \$1.9 million to the County of Riverside (“County”) will be required beginning in fiscal year 2016-17. Revenue neutrality payments also have step increases in the future, as a percentage of property tax and sales tax revenues, when the City reaches certain revenue targets for property tax and sales tax revenues.

The next few years of operation will be critical to the City’s financial sustainability, particularly with regard to the economic development of the I-15 corridor and adjacent areas to expand the City’s revenue base to keep pace with rising operational costs, particularly police contract costs with the Riverside County Sheriff. County planning efforts for the I-15 corridor well-preceded the incorporation of the City, as well as the Riverside Transmission Reliability Project (“RTRP”) proposal, which now threatens to physically restrict and economically undermine key development sites along the corridor.

PURPOSE

The California Public Utilities Commission (“CPUC”) is currently processing Application No. A.15-04-013 filed by Southern California Edison (“SCE”) for a Certificate of Public Convenience and Necessity for the RTRP, a joint infrastructure project with Riverside Public Utilities (“RPU”). RPU previously prepared an Environmental Impact Report (“EIR”) in 2012 for the RTRP based on a proposed alignment for the project that directly impacts nine different development sites along the I-15 corridor and adjacent properties. The EIR, however, did not adequately address the physical or economic impacts of the RTRP on existing and future development sites. The CPUC has issued three deficiency reports as part of its review of SCE’s application. City staff has provided project descriptions and other background information about the development projects impacted by the proposed RTRP alignment. To augment that information, the City hired Urban Futures, Inc. (“UFI”) to prepare an Economic/Fiscal Impact Analysis (“E/FIA”) evaluating how the RTRP will physically and economically constrain development along the RTRP alignment, and assessing the short- and long-term impacts of the RTRP to the City’s overall financial health.

The purpose of this E/FIA is to:

- Quantify the economic and fiscal impacts of the I-15 corridor projects to the short- and long-term financial health and sustainability of the City’s General Fund;
- Identify the probable physical and economic impacts of the proposed RTRP alignment to the I-15 corridor projects, including impacts to the market viability and development envelope of the projects; and
- Quantify the anticipated impact of the proposed RTRP alignment to the City’s General Fund in the context of the corridor projects.

II. METHODOLOGY & ASSUMPTIONS

METHODOLOGY & DATA SOURCES

The E/FIA evaluates the anticipated future impact of the RTRP on the City's General Fund by analyzing the constraints the RTRP places on the ability of future development projects to generate surplus revenues to the City's General Fund. While each project is at a different stage of development planning or construction, the E/FIA assumes that all projects will be built within a 10-year development window. The steps taken to conduct the analysis are outlined below.

Base Data Synthesis

- Project profiles for each of the nine project sites were assembled based on available information from City staff, the Internet, and other sources, including land use plans and entitlements (e.g., General Plan land use designation, zoning, specific plans), County Assessor parcel information, and project documentation (e.g., site plans, tract maps).
- GIS mapping was utilized to define the project sites and synthesize parcel-level data, including lot size, fiscal year 2014-15 assessed valuation, tax rate areas ("TRA"), and ownership configurations.
- TRA data from the County Auditor-Controller's web site was downloaded to determine the City's pro rata share of the 1% ad valorem property tax general levy generated by each project.
- Development programming for each project was defined based on entitlement approvals, specific plans, or zoning (e.g., dwelling unit counts, building floor area, gross leasable area).

General Fund Recurring Revenues

- Assessed values based on estimated construction values (commercial and industrial), sales pricing (single family residential), and per-unit market values (hotel and multifamily residential) were estimated for each project using data from a 2015 market study prepared by The Concord Group.
- UFI collaborated with HdL Companies to identify tenant mix profiles, estimated taxable sales, and estimated sales tax revenues for each commercial-retail development site. HdL Companies is widely recognized as California's preeminent sales tax expert and is frequently contracted by cities and counties, including the City of Jurupa Valley, to provide sales tax consulting services.
- Residential population and employment projections for each project site were estimated based on average household size data from ESRI Business Analyst Online and building space-per-employee data from the County of Riverside General Plan (Technical Appendix E: Build-out Assumptions & Methodology).
- Annual and cumulative market absorption rates were defined for each land use category (e.g., residential, light industrial, office/business park, retail) based on population, housing, and employment projections for Jurupa Valley (2013 Progress Report, County of Riverside Center for Demographic Research) and a retail leakage analysis report from ESRI Business Analyst Online for a 10-minute drive-time market area from the Sky Country Retail Center project site (11937 Limonite Avenue), just north of the existing Vernola Marketplace shopping center.
- A land absorption schedule for each project was prepared and used to estimate year-to-year projected General Fund recurring revenues, including property tax, sales tax, transient occupancy tax, and property transfer tax revenues. Population and employment projections based on the

absorption schedule were used to estimate annual per capita revenues from Franchise Fees for Utilities and Solid Waste.

General Fund Recurring Expenditures

- Population and employment projections were used to estimate annual per capita General Fund expenditures, with adjustments for operational economies of scale, for:
 - General government and finance
 - Development services
 - Police protection
 - Animal services
- UFI referred to the 2010 Comprehensive Fiscal Analysis (“CFA”) prepared for the City’s incorporation proposal to identify cost assumptions. The E/FIA uses a per capita service population approach that factors both residents and employees based on service population of 100% residents plus 50% employees.
- Annual General Fund revenues over expenditures generated from the projects were calculated.

RTRP Impacts

- The probable physical impact of the proposed RTRP alignment to each project site was identified, including reductions in the development envelopes from site plan reconfigurations.
- The probable economic impact of the proposed RTRP alignment to retail sites reliant on freeway-oriented signs was factored into the analysis.
- The net impact of the RTRP on annual General Fund revenues over expenditures generated from the projects was calculated.

GENERAL ASSUMPTIONS

General assumptions used to prepare this E/FIA are outlined below. More specific detailed revenue and cost assumptions are provided in later sections of this report.

- Constant 2015 dollars were used to estimate future values, revenues, and expenditures.
- Population projections for future residents were based on an average household size of 3.83 persons per household for single family homes. For the 397-unit Vernola Marketplace Apartment Community, a blended factor of 2.61 persons per household was used based an assumed unit size mix of one-third one-bedroom units, one-third two-bedroom units, and one-third three-bedroom units.
- Employment projections for industrial and commercial uses were based on employment density (square feet per employee) estimates for different land uses. See Table II-A for employment densities for Commercial Retail, Commercial Tourist, Light Industrial, and Business Park uses.

TABLE II-A

Land Use	Square Feet per Employee
Commercial Retail	500
Commercial Tourist	500
Light Industrial	1,030
Business Park	600

Source: County of Riverside General Plan, Appendix E: Socioeconomic Build-out Projections Assumptions & Methodology

- A 10-year build-out schedule for the nine projects was based on demand projections for residential, commercial, and industrial uses using demographic projections and market research data.

III. STUDY AREA & PROJECT DESCRIPTIONS

RTRP PATH

The proposed RTRP path is more than 11 miles in length with approximately four miles of the alignment running through portions of the City where key development projects will be impacted by the RTRP. See Exhibit III-A on the following page for a map of the pathway and the projects impacted by the RTRP. The required right-of-way (“ROW”) for a 230 kV overhead transmission line is 100 feet in width. No buildings may be sited within the ROW. While this E/FIA analyzes the direct and indirect impacts of the 100-foot ROW on future development sites, it is important to note that a larger “fall zone” for the RTRP is likely to impact property values beyond the 100-foot ROW.

PROJECT DESCRIPTIONS

This E/FIA analyzes the impacts of the RTRP on nine development project sites (see Exhibit III-A on Page 6). In addition to new development projects, this E/FIA also assumes that the RTRP’s path along the frontage of the I-15 freeway will likely impact the performance of the existing Vernola Marketplace shopping center, as described later in this report. The nine new development projects total approximately 591 acres of developable land that are in different stages of planning, entitlement, or development. The E/FIA assumes a 10-year build-out horizon for 1,269 single family dwelling units, 379 multifamily dwelling units, more than 2 million square feet of light industrial and business park uses, and 531,406 square feet of commercial retail/tourist uses, including two community shopping centers, two 100-room hotels, and a gas station. A summary table of each of the nine projects (Table III-A) is provided on Page 7. The projects are listed in geographic order based on the north-to-south travel of the RTRP path, as shown on the map in Exhibit III-A.

EXHIBIT III-A



**TABLE III-A
RIVERSIDE TRANSMISSION RELIABILITY PROJECT (RTRP) ECONOMIC/FISCAL IMPACT ANALYSIS
PROJECT DESCRIPTIONS**

Map Ref #	Project Name	Status	Land Use	Lot Acreage (Ac)	Lot Square Footage (SF)	Zoning	Density / FAR	Dwelling Units (DU) / Building SF	Population / Employment Density Factor	Total Residents / Employees
1	Harmony Trails	Approved Tract Map	Single Family Residential	31.3	1,354,868	R-4	5.62 DU/Ac	176 DU	3.83	674
2	Turnleaf	Construction	Single Family Residential	31.6	1,375,189	R-1	3.52 DU/Ac	111 DU	3.83	425
3	Thoroughbred Farm Business Park	Fully Entitled	Business Park	36.5	1,589,940	Specific Plan No. 376	0.60 FAR	598,504 SF	600	998
			Light Industrial	42.6	1,855,656		0.60 FAR	917,592 SF	1,030	891
			Commercial/Retail	11.5	500,940		0.35 FAR	129,635 SF	500	259
			Tourist/Commercial	7.6	331,056		0.35 FAR	112,211 SF	500	224
			Total	98.2	4,277,592			1,757,942 SF		2,372
4	I-15 Corridor: Vernola Residential West	Zoned	Single Family Residential	129.1	5,621,702	R-1	4.00 DU/Ac	516 DU	3.83	1,976
5	I-15 Corridor: Sky Country Industrial Park	Zoned	Industrial Park	23.8	1,038,240	I-P	0.35 FAR	363,384 SF	1,030	353
6	I-15 Corridor: Sky Country Retail Center	Zoned	Scenic Highway Commercial	33.2	1,447,798	C-P-S	0.20 FAR	289,560 SF	500	579
			Hotel	4.0	174,240		0.35 FAR	60,984 SF	500	122
			Total	37.2	1,622,038			350,544 SF		
7	I-15 Corridor: Vernola Industrial Park	Zoned	Industrial Park	11.0	463,779	I-P	0.35 FAR	162,323 SF	1,030	158
8	Vernola Marketplace Apartment Community	Fully Entitled	Multifamily Residential	17.4	755,764	R-3	22.84 DU/Ac	397 DU	2.61	1,036
9	Riverbend	Mass Grading / Utilities	Single Family Residential	211.0	9,191,160	R-4	2.21 DU/Ac	466 DU	3.83	1,785
TOTAL				590.6	25,700,333			1,666 DU 2,634,496 SF		5,896 Res. 3,584 Empl.

Absorption Schedule

As described previously, this E/FIA assumes that build-out of the nine projects will occur over a 10-year timeframe between fiscal years 2016-17 and 2025-26. UFI used a combination of demographic projections and market research (see Appendix A) to develop the year-to-year absorption schedule for the different land uses proposed to be developed within the study area. See Tables III-C and III-D on the following pages for absorption schedules for residential and industrial/business park/retail uses.

**TABLE III-C
RESIDENTIAL ABSORPTION**

PROJECT	STATUS	UNITS	FISCAL YEAR										TOTAL			
			1	2	3	4	5	6	7	8	9	10				
Harmony Trails	Tract Map	176	0	50	50	50	26	0	0	0	0	0	0	0	0	176
Turnleaf	Construction	111	40	40	31	0	0	0	0	0	0	0	0	0	0	111
Vernola West	Zoned	516	0	0	0	50	85	85	85	85	85	85	85	85	41	516
Vernola Apartments	Fully Entitled	397	0	0	135	135	127	0	0	0	0	0	0	0	0	397
Riverbend	Mass Grading / Utilities	466	50	85	85	85	76	0	0	0	0	0	0	0	0	466
ANNUAL NEW UNITS		1,666	90	175	301	320	323	161	85	85	85	85	85	85	41	1,666
	<i>Max. Annual Absorption</i>	415	415	415	415	440	440	440	440	440	440	440	440	440	440	
CUMULATIVE NEW UNITS		90	265	566	886	1,209	1,370	1,455	1,540	1,625	1,666					

**TABLE III-D
LIGHT INDUSTRIAL/BUSINESS PARK/RETAIL
ABSORPTION**

PROJECT	STATUS	LAND USE	SF	FISCAL YEAR										TOTAL	
				1	2	3	4	5	6	7	8	9	10		
Thoroughbred Farm Business Park	Fully Entitled	Light Industrial	917,592	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	917,592	
		Business Park	598,504		530,150	180,806	206,636								598,504
		Commercial/Retail	129,635			264,002	334,502		129,635						129,635
I-15 Corridor: Sky Country Industrial Park	Zoned	Tourist/Commercial	112,211					112,211						112,211	
		Light Industrial	363,384			181,692	181,692							363,384	
I-15 Corridor: Sky Country Retail Center	Zoned	Commercial/Retail	289,560			114,780	114,780							289,560	
		Hotel	60,894			60,894								60,894	
Vernola Industrial Park	Zoned	Industrial Park	162,323					162,323						162,323	
ANNUAL NEW SF			2,634,192	0	530,150	589,588	928,594	456,226	129,635	0	0	0	0	2,634,192	
Industrial		<i>Est. Annual Absorption</i>		0	530,150	180,806	388,328	344,015	0	0	0	0	0	1,443,299	
		<i>Max. Annual Absorption</i>		706,451	706,451	706,451	706,451	515,797	515,797	515,797	515,797	515,797	515,797	515,797	
Business Park		<i>Est. Annual Absorption</i>		0	0	264,002	334,502	0	0	0	0	0	0	598,504	
		<i>Max. Annual Absorption</i>		391,680	391,680	391,680	391,680	285,975	285,975	285,975	285,975	285,975	285,975	285,975	
Commercial		<i>Est. Annual Absorption</i>		0	0	144,780	144,780	112,211	129,635	0	0	0	0	531,406	
		<i>Cumulative Retail Potential</i>		546,321	546,321	546,321	401,541	256,761	144,550	14,915	14,915	14,915	14,915	14,915	
CUMULATIVE NEW COMMERCIAL-INDUSTRIAL SF			0	530,150	1,119,738	2,048,332	2,504,557	2,634,192	2,634,192	2,634,192	2,634,192	2,634,192	2,634,192	2,634,192	

Tax Rate Areas

The projects overlap four different tax rate areas (“TRA”) which determine the pro rata share of property tax revenues generated from each project that the City will receive. Table III-E below identifies the TRA(s) that each project is located in.

**TABLE III-E
CITY SHARE OF 1% PROPERTY TAX REVENUE**

Map Ref #	Project Name	TAX RATE AREA			
		028009	028011	028029	028114
		7.044153%	7.044153%	5.995154%	5.995154%
1	Harmony Trails				√
2	Turnleaf			√	√
3	Thoroughbred Farm Business Park			√	√
4	I-15 Corridor: Vernola Residential West			√	√
5	I-15 Corridor: Sky Country Industrial Park			√	√
6	I-15 Corridor: Sky Country Retail Center			√	√
7	I-15 Corridor: Vernola Industrial Park	√			
8	Vernola Marketplace Apartment Community	√			
9	Riverbend	√	√		

Population & Employment

Population and employment projections provide the basis for per capita General Fund revenue and expenditure projections. Consistent with the absorption schedules described previously, population projections for residential projects are based on a household size factor. For single family residential, a household size of 3.83 persons per household is assumed. For the Vernola Marketplace Apartment Community, an average household size of 2.61 persons per household is assumed based on a balanced mix of one-, two-, and three-bedroom units throughout the project’s 397 proposed units. Table III-F provides population projections for each residential project.

Employment projections for light industrial, business park, and retail uses are based on an employment density factor as described in the Methodology & Assumptions section of this report. Table III-G provides employment projections for each commercial/industrial project.

TABLE III-F

NEW RESIDENTIAL POPULATION

Project	Persons per HH ¹	FISCAL YEAR										TOTAL				
		1	2	3	4	5	6	7	8	9	10					
Harmony Trails	3.83	0	192	192	192	100	0	0	0	0	0	0	0	0	0	674
Turnleaf	3.83	153	153	119	0	0	0	0	0	0	0	0	0	0	0	425
Vernola West	3.83	0	0	0	192	326	326	326	326	326	326	326	326	326	157	1,976
Vernola Apartments	2.61	0	0	352	352	331	0	0	0	0	0	0	0	0	0	1,036
Riverbend	3.83	192	326	326	326	291	0	0	0	0	0	0	0	0	0	1,785
ANNUAL NEW RESIDENTS		345	670	988	1,061	1,082	617	326	326	326	326	326	326	326	157	5,896
CUMULATIVE NEW RESIDENTS		345	1,015	2,003	3,064	4,146	4,763	5,088	5,414	5,739	5,739	5,739	5,739	5,739	5,896	5,896

¹ The 2015 estimate of average household size for the City of Jurupa Valley is 3.83 persons per household. The E/FIA estimates an average household size of 2.61 persons per household for the Vernola Marketplace Apartment Community based on assumed household sizes for a balanced mix of 1-, 2-, and 3-bedroom units throughout the project's 379 proposed units.

Sources: ESRI Business Analyst Online, Urban Futures, Inc.

**TABLE III-G
NEW COMMERCIAL-INDUSTRIAL
EMPLOYMENT**

Project	SF per Empl.	Land Use	FISCAL YEAR										TOTAL			
			1	2	3	4	5	6	7	8	9	10				
Light Industrial	1,030		0	515	176	201	0	0	0	0	0	0	0	0	0	891
Business Park	600		0	0	440	558	0	0	0	0	0	0	0	0	0	998
Commercial/ Retail	500		0	0	0	0	0	0	259	0	0	0	0	0	0	259
Tourist/ Commercial	500		0	0	0	0	224	0	0	0	0	0	0	0	0	224
I-15 Corridor: Sky Country Industrial Park	1,030		0	0	0	176	176	0	0	0	0	0	0	0	0	353
Commercial/ Retail	500		0	0	290	290	0	0	0	0	0	0	0	0	0	579
Hotel	500		0	0	0	122	0	0	0	0	0	0	0	0	0	122
Industrial Park	1,030		0	0	0	0	158	0	0	0	0	0	0	0	0	158
ANNUAL NEW EMPLOYMENT			0	515	905	1,346	558	259	0	0	0	0	0	0	0	3,584
CUMULATIVE NEW EMPLOYMENT			0	515	1,420	2,766	3,324	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584

IV. ECONOMIC/FISCAL IMPACT ANALYSIS: NO RTRP SCENARIO

Annual General Fund revenue and expenditure projections for the nine development projects were initially prepared under a “No RTRP” scenario based on the project descriptions outlined in Section III of this report. Key revenue and expenditure assumptions used to prepare the projections are outlined below. Also refer to the Appendix for detailed revenue and expenditure calculations and forecasts.

KEY ASSUMPTIONS

Revenue Assumptions

- **Property Tax Revenues:** Ad valorem property tax revenues are based on the City’s share of the 1% general levy and projected assessed valuations for each project using estimates for home prices, per unit value of multifamily apartments, per room value of hotel, and per square foot built values of light industrial, business park, and retail projects. Pricing and value estimates for all uses, except hotel, are based on a July 22, 2015 market analysis prepared by The Concord Group for multiple real estate development projects in the area. For hotels, the E/FIA uses a room-rate multiplier valuation approach that assumes property value is worth 1,000 times the hotel’s average daily rate (“ADR”) on a per-room basis.
- **Sales Tax Revenues:** Sales tax revenues for retail uses are based on estimated annual taxable sales generated by each retail industry included in the tenant mix programming for each retail shopping center. HdL Companies used its expertise of the local and regional retail market in the trade area to assist in the development of the tenant mix assumptions for each retail site, including gross leasable area (“GLA”) estimates and average taxable sales per square foot estimates. This E/FIA assumes that 1.00% of taxable sales is allocated to the City in sales tax revenues.
- **Transient Occupancy Tax Revenues:** Transient Occupancy Tax (“TOT”) revenues are based on the City’s TOT rate of 10%. The E/FIA assumes that two suite hotels without food and beverage will be developed in the Sky Country Retail Center and Thoroughbred Farm Business Park with estimated average daily rates of \$133 and occupancy rates of 60%. ADR and occupancy rate assumptions are based on market data from “Trends in the Hotel Industry” USA Edition 2015, published by PKF Hospitality Research, for the Mountain and Pacific market division, with adjustments for the local market area.
- **Property Transfer Tax Revenues:** The City receives \$0.55 per \$1,000 of assessed valuation of real property transferred each year. Consistent with the 2010 CFA, a 3.5% annual turnover rate was used to estimate transfer tax revenues that would be generated from the projects, based on annual assessed valuation projections.
- **Franchise Fee Revenues:** Annual franchise fees for utilities and solid waste were estimated based on a per capita allocation that factored both residents and 50% of employees. Please refer to the “Expenditures Assumptions” section below for more discussion about the E/FIA’s use of a “service population” approach to revenue/cost allocations.
- **Motor Vehicle License Fee-Related Revenues:** SB 89 (Chapter 35, Statutes of 2011) took effect on July 1, 2011, the same date as the effective date of the City’s incorporation. SB 89 shifted Vehicle License Fee (“VLF”) and Property Tax In-Lieu of VLF revenues from cities to law enforcement grants and crippled newly incorporated cities like Jurupa Valley who were relying on

the statutory boost in these VLF revenues to sustain the City during its transitional years of cityhood. VLF-related revenues have not been restored to Jurupa Valley. Therefore, the E/FIA does not include projections for VLF-related revenues.

Expenditures Assumptions

- **Service Population:** Rather than allocating service costs on a per capita basis that only factors residential populations served, the E/FIA recognizes that employees that work in the City generate service demands and benefit from public services funded by the General Fund. Where appropriate, the E/FIA calculates per capita costs based on 100% of the residential population plus 50% of the employment population. This is a generally accepted industry standard for fiscal impact analyses. In addition, the E/FIA recognizes that the addition of one new resident or employee does not create direct impacts to service levels and costs for all city operations, as further discussed below.
- **General Government & Finance:** General Government & Finance includes operational General Fund budgetary costs for City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and non-departmental functions. The E/FIA assumes that adding new service populations marginally increases costs for the City's General Government & Finance operations by 50% rather than 100%.
- **Development Services:** Development Services includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Based on discussions with City staff, the E/FIA assumes 70% cost recovery from filing and processing fees. The remaining 30% cost to the General Fund is allocated to the projects based on a service population of 100% residents plus 50% employees.
- **Police Protection:** Police protection services are contractually provided by the Riverside County Sheriff. There have been significant increases in contractual costs for police services since the City's incorporation. While the E/FIA revenue/expenditure projections hold these contractual costs constant in 2015 dollars, additional sensitivity analysis is provided in later sections of this report to address cost increases for major service expenditures like police. Expenditures for police services are estimated by applying the City's existing sworn officer-to-service population ratio (0.44 sworn officer per 1,000 residents plus 50% employees) to the project, and allocating costs based on an average cost per sworn officer (\$323,331).
- **Fire Protection:** Fire protection services in the City are provided by the Riverside County Fire Department and CAL FIRE. County Fire's structural fire fund permanently receives an allocation of property tax revenues in the study area that is on par with the City's share. The City also pays approximately \$165,000 to CAL FIRE each year for wildland fire protection services. Given the urban nature of the proposed projects, the E/FIA assumes that there will be no fire protection costs to the City, including any additional costs for wildland fire protection. It is important to note, however, that construction of an additional fire station to serve the new projects will be required at some future stage of development of the I-15 corridor. Based on prior discussions between City staff and the Riverside County Fire Department, the City's General Fund could face up to \$1.6 million in new annual operating costs for a new fire station. While the E/FIA does not include these expenditures since they are still speculative, the magnitude of these potential operating costs warrants discussion since it would place even greater stress on the General Fund and the City's existing reserves.
- **Revenue Neutrality Payments:** The City's Revenue Neutrality Agreement with the County of Riverside establishes a tiered payment plan based on total property tax and sales tax revenues the City receives. The City's initial payments are a flat \$1,900,000 annually until fiscal year 2017-

18, when specified performance targets for property tax and sales tax revenues are established. As the City hits those targets, the revenue neutrality payment is based on a sliding scale percentage of the City's total property tax and sales tax revenues. For example, beginning in fiscal year 2017-18, if the City receives more than \$15,840,000 in property tax and sales tax revenues, the payment formula switches from a flat \$1,900,000 annual payment to 16% of total property tax and sales tax revenues. The percentage formula increases as the City hits higher revenue targets. Due to the City's fiscal crisis from the takeaway of VLF revenues, the County agreed to defer revenue neutrality payments for three fiscal years. Payments resume in fiscal year 2016-17. The E/FIA does not allocate revenue neutrality expenditures to the projects until the projects' generation of property tax and sales tax revenues triggers new payment tiers, at which time a pro rata share of the City's entire annual revenue neutrality payment is allocated to the projects based on the projects' share of the City's total property tax and sales tax revenues.

FISCAL IMPACT ANALYSIS

Table IV-A on the following page provides a 10-year build-out projection of General Fund recurring revenues and expenditures based on the assumptions outlined above. The E/FIA's residential, industrial, and commercial absorption schedules assume that residential, light industrial, and business park uses will be constructed during the first two fiscal years (FY 2016-17 and 2017-18) with retail construction along the I-15 frontage (Sky Country Retail Center) beginning in Year 3 (FY 2018-19) and hotel construction (Sky Country Retail Center) beginning in Year 4 (FY 2019-20). In the absence of sales tax and TOT generating uses during the first two years of operation to offset service costs, a modest General Fund operating deficit is projected.

Police protection costs present the largest General Fund expenditure. Police and other operating expenditures are held in constant 2015 dollars. Based on historical trends of contract cost increases during the past four fiscal years, additional spikes in service costs in future years are likely. It should also be noted that, while the E/FIA projects healthy sales tax revenues in the future, the City's Revenue Neutrality Agreement with the County will offset a significant portion of the financial benefit the City will receive as the City continues to address its ongoing budget deficit. Even in the absence of the RTRP, market conditions will need to continue to favor the City and the Inland Empire I-15 corridor to ensure that sales tax and TOT generating uses will be supportable and able to improve the City's economic and fiscal outlook in the future.

**TABLE IV-A
FISCAL IMPACT ANALYSIS: SCENARIO #1 – NO RTRP (2015\$)**

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
GENERAL FUND RECURRING REVENUES											
General Property Tax	30,932	129,300	245,266	387,515	538,632	634,679	674,713	703,505	732,296	746,184	4,823,022
Sales Tax ¹	-	-	257,678	515,355	804,868	1,438,356	1,438,356	1,438,356	1,438,356	1,438,356	8,769,681
Transient Occupancy Tax	-	-	-	291,270	582,540	582,540	582,540	582,540	582,540	582,540	3,786,510
Property Transfer Tax	906	3,917	8,005	13,271	17,316	19,583	20,507	21,432	22,356	22,802	150,095
Franchise Fees - Utilities	5,183	19,130	40,792	66,863	87,333	98,553	103,448	108,343	113,238	115,599	758,484
Franchise Fees - Solid Waste	2,653	9,793	20,882	34,228	44,706	50,450	52,956	55,461	57,967	59,176	388,271
TOTAL	39,674	162,140	572,622	1,308,502	2,075,395	2,824,161	2,872,520	2,909,637	2,946,754	2,964,658	18,676,063
GENERAL FUND RECURRING EXPENDITURES											
General Government & Finance ²	4,306	15,894	33,891	55,551	72,557	81,880	85,947	90,013	94,080	96,042	630,160
Development Services ³	6,011	22,188	47,312	77,550	101,291	114,305	119,982	125,660	131,337	134,075	879,711
Police Protection ⁴	48,877	180,407	384,690	630,553	823,588	929,405	975,567	1,021,728	1,067,890	1,090,156	7,152,862
Animal Services	2,859	8,418	16,613	25,412	34,387	39,501	42,201	44,901	47,601	48,903	310,796
Revenue Neutrality Payments	-	-	83,656	152,496	220,666	438,342	444,388	450,434	456,480	459,397	2,705,859
TOTAL	62,053	226,907	566,162	941,562	1,252,489	1,603,433	1,668,085	1,732,737	1,797,389	1,828,574	11,679,388
SURPLUS / (DEFICIT)	(22,379)	(64,766)	6,460	366,940	822,907	1,220,728	1,204,436	1,176,901	1,149,366	1,136,084	6,996,675

¹ Calculated at 1% of taxable sales.

² Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

³ Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

⁴ Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

⁵ Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

V. ECONOMIC/FISCAL IMPACT ANALYSIS: RTRP SCENARIOS

The E/FIA analyzes the impact of the proposed RTRP path on the nine projects and the City’s overall fiscal outlook. As shown in Table V-A, the impact of the RTRP on sales tax generating uses will be particularly critical to the City’s General Fund health. This E/FIA addresses: (1) the physical impact of the RTRP to the development envelope of the nine project sites; and (2) the economic impact of the RTRP to the assessed valuation of properties that are exposed to the RTRP but are not directly eliminated by the RTRP’s path.

KEY ASSUMPTIONS

Residential Property Values

Prior statistical analysis evaluating the economic impact of overhead high voltage transmission facilities have focused primarily on residential property values. On April 14, 2012, the Subcommittee on Insurance, Housing, and Community Opportunity of the Congressional Committee on Financial Services held a special field hearing on “The Impact of Overhead High Voltage Transmission Towers and Lines on Eligibility for Federal Housing Administration (FHA) Insured Mortgage Programs.” The meeting was held in the Council Chambers of Chino Hills City Hall and focused on the proposed SCE overhead high voltage transmission line through the City of Chino Hills as part of the Tehachapi Renewable Transmission Project (“TRTP”). Witnesses opposed to the project argued that, once the transmission towers for the project were erected, sales comparisons indicated that average sales prices in the affected residential areas dropped by 17.2 percent as shown below.

TABLE V-A
TRTP IMPACT ON SINGLE FAMILY HOME SALES IN CHINO HILLS

	# Closed Sales	Average Sales Price	\$ Change in Average Sales Price	% Change in Average Sales Price
6 Months Prior to Tower Construction	331	\$ 509,000	-	-
10 Months Following Tower Construction	426	\$ 421,452	\$ (87,548)	(17.2%)

This is consistent with a July 22, 2015 market study prepared by The Concord Group (“TCG”) that estimates a 15% depreciation in residential property values due to proximity or exposure to overhead high voltage transmission lines. TCG reviewed the comparable sales prices of homes exposed and not exposed to transmission lines in three communities: Santa Clarita, CA; San Gabriel, CA; and Seattle, WA. The discount in the comparable sales prices of exposed homes averaged 18.2%.

This E/FIA assumes a 17.0% discount in residential assessed values due to exposure to the proposed RTRP.

Industrial/Business Park Property Values

Based on a 2005 article published by the International Right of Way Association analyzing the impact of overhead high voltage transmission towers and lines on industrial properties, the E/FIA does not discount property values of the industrial/business park elements of the nine projects in the RTRP path.

Retail Properties and Sales Tax Generation

Similar to industrial properties, the E/FIA does not discount property values of the retail elements of the Sky Country Retail Center and Thoroughbred Farm Business Park. Instead, the E/FIA focuses on potential constraints the RTRP will pose to site planning and signage, particularly freeway-oriented signs along the I-15 corridor. The most significant impact is anticipated for the Sky Country Retail Center site located on the northwest quadrant of Limonite Avenue and the I-15 freeway. The impacts to this project are further described below.

RTRP IMPACT TO SCOPE OF DEVELOPMENT

Scope of Development: Sky Country Retail Center

The RTRP’s most significant impact to project performance and development is its anticipated impacts to the Sky Country Retail Center site. Given the scale and scope of the existing community shopping centers on the northwest and southeast quadrants, the ability of the local market to support a third shopping center at the Sky Country Retail Center location requires product diversification to offer consumers new retail choices beyond what is already abundantly offered in the immediate trade area. As such, the E/FIA has assumed that the Sky Country Retail Center would be developed as a “Lifestyle Center,” offering consumers a tenant mix within 289,560 square feet of gross leasable area focused on “national-chain specialty stores with dining and entertainment in an outdoor setting,”¹ and delivering a 100-room suite hotel.

To build a Lifestyle Center and hotel at this location, ideal site characteristics and economic conditions must exist. The RTRP is a direct threat to the Sky Country Retail Center’s ability to perform due to the reduction in lot size, constraints to site planning, the aesthetic impact of the transmission towers and lines, and the RTRP ROW’s impact on the location and visibility of freeway-oriented signage for the center. Based on these limitations, the E/FIA assumes that, in order for the retail project to be market viable and economically feasible, the project would need to be downgraded in classification, size, scope, and performance from a “Lifestyle Center” to a “Neighborhood Center,” as classified by ICSC, and the hotel element would be eliminated. The E/FIA assumes that the remaining 21-acre balance of the property will be developed as industrial park to expand the footprint of the Sky Country Industrial Park site immediately to the north.

Key differences between the two classifications of shopping centers are outlined below.

**TABLE V-B
ICSC U.S. SHOPPING CENTER CLASSIFICATIONS**

Type of Shopping Center	Lifestyle Center	Neighborhood Center
Concept	National-chain specialty stores with dining and entertainment in an outdoor setting	Convenience-oriented
Average Building Size	333,411 SF	71,938 SF
Acreage Range	10 - 40 acres	3 - 5 acres
Typical Types of Anchors	Large format upscale specialty	Supermarket
Trade Area Size	8 - 12 miles	3 miles

¹ U.S. Shopping-Center Classification and Characteristics, International Council of Shopping Centers, August 2015

The E/FIA further assumes that the Sky Country Retail Center will perform at 75% productivity in taxable sales due to the impact of the RTRP ROW on the location and visibility of freeway-oriented signage for the project. This is consistent with Institute of Transportation Engineers (“ITE”) trip generation estimates for pass-by trips, or impulse stops, for different land uses, as documented in a 2001 study prepared for the U.S. Small Business Administration -- “SIGNS: Showcasing Your Business on the Street - The Importance of Signage for Your Business.” According to the study, ITE trip generation statistics estimate that 25% of all stops by shoppers at shopping centers between 100,000 and 400,000 square feet are attributable to impulse stops. This percentage goes up to 35% for shopping centers smaller than 100,000 square feet. The E/FIA assumes that the RTRP will impact the number of impulse stops at the Sky Country Retail Center due to reduced freeway visibility and exposure from the increased setback east of the RTRP ROW, away from the I-15 freeway, and ROW restrictions on signage and wayfinding.

Table V-C presents the net change in annual General Fund property tax and sales tax revenues resulting from the RTRP’s impact on the Sky Country Retail Center.

**TABLE V-C
RTRP IMPACTS TO SCOPE OF DEVELOPMENT: SKY COUNTRY RETAIL CENTER**

	SKY COUNTRY RETAIL CENTER BUILD-OUT FY 2025-26		
	WITHOUT RTRP	WITH RTRP	NET CHANGE
Land Use / Shopping Center Classification	Lifestyle Center	Neighborhood Center + Industrial Park	
Retail SF	289,560 SF	79,400 SF	- 210,160 SF
Hotel Rooms	100 Rooms	0 Rooms	- 100 Rooms
Industrial Park SF	0 SF	320,166 SF	+ 320,166 SF
Annual General Fund Property Tax Revenue	\$ 48,768	\$ 36,139	\$ (12,629)
Annual General Fund Sales Tax Revenue	515,355	82,729	(432,626)
Annual General Fund TOT Revenue	291,270	-	(291,270)
TOTAL	\$ 855,393	\$ 118,868	\$ (736,526)

Scope of Development: All Projects

Table V-D provides a summary of the anticipated impacts of the RTRP on the nine projects, including: (1) direct impacts of the RTRP’s 100-foot ROW width on lot size, building square footage, and dwelling unit counts; and (2) indirect impacts of the RTRP on property values and retail product performance.

**TABLE V-D
RTRP IMPACTS TO SCOPE OF DEVELOPMENT: ALL PROJECTS**

Map Ref #	Project Name	Land Use	WITHOUT RTRP			WITH RTRP		
			Dwelling Units (DU) / Building SF	Total Residents / Employees		Dwelling Units (DU) / Building SF	Total Residents / Employees	
1	Harmony Trails	Single Family Residential	176 DU	674		176 DU	674	
2	Turnleaf	Single Family Residential	111 DU	425		111 DU	425	
3	Thoroughbred Farm Business Park	Business Park	598,504 SF	998		598,504 SF	900	
		Light Industrial	917,592 SF	891		917,592 SF	778	
		Commercial/Retail	129,635 SF	259		129,635 SF	259	
		Tourist/Commercial	112,211 SF	224		112,211 SF	224	
		Total	1,757,942 SF	2,372		1,757,942 SF	2,162	
4	I-15 Corridor: Vernola Residential West	Single Family Residential	516 DU	1,976		484 DU	1,854	
5	I-15 Corridor: Sky Country Industrial Park	Industrial Park	363,384 SF	353		646,960 SF	628	
6	I-15 Corridor: Sky Country Retail Center	Scenic Highway Commercial	289,560 SF	579		79,400 SF	159	
		Hotel	60,984 SF	122		0 SF	0	
		Total	350,544 SF	701		79,400 SF	159	
7	I-15 Corridor: Vernola Industrial Park	Industrial Park	162,323 SF	158		54,108 SF	53	
8	Vernola Marketplace Apartment Community	Multifamily Residential	397 DU	1,036		182 DU	475	
9	Riverbend	Single Family Residential	466 DU	1,785		360 DU	1,379	
		Total DUs / Residents	1,666 DU	5,896		1,313 DU	4,807	
		Total SF / Employees	2,634,192 SF	3,584		2,538,409 SF	3,001	

JOBS

Job creation continues to be a major economic development goal of the City as the regional economy continues to recover from the recession. As shown in Table V-D, in addition to generating new revenue streams to the City, an important economic outcome of the projects is the creation of 3,584 new jobs for the region, ranging from part-time service jobs at retail centers to full-time executive jobs in active employment centers. As shown in Table V-E, Jurupa Valley has a deficit of 4,000 jobs, with the highest unemployment rate (8.5%) in the region. The reduced scope of development created by the RTRP would result in the loss of 583 permanent jobs that are sorely needed in the local community and the region.

**TABLE V-E
MONTHLY LABOR FORCE DATA (OCT 2015 – PRELIMINARY)**

Jurisdiction	UNEMPLOYMENT	
	Number	Rate
Riverside County	67,000	6.5%
Chino	1,800	4.7%
Corona	4,000	5.1%
Eastvale	1,400	4.4%
Fontana	6,300	6.7%
Jurupa Valley	4,000	8.5%
Ontario	5,100	6.2%
Rancho Cucamonga	4,200	4.6%
Riverside, City	9,300	6.2%

Source: California Employment Development Department

RTRP IMPACT TO CITY GENERAL FUND REVENUES & EXPENDITURES

Scenario #2: RTRP

Based on the reduced scope of development resulting from the RTRP's direct impacts to the projects, and based on reductions in property values and retail performance due to exposure to the RTRP and its ROW restrictions, an updated 10-year build-out projection of General Fund recurring revenues and expenditures was prepared. Please refer to Table V-F on the following page.

**TABLE V-F
FISCAL IMPACT ANALYSIS: SCENARIO #2 – RTRP (2015\$)**

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
GENERAL FUND RECURRING REVENUES											
General Property Tax	27,570	111,391	235,783	355,083	455,969	501,043	528,141	555,239	582,337	596,225	3,948,782
Sales Tax ¹	-	-	82,729	82,729	372,241	1,005,730	1,005,730	1,005,730	1,005,730	1,005,730	5,566,349
Transient Occupancy Tax	-	-	-	-	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
Property Transfer Tax	813	3,372	7,121	10,776	13,870	15,317	16,187	17,057	17,928	18,373	120,815
Franchise Fees - Utilities	5,183	17,991	39,315	57,519	72,097	78,653	83,260	87,867	92,474	94,835	629,195
Franchise Fees - Solid Waste	2,653	9,210	20,126	29,444	36,907	40,263	42,621	44,980	47,338	48,547	322,088
TOTAL	36,219	141,963	385,074	535,550	1,242,354	1,932,277	1,967,210	2,002,144	2,037,077	2,054,981	12,334,849
GENERAL FUND RECURRING EXPENDITURES											
General Government & Finance ²	4,306	14,947	32,664	47,787	59,899	65,346	69,174	73,002	76,829	78,791	522,745
Development Services ³	6,011	20,866	45,599	66,712	83,620	91,224	96,568	101,911	107,254	109,993	729,758
Police Protection ⁴	48,877	169,661	370,760	542,427	679,910	741,738	785,184	828,631	872,077	894,343	5,933,608
Animal Services	2,859	8,259	16,295	22,808	28,399	30,940	33,481	36,022	38,563	39,866	257,492
Revenue Neutrality Payments	-	-	-	-	132,514	241,084	322,113	327,804	333,494	336,411	1,693,419
TOTAL	62,053	213,734	465,317	679,734	984,342	1,170,332	1,306,520	1,367,369	1,428,218	1,459,403	9,137,022
SURPLUS / (DEFICIT)	(25,834)	(71,770)	(80,243)	(144,184)	258,012	761,944	660,690	634,775	608,859	595,578	3,197,827

¹ Calculated at 1% of taxable sales.

² Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

³ Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

⁴ Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

⁵ Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

Exhibit V-A illustrates projected annual net General Fund revenues over expenditures generated by the projects with and without the RTRP. The impact of the RTRP on the Sky Country Retail Center is shown by the prolonged net General Fund deficit generated by the projects until sales tax and TOT revenues are generated by new retail and hotel uses in the Thoroughbred Farm Business Park.

EXHIBIT V-A

I-15 Corridor Projects: Net GF Revenues Over Expenditures

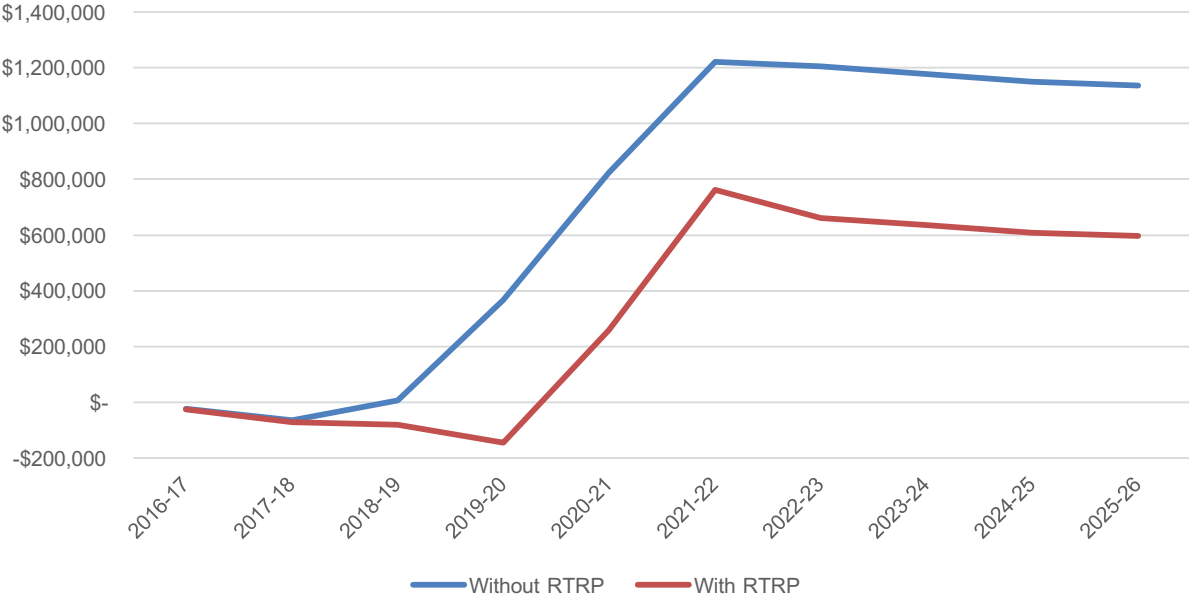


Table V-F on the following page provides 10-year totals of revenues and expenditures with and without the RTRP, including the net change in the 10-year totals of revenues and expenditures. Over the 10-year time period, the City stands to lose approximately \$3.8 million in surplus revenues generated by the projects if the RTRP is built along the currently proposed path.

**TABLE V-F
RTRP IMPACT AT PROJECT BUILD-OUT – SCENARIO #2 (2015\$)**

	I-15 CORRIDOR PROJECTS: 10-YEAR TOTALS FY 2016-17 - FY 2025-26		
	WITHOUT RTRP	WITH RTRP	NET CHANGE
GENERAL FUND RECURRING REVENUES			
General Property Tax	4,823,022	3,948,782	(874,240)
Sales Tax ¹	8,769,681	5,566,349	(3,203,333)
Transient Occupancy Tax	3,786,510	1,747,620	(2,038,890)
Property Transfer Tax	150,095	120,815	(29,279)
Franchise Fees - Utilities	758,484	629,195	(129,289)
Franchise Fees - Solid Waste	388,271	322,088	(66,184)
TOTAL	18,676,063	12,334,849	(6,341,214)
GENERAL FUND RECURRING EXPENDITURES			
General Government & Finance ²	630,160	522,745	(107,415)
Development Services ³	879,711	729,758	(149,953)
Police Protection ⁴	7,152,862	5,933,608	(1,219,254)
Animal Services	310,796	257,492	(53,303)
Revenue Neutrality Payments ⁵	2,705,859	1,693,419	(1,012,440)
TOTAL	11,679,388	9,137,022	(2,542,365)
SURPLUS / (DEFICIT)	6,996,675	3,197,827	(3,798,848)

¹ Calculated at 1% of taxable sales.

² Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

³ Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

⁴ Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

⁵ Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

Scenario #3: RTRP + Secondary Impacts

Although the above tables do not evaluate the direct or indirect impacts of the proposed RTRP alignment to the “Commercial/Retail” and “Tourist/Commercial” uses located in the Thoroughbred Farm Business Park, it is important to note that there could be secondary impacts to the market viability of those uses resulting from the reduced scope of development from adjacent properties, particularly along the I-15 freeway. Because of the sensitivity of retail and hotel markets to adjacent uses and other economic factors, the overall ability of the market to support the assumed tenant mix and hotel use envisioned for the Thoroughbred Farm Business Park could significantly change. If investors believe those projects are too risky, the property owner(s) would likely file an application with the City for an amendment to the specific plan to change those uses to Light Industrial and/or Business Park uses. Particularly in the Inland Empire, Light Industrial and Business Park uses are significantly less risky than Commercial/Retail and Tourist/Commercial uses. Such a specific plan amendment would reduce General Fund sales tax and TOT revenues from the Thoroughbred Farm Business Park by \$924,759 annually. Table V-G on the following page provides a 10-year build-out projection of General Fund recurring revenues and expenditures based on this scenario. As illustrated in Table V-G, if the RTRP impairs the market viability of sales tax and TOT generating retail and hotel development projects along the I-15 corridor, the remnant projects would create an annual ongoing operating deficit for the City’s General Fund.

**TABLE V-G
FISCAL IMPACT ANALYSIS: SCENARIO #3 – RTRP + SECONDARY IMPACTS TO THOROUGHBRED FARM BUSINESS PARK (2015\$)**

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
GENERAL FUND RECURRING REVENUES											
General Property Tax	27,570	111,391	235,783	363,842	467,352	505,875	532,973	560,071	587,169	601,057	3,993,084
Sales Tax ¹	-	-	82,729	82,729	82,729	82,729	82,729	82,729	82,729	82,729	661,830
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-
Property Transfer Tax	813	3,372	7,121	11,057	14,235	15,472	16,343	17,213	18,083	18,529	122,238
Franchise Fees - Utilities	5,183	17,991	39,315	58,927	74,782	81,272	85,879	90,486	95,093	97,454	646,381
Franchise Fees - Solid Waste	2,653	9,210	20,126	30,165	38,281	41,603	43,962	46,320	48,678	49,887	330,885
TOTAL	36,219	141,963	385,074	546,720	677,380	726,951	761,885	796,819	831,752	849,656	5,754,418
GENERAL FUND RECURRING EXPENDITURES											
General Government & Finance ²	4,306	14,947	32,664	48,957	62,130	67,522	71,350	75,177	79,005	80,966	537,023
Development Services ³	6,011	20,866	45,599	68,345	86,734	94,261	99,605	104,948	110,291	113,030	749,691
Police Protection ⁴	48,877	169,661	370,760	555,707	705,228	766,432	809,878	853,325	896,771	919,037	6,095,676
Animal Services	2,859	8,259	16,295	22,808	28,399	30,940	33,481	36,022	38,563	39,866	257,492
Revenue Neutrality Payments	-	-	-	-	88,013	94,177	98,512	102,848	107,184	109,406	600,139
TOTAL	62,053	213,734	465,317	695,817	970,504	1,053,332	1,112,826	1,172,320	1,231,814	1,262,305	8,240,021
SURPLUS / (DEFICIT)	(25,834)	(71,770)	(80,243)	(149,097)	(293,124)	(326,380)	(350,941)	(375,501)	(400,062)	(412,649)	(2,485,603)

¹ Calculated at 1% of taxable sales.

² Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

³ Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

⁴ Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

⁵ Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

As stated earlier in this report, in addition to the nine new development projects that are proposed along the RTRP path, the RTRP is likely to also impact the performance of the existing 382,909 square foot Vernola Marketplace Shopping Center. Total annual sales tax revenue for the center in 2014 was \$589,460. Potential impacts of the RTRP on signage and aesthetic freeway visibility of the center from the I-15 freeway could reduce taxable sales by 25 percent, consistent with the E/FIA's review of the proposed Sky Country Retail Center project. This would result in an additional \$147,365 reduction in annual sales tax revenues to the City's General Fund.

Scenario #4: RTRP + Police Cost Increases

In the prior scenarios, the E/FIA held police contract costs constant for simplicity of analysis. However, future increases in Sheriff contract costs are expected, as has been reported in a number of recent news articles and recent analyses conducted by a number of contract cities in Riverside County. Based on discussions with City staff, an annual growth factor of 5% is likely and is applied to the cost-per-sworn officer rate analyzed in Scenario #4. Table V-H illustrates the critical nature of the RTRP's impact on key General Fund revenue-generating projects. Scenario #4 assumes no secondary impacts of the RTRP to the retail and hotel elements of the Thoroughbred Farm Business Park project, but applies the 5% annual growth factor to the City's police contract costs for the corridor projects. Until Thoroughbred Farm generates significant sales tax and TOT revenues in Year 5 (FY 2020-21), the projects create a significant General Fund operating deficit for the City during the first four years (FY 2016-17 to FY 2019-20). By Year 10 (FY 2025-26), rising police contract costs and a steadily growing service population would partially offset the revenues generated by the Thoroughbred Farm Business Park. Any secondary impacts of the RTRP to Thoroughbred Farm's retail and hotel projects (see Scenario #3) would severely limit the City's financial capacity to fund core public safety services at appropriate levels of service.

**TABLE V-H
FISCAL IMPACT ANALYSIS: SCENARIO #4 – RTRP + ANNUAL POLICE CONTRACT COST INCREASES (2015\$ EXCEPT POLICE PROTECTION – 5% ANNUAL GROWTH)**

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
GENERAL FUND RECURRING REVENUES											
General Property Tax	27,570	111,391	235,783	355,083	455,969	501,043	528,141	555,239	582,337	596,225	3,948,782
Sales Tax ¹	-	-	82,729	82,729	372,241	1,005,730	1,005,730	1,005,730	1,005,730	1,005,730	5,566,349
Transient Occupancy Tax	-	-	-	-	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
Property Transfer Tax	813	3,372	7,121	10,776	13,870	15,317	16,187	17,057	17,928	18,373	120,815
Franchise Fees - Utilities	5,183	17,991	39,315	57,519	72,097	78,653	83,260	87,867	92,474	94,835	629,195
Franchise Fees - Solid Waste	2,653	9,210	20,126	29,444	36,907	40,263	42,621	44,980	47,338	48,547	322,088
TOTAL	36,219	141,963	385,074	535,550	1,242,354	1,932,277	1,967,210	2,002,144	2,037,077	2,054,981	12,334,849
GENERAL FUND RECURRING EXPENDITURES											
General Government & Finance ²	4,306	14,947	32,664	47,787	59,899	65,346	69,174	73,002	76,829	78,791	522,745
Development Services ³	6,011	20,866	45,599	66,712	83,620	91,224	96,568	101,911	107,254	109,993	729,758
Police Protection ⁴	51,321	187,052	429,201	659,323	867,757	994,000	1,104,833	1,224,265	1,352,877	1,456,790	8,327,419
Animal Services	2,859	8,259	16,295	22,808	28,399	30,940	33,481	36,022	38,563	39,866	257,492
Revenue Neutrality Payments	-	-	-	-	132,514	241,084	322,113	327,804	333,494	336,411	1,693,419
TOTAL	64,497	231,124	523,758	796,630	1,172,189	1,422,594	1,626,169	1,763,003	1,909,018	2,021,850	11,530,834
SURPLUS / (DEFICIT)	(28,278)	(89,161)	(138,685)	(261,080)	70,165	509,682	341,041	239,141	128,059	33,130	804,016

¹ Calculated at 1% of taxable sales.

² Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

³ Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

⁴ Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

⁵ Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

VI. SUMMARY

As a newly incorporated City, Jurupa Valley is appropriately investing in economic development activities not to only ensure the future viability and sustainability of the local economy, but also to ensure the fiscal solvency of the City. The loss of VLF-related revenue sources critically shrank the scope of the City's revenue portfolio. With one less major revenue category to rely upon, the City must focus on growing its other revenue sources, particularly property tax, sales tax, and TOT. The development projects planned along the I-15 corridor are crucial, not only because of the breadth of development that would take place, but also because the I-15 corridor presents the greatest opportunities for economic development throughout the entire City. A 100-foot wide no-build-zone along the City's frontage properties along the I-15 freeway would seriously impair the ability of the City and private property owners to leverage the City's greatest economic asset, the I-15 freeway, for the benefit of the local and regional economy, and for the fiscal sustainability of the City.

This E/FIA evaluated future General Fund revenues and expenditures for nine key development projects relying upon assumptions primarily based on today's fiscal and economic conditions. Additional factors that the City and California Public Utilities Commission ("CPUC") should consider when reviewing the impacts of the proposed RTRP alignment include:

- **Secondary Impacts from RTRP:** As described above, the potential secondary impacts of the RTRP on the market viability of the adjacent uses, including retail and hotel uses in the Thoroughbred Farm Business Park, could present additional fiscal impacts to the City, reducing sales tax and TOT revenues by \$924,759. The RTRP's secondary impacts to the performance of the existing Vernola Marketplace Shopping Center could further reduce General Fund sales tax revenues by \$147,365.
- **Rising Public Safety Costs:** Police contract costs have consistently risen on an annual basis for the City and other contract cities in Riverside County. E/FIA Scenarios #1, #2, and #3 held police contract costs constant for simplicity of analysis. However, future increases in contract costs (Scenario #4) will significantly worsen General Fund operating deficits for the projects during the initial years of development.

The City has a potentially small window of time and opportunity in the current market to leverage the I-15 corridor to grow its revenue base and ensure financial and economic resilience. The proposed RTRP alignment would force changes in market conditions that would close that window of opportunity and cripple the City's ability to address its current budget deficit, leading to the depletion of reserves, fiscal insolvency, and potential bankruptcy or disincorporation. Undergrounding the RTRP line along an alternative alignment would preserve the City's window of opportunity and promote greater economic benefits for the region through enhanced job creation.

APPENDIX

- A. ABSORPTION FORECASTS
- B. FORECAST METHODOLOGY
- C. REVENUE FORECASTS – CASE STUDY METHODOLOGY
- D. EXPENDITURE FORECASTS – CASE STUDY METHODOLOGY

A. ABSORPTION FORECASTS

Residential Absorption

TABLE A-1

Annualized Demand Forecast Based on 2015 Housing Estimate and Housing Projections for 2020 and 2035

Fiscal Year	Projected Housing Units	Annual New Housing Demand
2014-15	26,874	-
2015-16	27,289	415
2016-17	27,704	415
2017-18	28,119	415
2018-19	28,534	415
2019-20	28,949	415
2020-21	29,389	440
2021-22	29,829	440
2022-23	30,269	440
2023-24	30,709	440
2024-25	31,149	440
2025-26	31,589	440
2026-27	32,029	440
2027-28	32,470	440
2028-29	32,910	440
2029-30	33,350	440
2030-31	33,790	440
2031-32	34,230	440
2032-33	34,670	440
2033-34	35,110	440
2034-35	35,550	440

Sources: California Department of Finance; 2013 Progress Report, County of Riverside, Center for Demographic Research

Light Industrial/Business Park Absorption

TABLE A-2
2015 Jurupa Valley Businesses & Employment

BUSINESS INDUSTRY (NAICS)	Businesses	Employees	% Total Employees
Industrial			
Utilities	3	92	0.36%
Construction	292	2,498	9.72%
Manufacturing	136	3,174	12.35%
Wholesale Trade	155	2,978	11.59%
Transportation & Warehousing	112	1,380	5.37%
Subtotal	698	10,122	39.40%
Office/Business Park			
Information	37	194	0.76%
Finance & Insurance	89	252	0.98%
Real Estate, Rental & Leasing	117	604	2.35%
Professional, Scientific & Tech Services	126	2,155	8.39%
Management of Companies & Enterprises	1	3	0.01%
Administrative & Support / Waste Management & Remediation Services	114	952	3.71%
Educational Services	44	1,753	6.82%
Health Care & Social Assistance	99	1,701	6.62%
Public Administration	20	576	2.24%
Other Services (except Public Administration)	299	1,445	5.62%
Subtotal	946	9,635	37.50%
Other Industries			
Retail Trade	363	3,358	13.07%
Arts, Entertainment & Recreation	29	567	2.21%
Accommodation & Food Services	141	1,824	7.10%
Agriculture, Forestry, Fishing & Hunting	12	41	0.16%
Mining	4	45	0.18%
Unclassified Establishments	59	101	0.39%
Subtotal	608	5,936	23.10%
ALL INDUSTRIES	2,252	25,693	100.00%

Source: ESRI Business Analyst Online

TABLE A-3

Annualized Demand Forecast Based on 2015 Employment Estimate and Employment Projections for 2020 and 2035

Fiscal Year	All Industries	Light Industrial				Business Park			
	Employment (100%)	Employment (39.4%)	SF per Employee	Total SF	Annual New SF	Employment (37.5%)	SF per Employee	Total SF	Annual New SF
2014-15	25,693	10,123	1,030	10,426,733	-	9,635	600	5,780,925	-
2015-16	27,434	10,809	1,030	11,133,185	706,451	10,288	600	6,172,605	391,680
2016-17	29,175	11,495	1,030	11,839,636	706,451	10,940	600	6,564,285	391,680
2017-18	30,915	12,181	1,030	12,546,088	706,451	11,593	600	6,955,965	391,680
2018-19	32,656	12,867	1,030	13,252,539	706,451	12,246	600	7,347,645	391,680
2019-20	34,397	13,552	1,030	13,958,991	706,451	12,899	600	7,739,325	391,680
2020-21	35,668	14,053	1,030	14,474,788	515,797	13,376	600	8,025,300	285,975
2021-22	36,939	14,554	1,030	14,990,585	515,797	13,852	600	8,311,275	285,975
2022-23	38,210	15,055	1,030	15,506,382	515,797	14,329	600	8,597,250	285,975
2023-24	39,481	15,556	1,030	16,022,179	515,797	14,805	600	8,883,225	285,975
2024-25	40,752	16,056	1,030	16,537,977	515,797	15,282	600	9,169,200	285,975
2025-26	42,023	16,557	1,030	17,053,774	515,797	15,759	600	9,455,175	285,975
2026-27	43,294	17,058	1,030	17,569,571	515,797	16,235	600	9,741,150	285,975
2027-28	44,565	17,559	1,030	18,085,368	515,797	16,712	600	10,027,125	285,975
2028-29	45,836	18,059	1,030	18,601,166	515,797	17,189	600	10,313,100	285,975
2029-30	47,107	18,560	1,030	19,116,963	515,797	17,665	600	10,599,075	285,975
2030-31	48,378	19,061	1,030	19,632,760	515,797	18,142	600	10,885,050	285,975
2031-32	49,649	19,562	1,030	20,148,557	515,797	18,618	600	11,171,025	285,975
2032-33	50,920	20,062	1,030	20,664,354	515,797	19,095	600	11,457,000	285,975
2033-34	52,191	20,563	1,030	21,180,152	515,797	19,572	600	11,742,975	285,975
2034-35	53,466	21,066	1,030	21,697,572	517,421	20,050	600	12,029,850	286,875

Sources: ESRI Business Analyst Online; 2013 Progress Report, County of Riverside, Center for Demographic Research

Retail Absorption

EXHIBIT A-1
Retail Trade Area: 10-Minute Drive-time from Sky Country Retail Center Site (11967 Bellegrave Avenue)

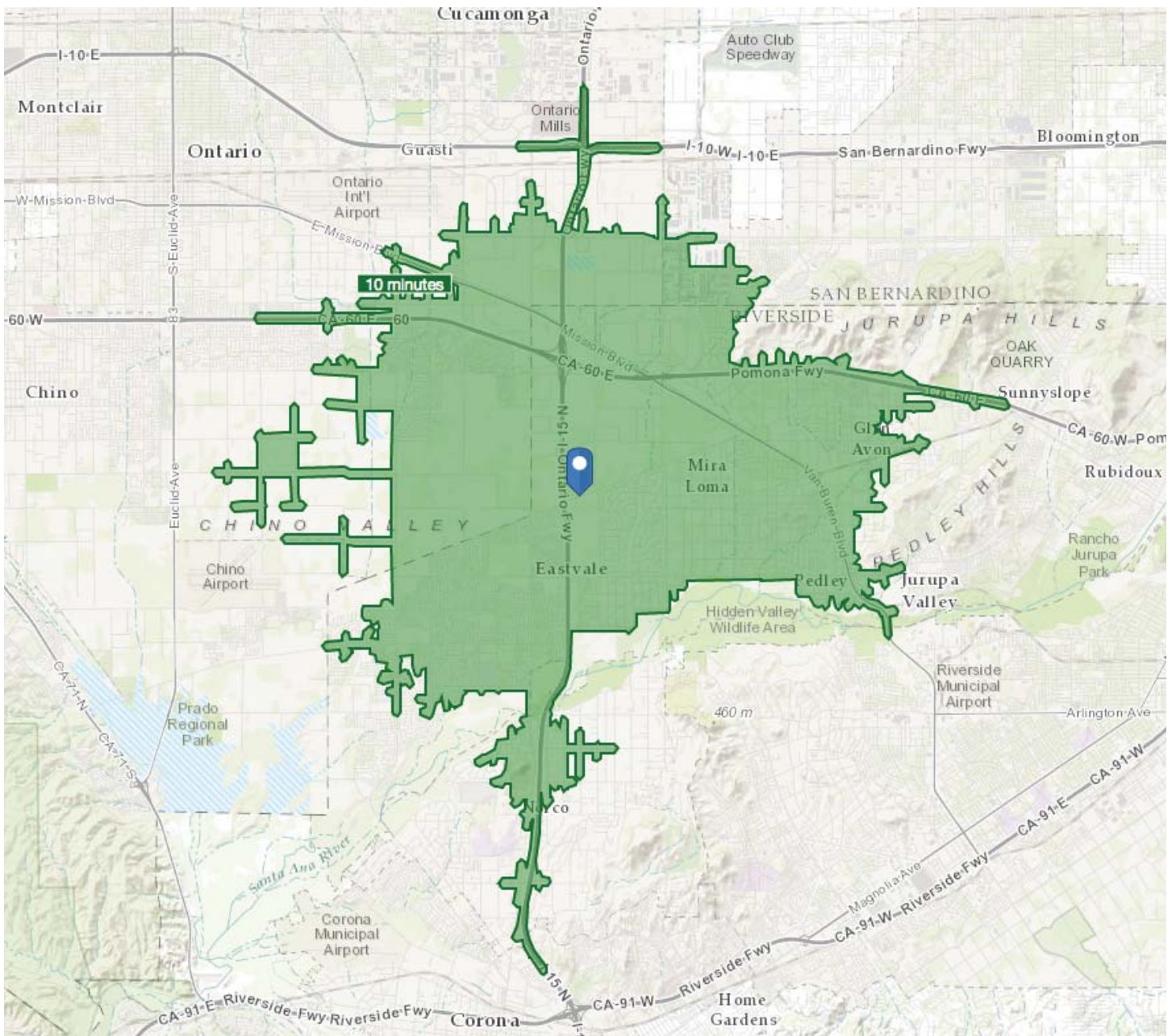


TABLE A-4
2015 Retail Demand (Leakage) Based on 10-Minute Drive-time Trade Area



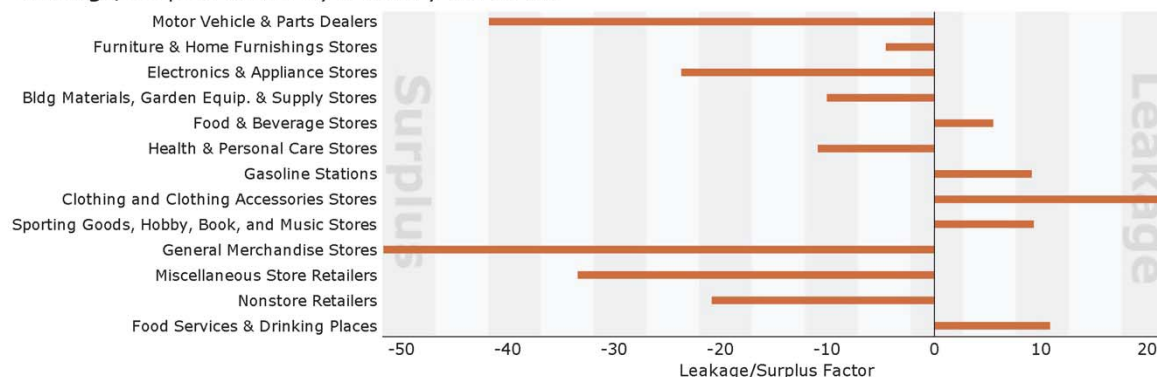
Retail MarketPlace Profile

11967 Bellegrave Ave, Jurupa Valley, California, 91752
 Drive Time: 10 minute radius

Prepared by Esri
 Latitude: 33.99258
 Longitude: -117.54548

Summary Demographics						
2015 Population						112,427
2015 Households						29,382
2015 Median Disposable Income						\$60,179
2015 Per Capita Income						\$23,516
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Furniture Stores	4421	\$12,908,802	\$6,993,779	\$5,915,023	29.7	11
Food & Beverage Stores	445	\$173,953,064	\$155,219,647	\$18,733,417	5.7	79
Grocery Stores	4451	\$157,146,175	\$138,241,873	\$18,904,302	6.4	40
Specialty Food Stores	4452	\$6,555,207	\$3,322,869	\$3,232,338	32.7	28
Gasoline Stations	447,4471	\$85,134,190	\$70,650,296	\$14,483,894	9.3	10
Clothing & Clothing Accessories Stores	448	\$69,367,217	\$43,994,340	\$25,372,877	22.4	60
Clothing Stores	4481	\$51,718,142	\$22,442,847	\$29,275,295	39.5	43
Jewelry, Luggage & Leather Goods Stores	4483	\$9,615,978	\$4,051,931	\$5,564,047	40.7	9
Sporting Goods, Hobby, Book & Music Stores	451	\$23,667,787	\$19,578,641	\$4,089,146	9.5	33
Sporting Goods/Hobby/Musical Instr Stores	4511	\$18,823,817	\$18,211,468	\$612,349	1.7	26
Book, Periodical & Music Stores	4512	\$4,843,970	\$1,367,172	\$3,476,798	56.0	7
Florists	4531	\$1,491,741	\$386,670	\$1,105,071	58.8	5
Food Services & Drinking Places	722	\$113,809,802	\$91,212,277	\$22,597,525	11.0	104
Full-Service Restaurants	7221	\$53,791,447	\$36,347,767	\$17,443,680	19.4	36
TOTAL - ALL INDUSTRIES		\$782,827,339	\$782,827,339	\$170,805,762		491

Leakage/Surplus Factor by Industry Subsector



Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at [Source: Esri and Dun & Bradstreet. Copyright 2015 Dun & Bradstreet, Inc. All rights reserved.](#)

TABLE A-5

2015 Retail Space Demand/Potential Based on Retail Leakage in 10-Minute Drive-time Trade Area

Retail Gap (Leakage)	\$	170,805,762
Average Taxable Sales per SF ¹	\$	313
Retail Space SF Demand/Potential		546,321 SF

¹ Calculated based on estimated taxable sales and retail SF from Sky Country Retail Center and Thoroughbred Farm Business Park, adjusted to exclude movie theater and fitness center taxable sales and SF.

B. FORECAST METHODOLOGY

TABLE B-1 – ANNUAL REVENUE & EXPENDITURE FORECASTING METHODOLOGY

	ADOPTED BUDGET	RTRP STUDY AREA PROJECTIONS			SCENARIO #1: NO RTRP		SCENARIO #2: RTRP		SCENARIO #3: RTRP WITH SECONDARY IMPACTS		SCENARIO #4: RTRP WITH POLICE COST INCREASES		
		Methodology	Allocation	Service Population	Revenue / Cost Factor	Buildout Service Population	Annual Revenues / Expenditures @ Build-out	Buildout Service Population	Annual Revenues / Expenditures @ Build-out	Buildout Service Population	Annual Revenues / Expenditures @ Build-out	Buildout Service Population	Annual Revenues / Expenditures @ Build-out
GENERAL FUND RECURRING REVENUES													
General Property Tax	\$ 5,789,480	Case Study - Build-out Projection	100%		746,184	\$ 596,225	\$ 601,057	\$ 596,225	\$ 601,057	\$ 596,225	\$ 601,057	\$ 596,225	
Sales Tax ²	9,331,395	Case Study - Build-out Projection	100%		1,438,356	1,005,730	82,729	1,005,730	82,729	1,005,730	82,729	1,005,730	
Transient Occupancy Tax	165,000	Case Study - Build-out Projection	100%		582,540	291,270	-	291,270	-	291,270	-	291,270	
Property Transfer Tax	250,000	Case Study - Historical Turnover Rate	100%		22,802	18,373	18,529	18,373	18,529	18,373	18,529	18,373	
Franchise Fees - Utilities	1,680,000	Per Capita 100% Residents + 50% Employees	100%	111,733 \$ 15.04	7,688	94,835	6,481	94,835	6,481	94,835	6,481	94,835	
Franchise Fees - Solid Waste	860,000	Per Capita 100% Residents + 50% Employees	100%	111,733 \$ 7.70	7,688	48,547	6,481	48,547	6,481	48,547	6,481	48,547	
TOTAL					\$ 2,964,658	\$ 2,054,981	\$ 849,656	\$ 2,054,981	\$ 849,656	\$ 2,054,981	\$ 849,656	\$ 2,054,981	
GENERAL FUND RECURRING EXPENDITURES													
General Government & Finance ⁴	\$ 2,791,541	Per Capita 100% Residents + 50% Employees	50%	111,733 \$ 12.49	7,688	96,042	6,481	78,791	6,481	80,966	6,481	78,791	
Development Services ⁵	6,495,039	Per Capita 100% Residents + 50% Employees	30%	111,733 \$ 17.44	7,688	134,075	6,481	109,993	6,481	113,030	6,481	109,993	
Police Protection ⁶	15,855,697	Case Study - Officer to service population ratio; Average cost per additional sworn officer	100%	111,733		1,090,156		894,343		919,037		1,456,790	
Animal Services	820,124	Per Capita 100% Residents	100%	98,885 \$ 8.29	5,896	48,903	4,807	39,866	4,807	39,866	4,807	39,866	
Revenue Neutrality Payments	190,000	Case Study - Project pro rata share of total revenue neutrality payment when project triggers increase in payment	100%		459,397	336,411	109,406	336,411	109,406	336,411	109,406	336,411	
TOTAL					\$ 1,828,574	\$ 1,459,403	\$ 1,262,305	\$ 1,459,403	\$ 1,262,305	\$ 1,459,403	\$ 1,262,305	\$ 2,021,850	
					\$ 1,136,084	\$ 595,578	\$ (412,649)	\$ 595,578	\$ (412,649)	\$ 595,578	\$ (412,649)	\$ 33,130	
					SURPLUS / (DEFICIT)								

¹ 2015 Population = 98,885 per DOF; 2015 Employment = 25,695 per ESRI Business Analyst Online.

² Calculated at 1% of taxable sales.

³ Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per capita service population.

⁴ Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

⁵ Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.50 sworn officers per 1,000 residents. Fire protection costs for wildland

C. REVENUE FORECASTS – CASE STUDY METHODOLOGY

Residential Property Tax Revenue Projections

TABLE C-1 – SCENARIO #1: NO RTRP (2015\$)
10-Year Residential Build-out Projections with No RTRP

PROJECT	STATUS	UNITS	FISCAL YEAR										TOTAL			
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Harmony Trails	Tract Map	176	0	50	50	50	50	26	0	0	0	0	0	0	0	176
Turnleaf	Construction	111	40	40	31	0	0	0	0	0	0	0	0	0	0	111
Vernolia West	Zoned	516	0	0	0	50	50	85	85	85	85	85	85	85	41	516
Vernolia Apartments	Fully Entitled	397	0	0	135	135	127	0	0	0	0	0	0	0	0	397
Riverbend	Mass Grading / Utilities	466	50	85	85	85	85	76	0	0	0	0	0	0	0	466
ANNUAL NEW UNITS		1,666	90	175	301	320	323	161	85	85	85	85	440	440	41	1,666
	<i>Max. Annual Absorption</i>	415	415	415	415	415	440	440	440	440	440	440	440	440	440	1,666
CUMULATIVE NEW UNITS		90	265	566	886	1,209	1,370	1,455	1,540	1,625	1,686	1,686	1,686	1,686	1,686	1,686

PROJECT	STATUS	AV PER DU	FISCAL YEAR										TOTAL			
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Harmony Trails	Tract Map	\$ 446,719	\$ -	\$ 22,335,950	\$ 22,335,950	\$ 22,335,950	\$ 22,335,950	\$ 11,614,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,622,544
Turnleaf	Construction	531,657	21,266,280	21,266,280	16,481,367	-	-	-	-	-	-	-	-	-	-	59,013,927
Vernolia West	Zoned	565,000	-	-	37,800,000	28,250,000	48,025,000	48,025,000	48,025,000	48,025,000	48,025,000	48,025,000	48,025,000	48,025,000	23,165,000	291,540,000
Vernolia Apartments	Fully Entitled	280,000	-	-	37,800,000	37,800,000	35,560,000	-	-	-	-	-	-	-	-	111,160,000
Riverbend	Mass Grading / Utilities	516,239	25,811,950	43,890,315	43,890,315	43,890,315	43,890,315	39,234,164	-	-	-	-	-	-	-	240,567,374
ANNUAL NEW ASSESSED VALUE		\$ 47,078,230	\$ 87,482,545	\$ 120,497,632	\$ 132,266,265	\$ 139,080,009	\$ 87,259,164	\$ 48,025,000	\$ 48,025,000	\$ 48,025,000	\$ 48,025,000	\$ 48,025,000	\$ 48,025,000	\$ 48,025,000	\$ 23,165,000	\$ 780,903,845
CUMULATIVE NEW ASSESSED VALUE		\$ 47,078,230	\$ 134,560,775	\$ 255,058,407	\$ 387,324,672	\$ 526,404,681	\$ 613,663,845	\$ 661,688,845	\$ 709,713,845	\$ 757,738,845	\$ 780,903,845	\$ 780,903,845	\$ 780,903,845	\$ 780,903,845	\$ 780,903,845	\$ 780,903,845

PROJECT	STATUS	CITY SHARE	FISCAL YEAR										TOTAL			
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Harmony Trails	Tract Map	0.05995154	\$ -	\$ 13,391	\$ 13,391	\$ 13,391	\$ 13,391	\$ 6,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,135
Turnleaf	Construction	0.05995154	12,749	12,749	9,881	-	-	-	-	-	-	-	-	-	-	35,380
Vernolia West	Zoned	0.05995154	-	-	-	16,936	28,792	28,792	28,792	28,792	28,792	28,792	28,792	28,792	13,888	174,793
Vernolia Apartments	Fully Entitled	0.07044153	-	-	26,627	26,627	25,049	-	-	-	-	-	-	-	-	78,303
Riverbend	Mass Grading / Utilities	0.07044153	18,182	30,910	30,910	30,910	30,910	27,637	-	-	-	-	-	-	-	169,459
ANNUAL NEW PROPERTY TAX REVENUE		\$ 30,932	\$ 57,050	\$ 80,808	\$ 87,864	\$ 91,714	\$ 56,429	\$ 28,792	\$ 28,792	\$ 28,792	\$ 28,792	\$ 28,792	\$ 28,792	\$ 28,792	\$ 13,888	\$ 505,060
CUMULATIVE NEW PROPERTY TAX REVENUE		\$ 30,932	\$ 87,982	\$ 168,790	\$ 256,654	\$ 348,368	\$ 404,797	\$ 433,589	\$ 462,381	\$ 491,172	\$ 491,172	\$ 491,172	\$ 491,172	\$ 491,172	\$ 491,172	\$ 505,060

TABLE C-2 – SCENARIOS #2 & #3: RTRP (2015\$)
10-Year Residential Build-out Projections with RTRP

RESIDENTIAL ABSORPTION		FISCAL YEAR										
		1	2	3	4	5	6	7	8	9	10	
PROJECT	STATUS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
Harmony Trails	Tract Map	176	50	50	50	26	0	0	0	0	0	176
Turnleaf	Construction	111	40	31	0	0	0	0	0	0	0	111
Vernolia West	Zoned	484	0	0	43	80	80	80	80	80	41	484
Vernolia Apartments	Fully Entitled	182	0	135	47	0	0	0	0	0	0	182
Riverbend	Mass Grading / Utilities	360	80	80	80	70	0	0	0	0	0	360
ANNUAL NEW UNITS		90	170	296	220	176	80	80	80	80	41	1,313
<i>Max. Annual Absorption</i>		415	415	415	415	440	440	440	440	440	440	1,313
CUMULATIVE NEW UNITS		90	260	556	776	952	1,032	1,112	1,192	1,272	1,313	

NEW RESIDENTIAL ASSESSED VALUE		FISCAL YEAR										
		1	2	3	4	5	6	7	8	9	10	
PROJECT	STATUS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
Harmony Trails	Tract Map	\$ 446,719	\$ 18,538,839	\$ 19,450,145	\$ 22,335,960	\$ 11,614,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,939,628
Turnleaf	Construction	\$ 531,657	\$ 20,814,372	\$ 16,481,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,562,019
Vernolia West	Zoned	\$ 565,000	\$ -	\$ -	\$ 20,164,850	\$ 37,516,000	\$ 44,719,750	\$ 45,200,000	\$ 45,200,000	\$ 45,200,000	\$ 23,165,000	\$ 261,165,600
Vernolia Apartments	Fully Entitled	\$ 280,000	\$ -	\$ 31,374,000	\$ 10,922,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,296,800
Riverbend	Mass Grading / Utilities	\$ 516,239	\$ 21,423,919	\$ 39,368,386	\$ 41,299,120	\$ 38,136,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,527,275
ANNUAL NEW ASSESSED VALUE		\$ 42,238,290	\$ 79,173,505	\$ 108,604,632	\$ 94,722,720	\$ 85,267,424	\$ 44,719,750	\$ 45,200,000	\$ 45,200,000	\$ 45,200,000	\$ 23,165,000	\$ 613,491,321
CUMULATIVE NEW ASSESSED VALUE		\$ 42,238,290	\$ 121,411,795	\$ 230,016,427	\$ 324,739,147	\$ 410,006,571	\$ 454,726,321	\$ 499,926,321	\$ 545,126,321	\$ 590,326,321	\$ 613,491,321	

¹ AV per DU reduced by 17% for indirectly impacted housing units.

NEW RESIDENTIAL PROPERTY TAX REVENUES		FISCAL YEAR										
		1	2	3	4	5	6	7	8	9	10	
PROJECT	STATUS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
Harmony Trails	Tract Map	\$ -	\$ 11,114	\$ 11,661	\$ 13,391	\$ 6,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,129
Turnleaf	Construction	\$ 12,479	\$ 12,749	\$ 9,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,109
Vernolia West	Zoned	\$ -	\$ -	\$ -	\$ 12,089	\$ 22,491	\$ 26,810	\$ 27,098	\$ 27,098	\$ 27,098	\$ 13,888	\$ 156,573
Vernolia Apartments	Fully Entitled	\$ 15,091	\$ 27,732	\$ 29,092	\$ 29,092	\$ 25,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,795
Riverbend	Mass Grading / Utilities	\$ 0.07004153	\$ 15,091	\$ 29,092	\$ 29,092	\$ 25,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,462
ANNUAL NEW PROPERTY TAX REVENUE		\$ 27,570	\$ 51,595	\$ 72,734	\$ 62,266	\$ 54,910	\$ 26,810	\$ 27,098	\$ 27,098	\$ 27,098	\$ 13,888	\$ 391,067
CUMULATIVE NEW PROPERTY TAX REVENUE		\$ 27,570	\$ 79,165	\$ 151,899	\$ 214,165	\$ 269,075	\$ 295,885	\$ 322,983	\$ 350,081	\$ 377,179	\$ 391,067	

TABLE C-5 – SCENARIO #3: RTRP WITH SECONDARY IMPACTS TO THOROUGHBRED FARM BUSINESS PARK (2015\$)
10-Year Commercial/Industrial Build-out Projections with RTRP and Secondary Impacts

PROJECT	LAND USE	SF	FISCAL YEAR										TOTAL			
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Thoroughbred Farm Business Park	Light Industrial	800,925	413,483	180,806	206,638											800,925
	Business Park	540,171		338,490	201,681											540,171
	Business Park	300,584				150,282	150,282									300,584
I-15 Corridor: Sky Country Industrial	Business Park	198,634		112,385	86,249											198,634
	Light Industrial	646,960		323,480	323,480											646,960
I-15 Corridor: Sky Country Retail	Commercial/Retail	79,400		79,400												79,400
Vernola Industrial Park	Industrial Park	54,108														54,108
ANNUAL NEW SF		2,620,761	0	413,483	598,696	844,182	614,118	150,282	0	0	0	0	0	0	0	2,620,761
Industrial	Est. Annual Absorption	0	413,483	180,806	530,116	377,587		0	0	0	0	0	0	0	0	1,501,992
	Max. Annual Absorption	706,451	706,451	706,451	706,451	515,797	515,797	515,797	515,797	515,797	515,797	515,797	515,797	515,797	515,797	1,039,369
	Est. Annual Absorption	0	0	338,490	314,066	236,531	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	0
Business Park	Est. Annual Absorption	0	0	79,400	0	0	0	0	0	0	0	0	0	0	0	79,400
	Max. Annual Absorption	391,680	391,680	391,680	391,680	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	0
Commercial	Est. Annual Absorption	0	0	546,321	466,921	466,921	466,921	466,921	466,921	466,921	466,921	466,921	466,921	466,921	466,921	0
	Cumulative Retail Potential	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	546,321	0
CUMULATIVE NEW COMMERCIAL-INDUSTRIAL SF		0	413,483	1,012,179	1,856,361	2,470,479	2,620,761	2,620,761	2,620,761	2,620,761	2,620,761	2,620,761	2,620,761	2,620,761	2,620,761	0

PROJECT	LAND USE	AV PER SF	FISCAL YEAR										TOTAL			
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Thoroughbred Farm	Light Industrial	\$ 130	\$ -	\$ 53,752,790	\$ 23,504,780	\$ 26,862,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,120,250
	Business Park	130	-	44,003,700	26,218,530	-	-	-	-	-	-	-	-	-	-	70,222,230
	Business Park	130	-	-	-	19,536,660	19,536,660	-	-	-	-	-	-	-	-	39,073,320
I-15 Corridor: Sky Country Industrial	Light Industrial	130	-	-	14,610,024	11,212,344	-	-	-	-	-	-	-	-	-	25,822,368
	Commercial/Retail	235	-	-	42,052,373	42,052,373	-	-	-	-	-	-	-	-	-	84,104,746
Vernola Industrial	Industrial Park	130	-	-	18,659,000	-	-	-	-	-	-	-	-	-	-	18,659,000
ANNUAL NEW ASSESSED VALUE		\$ -	\$ 53,752,790	\$ 86,167,480	\$ 109,743,607	\$ 79,835,358	\$ 19,536,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,035,895
CUMULATIVE NEW ASSESSED VALUE		\$ -	\$ 53,752,790	\$ 139,920,270	\$ 249,663,877	\$ 329,499,235	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895	\$ 349,035,895

PROJECT	LAND USE	CITY SHARE	FISCAL YEAR										TOTAL			
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Thoroughbred Farm	Light Industrial	0.05995154	\$ -	\$ 32,226	\$ 14,091	\$ 16,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,422
	Business Park	0.05995154	-	-	26,381	15,718	-	-	-	-	-	-	-	-	-	42,099
	Business Park	0.05995154	-	-	-	-	11,713	11,713	-	-	-	-	-	-	-	23,425
I-15 Corridor: Sky Country Industrial	Business Park	0.05995154	-	-	-	8,759	6,722	-	-	-	-	-	-	-	-	15,481
	Light Industrial	0.05995154	-	-	-	25,211	25,211	-	-	-	-	-	-	-	-	50,422
I-15 Corridor: Sky Country Retail	Commercial/Retail	0.05995154	-	-	11,186	-	-	-	-	-	-	-	-	-	-	11,186
Vernola Industrial	Industrial Park	0.07044153	-	-	-	-	4,955	-	-	-	-	-	-	-	-	4,955
ANNUAL NEW PROPERTY TAX REVENUES		\$ -	\$ 32,226	\$ 51,659	\$ 65,793	\$ 48,600	\$ 11,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,990
CUMULATIVE NEW PROPERTY TAX REVENUES		\$ -	\$ 32,226	\$ 83,884	\$ 149,677	\$ 198,278	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990	\$ 209,990

Sales Tax Revenue Projections: Retail Tenant Mix

TABLE C-6 – SCENARIO #1: NO RTRP (2015\$)
I-15 Corridor: Sky Country Retail Center Tenant Mix

Use / Store Type	Example Stores	Gross Leasable Area (SF)	Est. Taxable Sales per SF	Total Est. Annual Taxable Sales	Annual Sales Tax Revenue
Sporting Goods	Dick's, Sports Authority	45,000 \$	90 \$	4,050,000 \$	40,500
Apparel	Old Navy, Forever 21	20,000	175	3,500,000	35,000
Apparel - Off Price	Stein Mart, Burlington Coat Factory	40,000	125	5,000,000	50,000
Apparel - Off Price	Anna's Linens, Avenue	6,000	135	810,000	8,100
Warehouse-Home Improvement/ Shoes	OSH, DSW	30,000	170	5,100,000	51,000
Specialty Market	Aldi, Grocery Outlet, Sprouts	20,000	100	2,000,000	20,000
Mattress/Bedding	Sit & Sleep, Sleep Train	5,000	400	2,000,000	20,000
Tire/Automotive	Les Schwab, Big O	7,000	360	2,520,000	25,200
Theater	Krikorian, Regency	60,000	25	1,500,000	15,000
Health & Fitness	Crunch Fitness, Planet Fitness	24,000	17	408,000	4,080
Fuel & C-Store	Arco AM/PM, Chevron, Shell	4,000	1,750	7,000,000	70,000
Coffee House	Starbucks, Coffee Bean & Tea Leaf, Dunkin' Donuts	2,200	95	209,000	2,090
Restaurant - Casual Dining	BJ's, Red Robin	7,000	715	5,005,000	50,050
Restaurant - Casual Dining	Islands, Chili's	6,000	585	3,510,000	35,100
Restaurant - Fast Casual - Mexican	Café Rio, Miguel's	3,000	770	2,310,000	23,100
Restaurant - Fast Casual - Burger	Smash Burger, Grub Burger Lounge	3,000	670	2,010,000	20,100
Restaurant - Fast Casual - Pizza	Pieology, Pizza Studio	3,000	733	2,197,500	21,975
Restaurant - Quick Service - Sandwich	Firehouse Subs, Jimmy John's	1,500	470	705,000	7,050
Restaurant - Quick Service w/ Drive-in-the-Box	Chick Fil-A, Jack-in-the-Box	2,700	630	1,701,000	17,010
TOTAL		289,400		\$ 51,535,500	\$ 515,355

Thoroughbred Farm Business Park Tenant Mix

Planning Area	Use / Store Type	Example Stores	Gross Leasable Area (SF)	Est. Taxable Sales per SF	Total Est. Annual Taxable Sales	Annual Sales Tax Revenue
7	Drug Store / Pharmacy	Walgreens, CVS	14,500 \$	173 \$	2,501,250 \$	25,013
	Fuel & C-Store	Arco AM/PM, Chevron, Shell	4,000	1,750	7,000,000	70,000
	Restaurant - Casual Dining	BJ's, Red Robin	7,000	715	5,005,000	50,050
	Restaurant - Fast Casual - Mexican	Café Rio, Miguel's	3,000	770	2,310,000	23,100
	Restaurant - Fast Casual - Burger	Panera Bread, Smash Burger	3,000	733	2,197,500	21,975
	Restaurant - Fast Casual - Pizza	Pieology, Pizza Studio	3,000	733	2,197,500	21,975
	Coffee House	Starbucks, Coffee Bean & Tea Leaf, Dunkin' Donuts	1,100	200	220,000	2,200
Subtotal		35,600		\$ 21,431,250	\$ 214,313	
8	100-room Limited Service Hotel	Holiday Inn Express, Best Western, Extended Stay	50,000 \$	10 \$	500,000 \$	5,000
	Restaurant - Casual Dining	Islands, Chili's	6,000	585	3,510,000	35,100
	Restaurant - Casual Dining	Islands, Chili's	6,000	585	3,510,000	35,100
	Subtotal		62,000		\$ 7,520,000	\$ 75,200
	Warehouse Grocery	Food 4 Less, Smart & Final	52,500 \$	223 \$	11,681,250 \$	116,813
	Craft-Specialty Décor	Hancock Fabrics, Jo-Ann Fabrics & Crafts	20,000	150	3,000,000	30,000
	Bath & Body	Ulla Beauty, Bath & Body Works	5,500	945	5,197,500	51,975
Shoe Stores - Large	Boot Barn, WSS	6,000	335	2,010,000	20,100	
Health & Fitness	Crunch Fitness, Planet Fitness	24,000	17	408,000	4,080	
Restaurant - Casual Dining	BJ's, Red Robin	7,000	715	5,005,000	50,050	
Restaurant - Fast Casual - Mexican	Café Rio, Miguel's	3,000	770	2,310,000	23,100	
Restaurant - Quick Service - Sandwich	Capriotti's, Firehouse Subs, Jimmy John's	1,500	470	705,000	7,050	
Cell Phones	Verizon Wireless, AT&T Mobility, T-Mobile	2,750	863	2,371,875	23,719	
Coffee House	Starbucks, Coffee Bean & Tea Leaf, Dunkin' Donuts	2,200	95	209,000	2,090	
Automotive	Discount Tire, Pep Boys	5,000	300	1,500,000	15,000	
Subtotal		129,450		\$ 34,397,625	\$ 343,976	
TOTAL		227,050		\$ 63,348,875	\$ 633,489	

TABLE C-7 – SCENARIO #2: RTRP (2015\$)
 I-15 Corridor: Sky Country Retail Center (No Change to Thoroughbred Farm Business Park) Tenant Mix

Use / Store Type	Example Stores	Gross Leasable Area (SF)	Est. Taxable Sales per SF	Total Est. Annual Taxable Sales	Annual Sales Tax Revenue
Apparel - Off Price	Stein Mart, Burlington Coat Factory	40,000 \$	125	5,000,000	50,000
Apparel - Off Price	Anna's Linens, Avenue	6,000 \$	135	810,000	8,100
Health & Fitness	Crunch Fitness, Planet Fitness	24,000	17	408,000	4,080
Coffee House	Starbucks, Coffee Bean & Tea Leaf, Dunkin' Donuts	2,200	95	209,000	2,090
Restaurant - Fast Casual - Pizza	Picology, Pizza Studio	3,000	733	2,197,500	21,975
Restaurant - Quick Service - Sandwich	Firehouse Subs, Jimmy John's	1,500	470	705,000	7,050
Restaurant - Quick Service w/ Drive- Thru	Chick Fil-A, Jack- in-the-Box	2,700	630	1,701,000	17,010
TOTAL		79,400	\$	11,030,500	\$ 110,305

Sales Tax Revenue Projections: 10-Year Commercial / Industrial Build-out Projections

TABLE C-8 – SCENARIO #1: NO RTRP (2015\$)

PROJECT	LAND USE	FACTOR	FISCAL YEAR														
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL				
Thoroughbred Farm Business Park	Light Industrial	Variable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Business Park	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Commercial/Retail	Variable	-	-	-	-	-	63,348,875	-	-	-	-	-	-	-	-	
	Tourist/Commercial	Variable	-	-	-	-	28,951,250	-	-	-	-	-	-	-	-	-	
I-15 Corridor: Sky Country Industrial	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I-15 Corridor: Sky Country Retail	Commercial/Retail	Variable	-	-	25,767,750	25,767,750	-	-	-	-	-	-	-	-	-	-	
Vernola Industrial	Industrial Park	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	51,535,500	
ANNUAL NEW TAXABLE SALES			\$ -	\$ -	\$ 25,767,750	\$ 25,767,750	\$ 28,951,250	\$ 63,348,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,835,625
CUMULATIVE NEW TAXABLE SALES			\$ -	\$ -	\$ 25,767,750	\$ 51,535,500	\$ 80,486,750	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625	\$ 143,835,625
CUMULATIVE NEW SALES TAX REVENUE		1%	\$ -	\$ -	\$ 257,678	\$ 515,355	\$ 804,868	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356	\$ 1,438,356

TABLE C-9 – SCENARIO #2: RTRP (2015\$)

PROJECT	LAND USE	FACTOR	FISCAL YEAR														
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL				
Thoroughbred Farm Business Park	Light Industrial	Variable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Business Park	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Commercial/Retail	Variable	-	-	-	-	-	63,348,875	-	-	-	-	-	-	-	-	
	Tourist/Commercial	Variable	-	-	-	-	28,951,250	-	-	-	-	-	-	-	-	-	
I-15 Corridor: Sky Country Industrial	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I-15 Corridor: Sky Country Retail	Commercial/Retail	Variable	-	-	8,272,875	8,272,875	-	-	-	-	-	-	-	-	-	-	
Vernola Industrial	Industrial Park	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	8,272,875	
ANNUAL NEW TAXABLE SALES			\$ -	\$ -	\$ 8,272,875	\$ 8,272,875	\$ 28,951,250	\$ 63,348,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,573,000
CUMULATIVE NEW TAXABLE SALES			\$ -	\$ -	\$ 8,272,875	\$ 16,545,750	\$ 45,497,000	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875	\$ 108,845,875
CUMULATIVE NEW SALES TAX REVENUE		1%	\$ -	\$ -	\$ 82,729	\$ 165,457	\$ 454,970	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459	\$ 1,088,459

TABLE C-10 – SCENARIO #3: RTRP WITH SECONDARY IMPACTS TO THOROUGHbred FARM BUSINESS PARK (2015\$)

PROJECT	LAND USE	FACTOR	FISCAL YEAR														
			2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL				
Thoroughbred Farm Business Park	Light Industrial	Variable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Business Park	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Commercial/Retail	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tourist/Commercial	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I-15 Corridor: Sky Country Industrial	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I-15 Corridor: Sky Country Retail	Commercial/Retail	Variable	-	-	8,272,875	8,272,875	-	-	-	-	-	-	-	-	-	-	
Vernola Industrial	Industrial Park	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	8,272,875	
ANNUAL NEW TAXABLE SALES			\$ -	\$ -	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875	\$ 8,272,875
CUMULATIVE NEW TAXABLE SALES			\$ -	\$ -	\$ 8,272,875	\$ 16,545,750	\$ 24,818,625	\$ 33,091,500	\$ 41,364,375	\$ 49,637,250	\$ 57,910,125	\$ 66,183,000	\$ 74,455,875	\$ 82,728,750	\$ 91,001,625	\$ 99,274,500	\$ 107,547,375
CUMULATIVE NEW SALES TAX REVENUE		1%	\$ -	\$ -	\$ 82,729	\$ 165,457	\$ 248,186	\$ 330,915	\$ 413,644	\$ 496,373	\$ 579,102	\$ 661,832	\$ 744,561	\$ 827,290	\$ 910,019	\$ 992,748	\$ 1,075,477

Transient Occupancy Tax (TOT) Revenue Projections

TABLE C-11 – TOT CALCULATION

Rooms per Hotel	ADR	Occupancy Rate	TOT Rate	Annual TOT Revenue
100	\$ 133	60%	10%	\$ 291,270

TABLE C-12 – SCENARIO #1: NO RTRP (2015\$)

PROJECT	FISCAL YEAR										TOTAL	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26		
NEW TRANSIENT OCCUPANCY TAX REVENUES												
Thoroughbred Farm Business Park				291,270	291,270	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
I-15 Corridor: Sky Country Retail				291,270	291,270	291,270	291,270	291,270	291,270	291,270	291,270	2,038,890
ANNUAL NEW TOT REVENUES	\$ -	\$ -	\$ -	\$ 291,270	\$ 582,540	\$ 582,540	\$ 582,540	\$ 582,540	\$ 582,540	\$ 582,540	\$ 582,540	\$ 3,786,510
CUMULATIVE NEW TOT REVENUES	\$ -	\$ -	\$ -	\$ 291,270	\$ 873,810	\$ 1,456,350	\$ 2,038,890	\$ 2,621,430	\$ 3,203,970	\$ 3,786,510	\$ 3,786,510	\$ 3,786,510

TABLE C-13 – SCENARIO #2: RTRP (2015\$)

PROJECT	FISCAL YEAR										TOTAL	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26		
NEW TRANSIENT OCCUPANCY TAX REVENUES												
Thoroughbred Farm Business Park				291,270	291,270	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
I-15 Corridor: Sky Country Retail				-	-	-	-	-	-	-	-	-
ANNUAL NEW TOT REVENUES	\$ -	\$ -	\$ -	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 1,747,620
CUMULATIVE NEW TOT REVENUES	\$ -	\$ -	\$ -	\$ 291,270	\$ 582,540	\$ 873,810	\$ 873,810	\$ 1,165,080	\$ 1,456,350	\$ 1,456,350	\$ 1,456,350	\$ 1,747,620

TABLE C-14 – SCENARIO #3: RTRP WITH SECONDARY IMPACTS TO THOROUGHbred FARM BUSINESS PARK (2015\$)

PROJECT	FISCAL YEAR										TOTAL	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26		
NEW TRANSIENT OCCUPANCY TAX REVENUES												
Thoroughbred Farm Business Park				291,270	291,270	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
I-15 Corridor: Sky Country Retail				-	-	-	-	-	-	-	-	-
ANNUAL NEW TOT REVENUES	\$ -	\$ -	\$ -	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 291,270	\$ 1,747,620
CUMULATIVE NEW TOT REVENUES	\$ -	\$ -	\$ -	\$ 291,270	\$ 582,540	\$ 873,810	\$ 873,810	\$ 1,165,080	\$ 1,456,350	\$ 1,456,350	\$ 1,456,350	\$ 1,747,620

D. EXPENDITURE FORECASTS – CASE STUDY METHODOLOGY

Police Protection Expenditure Projections

TABLE D-1 – POLICE PROTECTION EXPENDITURE CALCULATIONS BASED ON 2015 CITYWIDE STAFFING & COSTS

Position	Sworn Officers
Patrol Deputies	37
Special Enforcement Team	4
Traffic Deputies	6
Community Services Officers	2
Total	49

FY 2015-16 Sheriff Contract Costs	
Contract Cost	\$ 15,843,197
Average Cost per Officer	\$ 323,331

City Sworn Officer to Population/Employment Ratio	
2015 Population	98,885
2015 Employment	25,695
	<u>x 50%</u>
50% Employment	12,848
Service Population (100% Residents + 50% Employees)	111,733
Sworn Officers per 1,000 Service Population	0.44

	SCENARIO #1: NO RTRP	SCENARIO #2: RTRP	SCENARIO #3: RTRP WITH SECONDARY IMPACTS	SCENARIO #4: RTRP WITH POLICE COST INCREASES
Project Residents	5,896	4,807	4,807	4,807
Project Employment	3,584	3,001	3,349	3,001
	<u>x 50%</u>	<u>x 50%</u>	<u>x 50%</u>	<u>x 50%</u>
50% Employment	1,792	1,501	1,675	1,501
Service Population (100% Residents + 50% Employees)	7,688	6,307	6,481	6,307
Sworn Officers per 1,000 Service Population	0.44	0.44	0.44	0.44
Additional Sworn Officers	3.37	2.77	2.84	2.77
Cost per Sworn Officer	\$ 323,331	\$ 323,331	\$ 323,331	See Table D-2
New Annual Expenditures @ Build-out	\$ 1,090,156	\$ 894,343	\$ 919,037	\$ 1,456,790

**TABLE D-2
SCENARIO #4 –ANNUAL INCREASES IN POLICE CONTRACT COSTS**

	FISCAL YEAR									
	1	2	3	4	5	6	7	8	9	10
ADOPTED BUDGET	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Annual Growth Factor	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cost per Sworn Officer	\$ 339,497	\$ 356,472	\$ 374,296	\$ 393,010	\$ 412,661	\$ 433,294	\$ 454,959	\$ 477,706	\$ 501,592	\$ 526,671
Service Population (100% Residents + 50% Employees)	345	1,197	2,615	3,825	4,795	5,231	5,537	5,844	6,150	6,307
Sworn Officers per 1,000 Service Population	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Additional Sworn Officers	0.15	0.52	1.15	1.68	2.10	2.29	2.43	2.56	2.70	2.77
New Annual Expenditures @ Build- out	\$ 51,321	\$ 187,052	\$ 429,201	\$ 659,323	\$ 867,757	\$ 994,000	\$ 1,104,833	\$ 1,224,265	\$ 1,352,877	\$ 1,456,790

Revenue Neutrality Payment Expenditure Projections

TABLE D-3 – REVENUE NEUTRALITY PAYMENT CALCULATIONS BASED ON EXECUTED AGREEMENT WITH COUNTY OF RIVERSIDE

City Property Tax + Sales Tax Revenues	Revenue Neutrality Payment
< \$15,840,000	\$1,900,000
≥ \$15,840,000	16% of Property Tax + Sales Tax Revenues
≥ \$16,880,000	21% of Property Tax + Sales Tax Revenues
≥ \$17,940,000	22% of Property Tax + Sales Tax Revenues
≥ \$19,030,000	24% of Property Tax + Sales Tax Revenues

TABLE D-4 – REVENUE NEUTRALITY PAYMENT PROJECTIONS

	FISCAL YEAR									
	1	2	3	4	5	6	7	8	9	10
Base Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Base Property + Sales Tax	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875
New Project Property Tax	\$ 30,932	\$ 129,300	\$ 265,173	\$ 437,743	\$ 574,292	\$ 648,985	\$ 677,777	\$ 706,569	\$ 735,360	\$ 749,248
New Project Sales Tax	-	-	257,678	515,355	804,868	1,438,356	1,438,356	1,438,356	1,438,356	1,438,356
Subtotal	30,932	129,300	522,851	953,098	1,379,160	2,087,341	2,116,133	2,144,925	2,173,717	2,187,604
Total Property + Sales Tax	15,401,807	15,500,175	15,893,726	16,323,973	16,750,035	17,458,216	17,487,008	17,515,800	17,544,592	17,558,479
Revenue Neutrality Payment	1,900,000	1,900,000	2,542,996	2,611,836	2,680,006	3,666,225	3,672,272	3,678,318	3,684,364	3,687,281
Net Increase in Payment	-	-	642,996	68,840	780,006	1,766,225	1,772,272	1,778,318	1,784,364	1,787,281
Project Pro Rata Share of Payment	-	-	83,656	152,496	220,666	438,342	444,388	450,434	456,480	459,397
New Project Property Tax	\$ 27,570	\$ 111,391	\$ 235,783	\$ 355,083	\$ 455,969	\$ 501,043	\$ 528,141	\$ 555,239	\$ 582,337	\$ 596,225
New Project Sales Tax	-	-	82,729	82,729	372,241	1,005,730	1,005,730	1,005,730	1,005,730	1,005,730
Subtotal	27,570	111,391	318,512	437,812	828,210	1,506,773	1,533,871	1,560,969	1,588,067	1,601,955
Total Property + Sales Tax	15,398,445	15,482,266	15,689,387	15,808,687	16,199,085	16,877,648	16,904,746	16,931,844	16,958,942	16,972,830
Revenue Neutrality Payment	1,900,000	1,900,000	1,900,000	1,900,000	2,591,854	2,700,424	3,549,997	3,555,687	3,561,378	3,564,294
Net Increase in Payment	-	-	-	-	691,854	800,424	1,649,997	1,655,687	1,661,378	1,664,294
Project Pro Rata Share of Payment	-	-	-	-	132,514	241,084	322,113	327,804	333,494	336,411

SCENARIO #1: NO RTRP

SCENARIO #2: RTRP

	FISCAL YEAR									
	1	2	3	4	5	6	7	8	9	10
Base Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Base Property + Sales Tax	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875	\$15,370,875
New Project Property Tax	\$ 27,570	\$ 111,391	\$ 235,783	\$ 363,842	\$ 467,352	\$ 505,875	\$ 532,973	\$ 560,071	\$ 587,169	\$ 601,057
New Project Sales Tax	-	-	82,729	82,729	82,729	82,729	82,729	82,729	82,729	82,729
Subtotal	27,570	111,391	318,512	446,571	550,081	588,604	615,702	642,800	669,898	683,786
Total Property + Sales Tax	15,398,445	15,482,266	15,689,387	15,817,446	15,920,956	15,959,479	15,986,577	16,013,675	16,040,773	16,054,661
Revenue Neutrality Payment	1,900,000	1,900,000	1,900,000	1,900,000	2,547,353	2,553,517	2,557,852	2,562,188	2,566,524	2,568,746
Net Increase in Payment	-	-	-	-	647,353	653,517	657,852	662,188	666,524	668,746
Project Pro Rata Share of Payment	-	-	-	-	88,013	94,177	98,512	102,848	107,184	109,406

SCENARIO #3: RTP WITH SECONDARY IMPACTS

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