

EXHIBIT M

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CITY OF JURUPA VALLEY



ECONOMIC/FISCAL IMPACT ANALYSIS: RIVERSIDE TRANSMISSION RELIABILITY PROJECT

DECEMBER 2, 2015



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	