

The Economics of Land Use



Final Report

Infrastructure Financing District No. 1 Plan

Prepared for:

City of West Sacramento

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1. INTRODUCTION

Background

The Bridge District (formally called the Triangle Specific Plan) is a planned urban community in West Sacramento. It is located along the banks of the Sacramento River between the Tower Bridge to the north and the Pioneer Bridge to the South. The Triangle Specific Plan was approved in 1993 and anticipated approximately 12.5 million square feet of residential, retail, and offices uses in an urban environment.

Since 2007, the City of West Sacramento (City) and the property owners in the Bridge District have been engaged in a planning, engineering, and design effort to refine the current Specific Plan and create an Implementation Plan. A key component of the Implementation Plan is a financing strategy that effectively uses public financing to leverage private investment and encourage the urban high-density development planned for the Bridge District.

The Infrastructure Financing Plan for the Bridge District envisioned the use of a mix of infrastructure funding options, including the following:

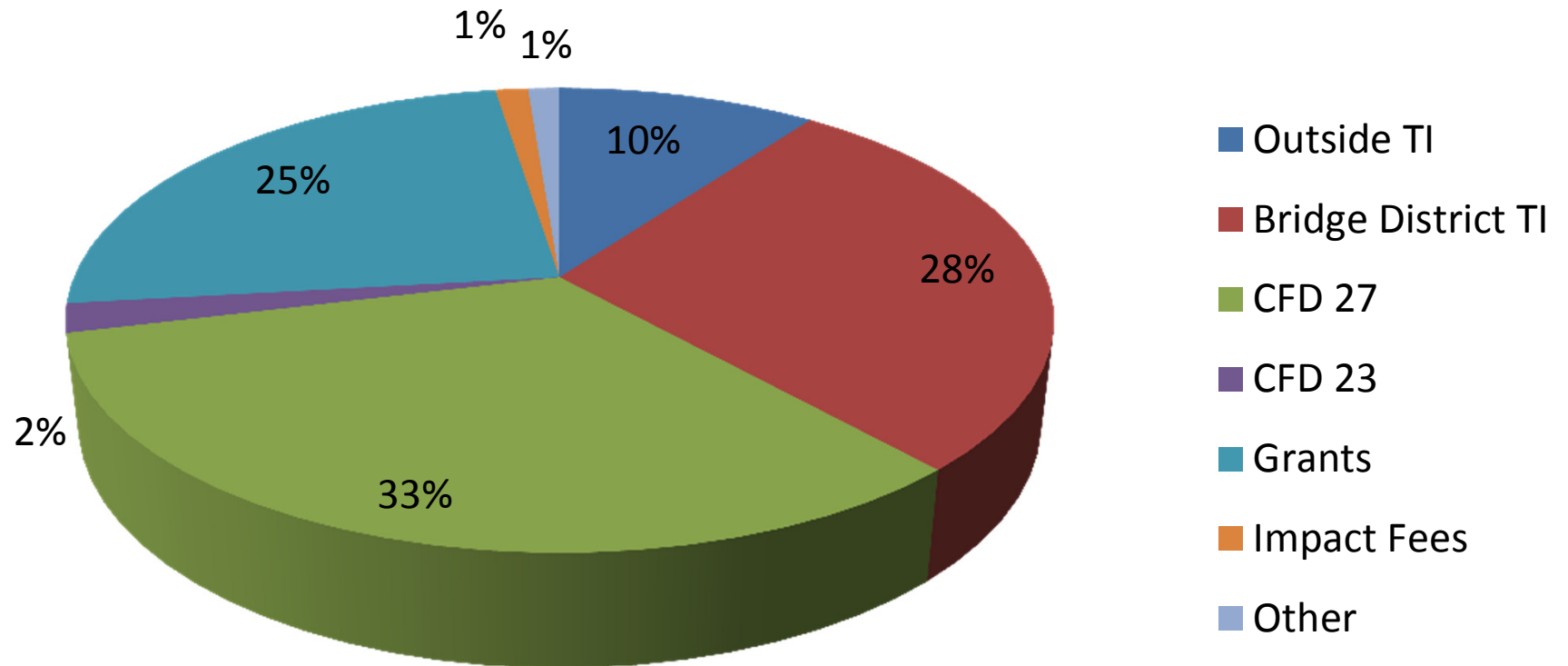
- Proposition 1C Grant
- Proposition 50 Grant
- Other Grants
- Bridge District Property Tax Increment Bonds
- Bridge District Property Tax Increment Pay-As-You-Go (P-A-Y-G) Revenue
- Outside Citywide Regional Impact Fees
- CFD 23
- CFD 27 Bonds
- CFD 27 P-A-Y-G Revenue
- CFD 27 One-time Special Tax (OTST) Revenue
- Owner Contributions
- Non-Bridge Streetcar Assessment
- Yolo County Transportation Authority

Bridge District property tax increment was envisioned to be generated through the City's Redevelopment Agency (RDA). When RDAs were dissolved effectively October 1, 2011, the portion of the Bridge District Infrastructure Financing Plan that required property tax increment revenues to fund specific public infrastructure was no longer available to the City.

Bridge District property tax increment was to provide 28-percent of the funding for public infrastructure serving the project area. Another 10-percent of property tax increment from outside the Bridge District was proposed to be used for Bridge District public facilities. **Chart 1** shows the mix of public facility funding that was envisioned before the dissolution of the RDA.

The City, along with Bridge District property owners and developers, began an investigation of the potential use of an Infrastructure Financing District (IFD), pursuant to the provisions of

Bridge District Funding Sources



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Government Code 53395 et. seq., to replace the original property tax increment program outlined in the Infrastructure Financing Plan. Certain constraints with the IFD code, such as the inability to form an IFD over land once included within the boundaries of an RDA, initially prevented the City from pursuing the formation of an IFD over the Bridge District.

Amendments to the IFD law, including the ability to include former RDA territories in an IFD, have since made it possible for the City to pursue the formation of an IFD over the Bridge District. Additional changes to the IFD law may authorize the use of property tax increment to fund additional improvements, including:

- Brownfield restoration or other environmental mitigation.
- Acquisition, construction, or rehabilitation of housing for rental or purchase.
- Acquisition, construction, or repair of industrial structures for private use.
- Transit priority projects.
- Infrastructure improvements and other work necessary to expand telecommunications network access to persons residing in the IFD.

City Policy Regarding Community Investment

In September of 2011 following the State's elimination of redevelopment, Mayor Christopher Cabaldon formed an advisory team to be chaired by Council Member Chris Ledesma and made up of local business leaders, economic development professionals, and financing experts to explore new options for the City to facilitate economic development, community revitalization, and capital investment. The Post-Redevelopment Options for West Sacramento Advisory Team, or "PRO-West Sac Team", explored potential options for the City to continue pursuing its economic development goals in the post-redevelopment era.

The PRO-West Sac Team developed the following conclusions:

- Because of ongoing State budget deficits and the historical practice of pursuing local funds to address those problems, the City should be active but cautious in dealing with any legislative effort to reconstitute a statewide redevelopment program.
- Regardless of actions the State Legislature, a new model is needed for the City to continue investments in infrastructure and economic development.
- An extensive set of financial tools, programs, and strategic partnerships will be needed to maintain current investment activities and replace the role of the former Redevelopment Agency in achieving City goals.
- The former Redevelopment Agency's assets should be utilized by the City to achieve their original intended purposes.

- Revenue that flows back to the City should be reserved for economic development and strategic infrastructure investments, as these funds will be needed for continued success in these areas and the community is supportive of these efforts.
- The City's success in utilizing redevelopment is a proven strength, and the City's leadership, experience, vision, and "can do" culture will enable it to adapt a new model to continue as a partner in economic development, with or without redevelopment.

Out of the efforts of the PRO-West Sac Team a "Community Investment Action Plan" was adopted by City Council in May of 2012. In the report, "community investment" was defined as:

Strategic public investments in infrastructure and economic development designed to catalyze private investment to improve the local economy, create new revenue to the City, and enhance residents' quality of life.

The Community Investment Action Plan called for the continued use of property tax increment funding for public infrastructure and economic development of the City. The action plan called specifically for the use of IFDs as a tool that would allow the City to continue to use property tax increment for community investment efforts.

Community Support for Community Investment

The City presented an advisory to registered voters in November 2012 in the form of Measure G. The measure asked voters to endorse the following advisory language regarding the use of tax increment:

Should the City reserve ongoing revenue it receives from the dissolution of its Redevelopment Agency to use in funding community investment projects such as streets, bridges, transportation, parks, and public infrastructure?

The measure was approved by the voters by a margin of more than 87 percent.

West Sacramento Infrastructure Financing District No. 1

With the advisory input of the PRO-West Sac Team and consent of the voters, the City has initiated the process of forming Infrastructure Financing District No. 1 (IFD No. 1). The proposed boundaries of IFD No. 1 are shown in **Map 1**. The boundaries of IFD No. 1 are proposed to be coterminous with those of Community Facilities District No. 27 (CFD).

The City Council (Council) adopted a Resolution of Intention (ROI) to initiate the formation of IFD No. 1 April 16, 2014. The ROI called for and set a public hearing before the Council on June 4, 2014. Council has directed the preparation of an Infrastructure Financing District Plan (IFD Plan). This report will serve as the IFD Plan for the proposed IFD No. 1.

MAP 1

LEGEND

 COMMUNITY FACILITIES DISTRICT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF WEST SACRAMENTO ON THIS _____ OF _____, 2014.

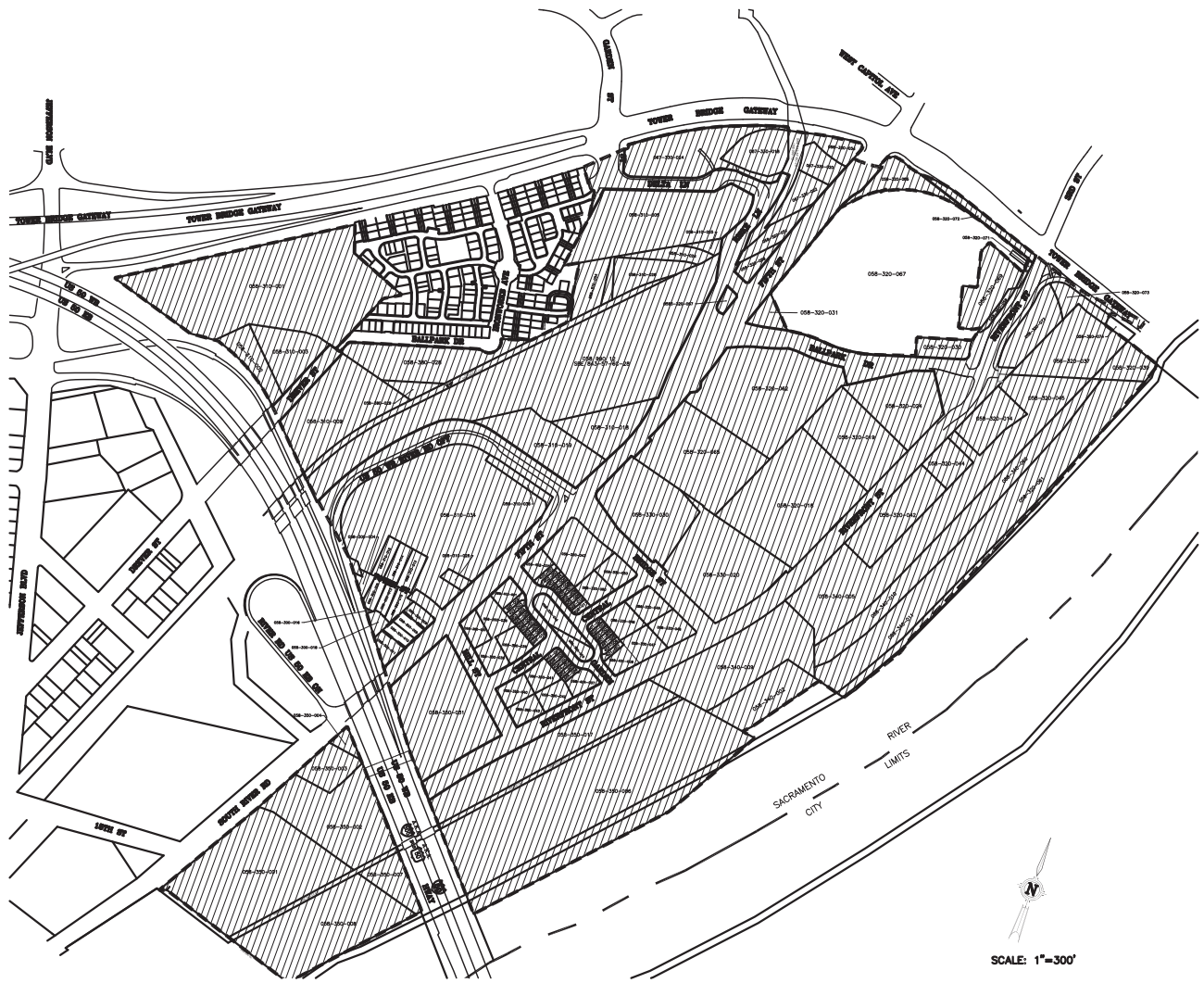
 KRYSS RANKIN
 CITY CLERK
 CITY OF WEST SACRAMENTO

I HEREBY CERTIFY THAT THE WITHIN MAP WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2014, BY ITS RESOLUTION No. _____.

 KRYSS RANKIN
 CITY CLERK
 CITY OF WEST SACRAMENTO

FILED THIS _____ DAY OF _____, 2014, AT THE HOUR OF _____ O'CLOCK _____ M., IN BOOK _____ AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF YOLO, STATE OF CALIFORNIA.

 FREDDIE OAKLEY
 COUNTY RECORDER
 COUNTY OF YOLO



SCALE: 1"=300'

**PROPOSED BRIDGE DISTRICT
 INFRASTRUCTURE FINANCING DISTRICT (IFD) No. 1
 CITY OF WEST SACRAMENTO,
 COUNTY OF YOLO
 STATE OF CALIFORNIA**

Purpose of this Report

This report, entitled the “Infrastructure Financing District No. 1 Plan” (Plan), has been prepared to meet the following purposes:

- Describe the public facilities required to serve development in IFD No. 1.
- Make a finding that the public facilities are of communitywide significance and provide significant benefits to an area larger than the area of the IFD No. 1.
- Provide a financing plan for IFD No. 1.
- Examine the projected fiscal impact of IFD No. 1 and the associated development on the City.

Organization of the Report

This report is organized as follows:

- **Chapter 1—Introduction.** This chapter identifies the background and the purpose of the report.
- **Chapter 2—Description of Public Facilities.** This chapter describes the public facilities required to serve IFD No. 1, including the proposed location, timing, and costs of the facilities.
- **Chapter 3—Finding that Public Facilities are of Communitywide Significance.** This chapter will discuss the larger benefit of the public facilities to the West Sacramento community and within the region.
- **Chapter 4—IFD Financing Plan.** This chapter will identify the maximum portion of the incremental property tax revenue the City will commit to IFD No. 1, a projection of property tax increment revenues, a plan for financing public facilities, a limit of dollars of property tax increment that may be allocated to IFD No. 1, a date on which IFD No. 1 will cease to exist, an analysis of the costs to the City of providing facilities and services during and after development, and a projected fiscal impact of IFD No. 1 and the associated development upon the City.

2. PUBLIC FACILITIES REQUIRED TO SERVE IFD No. 1

Infrastructure Items

The backbone and supplemental infrastructure and public facility funding program will allow development of the Bridge District in a timely fashion. The funding program includes the following types of infrastructure and public facilities.

BACKBONE INFRASTRUCTURE

- Roadways—Regional
- Roadways—Bridge District
- Roadways—Other
- Drainage
- Sewer
- Transit
- Pre-Development
- Water
- Joint Trench
- Neighborhood Parks
- Distributed Neighborhood Park Elements
- Riverfront (initial phase, asphalt path, plaza)
- CEMEX Relocation/Weyerhaeuser Purchase

SUPPLEMENTAL INFRASTRUCTURE

- Civic Amenities
- Other Supplemental Infrastructure
- Parking garages
- Rail Removal

Inclusion of civic amenities implements the policies and intent of the Bridge District Specific Plan and is part of the infrastructure program established in the Bridge District Specific Plan Volume III. This category would add specific amenities to certain key civic corridors, including Tower Bridge Gateway, Main Street, and Ballpark Street.

Sources of Cost Estimates

The source of the cost estimates included in this report for the above infrastructure is from the Bridge District Implementation Plan Technical Appendices. The sources of that data are listed below:

- **Storm Drainage, sewer, water, joint trench, and roadway costs:** URS Corporation (URS) and City of West Sacramento engineering analysis (November 2008 and based on street grid 20).
- **Neighborhood parks and Riverfront costs:** Walker Macy landscape architects, January 2008 cost estimates.
- **Structured parking costs:** West Sacramento Comprehensive Parking Program prepared by Wilbur Smith, October 17, 2008. Parking cost estimates are based on parking need generated by anticipated build-out of 9.6 million square feet.
- **Transit (Streetcar and other transit facilities):** City of West Sacramento and input from members of the streetcar project team.

- **Pre-Development costs:** City of West Sacramento. The majority of the estimated costs are costs already expended, and the remainder is an estimate of remaining planning contracts. Design and soft costs for specific infrastructure facilities are included as part of the individual infrastructure cost estimates from the sources listed above.
- **CEMEX Relocation/Weyerhaeuser purchase:** City of West Sacramento. These costs are costs already expended to relocate the CEMEX cement terminal and to purchase the Weyerhaeuser property.

Infrastructure Cost Categories

The Bridge District public infrastructure costs are divided into four categories, as follows:

- Regional
- Bridge District
- Other
- Parcel

Regional costs represent backbone improvements that are predominately of citywide or regional benefit. Bridge District costs represent backbone improvements that are primarily of benefit to the Bridge District. Other costs represent improvements that are predominately of benefit to a parcel or small set of parcels outside of the Bridge District. Parcel costs (predominately sidewalks in existing cost estimates) represent improvements that are predominately of benefit to a parcel or small set of parcels in the Bridge District. The Bridge District Specific Plan allows certain sidewalk improvements in the public right of way to be eligible for public investment. Consistent with the Specific Plan, costs associated with sidewalks that are part of the public right-of-way are eligible costs under IFD No. 1. However, in this Financing Analysis, the majority of the sidewalk costs are assumed to be privately funded. Some sidewalk improvements are assumed to be funded through the Proposition 1C grant.

Table 1 summarizes the costs by category. The source of these estimated costs is the "Draft Bridge District Implementation Plan Select Technical Materials," dated January 7, 2009.

Cost Phasing

The estimated cost of infrastructure has been divided into the following phases and categories.

- Costs Previously Expended
- Backbone Infrastructure
- Supplemental Infrastructure—can occur simultaneously with Backbone Infrastructure

Table 1
IFD No. 1 Finance Plan
Backbone Infrastructure and Public Facilities Costs by Category

Item	Cost Responsibility by Category [1]				
	TOTAL	Regional	Bridge District	Other	Parcel [2]
Backbone					
Drainage	\$ 8,666,400	\$ 0	\$ 7,373,920	\$ 1,292,480	\$ 0
Sewer	\$ 5,160,000	\$ 0	\$ 5,160,000	\$ 0	\$ 0
Water	\$ 6,757,000	\$ 0	\$ 6,632,000	\$ 125,000	\$ 0
Joint Trench	\$ 1,510,000	\$ 0	\$ 1,310,000	\$ 200,000	\$ 0
Roadways - Regional	\$ 36,052,969	\$ 36,052,969	\$ 0	\$ 0	\$ 0
Roadways - Bridge District	\$ 11,570,000	\$ 0	\$ 11,570,000	\$ 0	\$ 0
Roadways - Parcel	\$ 13,640,200	\$ 0	\$ 0	\$ 0	\$ 13,640,200
Roadways - Other	\$ 3,986,200	\$ 0	\$ 0	\$ 3,986,200	\$ 0
Transit	\$ 11,600,000	\$ 0	\$ 11,600,000	\$ 0	\$ 0
Neighborhood Parks	\$ 9,599,816	\$ 0	\$ 9,599,816	\$ 0	\$ 0
Distributed NH Park Elements	\$ 7,134,600	\$ 0	\$ 7,134,600	\$ 0	\$ 0
Riverfront Backbone	\$ 19,681,520	\$ 9,840,760	\$ 9,840,760	\$ 0	\$ 0
Backbone Subtotal	\$ 135,358,705	\$ 45,893,729	\$ 70,221,096	\$ 5,603,680	\$ 13,640,200
Pre-Development					
Pre-Development	\$ 5,822,735	\$ 0	\$ 5,822,735	\$ 0	\$ 0
Cemex Relocation/Weyerhaeuser Purchase	\$ 18,000,000	\$ 0	\$ 18,000,000	\$ 0	\$ 0
Pre-Development Subtotal	\$ 23,822,735	\$ 0	\$ 23,822,735	\$ 0	\$ 0
Supplemental					
Parking Garages	\$ 59,260,000	\$ 0	\$ 59,260,000	\$ 0	\$ 0
Riverfront	\$ 38,920,000	\$ 19,460,000	\$ 19,460,000	\$ 0	\$ 0
Rail Removal	\$ 69,004,070	\$ 9,004,070	\$ 0	\$ 60,000,000	\$ 0
Civic Corridor Improvements	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 0	\$ 0
Proposition 1C Parking Podium	\$ 1,260,000	\$ 0	\$ 0	\$ 0	\$ 1,260,000
Supplemental Subtotal	\$ 173,444,070	\$ 33,464,070	\$ 78,720,000	\$ 60,000,000	\$ 1,260,000
Total	\$ 332,625,510	\$ 79,357,799	\$ 172,763,831	\$ 65,603,680	\$ 14,900,200
<i>Percent of Total</i>	<i>100%</i>	<i>24%</i>	<i>52%</i>	<i>20%</i>	<i>4%</i>

cost by cat

Source: City of West Sacramento

Costs Previously Expended

Some Bridge District costs have already been expended for planning, design, and land acquisition. In particular, costs have been expended for Riverfront design and permitting, planning contracts (predevelopment), relocation of the CEMEX cement terminal, and purchase of the Weyerhaeuser property.

Supplemental Infrastructure

This phase/category includes supplemental investments identified for the Bridge District. This infrastructure includes shared parking, and remaining Riverfront improvements. The financing of the majority of these facilities in this phase/category is estimated for 2022 through 2031 to support 9.6 million building square feet at buildout. However, supplemental infrastructure can be built in parallel to backbone infrastructure if funds are available.

3. FINDING THAT PUBLIC FACILITIES OF IFD No. 1 ARE OF COMMUNITYWIDE SIGNIFICANCE

Infrastructure to be funded through the proposed IFD No. 1 must be found to be of communitywide significance. The findings for IFD No. 1 are as follows:

Finding No. 1: The City Council-approved Community Investment Action Plan has recommended the use of IFDs to encourage the development of public investment in public infrastructure that would in turn encourage economic development that would enhance residents' lives.

Finding No. 2: Registered voters of the City approved Measure G instructing the City to continue to use tax increment to fund public improvements that have communitywide significance.

Finding No. 3: Infrastructure to be financed through tax increment proceeds of IFD No. 1 provide significant benefits and are of communitywide significance.

4. IFD FINANCING PLAN

This chapter of the IFD Plan will discuss the financing plan for IFD No. 1. As stated earlier in this report, the Infrastructure Financing Plan for the Bridge District envisioned using the following funding sources, in combination, to fund public facilities:

- Proposition 1C Grant
- Proposition 50 Grant
- Other Grants
- Bridge District Property Tax Increment Bonds
- Bridge District Property Tax Increment P-A-Y-G Revenue
- Outside Citywide Regional Impact Fees
- CFD 23
- CFD 27 Bonds
- CFD 27 P-A-Y-G Revenue
- CFD 27 One-time Special Tax (OTST) Revenue
- Owner Contributions
- Non-Bridge Streetcar Assessment
- Yolo County Transportation Authority
- Additional Revenue Generated by Development Beyond 6 Million Square Feet

This chapter will discuss the property tax increment financing portion of the Infrastructure Financing Plan. This chapter will discuss:

- The maximum portion of the incremental property tax revenue the City will commit to IFD No. 1.
- A projection of property tax increment revenues, a plan for financing public facilities, a limit of dollars of property tax increment that may be allocated to IFD No. 1.
- A date on which IFD No. 1 will cease to exist.
- An analysis of the costs to the City of providing facilities and services during and after development.
- A projected fiscal impact of IFD No. 1 and the associated development upon the City.

Maximum Portion of Property Tax Increment Committed to IFD No. 1

The City shall commit up to 100 percent of the 50.4-percent property tax increment the City receives within the boundaries of IFD No. 1 for public facilities and infrastructure of communitywide significance. The City shall retain the discretion regarding the annual allocation of property tax increment to the district, except where such revenues are pledged to secure outstanding debt obligations of the district. The base year for the property tax increment program shall be FY 2014-15.

The net property tax increment is that amount which is available once administrative costs of IFD No. 1 have been funded.

Projection of the Property Tax Increment Revenues

Table 2 shows the projected net property tax increment revenues for IFD No. 1. The projections are shown for a 30-year period and a 45-year period. The longer revenue projection is provided in anticipated revisions to the IFD enabling legislation. Assumptions used in deriving the property tax increment revenue projections are shown in **Table 3**.

The City has the FY 2013-14 assessed value for parcels to be included in IFD No. 1. These parcels and associated assessed values are shown in **Appendix A**. The total assessed value for FY 2013-14 was approximately \$130.4 million. Base year assessed value for IFD No. 1 will be FY 2014-15. These values will not be available until the middle of July, so for the purpose of this IFD Plan, the base year assessed value is assumed to be equal to FY 2013-14.

Based on the property tax increment calculation assumptions shown in **Table 3** and the absorption assumptions for IFD No. 1 shown in **Table 4**, the growth in property tax increment is calculated in **Table 2**. The total property tax increment revenue for a 30-year period is approximately \$386.3 million for IFD No. 1. The total property tax increment for a 45-year period is approximately \$871.6 million.

The IFD Plan assumes the average price for residential for-sale homes is \$365,000 in the base year, and residential for-rent homes are \$200,000 (as shown in **Table 3**). Commercial properties have an estimated value of \$225 per square foot in the base year. The IFD Plan assumes an average 4-percent real market appreciation for the term of IFD No. 1.

Table 4 shows the assumed absorption schedule for residential and nonresidential uses in IFD No. 1, with buildout occurring in approximately 30 years. **Table 4** shows the market appreciation for residential and nonresidential uses. The property tax increment assumptions in **Table 3** and absorption schedule in **Table 4** are used to calculate the increase in property tax increment for IFD No. 1. The calculations are shown in **Table 5** and summarized in **Table 2**.

Plan for Financing the Public Facilities

Piper Jaffrey & Co. (Piper) prepared an analysis of the property tax increment revenue stream shown in **Table 2** showing potential IFD bond issuances and the possible timing of such issuances. The analysis is shown in **Appendix A** and provided three potential bonding scenarios.

Scenario 1: Single Present Value Calculation of Revenue Stream

In this scenario, Piper divided the annual property tax revenue stream provided by 125 percent to reflect the assumed debt service coverage that would be required by the market. Piper then ran a present value calculation of that revenue stream using a 4-percent discount rate. This resulted in a present value, or assumed bond amount, of approximately \$234.0 million.

Table 2
IFD No. 1 Finance Plan
Tax Increment Revenue Projections (2014 \$)

IFD Finance Plan

	Assessed Value	Cumulative Growth in AV	Gross Tax Increment [1]	Net Tax Increment [2]	Less: City Admin Fee [3]	IFD Project Tax Increment
Base AV (FY 13/14)	\$130,421,248					
<i>Formula</i>		<i>a</i>	<i>b = a * .01</i>	<i>c = b * 50.40%</i>	<i>e</i>	<i>sum (e : f)</i>
FY 14/15	\$141,424,673	\$11,003,425	\$110,034	\$55,457	(\$197,042)	\$0
FY 15/16	\$147,669,566	\$147,669,566	\$1,476,696	\$744,255	(\$200,982)	\$401,688
FY 16/17	\$150,622,958	\$150,622,958	\$1,506,230	\$759,140	(\$205,002)	\$554,138
FY 17/18	\$174,164,185	\$174,164,185	\$1,741,642	\$877,787	(\$209,102)	\$668,685
FY 18/19	\$225,898,285	\$225,898,285	\$2,258,983	\$1,138,527	(\$213,284)	\$925,243
FY 19/20	\$606,779,420	\$606,779,420	\$6,067,794	\$3,058,168	(\$217,550)	\$2,840,619
FY 20/21	\$773,884,955	\$773,884,955	\$7,738,850	\$3,900,380	(\$221,901)	\$3,678,479
FY 21/22	\$1,005,142,568	\$1,005,142,568	\$10,051,426	\$5,065,919	(\$226,339)	\$4,839,580
FY 22/23	\$1,192,860,914	\$1,192,860,914	\$11,928,609	\$6,012,019	(\$230,866)	\$5,781,153
FY 23/24	\$1,450,105,687	\$1,450,105,687	\$14,501,057	\$7,308,533	(\$235,483)	\$7,073,050
FY 24/25	\$1,595,269,971	\$1,595,269,971	\$15,952,700	\$8,040,161	(\$240,192)	\$7,799,968
FY 25/26	\$1,826,534,670	\$1,826,534,670	\$18,265,347	\$9,205,735	(\$244,996)	\$8,960,738
FY 26/27	\$1,998,960,978	\$1,998,960,978	\$19,989,610	\$10,074,763	(\$249,896)	\$9,824,867
FY 27/28	\$2,254,567,217	\$2,254,567,217	\$22,545,672	\$11,363,019	(\$254,894)	\$11,108,125
FY 28/29	\$2,299,658,562	\$2,299,658,562	\$22,996,586	\$11,590,279	(\$259,992)	\$11,330,287
FY 29/30	\$2,640,961,444	\$2,640,961,444	\$26,409,614	\$13,310,446	(\$265,192)	\$13,045,254
FY 30/31	\$2,840,762,876	\$2,840,762,876	\$28,407,629	\$14,317,445	(\$270,496)	\$14,046,949
FY 31/32	\$3,192,879,849	\$3,192,879,849	\$31,928,798	\$16,092,114	(\$275,906)	\$15,816,209
FY 32/33	\$3,256,737,446	\$3,256,737,446	\$32,567,374	\$16,413,957	(\$281,424)	\$16,132,533
FY 33/34	\$3,496,740,676	\$3,496,740,676	\$34,967,407	\$17,623,573	(\$287,052)	\$17,336,521
FY 34/35	\$3,738,623,879	\$3,738,623,879	\$37,386,239	\$18,842,664	(\$292,793)	\$18,549,871
FY 35/36	\$4,132,241,584	\$4,132,241,584	\$41,322,416	\$20,826,498	(\$298,649)	\$20,527,848
FY 36/37	\$4,214,886,416	\$4,214,886,416	\$42,148,864	\$21,243,028	(\$304,622)	\$20,938,405
FY 37/38	\$4,479,416,468	\$4,479,416,468	\$44,794,165	\$22,576,259	(\$310,715)	\$22,265,544
FY 38/39	\$4,569,004,798	\$4,569,004,798	\$45,690,048	\$23,027,784	(\$316,929)	\$22,710,855
FY 39/40	\$4,855,324,175	\$4,855,324,175	\$48,553,242	\$24,470,834	(\$323,267)	\$24,147,566
FY 40/41	\$4,952,430,659	\$4,952,430,659	\$49,524,307	\$24,960,251	(\$329,733)	\$24,630,518
FY 41/42	\$5,262,325,599	\$5,262,325,599	\$52,623,256	\$26,522,121	(\$336,327)	\$26,185,794
FY 42/43	\$5,367,572,111	\$5,367,572,111	\$53,675,721	\$27,052,563	(\$343,054)	\$26,709,509
FY 43/44	\$5,527,973,920	\$5,527,973,920	\$55,279,739	\$27,860,989	(\$349,915)	\$27,511,073
30 Year Subtotal		\$78,241,005,263	\$782,410,053	\$394,334,667	(\$7,993,595)	\$386,341,071
FY 44/45	\$5,638,533,398	\$5,638,533,398	\$56,385,334	\$28,418,208	(\$356,913)	\$28,061,295
FY 45/46	\$5,751,304,066	\$5,751,304,066	\$57,513,041	\$28,986,572	(\$364,052)	\$28,622,521
FY 46/47	\$5,866,330,147	\$5,866,330,147	\$58,663,301	\$29,566,304	(\$371,333)	\$29,194,971
FY 47/48	\$5,983,656,750	\$5,983,656,750	\$59,836,568	\$30,157,630	(\$378,759)	\$29,778,871
FY 48/49	\$6,103,329,885	\$6,103,329,885	\$61,033,299	\$30,760,783	(\$386,335)	\$30,374,448
FY 49/50	\$6,225,396,483	\$6,225,396,483	\$62,253,965	\$31,375,998	(\$394,061)	\$30,981,937
FY 50/51	\$6,349,904,413	\$6,349,904,413	\$63,499,044	\$32,003,518	(\$401,942)	\$31,601,576
FY 51/52	\$6,476,902,501	\$6,476,902,501	\$64,769,025	\$32,643,589	(\$409,981)	\$32,233,607
FY 52/53	\$6,606,440,551	\$6,606,440,551	\$66,064,406	\$33,296,460	(\$418,181)	\$32,878,279
FY 53/54	\$6,738,569,362	\$6,738,569,362	\$67,385,694	\$33,962,390	(\$426,545)	\$33,535,845
FY 54/55	\$6,873,340,749	\$6,873,340,749	\$68,733,407	\$34,641,637	(\$435,075)	\$34,206,562
FY 55/56	\$7,010,807,564	\$7,010,807,564	\$70,108,076	\$35,334,470	(\$443,777)	\$34,890,693
FY 56/57	\$7,151,023,716	\$7,151,023,716	\$71,510,237	\$36,041,160	(\$452,652)	\$35,588,507
FY 57/58	\$7,294,044,190	\$7,294,044,190	\$72,940,442	\$36,761,983	(\$461,706)	\$36,300,277
FY 58/59	\$7,439,925,074	\$7,439,925,074	\$74,399,251	\$37,497,222	(\$470,940)	\$37,026,283
45 Year TOTAL	N/A		\$1,757,505,141	\$885,782,591	(\$14,165,847)	\$871,616,744

"ti_2"

Sources: Yolo County Assessor, City of West Sacramento, EPS.

[1] Gross Tax Increment is 1% of the difference between assessed values in current and base years.

[2] The net tax increment is equal to 50.4% of the gross tax increment.

[3] City administrative costs increased 2-percent annually.

Table 3
IFD No. 1 Finance Plan
Tax Increment Calculation Assumptions

Item	Value	PPH	Source/Notes
Assessed Value			
Residential			
Residential For Sale	\$365,000 per unit	2.03	EPS Estimate
Residential Rental	\$200,000 per unit	1.60	EPS Estimate
Nonresidential			
Retail	\$225 per unit		EPS Estimate
Office	\$225 per unit		EPS Estimate
Hotel	\$265 per unit		EPS Estimate
Market Appreciation (Real Growth)	4.00%		EPS
Base Valuation	\$130,421,248		FY 13/14 from County. See Table A-1.

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Table 4
IFD No. 1 Finance Plan
Absorption Schedule

Fiscal Year	Residential Units					Hotel Project		Office and Commercial	
	For Sale	Price [1]	Affordable	Rental	Value [1]	(Sq. Ft.)	Value [2]	(Sq. Ft.)	Value [1]
FY 12/13	0		0	0		0		0	
FY 13/14	23	\$365,000	70	0	\$200,000	0	\$265	0	\$225
FY 14/15	9	\$379,600	0	0	\$208,000	0	\$276	0	\$234
FY 15/16	0	\$394,784	0	0	\$216,320	0	\$288	0	\$243
FY 16/17	50	\$410,575	0	0	\$224,973	0	\$300	0	\$253
FY 17/18	113	\$426,998	0	0	\$233,972	427,469	\$312	0	\$263
FY 18/19	215	\$444,078	0	145	\$243,331	0	\$325	380,000	\$274
FY 19/20	215	\$461,841	0	220	\$253,064	0	\$338	0	\$285
FY 20/21	215	\$480,315	0	0	\$263,186	0	\$351	380,000	\$296
FY 21/22	215	\$499,528	0	220	\$273,714	0	\$365	0	\$308
FY 22/23	215	\$519,509	0	0	\$284,662	0	\$380	380,000	\$320
FY 23/24	215	\$540,289	0	0	\$296,049	0	\$395	0	\$333
FY 24/25	0	\$561,901	0	220	\$307,891	0	\$411	380,000	\$346
FY 25/26	112	\$584,377	0	220	\$320,206	0	\$427	0	\$360
FY 26/27	0	\$607,752	0	220	\$333,015	0	\$444	380,000	\$375
FY 27/28	0	\$632,062	0	0	\$346,335	0	\$462	0	\$390
FY 28/29	215	\$657,344	0	0	\$360,189	0	\$481	380,000	\$405
FY 29/30	215	\$683,638	0	0	\$374,596	0	\$500	0	\$421
FY 30/31	215	\$710,984	0	0	\$389,580	0	\$520	325,000	\$438
FY 31/32	0	\$739,423	0	0	\$405,163	0	\$541	0	\$456
FY 32/33	0	\$769,000	0	55	\$421,370	0	\$562	320,000	\$474
FY 33/34	215	\$799,760	0	0	\$438,225	0	\$585	0	\$493
FY 34/35	183	\$831,750	0	0	\$455,754	0	\$608	325,000	\$513
FY 35/36	0	\$865,020	0	0	\$473,984	0	\$632	0	\$533
FY 36/37	0	\$899,621	0	0	\$492,943	0	\$658	325,000	\$555
FY 37/38	0	\$935,606	0	0	\$512,661	0	\$684	0	\$577
FY 38/39	0	\$973,030	0	0	\$533,167	0	\$711	325,000	\$600
FY 39/40	0	\$1,011,951	0	0	\$554,494	0	\$740	0	\$624
FY 40/41	0	\$1,052,430	0	0	\$576,674	0	\$769	325,000	\$649
FY 41/42	0	\$1,094,527	0	0	\$599,741	0	\$800	0	\$675
FY 42/43	0	\$1,138,308	0	0	\$623,730	0	\$832	75,603	\$702
TOTAL	2,640		70	1,300		427,469		4,300,603	

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Source: Triangle Specific Plan Owners' Group and EPS

[1] Adjusted based on 7% market appreciation net 3% inflation (i.e., inflated by 4%) .

[2] See Table 4

Table 5
IFD No. 1 Finance Plan
Assessed Value (2014 \$)

Fiscal Year	Beginning Assessed	Annual 2% Growth	Residential		Commercial	Hotel	New Development Subtotal	Total Assessed Value
			For Sale	Rental				
FY 13/14	\$130,421,248	\$2,608,425	\$8,395,000	\$0	\$0	\$0	\$8,395,000	\$141,424,673
FY 14/15	\$141,424,673	\$2,828,493	\$3,416,400	\$0	\$0	\$0	\$3,416,400	\$147,669,566
FY 15/16	\$147,669,566	\$2,953,391	\$0	\$0	\$0	\$0	\$0	\$150,622,958
FY 16/17	\$150,622,958	\$3,012,459	\$20,528,768	\$0	\$0	\$0	\$20,528,768	\$174,164,185
FY 17/18	\$174,164,185	\$3,483,284	\$48,250,816	\$0	\$0	\$0	\$48,250,816	\$225,898,285
FY 18/19	\$225,898,285	\$4,517,966	\$95,476,837	\$35,282,934	\$104,023,823	\$141,579,576	\$376,363,170	\$606,779,420
FY 19/20	\$606,779,420	\$12,135,588	\$99,295,910	\$55,674,037	\$0	\$0	\$154,969,947	\$773,884,955
FY 20/21	\$773,884,955	\$15,477,699	\$103,267,746	\$0	\$112,512,167	\$0	\$215,779,914	\$1,005,142,568
FY 21/22	\$1,005,142,568	\$20,102,851	\$107,398,456	\$60,217,038	\$0	\$0	\$167,615,494	\$1,192,860,914
FY 22/23	\$1,192,860,914	\$23,857,218	\$111,694,394	\$0	\$121,693,160	\$0	\$233,387,554	\$1,450,105,687
FY 23/24	\$1,450,105,687	\$29,002,114	\$116,162,170	\$0	\$0	\$0	\$116,162,170	\$1,595,269,971
FY 24/25	\$1,595,269,971	\$31,905,399	\$0	\$67,735,978	\$131,623,322	\$0	\$199,359,300	\$1,826,534,670
FY 25/26	\$1,826,534,670	\$36,530,693	\$65,450,197	\$70,445,418	\$0	\$0	\$135,895,615	\$1,998,960,978
FY 26/27	\$1,998,960,978	\$39,979,220	\$0	\$73,263,234	\$142,363,785	\$0	\$215,627,019	\$2,254,567,217
FY 27/28	\$2,254,567,217	\$45,091,344	\$0	\$0	\$0	\$0	\$0	\$2,299,658,562
FY 28/29	\$2,299,658,562	\$45,993,171	\$141,329,042	\$0	\$153,980,670	\$0	\$295,309,711	\$2,640,961,444
FY 29/30	\$2,640,961,444	\$52,819,229	\$146,982,203	\$0	\$0	\$0	\$146,982,203	\$2,840,762,876
FY 30/31	\$2,840,762,876	\$56,815,258	\$152,861,491	\$0	\$142,440,224	\$0	\$295,301,715	\$3,192,879,849
FY 31/32	\$3,192,879,849	\$63,857,597	\$0	\$0	\$0	\$0	\$0	\$3,256,737,446
FY 32/33	\$3,256,737,446	\$65,134,749	\$0	\$23,175,341	\$151,693,141	\$0	\$174,868,482	\$3,496,740,676
FY 33/34	\$3,496,740,676	\$69,934,814	\$171,948,389	\$0	\$0	\$0	\$171,948,389	\$3,738,623,879
FY 34/35	\$3,738,623,879	\$74,772,478	\$152,210,313	\$0	\$166,634,915	\$0	\$318,845,228	\$4,132,241,584
FY 35/36	\$4,132,241,584	\$82,644,832	\$0	\$0	\$0	\$0	\$0	\$4,214,886,416
FY 36/37	\$4,214,886,416	\$84,297,728	\$0	\$0	\$180,232,324	\$0	\$180,232,324	\$4,479,416,468
FY 37/38	\$4,479,416,468	\$89,588,329	\$0	\$0	\$0	\$0	\$0	\$4,569,004,798
FY 38/39	\$4,569,004,798	\$91,380,096	\$0	\$0	\$194,939,282	\$0	\$194,939,282	\$4,855,324,175
FY 39/40	\$4,855,324,175	\$97,106,484	\$0	\$0	\$0	\$0	\$0	\$4,952,430,659
FY 40/41	\$4,952,430,659	\$99,048,613	\$0	\$0	\$210,846,327	\$0	\$210,846,327	\$5,262,325,599
FY 41/42	\$5,262,325,599	\$105,246,512	\$0	\$0	\$0	\$0	\$0	\$5,367,572,111
FY 42/43	\$5,367,572,111	\$107,351,442	\$0	\$0	\$53,050,366	\$0	\$53,050,366	\$5,527,973,920
FY 43/44	\$5,527,973,920	\$110,559,478	\$0	\$0	\$0	\$0	\$0	\$5,638,533,398
FY 44/45	\$5,638,533,398	\$112,770,668	\$0	\$0	\$0	\$0	\$0	\$5,751,304,066
FY 45/46	\$5,751,304,066	\$115,026,081	\$0	\$0	\$0	\$0	\$0	\$5,866,330,147
FY 46/47	\$5,866,330,147	\$117,326,603	\$0	\$0	\$0	\$0	\$0	\$5,983,656,750
FY 47/48	\$5,983,656,750	\$119,673,135	\$0	\$0	\$0	\$0	\$0	\$6,103,329,885
FY 48/49	\$6,103,329,885	\$122,066,598	\$0	\$0	\$0	\$0	\$0	\$6,225,396,483
FY 49/50	\$6,225,396,483	\$124,507,930	\$0	\$0	\$0	\$0	\$0	\$6,349,904,413
FY 50/51	\$6,349,904,413	\$126,998,088	\$0	\$0	\$0	\$0	\$0	\$6,476,902,501
FY 51/52	\$6,476,902,501	\$129,538,050	\$0	\$0	\$0	\$0	\$0	\$6,606,440,551
FY 52/53	\$6,606,440,551	\$132,128,811	\$0	\$0	\$0	\$0	\$0	\$6,738,569,362
FY 53/54	\$6,738,569,362	\$134,771,387	\$0	\$0	\$0	\$0	\$0	\$6,873,340,749
FY 54/55	\$6,873,340,749	\$137,466,815	\$0	\$0	\$0	\$0	\$0	\$7,010,807,564
FY 55/56	\$7,010,807,564	\$140,216,151	\$0	\$0	\$0	\$0	\$0	\$7,151,023,716
FY 56/57	\$7,151,023,716	\$143,020,474	\$0	\$0	\$0	\$0	\$0	\$7,294,044,190
FY 57/58	\$7,294,044,190	\$145,880,884	\$0	\$0	\$0	\$0	\$0	\$7,439,925,074
FY 58/59	\$7,439,925,074	\$148,798,501	\$0	\$0	\$0	\$0	\$0	\$7,588,723,575
TOTAL	N/A	\$1,570,036,955	\$1,544,668,133	\$385,793,981	\$1,866,033,505	\$141,579,576	\$3,938,075,195	N/A

"av_2"

Sources: City of West Sacramento; EPS.

Scenario 2: Present Value Calculation of the Annual Incremental Increase in Revenues

Piper calculated the annual increase in tax increment from one year to the next. The annual increase was then extended for the lesser of 30 years or until the final date to collect property tax increment. They then ran a present value calculation on these annual revenue streams. Each present value calculation used the 125-percent coverage assumption and a 4-percent discount rate. This scenario is based on the assumption the IFD likely will issue multiple bond issues as assessed value grows. The sum of the annual present value calculations is approximately \$398.0 million.

Scenario 2A: Scenario 2 Plus 3 Percent of OID

Under this scenario, Piper used the assumptions for Scenario 2, plus 3 percent of OID to increase the par amount of bonds. The sum of the annual present value calculations is approximately \$409.9 million.

Limit on the Total Amount of Dollars of Taxes

The projected net property tax increment in **Table 2** is approximately \$386.4 million over a 30-year period and \$871.6 million over 45 years. The limit on the total amount of tax dollars that IFD No. 1 may generate should take into consideration goals and policies for IFD No. 1 established by Council.

Based on the estimated total property tax increment shown in **Table 2**, and the potential that current legislation may authorize a 45-year IFD term, the maximum amount of tax increment that may be collected by IFD No. 1 is \$1.0 billion.

Termination of IFD No. 1

IFD No. 1 is authorized to collect tax increment for 30 years from the date of formation, unless the State Legislature enacts proposed current legislation that would authorize a 45-year term.

Analysis of the Costs to the City to Provide Facilities and Services to IFD No. 1

Costs of supplying City services to IFD No. 1 at buildout are approximately \$6.0 million at buildout, or approximately \$450 per person served, in 2014 dollars. See **Appendix B** for the Fiscal Impact Analysis (Analysis) of IFD No. 1.

Analysis of IFD No. 1

The Analysis finds that new development in IFD No. 1 will be revenue neutral for the General Fund at buildout of IFD No. 1.

Overview of Results

As shown on **Table 6**, the Analysis yielded the following results:

- 1. Annual fiscal impact results could be considered positive on the General Fund in IFD No. 1, after consideration of proposed special tax revenues.** At buildout, the annual cost of providing General Fund services exceeds annual General Fund revenues before consideration of special tax revenues. Although not yet implemented, special tax revenues are anticipated to be approximately \$808,000 at buildout, in current-year dollars. After special tax revenues are considered, annual Project revenues exceed annual expenditures by approximately \$194,000.
- 2. Existing Project property tax revenues would help to offset Project services costs.** The City presently receives approximately \$657,000 in existing property tax revenues from the Project. Presently, approximately two-thirds of this amount is obligated to help fund Successor Agency Enforceable Obligations. When that obligation expires, the entire amount would be available to help fund annual City services to the Project. **Table 7** includes this revenue as an offset to the estimated deficit shown in **Table 6**.
- 3. The Analysis results presume the City would impose City CFD R.** Because many of the costs anticipated to be funded by CFD R revenues are accounted for in the fiscal analysis, anticipated CFD R special tax revenues also are considered. Because CFD R has not yet been formed, the CFD R tax rates in the Analysis should be considered placeholders. **Table 7** includes this revenue as an offset to the estimated deficit shown in **Table 6**.
- 4. Annual fiscal results are sensitive to certain key revenue assumptions.** Because transient occupancy taxes, sales taxes, and CFD R revenues represent approximately 13 percent of annual revenues at buildout, the results of the Analysis are sensitive to changes in the assumptions used to calculate such revenues.
- 5. IFD No. 1 revenues not used for infrastructure could be available to fund Project service costs.** IFD No. 1 revenues not used for bond debt service or to fund IFD No. 1 infrastructure on a pay-as-you-go-basis could be used by the City to fund Project services. The annual amount of revenues available will vary at any given time based on the level of outstanding debt service and the IFD No. 1 capital improvement program.

Table 6
IFD No. 1 Fiscal Impact Analysis
Estimated Revenue and Expenditure Summary (2014\$)

Item	Buildout
General Fund	
Annual Revenues [1]	
Existing Property Tax [2]	\$657,000
Property Tax	\$0
Property Tax In Lieu of VLF	\$492,000
Real Property Transfer Tax	\$116,000
Sales Tax In Lieu of Property Tax	\$533,000
Sales Tax	\$1,600,000
Prop 172 Sales Tax	\$171,000
Transient Occupancy Tax	\$1,636,000
Franchises	\$163,000
Licenses and Permits	\$3,000
Fines and Forfeitures	\$18,000
Total Annual General Fund Revenues	\$5,389,000
Annual Expenditures	
City Manager	\$27,000
City Council	\$4,000
City Attorney	\$13,000
Economic Development	\$33,000
City Clerk	\$24,000
Human Resources	\$35,000
Community Relations	\$8,000
Career Enhancement	\$3,000
Risk Management	\$36,000
Information Technology	\$131,000
Finance Administration	\$25,000
Finance Fiscal Records	\$0
Finance Revenue Collection	\$32,000
City Facilities Projects and Maintenance	\$81,000
Fleet Maintenance	\$2,000
City Hall Maintenance	\$38,000
Police Administration	\$148,000
Police Investigation	\$357,000
Police Records	\$107,000
Police Patrol	\$1,669,000
Police P.O.S.T.	\$9,000
Traffic/Parking Safety	\$152,000
Communications J.P.A.	\$289,000
Animal Control	\$65,000
Code Enforcement	\$80,000
Fire Administration	\$120,000
Fire Operations	\$1,968,000
Fire Prevention Services	\$8,000
Park and Recreation Admin	\$39,000
Recreation Activities	\$118,000
Recreation Center	\$51,000
Community Center	\$61,000
Park Maintenance	\$264,000
Civic Center Common Area Maintenance	\$6,000
Total Annual General Fund Expenditures [3]	\$6,003,000
Annual General Fund Surplus/(Deficit) Before Special Tax	(\$614,000)
CFD R Special Tax	\$808,000
Annual General Fund Surplus/(Deficit) with Special Tax	\$194,000

Source: City of West Sacramento FY 2013-14 Adopted Budget; EPS.

[1] See Table B-2 for details on revenue estimating procedures.

[2] See Table B-6 for details. Property taxes currently paid by parcels to be included in the IFD are first used to pay enforceable obligations of the former redevelopment agency. At buildout these taxes will be available to fund City services in the IFD.

[3] See Table C-1 for details on expenditure estimating procedures.

Table 7
IFD No. 1 Fiscal Impact Analysis
Estimated Periodic Revenue and Expenditure Summary

Item	2018	2023	2028	2033	2038	2043
General Fund						
Revenues						
Existing Tax Increment [1]	\$184,000	\$184,000	\$184,000	\$657,000	\$657,000	\$657,000
Other IFD Revenues	\$1,709,000	\$2,637,000	\$3,211,000	\$3,908,000	\$4,342,000	\$4,732,000
Revenues Subtotal	\$1,893,000	\$2,821,000	\$3,395,000	\$4,565,000	\$4,999,000	\$5,389,000
Expenditures	\$242,727	\$2,293,323	\$3,509,656	\$4,764,083	\$5,527,101	\$6,003,000
Annual General Fund Surplus/(Deficit) Before Special Taxes	\$1,650,273	\$527,677	(\$114,656)	(\$199,083)	(\$528,101)	(\$614,000)
CFD R Special Taxes	\$24,000	\$298,000	\$478,000	\$657,000	\$784,000	\$808,000
Annual General Fund Surplus/(Deficit) with CFD R Special Taxes	\$1,674,273	\$825,677	\$363,344	\$457,917	\$255,899	\$194,000
Surplus/Deficit as Percent of Total Expenditures	690%	36%	10%	10%	5%	3%

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[1] From Table B-6.



APPENDICES:

Appendix A: Estimated IFD No. 1 Bonding Capacity

Appendix B: IFD No. 1 Fiscal Impact Analysis



APPENDIX A:
Estimated IFD No. 1 Bonding Capacity

IFD No. 1 Finance Plan
Calculation of Maximum Bond Amount for IFD No. 1

Discount Rate for Bond Calculation 4.00%

Summary of Maximum Bond Amounts

Scenario 1 - Single Present Value Calculation of Revenue Stream Provided by EPS (1) 234,024,848

Scenario 2 - Present Value Calculation of the Annual Incremental Increase in Revenues (2) 397,920,556

Scenario 2A - Assuming Scenario 3 plus 3% of OID increases par amount of bonds 409,858,173

(1) Annual Revenues divided by 125% for purposes of debt service coverage. 45 year revenue stream discounted at 4%

(2) Discount done every year on incremental increase in revenues. Discount analysis done for lesser of 30 years or final date of IFD No. 1. 4% discount rate.

Table 1 - EPS Projected Tax Increment Revenues
Calculation of Present Value of Available Revenues Assuming 125% Debt Service Coverage

		Assessed Value	Cumulative Growth in AV	Gross Tax Increment [1]	Net Tax Increment [2]	Less: City Admin Fee [3]	IFD Project Tax Increment	Max Debt Service (125% Covg)
Base AV (FY 13/14)		130,421,248						
	Formula	a	b = a * .01	1	e	sum (e : f)	div 1.25	
FY 14/15		141,424,673	11,003,425	110,034	55,457	(197,042)	-	
FY 15/16	4.42%	147,669,566	147,669,566	1,476,696	744,255	(200,982)	401,688	321,350
FY 16/17	2.00%	150,622,958	150,622,958	1,506,230	759,140	(205,002)	554,138	443,310
FY 17/18	15.63%	174,164,185	174,164,185	1,741,642	877,787	(209,102)	668,685	534,948
FY 18/19	29.70%	225,898,285	225,898,285	2,258,983	1,138,527	(213,284)	925,243	740,195
FY 19/20	168.61%	606,779,420	606,779,420	6,067,794	3,058,168	(217,550)	2,840,619	2,272,495
FY 20/21	27.54%	773,884,955	773,884,955	7,738,850	3,900,380	(221,901)	3,678,479	2,942,784
FY 21/22	29.88%	1,005,142,568	1,005,142,568	10,051,426	5,065,919	(226,339)	4,839,580	3,871,664
FY 22/23	18.68%	1,192,860,914	1,192,860,914	11,928,609	6,012,019	(230,866)	5,781,153	4,624,923
FY 23/24	21.57%	1,450,105,687	1,450,105,687	14,501,057	7,308,533	(235,483)	7,073,050	5,658,440
FY 24/25	10.01%	1,595,269,971	1,595,269,971	15,952,700	8,040,161	(240,192)	7,799,968	6,239,975
FY 25/26	14.50%	1,826,534,670	1,826,534,670	18,265,347	9,205,735	(244,996)	8,960,738	7,168,591
FY 26/27	9.44%	1,998,960,978	1,998,960,978	19,989,610	10,074,763	(249,896)	9,824,867	7,859,894
FY 27/28	12.79%	2,254,567,217	2,254,567,217	22,545,672	11,363,019	(254,894)	11,108,125	8,886,500
FY 28/29	2.00%	2,299,658,562	2,299,658,562	22,996,586	11,590,279	(259,992)	11,330,287	9,064,230
FY 29/30	14.84%	2,640,961,444	2,640,961,444	26,409,614	13,310,446	(265,192)	13,045,254	10,436,203
FY 30/31	7.57%	2,840,762,876	2,840,762,876	28,407,629	14,317,445	(270,496)	14,046,949	11,237,559
FY 31/32	12.40%	3,192,879,849	3,192,879,849	31,928,798	16,092,114	(275,906)	15,816,209	12,652,967
FY 32/33	2.00%	3,256,737,446	3,256,737,446	32,567,374	16,413,957	(281,424)	16,132,533	12,906,026
FY 33/34	7.37%	3,496,740,676	3,496,740,676	34,967,407	17,623,573	(287,052)	17,336,521	13,869,217
FY 34/35	6.92%	3,738,623,879	3,738,623,879	37,386,239	18,842,664	(292,793)	18,549,871	14,839,897
FY 35/36	10.53%	4,132,241,584	4,132,241,584	41,322,416	20,826,498	(298,649)	20,527,848	16,422,279
FY 36/37	2.00%	4,214,886,416	4,214,886,416	42,148,864	21,243,028	(304,622)	20,938,405	16,750,724
FY 37/38	6.28%	4,479,416,468	4,479,416,468	44,794,165	22,576,259	(310,715)	22,265,544	17,812,436
FY 38/39	2.00%	4,569,004,798	4,569,004,798	45,690,048	23,027,784	(316,929)	22,710,855	18,168,684
FY 39/40	6.27%	4,855,324,175	4,855,324,175	48,553,242	24,470,834	(323,267)	24,147,566	19,318,053
FY 40/41	2.00%	4,952,430,659	4,952,430,659	49,524,307	24,960,251	(329,733)	24,630,518	19,704,414
FY 41/42	6.26%	5,262,325,599	5,262,325,599	52,623,256	26,522,121	(336,327)	26,185,794	20,948,635
FY 42/43	2.00%	5,367,572,111	5,367,572,111	53,675,721	27,052,563	(343,054)	26,709,509	21,367,608
FY 43/44	2.99%	5,527,973,920	5,527,973,920	55,279,739	27,860,989	(349,915)	27,511,073	22,008,859
FY 44/45	2.00%	5,638,533,398	5,638,533,398	56,385,334	28,418,208	(356,913)	28,061,295	22,449,036
FY 45/46	2.00%	5,751,304,066	5,751,304,066	57,513,041	28,986,572	(364,052)	28,622,521	22,898,017
FY 46/47	2.00%	5,866,330,147	5,866,330,147	58,663,301	29,566,304	(371,333)	29,194,971	23,355,977
FY 47/48	2.00%	5,983,656,750	5,983,656,750	59,836,568	30,157,630	(378,759)	29,778,871	23,823,097
FY 48/49	2.00%	6,103,329,885	6,103,329,885	61,033,299	30,760,783	(386,335)	30,374,448	24,299,558
FY 49/50	2.00%	6,225,396,483	6,225,396,483	62,253,965	31,375,998	(394,061)	30,981,937	24,785,550
FY 50/51	2.00%	6,349,904,413	6,349,904,413	63,499,044	32,003,518	(401,942)	31,601,576	25,281,261
FY 51/52	2.00%	6,476,902,501	6,476,902,501	64,769,025	32,643,589	(409,981)	32,233,607	25,786,886
FY 52/53	2.00%	6,606,440,551	6,606,440,551	66,064,406	33,296,460	(418,181)	32,878,279	26,302,624
FY 53/54	2.00%	6,738,569,362	6,738,569,362	67,385,694	33,962,390	(426,545)	33,535,845	26,828,676
FY 54/55	2.00%	6,873,340,749	6,873,340,749	68,733,407	34,641,637	(435,075)	34,206,562	27,365,250
FY 55/56	2.00%	7,010,807,564	7,010,807,564	70,108,076	35,334,470	(443,777)	34,890,693	27,912,555
FY 56/57	2.00%	7,151,023,716	7,151,023,716	71,510,237	36,041,160	(452,652)	35,588,507	28,470,806
FY 57/58	2.00%	7,294,044,190	7,294,044,190	72,940,442	36,761,983	(461,706)	36,300,277	29,040,222
FY 58/59	2.00%	7,439,925,074	7,439,925,074	74,399,251	37,497,222	(470,940)	37,026,283	29,621,026
45 Year TOTAL	N/A			1,757,505,141	885,782,591	(14,165,847)	871,616,744	697,293,395
						PV of Available Revenues		234,024,848

Sources: Yolo County Assessor, City of West Sacramento, EPS.

- [1] Gross Tax Increment is 1% of the difference between assessed values in current and base years.
- [2] The net tax increment is equal to 50.4% of the gross tax increment.
- [3] City administrative costs increased 2-percent annually.

IFD No. 1 Finance Plan
 Calculation of Maximum Bond Amount for IFD No. 1
 Table 2 - Calculation of Bond Amount Assuming Annual Issuance
 based on Incremental Increase in Tax Increment

	<u>Discounted Cash Flows</u> 4.00%									
	1	2	3	4	5	6	7	8	9	10
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	\$321,350									
2	\$321,350	\$121,960								
3	\$321,350	\$121,960	\$91,638							
4	\$321,350	\$121,960	\$91,638	\$205,246						
5	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300					
6	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289				
7	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880			
8	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259		
9	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	
10	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
11	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
12	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
13	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
14	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
15	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
16	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
17	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
18	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
19	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
20	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
21	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
22	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
23	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
24	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
25	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
26	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
27	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
28	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
29	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
30	\$321,350	\$121,960	\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
		\$121,960		\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
			\$91,638	\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
				\$205,246	1,532,300	670,289	928,880	753,259	1,033,517	581,535
					1,532,300	670,289	928,880	753,259	1,033,517	581,535
						670,289	928,880	753,259	1,033,517	581,535
							928,880	753,259	1,033,517	581,535
								753,259	1,033,517	581,535
									1,033,517	581,535
										581,535
										581,535
TOTAL	9,640,513	3,658,792	2,749,146	6,157,388	45,969,006	20,108,662	27,866,408	22,597,769	31,005,512	17,446,040
Annual PV Amount	5,556,802	2,108,932	1,584,611	3,549,125	26,496,586	11,590,655	16,062,229	13,025,379	17,871,612	10,055,917
Total PV from Calc	397,920,556									

IFD No. 1 Finance Plan
Calculation of Maximum Bond Amount for IFD No. 1
Table 2 - Continued

23 2038	24 2039	25 2040	26 2041	27 2042	28 2043	29 2044	30 2045	31 2046	32 2047	33 2048	34 2049
1,061,711											
1,061,711	356,249										
1,061,711	356,249	1,149,369									
1,061,711	356,249	1,149,369	386,361								
1,061,711	356,249	1,149,369	386,361	1,244,221							
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973						
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251					
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177				
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981			
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960		
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
1,061,711	356,249	1,149,369	386,361	1,244,221	418,973	641,251	440,177	448,981	457,960	467,120	476,462
23,357,647	7,481,223	22,987,377	7,340,860	22,395,972	7,122,536	10,260,020	6,602,658	6,285,730	5,953,484	5,605,434	5,241,081
15,342,911	4,997,870	15,620,298	5,074,443	15,750,959	5,097,083	7,472,049	4,894,060	4,742,639	4,573,031	4,383,951	4,174,034

IFD No. 1 Finance Plan
Calculation of Maximum Bond Amount for IFD No. 1
Table 2 - Continued

35 2050	36 2051	37 2052	38 2053	39 2054	40 2055	41 2056	42 2057	43 2058	44 2059
485,991									
485,991	495,711								
485,991	495,711	505,625							
485,991	495,711	505,625	515,738						
485,991	495,711	505,625	515,738	526,052					
485,991	495,711	505,625	515,738	526,052	536,574				
485,991	495,711	505,625	515,738	526,052	536,574	547,305			
485,991	495,711	505,625	515,738	526,052	536,574	547,305	558,251		
485,991	495,711	505,625	515,738	526,052	536,574	547,305	558,251	569,416	
485,991	495,711	505,625	515,738	526,052	536,574	547,305	558,251	569,416	580,804
4,859,912	4,461,399	4,045,002	3,610,164	3,156,315	2,682,868	2,189,220	1,674,753	1,138,832	580,804
3,941,824	3,685,776	3,404,246	3,095,486	2,757,639	2,388,730	1,986,660	1,549,198	1,073,973	558,466

APPENDIX B:

IFD No. 1 Fiscal Impact Analysis



MEMORANDUM

To: Paul Blumberg, City of West Sacramento

From: Jamie Gomes and Russ Powell

Subject: Infrastructure Financing District No. 1 Fiscal Impact Analysis;
EPS #122086.1

Date: May 29, 2014

The Economics of Land Use



Introduction

The City of West Sacramento (City) retained Economic & Planning Systems, Inc. (EPS) to examine the potential fiscal impacts of the City forming an Infrastructure Financing District (IFD No. 1) over the Bridge District Project (Project), a proposed mixed use development of approximately 188 acres. At the request of the City, EPS is preparing a Fiscal Impact Analysis (Analysis) of the Project with consideration to formation of IFD No. 1. IFD No. 1 is proposed to divert 100 percent of the Project's property tax increment from the City's General Fund to IFD No. 1. IFD revenues will be used to fund construction of public facilities of communitywide benefit.

This Analysis examines the Project's estimated fiscal impact on the City's annual General Fund budget considering the formation of the proposed IFD No. 1. Specifically, the Analysis estimates whether projected revenues from the Project will adequately cover the costs of delivering citywide services (e.g., police protection, fire protection, and parks and recreation) to the Project's residents and employees. The Analysis is based on the assumption that these services will be provided by the City. The results estimate the annual fiscal impact at various times during Project development.

IFD No. 1 Overview

The proposed IFD No. 1 is located in the east area of the City, generally north of U.S. Highway 50. The site generally is bounded on the north by West Capitol Avenue and east by the Sacramento River. **Map 1** identifies the proposed IFD No. 1 boundaries.

*Economic & Planning Systems, Inc.
2295 Gateway Oaks Drive, Suite 250
Sacramento, CA 95833-4210
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

MAP 1

LEGEND

 COMMUNITY FACILITIES DISTRICT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF WEST SACRAMENTO ON THIS _____ OF _____, 2014.

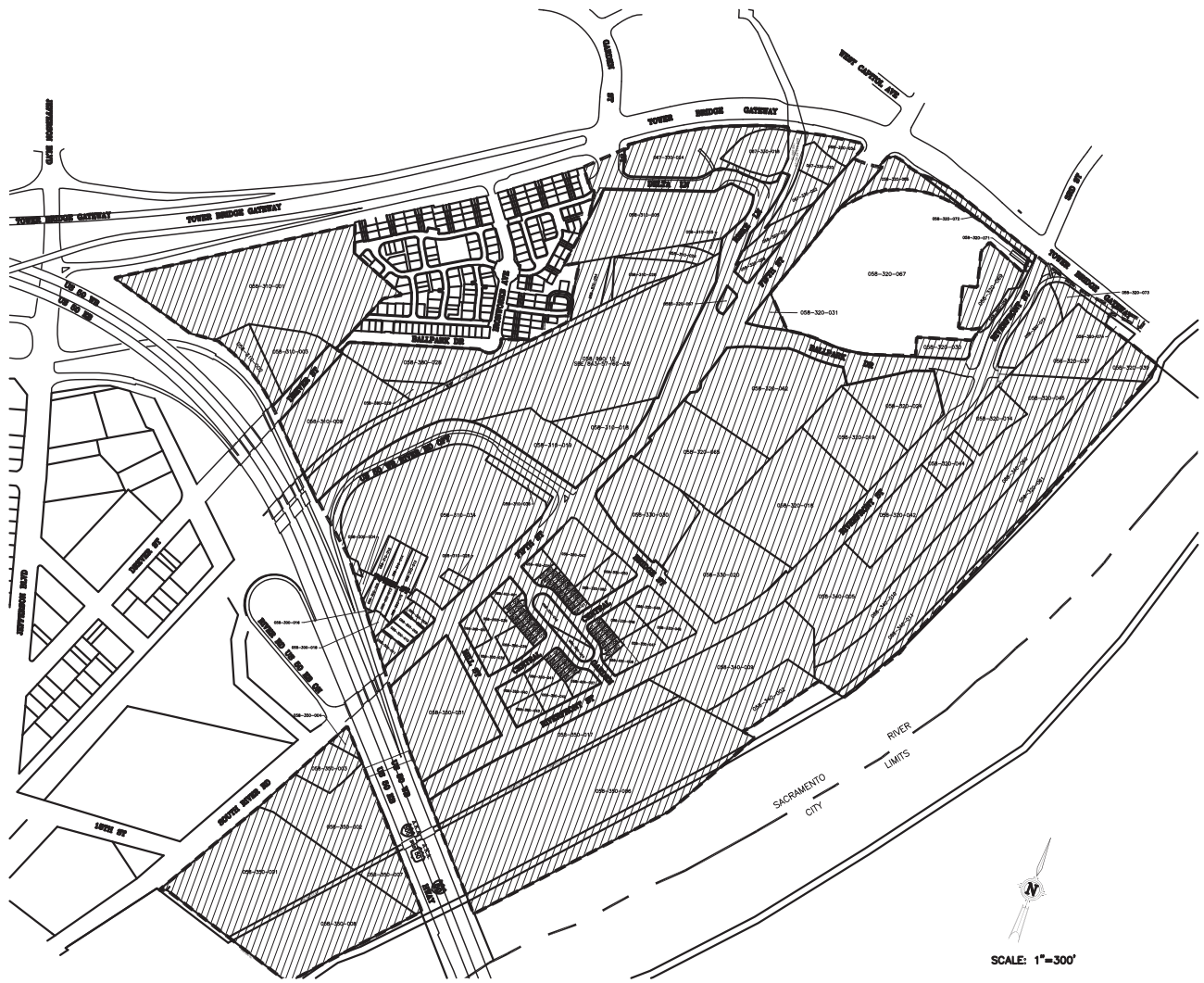
 KRYSS RANKIN
 CITY CLERK
 CITY OF WEST SACRAMENTO

I HEREBY CERTIFY THAT THE WITHIN MAP WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2014, BY ITS RESOLUTION No. _____.

 KRYSS RANKIN
 CITY CLERK
 CITY OF WEST SACRAMENTO

FILED THIS _____ DAY OF _____, 2014, AT THE HOUR OF _____ O'CLOCK _____ M., IN BOOK _____ AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF YOLO, STATE OF CALIFORNIA.

 FREDDIE OAKLEY
 COUNTY RECORDER
 COUNTY OF YOLO



**PROPOSED BRIDGE DISTRICT
 INFRASTRUCTURE FINANCING DISTRICT (IFD) No. 1
 CITY OF WEST SACRAMENTO,
 COUNTY OF YOLO
 STATE OF CALIFORNIA**

The Project proposes 3,940 owner-occupied and for-rent residential units. The Project includes approximately 4.73 million square feet of nonresidential development, including approximately 430,000 square feet of retail, 3.8 million square feet of office, and 420,000 square feet of hotel development. **Table A-2** summarizes the Project's land use plan at buildout and also shows an assumed absorption of new development over time.

Overview of Results

As shown on **Table 1**, the Analysis yielded the following results:

- 1. Annual fiscal impact results could be considered positive on the General Fund in IFD No. 1, after consideration of proposed special tax revenues.** At buildout, the annual cost of providing General Fund services exceeds annual General Fund revenues before consideration of special tax revenues. Although not yet implemented, special tax revenues are anticipated to be approximately \$808,000 at buildout, in current-year dollars. After special tax revenues are considered, annual Project revenues exceed annual expenditures by approximately \$194,000. **Table B-8** shows the CFD R revenue calculations.
- 2. Existing Project property tax revenues would help to offset Project services costs.** The City presently receives approximately \$657,000 in existing property tax revenues from the Project. Presently, approximately two-thirds of this amount is obligated to help fund Successor Agency Enforceable Obligations. When that obligation expires, the entire amount would be available to help fund annual City services to the Project. **Table 2** includes this revenue as an offset to the estimated deficit shown in **Table 1**.
- 3. The Analysis results presume the City would impose City Community Facilities District R.** Because many of the costs anticipated to be funded by Community Facilities District (CFD) R revenues are accounted for in the fiscal analysis, anticipated CFD R special tax revenues also are considered. Because CFD R has not yet been formed, the CFD R tax rates in the Analysis should be considered placeholders. **Table 2** includes this revenue as an offset to the estimated deficit shown in **Table 1**.
- 4. Annual fiscal results are sensitive to certain key revenue assumptions.** Because transient occupancy taxes, sales taxes, and CFD R revenues represent approximately 72 percent of annual revenues at buildout, the results of the fiscal analysis are sensitive to changes in the assumptions used to calculate such revenues.
- 5. IFD No. 1 revenues not used for infrastructure could be available to fund Project service costs.** IFD No. 1 revenues not used for bond debt service or to fund IFD No. 1 infrastructure on a pay-as-you-go-basis could be used by the City to fund Project services. The annual amount of revenues available will vary at any given time based on the level of outstanding debt service and the IFD No. 1 capital improvement program.

Table 1
IFD No. 1 Fiscal Impact Analysis
Estimated Revenue and Expenditure Summary (2014\$)

Item	Buildout
General Fund	
Annual Revenues [1]	
Existing Property Tax [2]	\$657,000
Property Tax	\$0
Property Tax In Lieu of VLF	\$492,000
Real Property Transfer Tax	\$116,000
Sales Tax In Lieu of Property Tax	\$533,000
Sales Tax	\$1,600,000
Prop 172 Sales Tax	\$171,000
Transient Occupancy Tax	\$1,636,000
Franchises	\$163,000
Licenses and Permits	\$3,000
Fines and Forfeitures	\$18,000
Total Annual General Fund Revenues	\$5,389,000
Annual Expenditures	
City Manager	\$27,000
City Council	\$4,000
City Attorney	\$13,000
Economic Development	\$33,000
City Clerk	\$24,000
Human Resources	\$35,000
Community Relations	\$8,000
Career Enhancement	\$3,000
Risk Management	\$36,000
Information Technology	\$131,000
Finance Administration	\$25,000
Finance Fiscal Records	\$0
Finance Revenue Collection	\$32,000
City Facilities Projects and Maintenance	\$81,000
Fleet Maintenance	\$2,000
City Hall Maintenance	\$38,000
Police Administration	\$148,000
Police Investigation	\$357,000
Police Records	\$107,000
Police Patrol	\$1,669,000
Police P.O.S.T.	\$9,000
Traffic/Parking Safety	\$152,000
Communications J.P.A.	\$289,000
Animal Control	\$65,000
Code Enforcement	\$80,000
Fire Administration	\$120,000
Fire Operations	\$1,968,000
Fire Prevention Services	\$8,000
Park and Recreation Admin	\$39,000
Recreation Activities	\$118,000
Recreation Center	\$51,000
Community Center	\$61,000
Park Maintenance	\$264,000
Civic Center Common Area Maintenance	\$6,000
Total Annual General Fund Expenditures [3]	\$6,003,000
Annual General Fund Surplus/(Deficit) Before Special Tax	(\$614,000)
CFD R Special Tax	\$808,000
Annual General Fund Surplus/(Deficit) with Special Tax	\$194,000

Source: City of West Sacramento FY 2013-14 Adopted Budget; EPS.

[1] See Table B-2 for details on revenue estimating procedures.

[2] See Table B-6 for details. Property taxes currently paid by parcels to be included in the IFD are first used to pay enforceable obligations of the former redevelopment agency. At buildout these taxes will be available to fund City services in the IFD.

[3] See Table C-1 for details on expenditure estimating procedures.

Table 2
IFD No. 1 Fiscal Impact Analysis
Estimated Periodic Revenue and Expenditure Summary

Item	2018	2023	2028	2033	2038	2043
General Fund						
Revenues						
Existing Tax Increment [1]	\$184,000	\$184,000	\$184,000	\$657,000	\$657,000	\$657,000
Other IFD Revenues	\$1,709,000	\$2,637,000	\$3,211,000	\$3,908,000	\$4,342,000	\$4,732,000
Revenues Subtotal	\$1,893,000	\$2,821,000	\$3,395,000	\$4,565,000	\$4,999,000	\$5,389,000
Expenditures	\$242,727	\$2,293,323	\$3,509,656	\$4,764,083	\$5,527,101	\$6,003,000
Annual General Fund Surplus/(Deficit) Before Special Taxes	\$1,650,273	\$527,677	(\$114,656)	(\$199,083)	(\$528,101)	(\$614,000)
CFD R Special Taxes	\$24,000	\$298,000	\$478,000	\$657,000	\$784,000	\$808,000
Annual General Fund Surplus/(Deficit) with CFD R Special Taxes	\$1,674,273	\$825,677	\$363,344	\$457,917	\$255,899	\$194,000
Surplus/Deficit as Percent of Total Expenditures	690%	36%	10%	10%	5%	3%

"cf"

[1] From Table B-6.

General Fund Impact before Buildout

Table 2 shows the General Fund impacts at six different points from today through buildout of the Project. In addition to IFD No. 1 General Fund revenues, available revenues of the IFD include estimated current property tax revenues available from IFD parcels and special taxes from CFD R. The General Fund revenues exceed expenditures in all periods shown in **Table 2**.

Revenue assumptions are based on the expected land use types and timing of development as shown in **Table A-2**. Any variations in the absorption of land use types or the percentage mix of land use types will impact the results of this Analysis.

The Analysis captured offsetting revenues from the General Fund, enterprise funds, and Measure K.

Memorandum Organization

The data, assumptions, and detailed calculations underlying the Analysis are provided in the following appendices attached to this memorandum:

- **Appendix A** contains the land use plan and detailed valuation assumptions, including population and employment factors.
- **Appendix B** contains detailed revenue estimates and revenue-estimating assumptions.
- **Appendix C** contains detailed expenditure estimates and estimating procedures.
- **Appendix D** contains property tax allocation assumptions, including estimated project valuation and household income assumptions.

Methodology and Assumptions

This section details the underlying methodology and assumptions used to estimate the fiscal impact of the Project and IFD No. 1 on the City. It describes assumptions concerning municipal service delivery, land development, and General Fund budgeting. In addition, it details the methodology used to forecast the Project's General Fund revenues and expenditures at buildout.

Municipal Service Provision

Citywide Services

This Analysis examines IFD No. 1's ability to generate adequate revenues to cover the City's costs of providing public services to the Project in IFD No. 1. The services analyzed in this Analysis comprise General Fund services (e.g., police, fire, and general government). **Table C-2** shows the list of services the City is assumed to provide to the Project.

General Assumptions

The Analysis is based on the City's Fiscal Year (FY) 2013–14 budget, tax regulations, statutes, and other general assumptions discussed herein. Each revenue item is estimated based on current State of California (State) legislation and current City practices. Future changes by either State legislation or county and City practices can affect the revenues and expenditures estimated in this Analysis. All costs and revenues are shown in constant 2014 dollars and are

based on the adopted FY 2013-14 City budget. General fiscal and demographic assumptions are detailed in **Table A-1**.

This Analysis also uses information from previous studies prepared by EPS for the Project, as well as historical data and projected demographic data from the California Department of Finance (DOF), Claritas, and the U.S. Bureau of Labor Statistics.

Other critical assumptions that may affect the results of this Analysis are actual home prices versus estimated home prices or other changes in residential assumptions (e.g., residential densities, product types, and persons-per-household factors). The land use information in this Analysis was taken from the formation documents prepared for the West Sacramento CFD No. 27. There are few approved development projects within the boundaries of the Project and IFD No. 1, so assumptions regarding the types and intensity of potential development projects are stated generally in the Analysis. The results of this Analysis will vary if development plans or other assumptions change from those on which this Analysis is based.

General Fund Revenue- and Expenditure-Estimating Assumptions

This Analysis considers only discretionary General Fund revenues that will be generated by the Project. Offsetting revenues, which are General Fund revenues that are dedicated to offset the costs of specific General Fund department functions, are excluded from this Analysis. The Analysis accounts for offsetting revenues from the General Fund, enterprise funds, and CFD R. Calculations used to exclude offsetting revenues from the Analysis are shown in **Table B-1**. Calculations used to exclude costs are shown in **Tables C-1** and **C-2**.

EPS estimated revenue and expenditures from 2014 through 2043 based on absorption schedule, including estimated CFD R special tax revenues and identified annual general fund surpluses or deficits for various points through anticipated Project buildout. EPS used the best estimates of absorption of new development and the types of new development that may occur through buildout.

Development Assumptions

Below is a brief summary of the land use and other development-related assumptions:

- **Land Use**—The Project land use plan shown in the CFD No. 27 Hearing Report was used for this Analysis. The Analysis examines the fiscal impacts of the Project at buildout and at various times during the Project development phasing.
- **Residential and Employee Estimates**—Population projections are calculated using average persons-per-household factors the City historically has used in prior fiscal impact analyses. The factors of 2.03 persons per owner-occupied household and 1.60 persons per renter-occupied household are used. Employee estimates are based on factors of average square feet per employee for Project nonresidential land uses.
- **Vacancy Assumptions**—Estimates of occupied units and occupied nonresidential square footage reflect typical City vacancy factors for each land use type. Vacancy factors used in this Analysis reflect long-term City averages.
- **Residential Assessed Value**—The estimated assessed valuation of residential development is based on prices of comparable residential projects in the Sacramento Region, shown in The

Gregory Group's New Home database as of First Quarter 2014. Estimated buildout assessed values for the total Project are calculated in **Table D-2**.

- **Nonresidential Assessed Value**—EPS used a sales comparison approach and an income approach to estimate finished nonresidential values for the Analysis. Sales comparison data came from CoStar, Core Logic, and LoopNet, which are online listing services for sales and leases of commercial real estate.
- **Property Turnover Rates**—The Analysis is based on the assumption that a for-sale residential unit will turn over once every approximately 7 years, and nonresidential properties will turn over once every approximately 15 years.
- **Persons-Served Methodology**—In estimating service demands of the Project and those of the existing City, EPS uses a factor to approximate the service demands of an employee in Project nonresidential land uses as compared to a Project resident. The City historically has used a factor of 0.5 to estimate an employee's impact on services as compared to a resident.
- **Income of Households**—The average household income of each residential land use category (e.g., for-rent and owner-occupied) in the Project was estimated to forecast household retail expenditures. This calculation was derived using the following assumptions and data inputs:
 - Estimated home values for product types proposed under each residential land use category, as described in **Table D-3**.
 - Assumed a 6-percent, 30-year, fixed-rate mortgage with a 20-percent down payment and 2 percent annual taxes and insurance. Taxes and insurance include ad valorem taxes, as well as existing and proposed special taxes and assessments for infrastructure and services.
 - For owner-occupied homes, assumed 30 percent of income dedicated to mortgage payments, taxes, and insurance.
 - For renter-occupied homes, assumed 35 percent of income dedicated to rent.

Estimated household incomes by land use type are calculated in **Table D-3**.

Revenue-Estimating Methodology

EPS used either a marginal-revenue case-study approach or an average-revenue approach to estimate Project-related General Fund revenues.

The marginal-revenue case-study approach simulates actual revenue generation resulting from new development. The case-study approach for estimating sales and use tax revenues, for instance, forecasts market demand and taxable spending from the Project's new residents, as well as taxable sales generated by the Project's on-site retail. Case studies used in this Analysis are discussed in greater detail later in this section.

The average-revenue approach uses the City's FY 2013–14 budgeted revenue amounts on a citywide per capita or per-persons-served basis to forecast revenues derived from estimated residents of the Project.¹

Revenue sources that are *not* expected to increase as a result of development are excluded from this Analysis. These sources of revenue are not affected by development because they are either one-time revenue sources not guaranteed to be available in the future or there is no direct relation between increased employment growth and increased revenue.

A listing of all City General Fund revenue sources and the corresponding estimating procedure used to forecast future Project revenues is shown in **Table B-1** and summarized in **Table 1** earlier in this Analysis.

Reader's Note: The discussion of revenues in this memorandum generally reflects the order of the revenues presented in the tables. In some cases, however, this order may vary for purposes of organizing the background discussion and in describing similarly estimated revenue items.

Property Tax

Existing Property Tax Revenues

After the dissolution of the redevelopment agency over the Bridge District, property tax dollars were once again available to the area proposed to be in IFD No. 1. There are enforceable obligations of the former redevelopment agency, so a large portion of existing property tax dollars is dedicated to the payment of debt service for CFD No. 12. This obligation is in place until 2028. Once the obligation is fulfilled, all existing property tax would be available to fund the cost of providing services in IFD No. 1. **Table B-6** shows the estimated existing property tax revenues, the enforceable obligation, and net property tax revenues currently available to fund the cost of providing services to IFD No. 1.

New Property Tax Revenues to IFD

Estimated annual property tax revenue resulting from development in the Project is presented in **Table B-3**, which shows that 100 percent of the tax increment generated in IFD No. 1 will go to the IFD, and therefore, no new property tax revenues will be generated in the IFD once formed, or at least until the IFD no longer exists. To be consistent with the City's budget data, the estimated assessed values for Project land uses are assumed to remain static in 2014 dollar values—real growth in assessed value is not estimated in this analysis.

Approximately 49.6 percent of the 1-percent property tax revenue is available for other public agencies serving IFD No. 1 and the Educational Revenue Augmentation Fund (ERAF). West Sacramento's IFD No. 1 consisted of 50.4 percent of the property tax allocation. All of this tax increment will be dedicated to IFD No. 1, so IFD No. 1 will receive no tax increment to fund General Fund services in IFD No. 1.

¹ A *per capita* basis of estimating revenues is based on the assumption that only residents have a fiscal impact on City revenues. A *per-persons-served* basis of estimating revenues is used to take into account that businesses (and their employees) have a fiscal impact on many City revenues but at a lower level than residential development's impact.

The Tax Rate Area (TRA) data and share of property taxes the City is assumed to receive from the Project are derived from the total assessed value of the Project and the City's property tax allocation share of the 1-percent ad valorem property tax for the TRA, as shown in **Table D-1**.

IFD No. 1 tax increment revenues shown in **Table B-3** may be used to fund the cost of providing City services to the IFD in years in which such revenues are not needed for authorized projects of the IFD.

Property Tax in Lieu of Vehicle License Fees

This Analysis uses a formula provided by the State Controller's Office to forecast Property Tax in Lieu of Vehicle License Fees (PTIL VLF). PTIL VLF is calculated by taking the percentage increase of the City's assessed value resulting from the Project and applying that percentage share to the City's current State allocation of PTIL VLF. This calculation is shown in **Table B-3**.

Real Property Transfer Tax

Real property transfer tax is based on the assessed value of the Project's land uses and the anticipated turnover of residential properties over time. As stated earlier, the Analysis is based on the assumption the Project's residential property will turn over 14.3 percent per year (or once every 7 years), and nonresidential property will turn over 6.7 percent per year (or once every 15 years). Real property transfer tax revenue projections are identified in **Table B-4**.

Transient Occupancy Tax

The City's voters have approved a 10-percent transient occupancy tax on hotels and lodging operations in the City. A hotel and conference center has been proposed to be constructed in IFD No. 1. The nature of the proposed development project is unique when compared to other lodging operations in the City, so this analysis includes a case study to determine the revenue impacts of such a project.

Based on prior work completed for the City, **Table B-7** shows the results of the case study identifying the estimated transient occupancy tax revenue. The analysis used an assumed average occupancy rate, number of rooms, and estimated room charges to estimate potential transient occupancy tax revenue for the hotel. Because the hotel project is still in the planning stages, the number of rooms may be subject to change.

Sales Tax

Sales tax revenues are based on taxable sales generated in the City. The sales tax components examined in this Analysis include the Bradley-Burns 1-percent Local sales tax rate and a revenue-neutral factor to estimate the State-mandated exchange of 25 percent of sales tax revenue for property tax, the Property Tax In Lieu of Sales Tax, also known as Triple Flip. Estimated sales tax and property tax in lieu of sales tax revenues to the City are summarized in **Table B-5**.

The Analysis uses two methodologies to estimate taxable sales generated by the Project:

- 1. Market Support Method:** This methodology measures taxable sales generated from new Project residents and students.
- 2. Retail Space Method:** This approach measures taxable sales from the Project's retail land uses.

In addition to the above, the Analysis includes estimates of taxable sales revenues derived from anticipated business-to-business spending from Project office land uses.

Market Support Method (Retail Demand)

Retail Sales based on Project Households' Retail Expenditures

The Analysis estimates retail expenditures of future residents in the Project by type of retail category and the portion of expenditures that would be captured in the City (e.g., generate sales in the City's retail establishments). The amounts and types of expenditures made by residents generally depend on their household income. Data for this Analysis is based on estimated Project resident incomes, household spending patterns, and retail demand and supply market conditions in the City.

Specifically, the Analysis evaluates retail expenditures of future residents by:

- Estimating the total income of new households based on the projected home sales prices provided by the property owner. EPS assumes household income estimates assume owner-occupied tenure, with home purchase financed by a 30-year fixed-rate mortgage.²
- Evaluating Consumer Expenditure Survey (CES) data from the U.S. Bureau of Labor Statistics, which reports the proportion of income spent on various household goods and services, by income group.

According to the property owner, sales prices for the Project's homes are expected to range from \$200,000 to \$365,000 per unit. Based on these sales prices, EPS estimated future household incomes would average \$93,000 for residential for-sale units and \$62,000 for residential for-rent units, as shown in **Table D-3**. Household retail expenditures supported by these income levels are analyzed in **Table B-5A**. In sum, Project households are projected to spend a total of approximately \$89.4 million annually on retail purchases in and beyond the City. This Analysis assumes the City's retail businesses would capture roughly 70 percent of the Project's household retail demand, resulting in \$62.9 million in taxable sales, as shown in **Table B-5A**.³

Retail Sales based on Project Employees' Retail Expenditures

Research indicates that spending by workers in the vicinity of their place of work is significant.⁴ Given the substantial amount of Project employment expected at buildout, this Analysis

² Income estimate is based on assumed annual payment for the mortgage (30-year, 5-percent fixed interest, 20-percent down payment), property taxes, and insurance equal 30 percent of income. Property taxes and insurance assumed at 2 percent of home value.

³ The capture rate is based on EPS's recent fiscal impact analyses in the Sacramento Region.

⁴ Niemira, P. Michael and Connolly, John, "Office-Worker Retail Spending in a Digital Age," ICSC 2012.

estimated the additional demand for retail that would be created by Project employees. First, the Analysis estimates the proportions of workers expected to be City residents versus non-residents. Spending attributable to employees who are City residents is discounted. EPS assumes such workers would still make a significant amount of their household spending in the City regardless of their place of work. Spending by workers expected to commute in from outside the City is estimated because such spending is assumed to occur in the City as a direct result of the workers' employment at the Project. The Analysis conservatively assumes an average daily expenditure of \$10 per workday per out-of-town worker, for 250 workdays annually, for a total of \$15.4 million annually in taxable retail sales in the City, as shown in **Table B-5B**.

Retail Space Method (Retail Supply)

In addition to retail sales in the City that will be generated by expenditures of Project households and employees, the Project proposes approximately 430,000 square feet of retail, which will directly generate additional retail sales in the City. The type of retail uses that may occur in IFD No. 1 are not certain as there has been no large development projects proposed for IFD No. 1 as of this time. The Analysis assumes a 10-percent vacancy rate for retail; therefore, at buildout there will be approximately 387,000 square foot of retail uses. **Table B-5B** assumes taxable sales per square foot for retail to be \$250. This amount is a blended rate that was taken from the Railyards Project fiscal impact analysis. The Railyards Project had more specific retail land uses by type of retail.

For office land uses shown in **Table A-3**, the Analysis assumes taxable sales per square foot of \$25. This factor was selected by EPS as a proxy of the significant business-to-business sales in the City.

The Analysis reduced annual sales tax calculations in **Table B-5B** by 5 percent to account for retail sales that occur in the IFD that would have otherwise been captured by other retail uses in the City.

Annual taxable sales generated by retail uses in the Project were calculated by taking an "annual sales per square foot" factor published in the Urban Land Institute's *Dollars and Cents of Shopping Centers: 2008* and escalating it to 2014 dollars using the Consumer Price Index.

Table B-5B compares total potential taxable sales from the retail space method with the estimated total demand anticipated to be captured in the Project for retail, office, and hotel. As shown, supply exceeds demand by approximately \$78.0 million. Taxable sales that could fill the gap would come from the following sources:

- Outside capture (residents of West Sacramento and other adjacent communities).
- Capture of existing and future City residents' spending (new residents outside the Project).

As shown in **Table B-5B**, the Project's retail is expected to generate approximately \$135.4 million in taxable sales annually.

Total Project Impact on Taxable Retail Sales in the City

Total taxable retail sales generated by the Project are summed up in **Table B-5**, with adjustments to correct for potential double-counting of retail purchases by Project residents and

employees at retail businesses located at the Project. **Table B-5** shows total estimated taxable sales of \$213.4 million annually and resulting sales tax revenues generated for the City.

Business-to-Business Spending

The Analysis includes estimates of taxable sales from business-to-business spending from the Project's office land uses. The City historically has a very strong sales tax revenue component related to business-to-business sales. An estimate of \$25 per building square foot was included for each land use to approximate this historical trend. Please see **Tables B-5, B-5A, and B-5B** for detailed calculations.

Expenditure-Estimating Methodology

Expenditure estimates are based on the City's FY 2013–14 budget and supplemental information from City staff. All City General Fund expenditure items are listed on **Table C-1**. As described herein, the Project fiscal impact analyses rely on an "average-cost" methodology to estimate all General Fund expenditure impacts of new development on the City. An average-cost methodology is a common methodology in fiscal impact analyses that divides the agency's net cost of service, for a given service function, by the service population to which that service is provided. In this manner, the average-cost method is based on the assumption that the marginal cost of agency services to new Project residents and employees would equal the agency's existing average-cost structure. It is noteworthy that not all agency service functions consider employment impacts or how an employee is weighted as compared to a resident, but that topic is not part of this discussion.

While the average-cost method is a common modeling framework for fiscal impact analyses, this approach is conservative because it assumes certain fixed costs, which are not likely to be affected by growth, would increase in a linear fashion in response to new growth. For example, it is unlikely an agency's legislative functions (e.g., its governing body and clerk functions) would increase in a linear 1:1 fashion as a result of new development because, for example, the size of the council would not change as a result of new development. The point is that there are certain fixed costs that would not be impacted by new growth as compared to certain variable costs, such as staffing levels, that would increase.

Similarly, the average-cost methodology does not account for departmental efficiencies that occur as an agency's population grows. Because some costs are fixed and efficiencies can be achieved at a greater scale, costs for certain departments/functions would not increase on a 1:1 basis once a certain size is achieved. For example, an agency's legal counsel's office could experience some increased activity as a result of the Project, but that increase should not occur on a 1:1 basis as assumed using an average-cost approach.

At buildout, the Project is anticipated to have approximately 13,348 persons served, which equates to approximately 33 percent of the City's existing person's served. Because the Project represents approximately 33 percent of the existing City, EPS has applied adjustment factors to the City's average-cost multipliers. For overhead and other administrative functions, this Analysis uses an adjustment factor of 0.50. For other functions an adjustment factor of 0.75 or 1.0 is used. **Table C-1** shows the City's average costs per capita or per person served before and after applying the adjustment factors. The functions for which the adjustment factor has been applied in this Analysis are shown in **Table C-1**.

Fiscal Impact Results

The fiscal impact on the General Fund as a result of the proposed development plan and schedule shown in **Appendix A**, revenue assumptions of **Appendix B**, and cost of assumptions of **Appendix C**, is considered to be revenue neutral. **Table 1** identifies General Fund fiscal impact results at buildout with totals rounded to the nearest \$1,000. **Table 2** shows the General Fund fiscal impact results for various periods throughout Project buildout.

Estimated annual IFD No. 1 General Fund revenues at buildout are approximately \$5.4 million and expenditures are approximately \$6.0 million, or a \$614,000 deficit. With approximately \$808,000 in CFD R special tax revenues at buildout, the surplus will be approximately \$194,000, which is less than 1 percent of IFD No. 1 expenditures. The three greatest sources of General Fund revenue from the Project at buildout are transient occupancy tax, sales tax, and property tax in lieu of sales tax. Police and fire are the two greatest sources of General Fund expenditures from the Project at buildout.

Technical Appendices

The technical calculations used in this Analysis are shown in **Appendices A** through **D** (**Tables A-1** through **D-3**) of this memorandum:

- **Appendix A** indicates the proposed land uses and general assumptions used in this Analysis.
- **Appendix B** identifies the projected revenues that will be generated by the Project for the City's General Fund.
- **Appendix C** details the estimated expenditures for the City to provide General Fund services to the Project. It also shows the offsetting revenue analysis, which allocates dedicated General Fund revenues to General Fund department functions.
- **Appendix D** shows the projected assessed value of the Project, which serves as the basis for calculating property tax revenues. In addition, this appendix provides detail on the portion of the Assembly Bill 8 allocation of property tax revenues provided to the City and includes the calculation of estimated average household income.



APPENDICES:

Appendix A: General Assumptions

Appendix B: City General Fund Revenue Analysis

Appendix C: City General Fund Expenditure
Analysis

Appendix D: Revenue Support



APPENDIX A: General Assumptions

Table A-1	General Assumptions	A-1
Table A-2	Land Use Development Plan at Buildout.....	A-2
Table A-3	Total Persons Served Through Buildout	A-3

**Table A-1
IFD No. 1 Fiscal Impact Analysis
General Assumptions**

Item	Assumption
General Assumptions	
Base Fiscal Year [1]	FY 2013-14
General Demographic Characteristics	
City of West Sacramento	
Population [2]	50,836
Employees [3]	27,990
City of West Sacramento Persons Served [4]	64,831

"gen_assumps"

Source: California Department of Finance; California Employment Development Department; EPS.

[1] Reflects the City of West Sacramento Fiscal Year 2013-14 approved budget. Revenues and expenditures are in 2013 dollars. This analysis does not reflect changes in values resulting from inflation or appreciation.

[2] From the California Department of Finance, E-1 City/County State Population Estimates with Annual Change Percentage January 1, 2013 and 2014.

[3] Based on US Census OntheMap data for 2011. Includes an additional 10 percent to account for self-employed employees.

[4] Defined as total population plus half of total employees.

Table A-2
IFD No. 1 Fiscal Impact Analysis
Land Use Development Plan at Buildout

Land Use	Dwelling Units	Building Square Feet [1]	Turnover Rate	Persons Per Household	Vacancy Factor [2]	Population	Total Persons Served	Estimated Buildout					
								2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
Residential Land Uses													
Residential Units [1]													
Owner Occupied	2,640	3,168,000	14.3%	2.03	6.7%	5,000	5,000	369	2,405	3,024	4,246	5,000	5,000
For Rent	1,300	1,560,000	14.3%	1.60	6.7%	1,941	1,941	-	873	1,858	1,940	1,940	1,940
Total Residential Land Uses	3,940	4,728,000				6,941	6,941	369	3,278	4,882	6,186	6,941	6,941
Nonresidential Land Uses													
Commercial													
				<i>Sqft per Emp</i>			<i>50%</i>						
Retail		430,060	6.7%	450	10%	860	430	-	114	190	293	358	430
Office		3,870,543	6.7%	300	10%	11,612	5,806	-	1,539	2,565	3,949	4,826	5,806
Hotel		427,469	6.7%	1,250	0%	342	171	171	171	171	171	171	171
Total Nonresidential Land Uses		4,728,072				12,814	6,407	171	1,824	2,926	4,413	5,355	6,407
Total Residential and Nonresidential Land Uses	3,940	9,456,072				19,755	13,348	540	5,102	7,808	10,599	12,296	13,348

Source: West Sacramento CFD No. 27 Hearing Report

[1] Assumes an average square footage of 1,200 per residential unit.

[2] From the California Department of Finance E-5 City/County Population and Housing Estimates, 1/1/2014.

A-3

Table A-3
IFD No. 1 Fiscal Impact Analysis
Total Persons Served Through Buildout

Land Use	Assumption	Total	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
Residential Uses (Units)								
Residential for Sale		2,640	195	1,075	327	645	398	-
Residential For Rent		1,300	-	585	660	55	-	-
Population								
Residential for Sale	2.03	5,359	396	2,182	664	1,309	808	-
Residential For Rent	1.60	2,080	-	936	1,056	88	-	-
Total Population			396	3,118	1,720	1,397	808	-
Cumulative Population			396	3,514	5,234	6,631	7,439	7,439
Vacancy Rate	6.7%							
Cumulative Residential Persons Served			369	3,279	4,883	6,187	6,941	6,941
Square Footage								
Retail	10%	387,054	-	102,600	68,400	92,250	58,500	65,304
Office	10%	3,483,488	-	923,400	615,600	830,250	526,500	587,738
Hotel	0%	427,469	427,469	-	-	-	-	-
Employees								
Retail	450	430	-	114	190	293	358	430
Office	300	5,806	-	1,539	2,565	3,949	4,827	5,806
Hotel	1,250	171	171	171	171	171	171	171
Cumulative Employees			171	1,824	2,926	4,413	5,355	6,407
Total Persons Served			540	5,103	7,809	10,600	12,296	13,348

A-3

"popemp"

Source: West Sacramento CFD No. 27 Hearing Report



APPENDIX B: City General Fund Revenue Analysis

Table B-1	Revenue-Estimating Procedures based on City of West Sacramento FY 2013–14 Budget.....	B-1
Table B-2	Estimated Project Revenues at Buildout.....	B-2
Table B-3	Estimated Property Tax Revenues.....	B-3
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Table B-5A	Estimated Annual Taxable Sales from Proposed Development, Hybrid Market Support Method	B-6
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Table B-6	Calculation of Existing IFD No. 1 Tax Increment and Enforceable Obligations	B-8
Table B-7	Transient Occupancy Tax Case Study	B-9
Table B-8	Est. Special Tax Revenues	B-10

Table B-1
IFD No. 1 Fiscal Impact Analysis
Revenue-Estimating Procedures Based on City of West Sacramento FY 2013-14 Budget (2014\$)

Item	Estimating Procedure	Case Study Reference [1]	FY 2013-14 Budgeted Revenues	Service Population	Revenue Multiplier
Property Tax	Case Study	Table B-3	\$14,166,350	n/a	-
Property Tax In-Lieu of VLF	Case Study	Table B-3	\$3,965,024	n/a	-
Real Property Transfer Tax	Case Study	Table B-4	\$123,157	n/a	-
Sales Tax In Lieu of Property Tax	Case Study	Table B-5	\$3,965,042	n/a	-
Sales Tax	Case Study	Table B-6	\$11,821,866	n/a	-
Prop 172 Sales Tax	Case Study	Table B-5	\$33,473	n/a	-
Transient Occupancy Tax	Case Study	Table B-7	\$1,635,923	n/a	-
Franchises	Persons Served		\$793,212	64,831	\$12.24
Licenses and Permits	Persons Served		\$13,467	64,831	\$0.21
Fines and Forfeitures	Persons Served		\$85,300	64,831	\$1.32
Subtotal General Fund Revenues			\$36,602,814		\$13.76

"rev_pro"

Source: City of West Sacramento FY 2013-14 Adopted Budget; EPS.

[1] Case study items do not use a multiplier to estimate revenues.

B-1

Table B-2
IFD No. 1 Fiscal Impact Analysis
Estimated Project Revenues at Buildout (2014\$)

Revenues	Source	Buildout		2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
		Total (Rounded)	Percent of Total						
General Fund Revenues									
Taxes:									
Property Taxes	Table B-3	\$0	0%	\$0	\$0	\$0	\$0	\$0	\$0
Property Tax In-Lieu of VLF	Table B-3	\$492,000	10%	\$42,301	\$204,764	\$294,357	\$395,552	\$457,392	\$492,024
Real Property Transfer Tax	Table B-4	\$116,000	2%	\$4,693	\$44,339	\$67,856	\$92,109	\$106,861	\$116,000
Sales Tax In Lieu of Property Tax	Table B-5	\$533,445	11%	\$9,557	\$157,815	\$255,773	\$379,197	\$456,675	\$533,445
Sales Taxes	Table B-5	\$1,600,334	34%	\$28,672	\$473,445	\$767,319	\$1,137,591	\$1,370,024	\$1,600,334
Prop. 172 Sales Tax	Table B-5	\$170,702	4%	\$3,058	\$50,501	\$81,847	\$121,343	\$146,136	\$170,702
Transient Occupancy Tax	Table B-7	\$1,635,923	35%	\$1,613,513	\$1,635,923	\$1,635,923	\$1,635,923	\$1,635,923	\$1,635,923
Franchises	Persons Served	\$163,000	3%	\$6,607	\$62,424	\$95,532	\$129,677	\$150,446	\$163,312
Licenses and Permits	Persons Served	\$3,000	0%	\$112	\$1,060	\$1,622	\$2,202	\$2,554	\$2,773
Fines and Forfeitures	Persons Served	\$18,000	0%	\$710	\$6,713	\$10,273	\$13,945	\$16,179	\$17,562
Subtotal General Fund Revenues		\$4,732,404	100%	\$1,709,224	\$2,636,984	\$3,210,503	\$3,907,539	\$4,342,190	\$4,732,075

B-1 Source: City of West Sacramento FY 2013-14 Adopted Budget; EPS.

Table B-3
IFD No. 1 Fiscal Impact Analysis
Estimated Property Tax Revenues (2014\$)

Item	Assumptions/ Source	Formula	Cumulative Fiscal Impact (2014\$)						
			Buildout	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
1-Percent Property Tax									
Total Assessed Value of Project [1]		<i>a</i>	\$2,319,476,375	\$199,415,700	\$965,290,700	\$1,387,645,700	\$1,864,695,700	\$2,156,215,700	\$2,319,476,375
Property Tax Revenue (1% of Assessed Value)	1.00%	$b = a * 1.00\%$	\$23,194,764	\$1,994,157	\$9,652,907	\$13,876,457	\$18,646,957	\$21,562,157	\$23,194,764
Estimated Property Tax Allocation [2]									
City of West Sacramento General Fund	0.00%	$c = b * 0.00\%$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West Sacramento IFD No. 1	50.40%	$d = b * 50.40\%$	\$11,690,161	\$1,005,055	\$4,865,065	\$6,993,734	\$9,398,066	\$10,867,327	\$11,690,161
Other Agencies/ERAF	49.60%	$e = b * 49.60\%$	\$11,504,603	\$989,102	\$4,787,842	\$6,882,723	\$9,248,891	\$10,694,830	\$11,504,603
Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)									
Total Citywide Assessed Value [3]		<i>e</i>	\$16,089,677,105						
Total Assessed Value of Project		<i>f</i>	\$2,319,476,375	\$199,415,700	\$965,290,700	\$1,387,645,700	\$1,864,695,700	\$2,156,215,700	\$2,319,476,375
Total Assessed Value		$g = e + f$	\$18,409,153,480						
Percent Change in AV		$h = f / e$	14.42%	1.24%	6.00%	8.62%	11.59%	13.40%	14.42%
Property Tax In-Lieu of VLF [4]	\$3,413,055	$i = h * \$3,413,055$	\$492,024	\$42,301	\$204,764	\$294,357	\$395,552	\$457,392	\$492,024

"prop_tax"

Source: City of West Sacramento FY 2013-14 Approved Budget; Yolo County Auditor-Controller; EPS.

[1] For calculation of the Project's assessed value by development phase, refer to Table D-2.

[2] For assumptions and calculation of the estimated property tax allocation, refer to Table D-1.

[3] Reflects Assessed Valuation for FY 2012-13. Includes Citywide secured, unsecured, homeowner exemption, and public utility roll.

[4] Property tax in-lieu of VLF amount derived from the City of West Sacramento FY 2013-14 Approved Budget. See Table B-1.

Table B-4
IFD No. 1 Fiscal Impact Analysis
Real Property Transfer Tax (2014\$)

Description	Source/ Assumption	Buildout
Assumptions		
Rate per \$1,000 of AV [1]	\$0.55	
Turnover Rate		
Owner-Occupied Homes [2]	14.3%	
Business Properties [3]	6.7%	
Assessed Value [4]		
Owner-Occupied Homes [2]		\$963,600,000
Business Properties [3]		\$1,095,876,375
Total Assessed Value		\$2,059,476,375
Annual Transfer Tax Revenue		
Owner-Occupied Homes [2]		\$75,787
Business Properties [3]		\$40,383
Total Annual Transfer Tax Revenue		\$116,170

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"transfer_tax"

Source: City of West Sacramento; EPS.

- [1] Based on California Revenue and Taxation Code, §§ 11911-11929, which authorizes cities and counties to levy a real estate transfer tax at a rate of \$0.55 per \$1,000 value.
- [2] Reflects low density and medium density residential units and owner-occupied high-density and owner-occupied mixed-use residential units.
- [3] Business properties include includes the renter-occupied multifamily units, which are assumed to be owned by a business, and all nonresidential land uses. Does not include affordable housing.
- [4] Assessed Values (AV) derived in Table A-2. Note that assessed values are expressed in 2013\$ and include no real AV growth.

Table B-5
IFD No. 1 Fiscal Impact Analysis
Estimated Annual Sales and Use Tax Revenues (2014\$)

Item	Formula	Sources/ Assumptions						
			2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
Annual City Taxable Sales from Market Support and On-Site Retail								
City Taxable Sales inside Project from Market Support		Table B-5A	\$2,034,570	\$18,300,080	\$27,435,170	\$36,279,980	\$41,572,080	\$43,591,083
City Taxable Sales outside Project from Market Support		Table B-5A	\$1,788,330	\$15,673,520	\$23,221,730	\$29,925,620	\$33,860,520	\$34,365,271
Other Annual On-Site City Taxable Sales [1]		Table B-5B	\$0	\$29,152,420	\$51,652,330	\$85,473,145	\$107,237,295	\$135,421,517
Total Taxable Sales from Market Support and On-Site Retail	<i>a</i>		\$3,822,900	\$63,126,020	\$102,309,230	\$151,678,745	\$182,669,895	\$213,377,871
Annual Sales-Tax Revenue From Proposed Development								
Bradley Burns Sales Tax Rate [2]	<i>b</i>	1.0000%						
Less Property Tax in lieu of Sales Tax Rate (SB 1096/AB 2115) [3]	<i>c</i>	<u>-0.2500%</u>						
Total Annual Sales-Tax Revenue	$d = a * (b - c)$	0.7500%	\$28,672	\$473,445	\$767,319	\$1,137,591	\$1,370,024	\$1,600,334
Estimated Proposition 172 Sales Tax Factor [3]	$e = a * 0.080\%$	0.0800%	\$3,058	\$50,501	\$81,847	\$121,343	\$146,136	\$170,702
Annual Property Tax in lieu of Sales Tax (SB 1096/AB 2115) [4]	$f = a * 0.250\%$	0.2500%	\$9,557	\$157,815	\$255,773	\$379,197	\$456,675	\$533,445

"sales_tax"

Source: California State Board of Equalization, City of West Sacramento and EPS.

[1] Other Annual On-Site Taxable Sales represents those portions of taxable sales resulting from individuals who are neither residents or employees.

[2] The City is allocated a full 1.0000% of the Uniform Local Sales Tax.

[3] The City of receives approximately \$.08 for every \$1 generated by of the Public Safety Sales Tax authorized by Proposition 172.

[4] Based on Senate Bill 1096 as amended by Assembly Bill 2115, which states 1/4 of the 1 percent sales-tax revenue (.2500 percent) will be exchanged for an equal dollar amount of property tax revenue.

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Table B-5A
IFD No. 1 Fiscal Impact Analysis
Estimated Annual Taxable Sales from Proposed Development, Hybrid Market Support Method (2014\$)

Item	Formula	Assumption	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
Annual Taxable Sales from Market Support (New Households Plus Employment)								
<u>Taxable Sales from New Households</u>								
Average Annual Household Income Calculation [1]								
For Sale Households	<i>a</i>	\$25,000						
For Rent Households	<i>b</i>	\$18,000						
New For Sale Households by Phase [3]	<i>d</i>		195	1,270	1,597	2,242	2,640	2,640
New For Rent Households by Phase [3]	<i>e</i>		0	585	1,245	1,300	1,300	1,300
Taxable Sales from New For Sale Households	$f = a * d$		\$4,875,000	\$31,750,000	\$39,925,000	\$56,050,000	\$66,000,000	\$66,000,000
Taxable Sales from New For Rent Households	$g = b * e$		\$0	\$10,530,000	\$22,410,000	\$23,400,000	\$23,400,000	\$23,400,000
Total New Taxable Sales from New Occupied Households	$h = f + g$		\$4,875,000	\$42,280,000	\$62,335,000	\$79,450,000	\$89,400,000	\$89,400,000
Estimated Retail Capture Rate [4]	<i>i</i>	70%						
Total City Taxable Sales from New Households	$j = h * i$		\$3,412,500	\$29,596,000	\$43,634,500	\$55,615,000	\$62,580,000	\$62,580,000
Estimated City Taxable Sales inside Project Area [5]	$k = j * 0.5$	50%	\$1,706,250	\$14,798,000	\$21,817,250	\$27,807,500	\$31,290,000	\$31,290,000
Estimated City Taxable Sales outside Project Area [5]	$l = j * 0.5$	50%	\$1,706,250	\$14,798,000	\$21,817,250	\$27,807,500	\$31,290,000	\$31,290,000
<u>Taxable Sales from New Employment</u>								
Average Daily Taxable Sales per New Employee	<i>m</i>	\$10.00						
Work Days per Year	<i>n</i>	240						
Estimated Capture in West Sacramento	<i>o</i>	100%						
Cumulative Growth in New Employees [6]	<i>p</i>		342	3,648	5,852	8,826	10,711	12,814
Total City Taxable Sales from New Employees [7]	$q = m * n * o * (p * 50\%)$	50% of total	\$410,400	\$4,377,600	\$7,022,400	\$10,590,600	\$12,852,600	\$15,376,354
Estimated City Taxable Sales inside Project Area [5]	$r = q * 80\%$	80%	\$328,320	\$3,502,080	\$5,617,920	\$8,472,480	\$10,282,080	\$12,301,083
Estimated City Taxable Sales outside Project Area [5]	$s = q * 20\%$	20%	\$82,080	\$875,520	\$1,404,480	\$2,118,120	\$2,570,520	\$3,075,271
Total Annual City Taxable Sales from Market Support	$t = j * q$		\$3,822,900	\$33,973,600	\$50,656,900	\$66,205,600	\$75,432,600	\$77,956,354
Taxable City Sales inside Project Area	$u = k * r$		\$2,034,570	\$18,300,080	\$27,435,170	\$36,279,980	\$41,572,080	\$43,591,083
Taxable City Sales outside Project Area	$v = l * s$		\$1,788,330	\$15,673,520	\$23,221,730	\$29,925,620	\$33,860,520	\$34,365,271

"sales_tax_a"

Source: U.S. Department of Labor, Bureau of Labor Statistics and EPS.

[1] Derived from the weighted average household incomes in Table D-3

[2] Based on 2004 data from the Bureau of Labor Statistics.

[3] From Table A-2

[4] Preliminary estimate developed by EPS to estimate the percentage of taxable retail sales from new residents that will occur in the City.

[5] Project capture rate based on a qualitative analysis of the Project's residential market and composition of retail product types in the Project area.

[6] From Table A-2

[7] "Taxable Sales from New Employees" is calculated by multiplying daily sales per new employee by the number of work days per year, the estimated capture of sales in the City, and the cumulative number of new employees. Discounted by 50% to avoid double-counting employees who are also residents.

Table B-5b
IFD No. 1 Fiscal Impact Analysis
Estimated Annual Taxable Sales, Adjusted Retail Space Method (2014\$)

Item	Formula						Beyond 2039
		2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	
Annual Taxable Sales from On-Site Retail Development [1]							
Regional Retail [2]							
Taxable Sales per Sq. Ft. [3]	<i>a</i>	\$250	\$250	\$250	\$250	\$250	\$250
Sq. Ft. Developed by Phase [4] [5]	<i>b</i>	-	102,600	68,400	92,250	58,500	65,304
Cumulative Sq. Ft. in Project	<i>c = a * b</i>	-	102,600	171,000	263,250	321,750	387,054
Subtotal, Annual Taxable Sales	<i>d = a * c</i>	\$0	\$25,650,000	\$42,750,000	\$65,812,500	\$80,437,500	\$96,763,568
Neighborhood-Supporting Retail [2]							
Taxable Sales per Sq. Ft. [3]	<i>e</i>	\$159	\$159	\$159	\$159	\$159	\$159
Sq. Ft. Developed by Phase [4] [5]	<i>f</i>	-	-	-	-	-	-
Cumulative Sq. Ft. in Project	<i>g</i>	-	-	-	-	-	-
Subtotal, Annual Taxable Sales	<i>h = e * g</i>	\$0	\$0	\$0	\$0	\$0	\$0
Office							
Taxable Sales per Sq. Ft. [6]	<i>i</i>	\$25	\$25	\$25	\$25	\$25	\$25
Sq. Ft. Developed by Phase [4] [5]	<i>j</i>	0	923,400	615,600	830,250	526,500	587,738
Cumulative Sq. Ft. in Project	<i>k</i>	0	923,400	1,539,000	2,369,250	2,895,750	3,483,488
Subtotal, Annual Taxable Sales	<i>l = i * k</i>	\$0	\$23,085,000	\$38,475,000	\$59,231,250	\$72,393,750	\$87,087,211
Annual Taxable Sales from On-Site Retail Dev.	<i>m = d + h + l</i>	\$0	\$48,735,000	\$81,225,000	\$125,043,750	\$152,831,250	\$183,850,778
<i>Less On-Site Market Support from Residents & Employees inside Project [7]</i>	<i>n = "s" from Table B-5A</i>	\$2,034,570	\$18,300,080	\$27,435,170	\$36,279,980	\$41,572,080	\$43,591,083
Subtotal Annual Sales less Market Support	<i>o = m - n</i>	\$0	\$30,434,920	\$53,789,830	\$88,763,770	\$111,259,170	\$140,259,695
<i>Less Percentage Reduction of Sales Tax [8]</i>	<i>p = o * 5%</i>	\$0	\$1,282,500	\$2,137,500	\$3,290,625	\$4,021,875	\$4,838,178
Other Annual On-Site Taxable Sales [9]	<i>q = o - p</i>	\$0	\$29,152,420	\$51,652,330	\$85,473,145	\$107,237,295	\$135,421,517

"sales_tax_b"

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Table B-6
IFD No. 1 Fiscal Impact Analysis
Calculation of Existing IFD No. 1 Tax Increment and Enforceable Obligations

Item		Amount
FY 2013-14 Assessed Value [1]	<i>a</i>	\$130,421,248
Property Taxes	<i>b = a * 1.0%</i>	\$1,304,212
IFD No. 1 Property Taxes [2]	<i>c = b * 50.4%</i>	\$657,323
Enforceable Obligations		
CFD No. 12 Debt Service [3]	<i>d</i>	(\$473,000)
Net Property Tax Available for General Fund Expenditures [4]	<i>e = c + d</i>	\$184,323

"existing_T1"

[1] This is the FY 2013-14 assessed value for all parcels included in IFD No. 1.

[2] This is the estimated existing property tax for parcels in the IFD.

[3] The property tax from IFD No. 1 is pledged to the payment of debt services for CFD No. 12 (Raley Field). The final debt service payment will occur in 2028.

[4] The net existing property tax for IFD No. 1 parcels not needed for enforceable obligations should be available to fund General Fund services of IFD No. 1. The full existing property taxes would be available to fund General Fund services beginning in 2029.

**Table B-7
West Sacramento Hotel Project
Transient Occupancy Tax Case Study**

Item	Base Assump.	Ttransient Occupancy Tax Revenues									
		Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020	Year 6 2021	Year 7 2022	Year 8 2023	Year 9 2024	Year 10 2025
Start Year Contstruction Tables	2012										
Start Year Hotel Operations	2016										
Number of Rooms	343										
Hotel Assumptions (POR is per occupied room)											
Occupancy Rate		68%	72%	72%	73%	73%	73%	73%	73%	73%	73%
Number of Rooms		343	343	343	343	343	343	343	343	343	343
Occupied Rooms Annually		85,133	90,140	90,140	91,392	91,392	91,392	91,392	91,392	91,392	91,392
Average Daily Room Rate	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179
Total Room Rental Revenue		\$15,238,735	\$16,135,132	\$16,135,132	\$16,359,231	\$16,359,231	\$16,359,231	\$16,359,231	\$16,359,231	\$16,359,231	\$16,359,231
Transient Occupancy Tax Revenue	10%	\$1,523,874	\$1,613,513	\$1,613,513	\$1,635,923	\$1,635,923	\$1,635,923	\$1,635,923	\$1,635,923	\$1,635,923	\$1,635,923

"tot"

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Table B-8
IFD No. 1 Fiscal Impact Analysis
Est. Special Tax Revenues (CFD R) [1]

Land Use	Special Tax/ Assessment Revenues			2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Buildout
	Rate [2]	Units/ Acres	Total						
Residential Land Uses									
	<i>per unit</i>	<i>units</i>							
Residential For Sale	\$106	2,640	\$279,840	195	1,270	1,597	2,242	2,640	2,640
Residential For Rent	\$106	1,300	\$137,800	-	585	1,245	1,300	1,300	1,300
Affordable Housing	\$42	70	\$2,905	70	70	70	70	70	70
Subtotal Residential		4,010	\$420,545	\$23,575	\$199,535	\$304,157	\$378,357	\$420,545	\$420,545
Nonresidential Land Uses									
	<i>per acre</i>	<i>acres</i>							
Retail	\$0.06	430,060	\$25,804	-	112,860	199,386	320,800	417,230	430,060
Office	\$0.09	3,870,543	\$348,349	-	1,015,740	1,794,474	2,887,196	3,755,066	3,870,543
Hotel	\$0.03	427,469	\$12,824	427,469	427,469	427,469	427,469	427,469	427,469
Subtotal Commercial		4,300,603	\$386,977	\$0	\$98,188	\$173,466	\$279,096	\$362,990	\$386,977
Total Developable Land Uses			\$807,522	\$23,575	\$297,723	\$477,623	\$657,453	\$783,535	\$807,522

"CFDR"

Source: City of West Sacramento; and EPS.

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APPENDIX C: City General Fund Expenditure Analysis

Table C-1	Expenditure-Estimating Procedures based on City of West Sacramento FY 2013-14 Budget.....	C-1
Table C-2	Estimated Annual Project Expenditures by Development Phase	C-2

Table C-1
IFD No. 1 Fiscal Impact Analysis
Expenditure-Estimating Procedures Based on City of West Sacramento FY 2013-14 Budget

General Fund Expenditures	Estimating Procedure	FY 2013-14 Budgeted Expenditures	Less Offsetting Revenue [1]	FY 2013-14 Net City Expenditures	Population or Persons Served	FY 2013-14 Avg. Cost	Adjustment Factor [3]	Net FY 2013-14 Avg. Cost
General Government								
City Manager	Persons Served	\$938,255	\$680,754	\$257,501	64,831	\$3.97	50%	\$1.99
City Council	Persons Served	\$63,000	\$28,923	\$34,077	64,831	\$0.53	50%	\$0.26
City Attorney	Persons Served	\$225,000	\$103,298	\$121,702	64,831	\$1.88	50%	\$0.94
Economic Development	Persons Served	\$591,898	\$271,741	\$320,157	64,831	\$4.94	50%	\$2.47
City Clerk	Persons Served	\$438,716	\$201,415	\$237,301	64,831	\$3.66	50%	\$1.83
Human Resources	Persons Served	\$635,172	\$291,608	\$343,564	64,831	\$5.30	50%	\$2.65
Community Relations	Persons Served	\$144,223	\$66,213	\$78,010	64,831	\$1.20	50%	\$0.60
Career Enhancement	Persons Served	\$55,000	\$25,251	\$29,749	64,831	\$0.46	50%	\$0.23
Risk Management	Persons Served	\$643,200	\$295,294	\$347,906	64,831	\$5.37	50%	\$2.68
Information Technology	Persons Served	\$2,345,779	\$1,076,949	\$1,268,830	64,831	\$19.57	50%	\$9.79
Finance Administration	Persons Served	\$453,632	\$208,263	\$245,369	64,831	\$3.78	50%	\$1.89
Finance Fiscal Records	Persons Served	\$728,103	\$728,103	\$0	64,831	\$0.00	50%	\$0.00
Finance Revenue Collection	Persons Served	\$568,702	\$261,092	\$307,610	64,831	\$4.74	50%	\$2.37
City Facilities Projects and Maintenance	Persons Served	\$787,323	\$0	\$787,323	64,831	\$12.14	50%	\$6.07
Fleet Maintenance	Persons Served	\$18,000	\$0	\$18,000	64,831	\$0.28	50%	\$0.14
City Hall Maintenance	Persons Served	\$365,134	\$0	\$365,134	64,831	\$5.63	50%	\$2.82
Police Administration	Persons Served	\$1,923,016	\$489,353	\$1,433,663	64,831	\$22.11	50%	\$11.06
Police Investigation	Persons Served	\$2,325,921	\$11,500	\$2,314,421	64,831	\$35.70	75%	\$26.77
Police Records	Persons Served	\$694,273	\$0	\$694,273	64,831	\$10.71	75%	\$8.03
Police Patrol	Persons Served	\$8,126,916	\$21,600	\$8,105,316	64,831	\$125.02	100%	\$125.02
Police P.O.S.T.	Persons Served	\$58,350	\$0	\$58,350	64,831	\$0.90	75%	\$0.68
Traffic/Parking Safety	Persons Served	\$982,386	\$0	\$982,386	64,831	\$15.15	75%	\$11.36
Communications J.P.A.	Persons Served	\$1,870,000	\$0	\$1,870,000	64,831	\$28.84	75%	\$21.63
Animal Control	Persons Served	\$420,000	\$0	\$420,000	64,831	\$6.48	75%	\$4.86
Code Enforcement	Persons Served	\$515,610	\$0	\$515,610	64,831	\$7.95	75%	\$5.96
Fire Administration	Persons Served	\$1,452,013	\$290,194	\$1,161,819	64,831	\$17.92	50%	\$8.96
Fire Operations	Persons Served	\$9,694,870	\$135,000	\$9,559,870	64,831	\$147.46	100%	\$147.46
Fire Prevention Services	Persons Served	\$50,515	\$0	\$50,515	64,831	\$0.78	75%	\$0.58
Park and Recreation Admin	Per Capita	\$489,377	\$193,025	\$296,352	50,836	\$5.83	50%	\$2.91
Recreation Activities	Per Capita	\$1,338,099	\$438,000	\$900,099	50,836	\$17.71	50%	\$8.85
Recreation Center	Per Capita	\$1,103,448	\$716,000	\$387,448	50,836	\$7.62	50%	\$3.81
Community Center	Per Capita	\$466,060	\$0	\$466,060	50,836	\$9.17	50%	\$4.58
Park Maintenance	Per Capita	\$2,009,097	\$0	\$2,009,097	50,836	\$39.52	50%	\$19.76
Civic Center Common Area Maintenance	Per Capita	\$46,475	\$0	\$46,475	50,836	\$0.91	50%	\$0.46
Total Annual General Fund Expenditures [5]		\$33,566,426	\$2,294,672	\$31,271,754				\$449.49

"exp_pro"

Source: City of West Sacramento FY 2013-14 Adopted Budget; EPS.

[1] Represents departmental revenues identified for specific General Fund department functions in the City's fiscal budget.

[2] General Fund revenues and associated costs for services to special enterprise funds are not estimated in this analysis; as such they are netted out of total City costs.

Note - Because building use costs could not be assigned to any one dept., EPS allocated them to all departments based on each department's share of other indirect costs.

[3] Adjustment factor recognizes some department cost are fixed.

[4] Not expected to be affected by the Project and is not evaluated in this analysis.

[5] May not tie out with the budget because of rounding.

Table C-2
IFD No. 1 Fiscal Impact Analysis
Estimated Annual Project Expenditures by Development Phase (2014\$)

Expenditures	Source	Total at Buildout		2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039	
		Total (Rounded)	Percent of Total							
General Fund										
City Manager	Table C-1	\$26,508	0.4%	\$1,072	\$10,132	\$15,506	\$21,049	\$24,420	\$26,508	
City Council	Table C-1	\$3,508	0.1%	\$142	\$1,341	\$2,052	\$2,785	\$3,232	\$3,508	
City Attorney	Table C-1	\$12,528	0.2%	\$507	\$4,789	\$7,329	\$9,948	\$11,541	\$12,528	
Economic Development	Table C-1	\$32,958	0.5%	\$1,333	\$12,598	\$19,279	\$26,170	\$30,362	\$32,958	
City Clerk	Table C-1	\$24,428	0.4%	\$988	\$9,337	\$14,290	\$19,397	\$22,504	\$24,429	
Human Resources	Table C-1	\$35,367	0.6%	\$1,431	\$13,519	\$20,689	\$28,084	\$32,581	\$35,368	
Community Relations	Table C-1	\$8,031	0.1%	\$325	\$3,070	\$4,698	\$6,377	\$7,398	\$8,031	
Career Enhancement	Table C-1	\$3,062	0.1%	\$124	\$1,171	\$1,791	\$2,432	\$2,821	\$3,063	
Risk Management	Table C-1	\$35,814	0.6%	\$1,449	\$13,690	\$20,950	\$28,438	\$32,993	\$35,815	
Information Technology	Table C-1	\$130,616	2.2%	\$5,284	\$49,927	\$76,407	\$103,716	\$120,328	\$130,618	
Finance Administration	Table C-1	\$25,259	0.4%	\$1,022	\$9,655	\$14,776	\$20,057	\$23,269	\$25,259	
Finance Fiscal Records	Table C-1	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	
Finance Revenue Collection	Table C-1	\$31,666	0.5%	\$1,281	\$12,104	\$18,524	\$25,145	\$29,172	\$31,667	
City Facilities Projects and Maintenance	Table C-1	\$81,048	1.4%	\$3,279	\$30,980	\$47,411	\$64,357	\$74,665	\$81,050	
Fleet Maintenance	Table C-1	\$1,853	0.0%	\$75	\$708	\$1,084	\$1,471	\$1,707	\$1,853	
City Hall Maintenance	Table C-1	\$37,588	0.6%	\$1,521	\$14,368	\$21,988	\$29,847	\$34,627	\$37,588	
Police Administration	Table C-1	\$147,584	2.5%	\$5,971	\$56,413	\$86,333	\$117,190	\$135,959	\$147,586	
Police Investigation	Table C-1	\$357,376	6.0%	\$14,458	\$136,604	\$209,056	\$283,777	\$329,227	\$357,382	
Police Records	Table C-1	\$107,205	1.8%	\$4,337	\$40,978	\$62,712	\$85,127	\$98,760	\$107,206	
Police Patrol	Table C-1	\$1,668,751	27.8%	\$67,512	\$637,866	\$976,177	\$1,325,084	\$1,537,310	\$1,668,780	
Police P.O.S.T.	Table C-1	\$9,010	0.2%	\$365	\$3,444	\$5,271	\$7,154	\$8,300	\$9,010	
Traffic/Parking Safety	Table C-1	\$151,693	2.5%	\$6,137	\$57,983	\$88,736	\$120,453	\$139,745	\$151,695	
Communications J.P.A.	Table C-1	\$288,752	4.8%	\$11,682	\$110,373	\$168,912	\$229,285	\$266,008	\$288,757	
Animal Control	Table C-1	\$64,853	1.1%	\$2,624	\$24,790	\$37,938	\$51,497	\$59,745	\$64,854	
Code Enforcement	Table C-1	\$79,617	1.3%	\$3,221	\$30,433	\$46,574	\$63,220	\$73,346	\$79,618	
Fire Administration	Table C-1	\$119,600	2.0%	\$4,839	\$45,716	\$69,963	\$94,969	\$110,179	\$119,602	
Fire Operations	Table C-1	\$1,968,220	32.8%	\$79,628	\$752,335	\$1,151,359	\$1,562,880	\$1,813,191	\$1,968,254	
Fire Prevention Services	Table C-1	\$7,800	0.1%	\$316	\$2,982	\$4,563	\$6,194	\$7,186	\$7,800	
Park and Recreation Admin	Table C-1	\$38,905	0.6%	\$1,574	\$14,871	\$22,759	\$30,893	\$35,841	\$38,906	
Recreation Activities	Table C-1	\$118,166	2.0%	\$4,781	\$45,168	\$69,124	\$93,830	\$108,858	\$118,168	
Recreation Center	Table C-1	\$50,865	0.8%	\$2,058	\$19,443	\$29,754	\$40,389	\$46,858	\$50,865	
Community Center	Table C-1	\$61,185	1.0%	\$2,475	\$23,387	\$35,792	\$48,584	\$56,365	\$61,186	
Park Maintenance	Table C-1	\$263,756	4.4%	\$10,671	\$100,818	\$154,291	\$209,437	\$242,981	\$263,760	
Civic Center Common Area Maintenance	Table C-1	\$6,101	0.1%	\$247	\$2,332	\$3,569	\$4,845	\$5,621	\$6,101	
Total Annual General Fund Expenditures		\$5,999,671	100%	\$242,727	\$2,293,323	\$3,509,656	\$4,764,083	\$5,527,101	\$5,999,673	

Source: City of West Sacramento FY 2013-14 Adopted Budget; EPS.

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APPENDIX D: Revenue Support

Table D-1	Property Tax Allocation	D-1
Table D-2	Estimated Assessed Valuation	D-2
Table D-3	Average Income and Annual Taxable Retail Expenditures for Residential Units.....	D-3

**Table D-1
 IFD No. 1 Fiscal Impact Analysis
 Property Tax Allocation**

Fund	TRA 004-005 Distribution
General Fund	
City General	0.00000%
IFD No. 1	0.50400%
Other Agencies	0.49600%
Subtotal General Fund	1.00000%

Source: Yolo County Auditor-Controller; EPS.

Table D-2
IFD No. 1 Fiscal Impact Analysis
Estimated Assessed Valuation (2014\$)

Item	Rounded Value per Unit/Sq. Ft.	Units/ Sq. Ft.	Assessed Value [1]	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	Beyond 2039
Residential Land Uses									
	<i>Per Unit</i>	<i>Units</i>							
Single-Family									
Residential For Sale	\$365,000	2,640	\$963,600,000	\$71,175,000	\$463,550,000	\$582,905,000	\$818,330,000	\$963,600,000	\$963,600,000
Residential For Rent	\$200,000	1,300	\$260,000,000	\$0	\$117,000,000	\$249,000,000	\$260,000,000	\$260,000,000	\$260,000,000
Subtotal Single-Family		3,940	\$1,223,600,000	\$71,175,000	\$580,550,000	\$831,905,000	\$1,078,330,000	\$1,223,600,000	\$1,223,600,000
Nonresidential Land Uses									
	<i>Per Sq. Ft.</i>	<i>Sq. Ft.</i>							
Retail	\$225	430,060	\$96,763,568	\$0	\$25,650,000	\$42,750,000	\$65,812,500	\$80,437,500	\$96,763,568
Office	\$225	3,870,543	\$870,872,108	\$0	\$230,850,000	\$384,750,000	\$592,312,500	\$723,937,500	\$870,872,108
Hotel	\$300	427,469	\$128,240,700	\$128,240,700	\$128,240,700	\$128,240,700	\$128,240,700	\$128,240,700	\$128,240,700
Subtotal Nonresidential		4,728,072	\$1,095,876,375	\$128,240,700	\$384,740,700	\$555,740,700	\$786,365,700	\$932,615,700	\$1,095,876,375
Total Assessed Value			\$2,319,476,375	\$199,415,700	\$965,290,700	\$1,387,645,700	\$1,864,695,700	\$2,156,215,700	\$2,319,476,375

"av_base"

Source: Gregory Group; CoStar; EPS.

[1] Note that assessed values (AV)s are expressed in 2013\$ and include no real AV growth.

[2] Assumed only the for sale affordable residential unit would pay property taxes.

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Table D-3
IFD No. 1 Fiscal Impact Analysis
Average Income and Annual Taxable Retail Expenditures for Residential Units (2014\$)

Residential Land Use	Assumption [1]	Household Income and Retail Expenditures			
		Total Annual Mortgage (PITI) or Rent [2]	Estimated Monthly Rent [2]	Estimated Annual Rent	Estimated Household Income [3]
Owner-Occupied	<i>Avg Home Value</i>				
Residential For Sale	\$365,000	\$28,000	-	-	\$93,000
Residential For Rent	\$200,000 35%		\$1,800	\$21,600	\$62,000
Annual Taxable Retail Expenditures [5]	<i>Taxable Exp. as % of Income</i>				<i>Annual Taxable Retail Expenditures</i>
Residential For Sale	27%	-	-	-	\$25,000
Residential For Rent	29%	-	-	-	\$18,000

"Income"

Source: CoStar; Gregory Group; Bureau of Labor Statistics (BLS), Consumer Expenditure Survey, 2012; EPS.

- [1] Taxable expenditures as a percentage of income derived from the BLS Consumer Expenditure Survey.
- [2] Owner-Occupied residential: based on a 6%, 30-year fixed rate mortgage with a 20% down payment and 2% for annual taxes and insurance. High-Density Residential and Residential Mixed-Use: based on an average monthly rent of \$1.30 per square foot. Values have been rounded to the nearest thousand dollars.
- [3] Assumes mortgage lending guidelines allow no more than 30% of income dedicated to mortgage payments, taxes and insurance. Assumes annual rent is 30% of annual income.
- [4] High-Density Residential and Residential Mixed-Use land uses are assumed to comprise renter-occupied units with an average monthly rent of \$1.30 per square foot, based on EPS research.
- [5] Average annual taxable retail expenditures per household used to estimate annual sales tax revenues, as shown in Table B-5A. Taxable expenditures as a percentage of income based on data gathered from the 2012 Consumer Expenditure Survey published by BLS.

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