

MEMO

To: Raimi + Associates
From: Lisa Wise Consulting, Inc.
Date: February 13, 2023
Subject: City of Santa Maria General Plan Update: Fiscal Impact Analysis Memo

Introduction

This memo describes the key findings from Task 4.7 Fiscal Impact Analysis, which assesses estimated new revenues and expenditures to the Santa Maria General Fund based on three land use alternatives. The alternatives were provided by Raimi + Associates and developed in collaboration with the City for the Santa Maria General Plan Update. Following the key findings, the memo also describes the assumptions and methodology used in the analysis.

General Plan Development Alternatives Overview

The fiscal impact analysis evaluates the proposed land use program for three different scenarios in the City of Santa Maria. The three alternatives provide options for different development intensities and allowed uses citywide. In this analysis, the maximum potential buildout for each alternative is evaluated and assumed to occur by the year 2050. Although development trends in the next 30 years are unknown, the full “buildout” capacity of the alternatives is analyzed as a means of comparing the alternatives on a relative basis. The three alternatives include the following:

- **Alternative A–Annexation:** This alternative represents the continuation of the City’s existing pattern of growth within the City’s limits and the addition of 1,770 acres of annexed land. Alternative A has the largest amount of net new retail, office, and industrial space of the three alternatives (Figures 1-3).
- **Alternative B–City Infill:** This alternative plans for new residential and commercial development entirely within the existing City limits. Alternative B has the greatest number of net new housing units of the three alternatives (Figure 4).
- **Alternative C–Hybrid:** This alternative would include future development within the City’s boundaries and on annexed land. Infill development is focused along Main Street and Broadway and on major opportunity sites, and a smaller amount of land would be annexed compared to Alternative A, about 720 acres.

A summary of the estimated total number of residents, jobs, housing units, and commercial square feet for alternatives is provided in Table 1.



Table 1: Summary of General Plan Alternatives 2050 Buildout

	<u>2020</u>	<u>2050 Total Buildout</u>			<u>2020-2050 Net Change</u>		
	Baseline	Alternative A: Annexation ³	Alternative B: Infill ³	Alternative C: Hybrid ³	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residents	108,600 ¹	142,680	144,420	141,480	34,080	35,820	32,880
Jobs	43,050 ¹	65,540	59,680	66,800	22,490	16,630	23,750
<u>Housing Units</u>	<u>28,200¹</u>	<u>44,420</u>	<u>45,660</u>	<u>44,340</u>	<u>16,220</u>	<u>17,460</u>	<u>16,140</u>
Single-Family	-	31,538	32,419	31,481	11,516	12,397	11,459
Condominiums	-	5,153	5,297	5,143	1,882	2,025	1,872
Apartments	-	5,153	5,297	5,143	1,882	2,025	1,872
BMR Condominiums	-	1,288	1,324	1,286	470	506	468
BMR Apartments	-	1,288	1,324	1,286	470	506	468
Retail	13,038,379 ²	21,806,708	20,061,667	18,693,970	8,768,329	7,023,288	5,655,591
Office	11,391,637 ²	19,817,768	13,943,569	14,127,726	8,426,131	2,551,932	2,736,089
Industrial	83,903,530 ²	88,551,242	82,147,495	83,278,635	4,647,713	-1,756,034	-624,894
Other Land Use ⁴	34,743,456 ^{2,4}	37,072,578	33,324,271	35,706,820	2,329,122	-1,419,185	963,364

¹ Existing (2020)

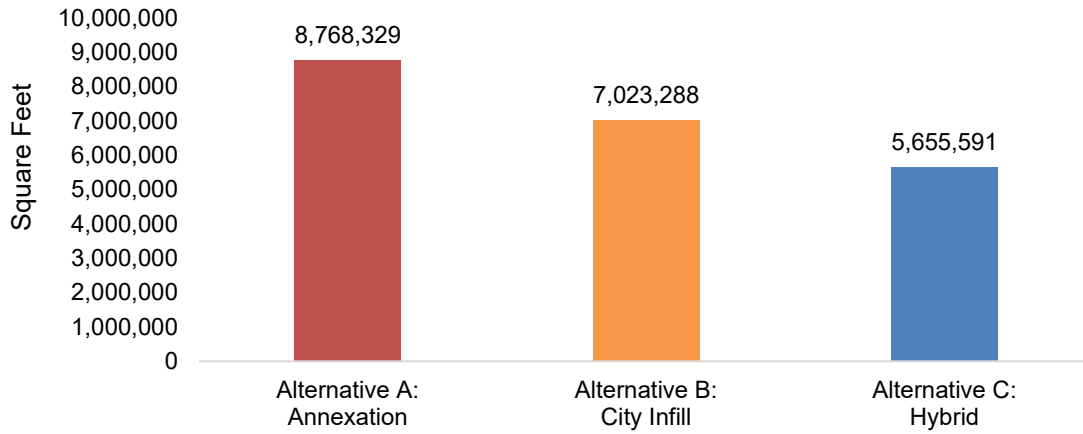
² Capacity under the City of Santa Maria's current General Plan

³ Figures represent the maximum potential buildout under each alternative

⁴ Includes agricultural, conservational, and recreational open space and community facilities.

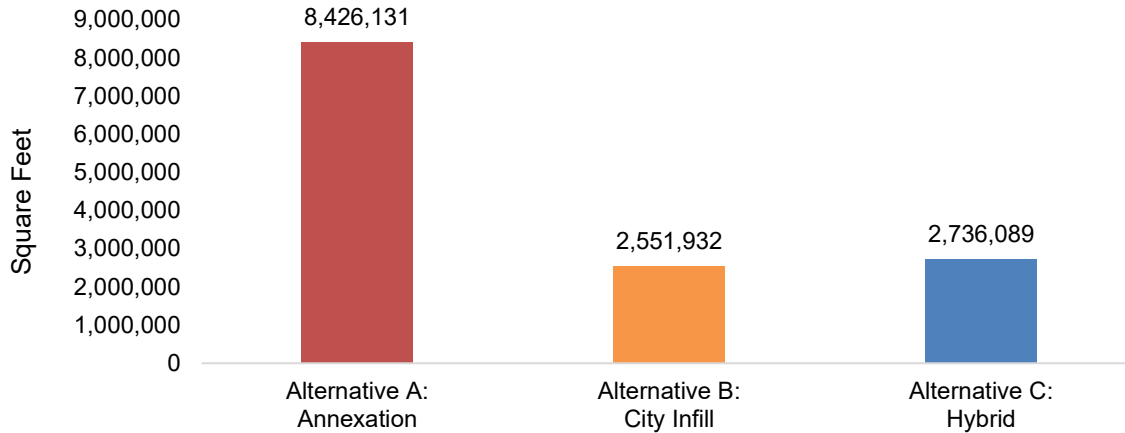
Source: Raimi + Associate, 2022.

Figure 1: Alternatives Net New Retail 2050 Buildout



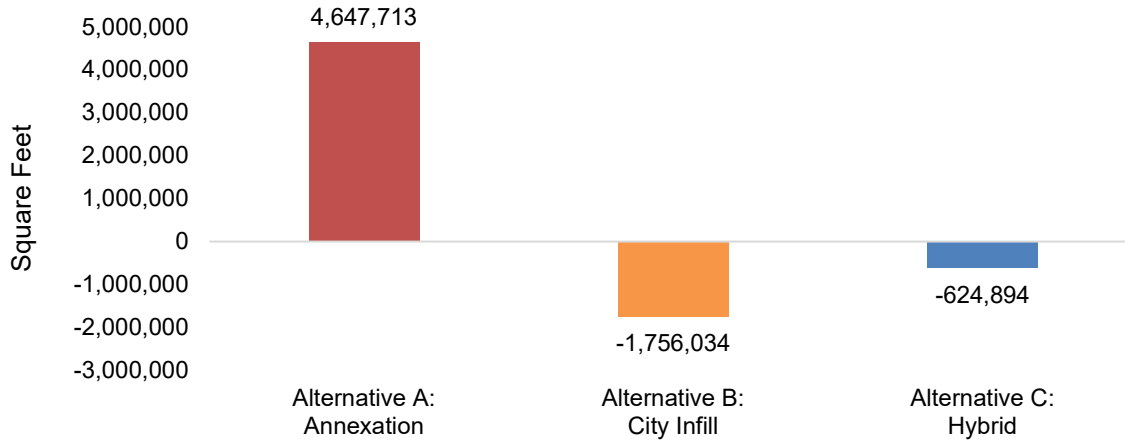
Source: Raimi + Associates, 2022.

Figure 2: Alternatives Net New Office 2050 Buildout



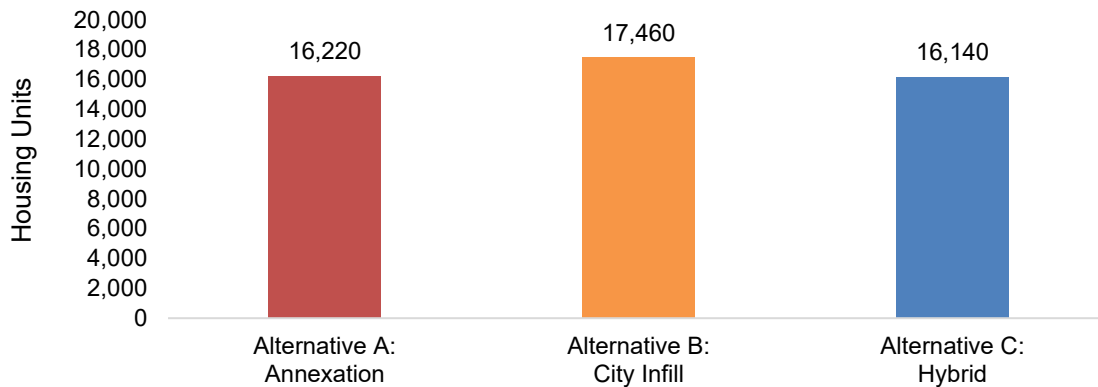
Source: Raimi + Associates, 2022.

Figure 3: Alternatives Net New Industrial 2050 Buildout



Source: Raimi + Associates, 2022.

Figure 4: Alternatives Net New Housing Units 2050 Buildout



Source: Raimi + Associates, 2022.

Alternative Phasing

In addition to assessing the fiscal impact of the alternatives at the 2050 full buildout, the analysis evaluates fiscal impacts in 5-year increments through 2050, which enables reviewing fiscal impacts during various phases of development.

LWC worked with Raimi + Associates and City of Santa Maria Planning Department staff to evaluate each Alternative's land use program and develop assumptions on phasing. The key phasing assumptions include the following:

- For all the alternatives, from 2020 to 2030, the rate of residential development is set to meet the 2031 RNHA obligation and the rate of residential development is assumed to continue at this same rate in the following years.

- The annexation and development of annexed land is expected to occur in the latter half of the 2020 to 2050 planning period, and commercial development is expected to increase with the annexation of land.
 - Alternative A assumes a large amount of square feet from annexed land, and therefore commercial growth is relatively less intense in earlier years and greater in later years when the annexation is expected to occur.
 - Alternative B assumes no annexation and therefore commercial development through infill could occur at any time and is assumed at a steady rate.
 - Alternative C assumes growth in commercial space occurs faster in the earlier years than in Alternative A due to growth from infill.

A summary of the estimated total number of residents, jobs, housing units, and commercial square feet for the alternatives in 5-year increments is provided in Table 2.



Table 2: Summary of General Plan Alternatives Net Change in 5-Year Increments

	<u>2025</u>			<u>2030</u>			<u>2035</u>		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residents	5,794	6,089	5,590	5,794	6,089	5,590	5,623	5,910	5,425
Jobs	1,125	2,661	2,375	1,125	2,661	2,375	1,125	2,827	2,375
<u>Housing Units</u>	<u>2,757</u>	<u>2,968</u>	<u>2,744</u>	<u>2,757</u>	<u>2,968</u>	<u>2,744</u>	<u>2,676</u>	<u>2,881</u>	<u>2,663</u>
Single-Family	1,958	2,107	1,948	1,958	2,107	1,948	1,900	2,045	1,891
Condominiums	320	344	318	320	344	318	310	334	309
Apartments	320	344	318	320	344	318	310	334	309
BMR Condominiums	80	86	80	80	86	80	78	84	77
BMR Apartments	80	86	80	80	86	80	78	84	77
Retail	438,416	1,123,726	565,559	438,416	1,123,726	565,559	438,416	1,193,959	565,559
Office	421,307	408,309	273,609	421,307	408,309	273,609	421,307	433,828	273,609
Industrial	232,386	-280,965	-62,489	232,386	-280,965	-62,489	232,386	-298,526	-62,489
Other Land Use ¹	116,456	-227,070	96,336	116,456	-227,070	96,336	116,456	-241,261	96,336

¹ Includes agricultural, conservational, and recreational open space and community facilities.

	<u>2040</u>			<u>2045</u>			<u>2050</u>		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residents	5,623	5,910	5,425	5,623	5,910	5,425	5,623	5,910	5,425
Jobs	3,374	2,827	4,750	7,872	2,827	5,938	7,872	2,827	5,938
<u>Housing Units</u>	<u>2,676</u>	<u>2,881</u>	<u>2,663</u>	<u>2,676</u>	<u>2,881</u>	<u>2,663</u>	<u>2,676</u>	<u>2,881</u>	<u>2,663</u>
Single-Family	1,900	2,045	1,891	1,900	2,045	1,891	1,900	2,045	1,891
Condominiums	310	334	309	310	334	309	310	334	309
Apartments	310	334	309	310	334	309	310	334	309
BMR Condominiums	78	84	77	78	84	77	78	84	77
BMR Apartments	78	84	77	78	84	77	78	84	77
Retail	1,315,249	1,193,959	1,131,118	3,068,915	1,193,959	1,413,898	3,068,915	1,193,959	1,413,898
Office	1,263,920	433,828	547,218	2,949,146	433,828	684,022	2,949,146	433,828	684,022
Industrial	697,157	-298,526	-124,979	1,626,699	-298,526	-156,224	1,626,699	-298,526	-156,224
Other Land Use ¹	349,368	-241,261	192,673	815,193	-241,261	240,841	815,193	-241,261	240,841

¹ Includes agricultural, conservational, and recreational open space and community facilities.

Key Findings

Table 3 provides a summary of the net revenues and expenditures to the City of Santa Maria's General Fund at full buildout in 2050 under each alternative. Impacts to the General Fund are described including and excluding Measure U.¹

All three alternatives are estimated to have a positive fiscal impact on the City's General Fund. At complete buildout in 2050, Alternative A is estimated to achieve the greatest gains in net revenues, and Alternative B is estimated to achieve the next largest increases in net revenues, followed by Alternative C (Figure 5). When Measure U is included in the fiscal impact calculations, each alternative is estimated to generate greater net revenues to the General Fund (Figure 6). Alternative A generates the highest net revenues of the three alternatives due to a larger amount of commercial space relative to the other alternatives (Figures 1-3). While Alternative B and C have a similar amount of total commercial space, Alternative B has a greater number of housing units, which increases revenues slightly above those of Alternative C (Figure 4).

Table 4 summarizes the net revenues and expenditures to the City of Santa Maria's General Fund for each alternative in 5-year intervals. All three alternatives are estimated to have a positive fiscal impact on the City's General Fund during each 5-year period from 2020 to 2050. From 2025 to 2035, Alternative B is estimated to achieve the greatest increases in net revenues and Alternative A is estimated to achieve the next highest net revenues. From 2040 to 2050, Alternative A is estimated to surpass Alternative B in net revenues.

Table 3: General Fund Fiscal Impact Summary 2050 Buildout

	Alternative A: Annexation	Alternative B: City Infill	Alternative C: Hybrid
Revenues	\$53,555,559	\$44,515,708	\$41,298,029
Expenditures	\$19,603,412	\$19,594,769	\$19,208,722
<u>Net Impact</u>	<u>\$33,952,148</u>	<u>\$24,920,939</u>	<u>\$22,089,307</u>
Net Impact as % of Revenues	63%	56%	53%
Revenues with Measure U	\$64,182,745	\$53,714,751	\$49,328,151
Expenditures with Measure U	\$24,953,831	\$24,942,830	\$24,451,418
<u>Net Impact</u>	<u>\$39,228,914</u>	<u>\$28,771,922</u>	<u>\$24,876,734</u>
Net Impact as % of Revenues	61%	54%	50%

¹ Measure U is a one-cent sales tax that primarily funds operations also supported by the General Fund such as police and fire, recreation and parks, libraries.

Figure 5: General Fund Revenues and Expenditures

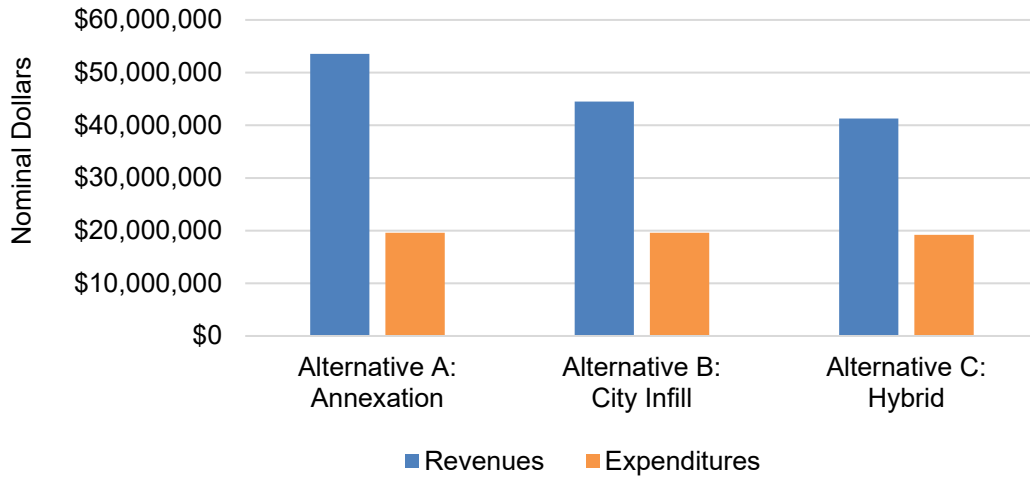


Figure 6: General Fund Revenues and Expenditures with Measure U

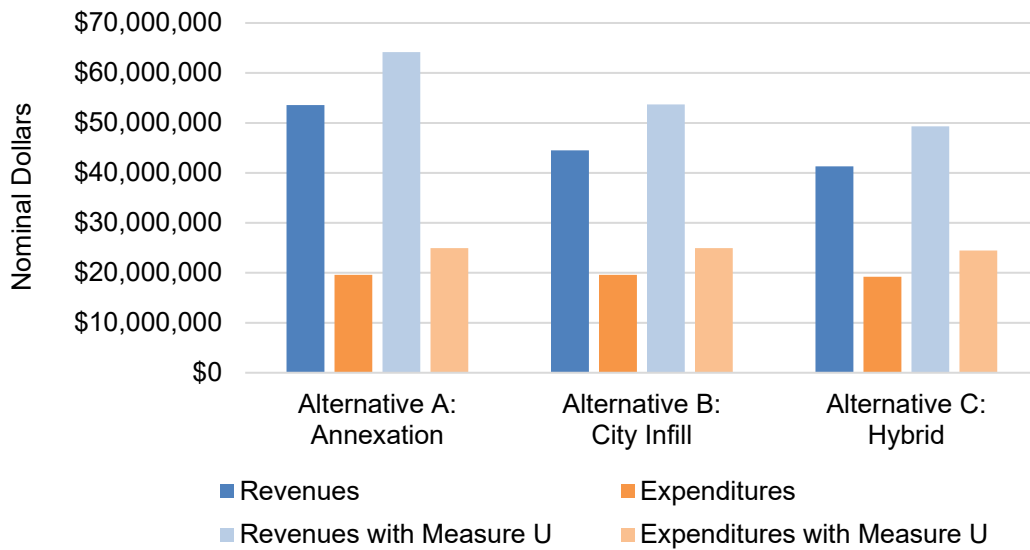


Table 4: General Fund Fiscal Impact Summary 5-Year Increments

	2025	2030	2035	2040	2045	2050
Alternative A: Annexation						
Revenues	\$6,147,555	\$6,322,718	\$6,001,777	\$8,559,123	\$13,148,328	\$13,323,490
Expenditures	\$2,943,825	\$2,943,825	\$2,862,006	\$3,185,969	\$3,833,894	\$3,833,894
<u>Net Impact</u>	<u>\$3,203,730</u>	<u>\$3,378,893</u>	<u>\$3,139,771</u>	<u>\$5,373,154</u>	<u>\$9,314,434</u>	<u>\$9,489,596</u>
Net Impact as % of Revenues	52%	53%	52%	63%	71%	71%
Revenues with Measure U	\$7,026,428	\$7,201,590	\$6,866,170	\$10,196,640	\$16,332,093	\$16,507,255
Expenditures with Measure U	\$3,747,292	\$3,747,292	\$3,643,142	\$4,055,525	\$4,880,290	\$4,880,290
<u>Net Impact</u>	<u>\$3,279,136</u>	<u>\$3,454,298</u>	<u>\$3,223,028</u>	<u>\$6,141,115</u>	<u>\$11,451,803</u>	<u>\$11,626,965</u>
Net Impact as % of Revenues	47%	48%	47%	60%	70%	70%
Alternative B: City Infill						
Revenues	\$7,341,965	\$7,517,127	\$7,313,431	\$7,488,593	\$7,313,431	\$7,488,593
Expenditures	\$3,307,156	\$3,307,156	\$3,245,114	\$3,245,114	\$3,245,114	\$3,245,114
<u>Net Impact</u>	<u>\$4,034,809</u>	<u>\$4,209,972</u>	<u>\$4,068,316</u>	<u>\$4,243,479</u>	<u>\$4,068,316</u>	<u>\$4,243,479</u>
Net Impact as % of Revenues	55%	56%	56%	57%	56%	57%
Revenues with Measure U	\$8,844,250	\$9,019,412	\$8,862,049	\$9,037,212	\$8,862,049	\$9,037,212
Expenditures with Measure U	\$4,209,788	\$4,209,788	\$4,130,813	\$4,130,813	\$4,130,813	\$4,130,813
<u>Net Impact</u>	<u>\$4,634,462</u>	<u>\$4,809,624</u>	<u>\$4,731,236</u>	<u>\$4,906,398</u>	<u>\$4,731,236</u>	<u>\$4,906,398</u>
Net Impact as % of Revenues	52%	53%	53%	54%	53%	54%
Alternative C: Hybrid						
Revenues	\$6,086,923	\$6,262,085	\$5,942,999	\$7,311,694	\$7,733,298	\$7,908,461
Expenditures	\$3,026,004	\$3,026,004	\$2,947,066	\$3,289,178	\$3,460,235	\$3,460,235
<u>Net Impact</u>	<u>\$3,060,919</u>	<u>\$3,236,081</u>	<u>\$2,995,934</u>	<u>\$4,022,516</u>	<u>\$4,273,063</u>	<u>\$4,448,226</u>
Net Impact as % of Revenues	50%	52%	50%	55%	55%	56%
Revenues with Measure U	\$7,085,513	\$7,260,676	\$6,927,620	\$8,819,930	\$9,503,341	\$9,678,503
Expenditures with Measure U	\$3,851,900	\$3,851,900	\$3,751,418	\$4,186,904	\$4,404,647	\$4,404,647
<u>Net Impact</u>	<u>\$3,233,613</u>	<u>\$3,408,775</u>	<u>\$3,176,202</u>	<u>\$4,633,026</u>	<u>\$5,098,693</u>	<u>\$5,273,856</u>
Net Impact as % of Revenues	46%	47%	46%	53%	54%	54%

Methodology

This section describes the assumptions and methodology used in the analysis. Additional tables supporting the analysis can also be found in the Appendix.

Fiscal Impact Analysis Overview

A fiscal impact analysis measures the impact of potential new development on a municipal budget. New residential and commercial development bring new residents and businesses to a city, which increases the need for more city services while also generating additional taxes and other revenues for the city. A development program has a positive fiscal impact on a city's budget when the associated new development generates more revenue for the city than the cost of additional city services needed to support it. A development program that generates more services costs than revenues is considered to have a negative fiscal impact.

This fiscal impact analysis estimates the increased revenues and service costs to the City of Santa Maria's General Fund on an annual basis that result from net new development at full buildout in 2050 and in five-year increments over about 30 years (2020 to 2050). The analysis does not include expenditures or revenues associated with other funds outside the General Fund except for Measure U.¹ Additionally, the analysis focuses on city service costs related to ongoing operations and maintenance and does not include capital costs for new infrastructure or facilities.

City of Santa Maria General Fund

The General Fund is the City's primary source for funding and ongoing revenues and expenditures applicable to the general operations of the city government, which are not properly accounted for in another fund. These are activities and services traditionally associated with governments, such as police and fire, recreation and parks, and a city administration that is financed primarily through tax-generated revenues.

The fiscal impact analysis relies on the City's 2020-2021 General Plan Budget Actuals, which reflect the recorded revenues and expenditures that occurred and do not represent estimated budget projections. Table 5 shows the revenues by source to the City's General Fund, and Table 6 shows the expenditures to the General Fund by source.

¹ Measure U is a one-cent sales tax that primarily funds operations also supported by the General Fund such as police and fire, recreation and parks, libraries.

Table 5: City of Santa Maria General Fund Budget Actuals Revenues (FY 2020-21)

Source	Revenues
Property Tax	\$12,546,615
Property Tax in Lieu of VLF	\$9,746,972
Sales and Use Tax	\$27,389,316
Transient Occupancy Tax	\$3,213,990
Franchise Fees	\$4,683,115
Business Licenses	\$659,964
Property Transfer	\$352,611
Licenses, Permits & Fines	\$3,374,512
Revenue from Use of Money & Property	\$147,917
Revenues from Other Agencies	\$1,197,025
Charges for Current Services	\$5,897,018
Other Revenue ¹	\$446,468
Transfers In	\$2,343,387
Cost Allocation Transfers	\$2,406,651
Total Revenues	\$74,405,561
<i>Measure U Revenues</i>	<i>\$22,751,964</i>
Total Revenues (with Measure U)	\$97,157,525
¹ Includes the following sources: Prior Year & Damage Recover, Sales of Property, Sale of Maps, Plans & Others, Other Miscellaneous Revenue	

Table 6: City of Santa Maria General Fund Budget Actuals Expenditures (FY 2020-21)

Source	Expenditures
General Government	
Mayor & Council	\$169,773
City Attorney	\$1,213,032
City Manager	\$6,472,790
Finance	\$9,730,595
Community Development	\$3,978,834
Recreation & Parks	\$8,728,872
Police	\$28,431,813
Fire	\$11,201,739
Public Works	\$2,913,642
Total Expenditures	\$72,841,090
<i>Measure U Expenditures</i>	
<i>Police</i>	<i>\$8,626,919</i>
<i>Fire</i>	<i>\$7,140,520</i>
<i>Recreation & Parks</i>	<i>\$1,774,476</i>
<i>Library</i>	<i>\$471,290</i>
<i>Community Development</i>	<i>\$314,509</i>
<i>City Manager</i>	<i>\$27,601</i>
<i>Finance</i>	<i>\$108,719</i>
<i>Total Measure U Expenditures</i>	<i>\$18,464,034</i>
Total Expenditures (with Measure U)	\$91,305,124



Service Population

The analysis uses per capita revenue and expenditure estimates, which are based on the current and projected future service population. The service population includes the total resident population and those who work within the City’s boundaries. Employees in Santa Maria are assumed to generate less demand for city services compared to residents, and the service population calculation estimates the impacts of workers in Santa Maria to be 30 percent of residents. Table 7 shows the current service population estimate. Table 8 shows the net service population for the three alternatives at buildout in 2050. Table 9 shows the net service population in 5-year increments until 2050.

Table 7: 2020 Service Population

	<u>2020</u> Baseline
Residents	108,600
Employees	
Total Jobs	43,050
Employee Factor	30%
Employee Estimate	12,915
<u>Service Population</u>	<u>121,515</u>

Table 8: Net New Service Population 2050 Buildout

	Alternative A: Annexation	Alternative B: City Infill	Alternative C: Hybrid
Residents	34,080	35,820	32,880
Employees			
Total Jobs	22,490	16,630	23,750
Employee Factor	30%	30%	30%
Employee Estimate	6,747	4,989	7,125
<u>Net New Service Population</u>	<u>40,827</u>	<u>40,809</u>	<u>40,005</u>



Table 9: Net New Service Population 5-Year Increments

	2025			2030			2035		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residents	5,794	6,089	5,590	5,794	6,089	5,590	5,623	5,910	5,425
Employees	1,125	2,661	2,375	1,125	2,661	2,375	1,125	2,827	2,375
Total Jobs									
Employee Factor	30%	30%	30%	30%	30%	30%	30%	30%	30%
Employee Estimate	337	798	713	337	798	713	337	848	713
<u>Net New Service Population</u>	<u>6,131</u>	<u>6,888</u>	<u>6,302</u>	<u>6,131</u>	<u>6,888</u>	<u>6,302</u>	<u>5,961</u>	<u>6,758</u>	<u>6,138</u>

	2040			2045			2050		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residents	5,623	5,910	5,425	5,623	5,910	5,425	5,623	5,910	5,425
Employees	3,374	2,827	4,750	7,872	2,827	5,938	7,872	2,827	5,938
Total Jobs									
Employee Factor	30%	30%	30%	30%	30%	30%	30%	30%	30%
Employee Estimate	1,012	848	1,425	2,361	848	1,781	2,361	848	1,781
<u>Net New Service Population</u>	<u>6,635</u>	<u>6,758</u>	<u>6,850</u>	<u>7,985</u>	<u>6,758</u>	<u>7,206</u>	<u>7,985</u>	<u>6,758</u>	<u>7,206</u>

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Assessed Property Value

In the analysis, property value estimates were created to calculate future property tax revenue estimates. Table 10 shows the assumptions used for estimating assessed property values. Estimated values for apartment units and retail, office, and industrial square footage were created using a capitalized rent value approach, the key assumptions of which are shown in Table 11. Estimates for the assessed property value of net new residential units and commercial square feet are shown in Table 12 and Table 13.

Table 10: Assessed Property Value Assumptions

	Estimated Value
Residential	
Single Family (3BD)	\$760,000 <i>per unit</i>
Condominiums (2BD)	\$512,000 <i>per unit</i>
Apartments (2BD) ¹	\$502,330 <i>per unit</i>
BMR Condominiums (2BD) ²	\$402,179 <i>per unit</i>
BMR Apartments (2BD) ²	\$335,894 <i>per unit</i>
Commercial	
Retail	\$301 <i>per SF</i>
Office	\$496 <i>per SF</i>
Industrial	\$203 <i>per SF</i>
¹ Based on an average apartment size of 950 ² Assumes units are made affordable to low-income households (80% AMI), see Santa Maria 6th Cycle Housing Element <i>Source: Santa Maria 6th Cycle Housing Element; NAR Commercial Real Estate Metro Market Report, Santa Maria-Santa Barbara, 2021 Q2; Redfin 2022; Zillow, 2022; Loopnet, 2022.</i>	

Table 11: Capitalized Rent Values

	Annual Rent per SF	Capitalization Rate	Vacancy	Operating Expenses	Capitalized Value per SF
Apartments (2BD)	\$37.80	4.50%	4.6%	32.5%	\$529
BMR Apartments (2BD)	\$25.28	4.50%	4.6%	32.5%	\$354
Commercial					
Retail	\$27.00	7.30%	6.2%	12.5%	\$301
Office	\$27.00	4.50%	4.9%	12.5%	\$496
Industrial	\$15.00	6.20%	3.8%	12.5%	\$203
<i>Source: Santa Maria 6th Cycle Housing Element; NAR Commercial Real Estate Metro Market Report, Santa Maria-Santa Barbara, 2021 Q2; Redfin 2022; Zillow, 2022; Loopnet, 2022.</i>					

Table 12: Net New Assessed Property Value Estimate 2050 Buildout

	Alternative A: Annexation	Alternative B: City Infill	Alternative C: Hybrid
Residential			
Single Family (3BD)	\$8,752,312,000	\$9,421,416,000	\$8,709,144,000
Condominiums (2BD)	\$963,338,240	\$1,036,984,320	\$958,586,880
Apartments (2BD)	\$945,143,175	\$1,017,398,263	\$940,481,556
BMR Condominiums (2BD)	\$189,176,958	\$203,639,315	\$188,243,903
BMR Apartments (2BD)	\$157,997,618	\$170,076,351	\$157,218,345
<u>Residential Total</u>	<u>\$11,007,967,991</u>	<u>\$11,849,514,250</u>	<u>\$10,953,674,684</u>
Commercial			
Retail	\$2,636,624,376	\$2,111,892,990	\$1,700,628,412
Office	\$4,175,990,507	\$1,264,737,553	\$1,356,005,481
Industrial	\$941,161,803	-\$355,596,942	-\$126,541,103
<u>Commercial Total</u>	<u>\$7,753,776,686</u>	<u>\$3,021,033,601</u>	<u>\$2,930,092,791</u>
Total Assessed Value	\$18,761,744,677	\$14,870,547,851	\$13,883,767,475



Table 13: Net New Assessed Property Value Estimates 5-Year Increments

	2025			2030		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residential						
Single Family (3BD)	\$1,487,893,040	\$1,601,640,720	\$1,480,554,480	\$1,487,893,040	\$1,601,640,720	\$1,480,554,480
Condominiums (2BD)	\$163,767,501	\$176,287,334	\$162,959,770	\$163,767,501	\$176,287,334	\$162,959,770
Apartments (2BD)1	\$160,674,340	\$172,957,705	\$159,881,865	\$160,674,340	\$172,957,705	\$159,881,865
BMR Condominiums (2BD)	\$32,160,083	\$34,618,684	\$32,001,463	\$32,160,083	\$34,618,684	\$32,001,463
BMR Apartments (2BD)	\$26,859,595	\$28,912,980	\$26,727,119	\$26,859,595	\$28,912,980	\$26,727,119
<u>Residential Total</u>	<u>\$1,871,354,559</u>	<u>\$2,014,417,422</u>	<u>\$1,862,124,696</u>	<u>\$1,871,354,559</u>	<u>\$2,014,417,422</u>	<u>\$1,862,124,696</u>
Commercial						
Retail	\$131,831,219	\$337,902,878	\$170,062,841	\$131,831,219	\$337,902,878	\$170,062,841
Office	\$208,799,525	\$202,358,008	\$135,600,548	\$208,799,525	\$202,358,008	\$135,600,548
Industrial	\$47,058,090	-\$56,895,511	-\$12,654,110	\$47,058,090	-\$56,895,511	-\$12,654,110
<u>Commercial Total</u>	<u>\$387,688,834</u>	<u>\$483,365,376</u>	<u>\$293,009,279</u>	<u>\$387,688,834</u>	<u>\$483,365,376</u>	<u>\$293,009,279</u>
Total Assessed Value	<u>\$2,259,043,393</u>	<u>\$2,497,782,799</u>	<u>\$2,155,133,975</u>	<u>\$2,259,043,393</u>	<u>\$2,497,782,799</u>	<u>\$2,155,133,975</u>

	2035			2040		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residential						
Single Family (3BD)	\$1,444,131,480	\$1,554,533,640	\$1,437,008,760	\$1,444,131,480	\$1,554,533,640	\$1,437,008,760
Condominiums (2BD)	\$158,950,810	\$171,102,413	\$158,166,835	\$158,950,810	\$171,102,413	\$158,166,835
Apartments (2BD)1	\$155,948,624	\$167,870,713	\$155,179,457	\$155,948,624	\$167,870,713	\$155,179,457
BMR Condominiums (2BD)	\$31,214,198	\$33,600,487	\$31,060,244	\$31,214,198	\$33,600,487	\$31,060,244
BMR Apartments (2BD)	\$26,069,607	\$28,062,598	\$25,941,027	\$26,069,607	\$28,062,598	\$25,941,027
<u>Residential Total</u>	<u>\$1,816,314,719</u>	<u>\$1,955,169,851</u>	<u>\$1,807,356,323</u>	<u>\$1,816,314,719</u>	<u>\$1,955,169,851</u>	<u>\$1,807,356,323</u>
Commercial						
Retail	\$131,831,219	\$359,021,808	\$170,062,841	\$395,493,656	\$359,021,808	\$340,125,682
Office	\$208,799,525	\$215,005,384	\$135,600,548	\$626,398,576	\$215,005,384	\$271,201,096
Industrial	\$47,058,090	-\$60,451,480	-\$12,654,110	\$141,174,270	-\$60,451,480	-\$25,308,221
<u>Commercial Total</u>	<u>\$387,688,834</u>	<u>\$513,575,712</u>	<u>\$293,009,279</u>	<u>\$1,163,066,503</u>	<u>\$513,575,712</u>	<u>\$586,018,558</u>
Total Assessed Value	\$2,204,003,553	\$2,468,745,563	\$2,100,365,602	\$2,979,381,221	\$2,468,745,563	\$2,393,374,881

	2040			2050		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Residential						
Single Family (3BD)	\$1,444,131,480	\$1,554,533,640	\$1,437,008,760	\$1,444,131,480	\$1,554,533,640	\$1,437,008,760
Condominiums (2BD)	\$158,950,810	\$171,102,413	\$158,166,835	\$158,950,810	\$171,102,413	\$158,166,835
Apartments (2BD)1	\$155,948,624	\$167,870,713	\$155,179,457	\$155,948,624	\$167,870,713	\$155,179,457
BMR Condominiums (2BD)	\$31,214,198	\$33,600,487	\$31,060,244	\$31,214,198	\$33,600,487	\$31,060,244
BMR Apartments (2BD)	\$26,069,607	\$28,062,598	\$25,941,027	\$26,069,607	\$28,062,598	\$25,941,027
<u>Residential Total</u>	<u>\$1,816,314,719</u>	<u>\$1,955,169,851</u>	<u>\$1,807,356,323</u>	<u>\$1,816,314,719</u>	<u>\$1,955,169,851</u>	<u>\$1,807,356,323</u>
Commercial						
Retail	\$922,818,532	\$359,021,808	\$425,157,103	\$922,818,532	\$359,021,808	\$425,157,103
Office	\$1,461,596,677	\$215,005,384	\$339,001,370	\$1,461,596,677	\$215,005,384	\$339,001,370
Industrial	\$329,406,631	-\$60,451,480	-\$31,635,276	\$329,406,631	-\$60,451,480	-\$31,635,276
<u>Commercial Total</u>	<u>\$2,713,821,840</u>	<u>\$513,575,712</u>	<u>\$732,523,198</u>	<u>\$2,713,821,840</u>	<u>\$513,575,712</u>	<u>\$732,523,198</u>
Total Assessed Value	\$4,530,136,559	\$2,468,745,563	\$2,539,879,521	\$4,530,136,559	\$2,468,745,563	\$2,539,879,521

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Revenue Assumptions

This section describes the assumptions used to estimate net new revenues for each source to the City of Santa Maria’s General Fund.

Property Tax

Key assumptions used to estimate property tax revenues are shown in Table 14. Under California’s Proposition 13, the base property tax rate is one percent of the assessed property value. In Santa Maria, the City receives 10.16 percent of the one percent tax revenue.

Table 14: Property Tax Assumptions

	Assumption
Property Tax Rate	1.00%
City Share of Tax Revenue	10.16%

Source: City of Santa Maria, Comprehensive Annual Financial Report FY 19/20

Property Transfer Tax

The City collects property transfer tax when residential and commercial properties change ownership. The City receives \$0.55 of every \$1,000 of assessed property value that changes ownership (Table 15). Residential properties are assumed to change ownership more frequently than commercial properties. The annual transfer rate was assumed to be 4.2 percent for residential properties and 2.5 percent for commercial properties.

Table 15: Property Transfer Tax Assumptions

	Assumption
Property Transfer Tax Rate	0.055%
Annual Transfer Rate	
Residential	4.2%
Commercial	2.5%

Property Tax In-Lieu of Vehicle License Fees (VLF)

Beginning in 2004, the State of California changed its approach for allocating vehicle license fees (VLF) to local jurisdictions by substituting VLF fees with property tax revenues. Property tax provided in-lieu of VLF increases proportionally with the City’s assessed property values, and Table 16 shows the assumptions used to calculate the VLR property rate that is used to estimate future in-lieu VLF values.

Table 16: Property Tax In-Lieu of VLF Assumptions

	Assumption
Total Estimated Citywide Assessed Value (FY 2019-20)	\$10,001,100,318
Citywide VLF Property Tax In-lieu Revenue (FY 2019-20)	\$9,278,869
VLF Property Tax In-lieu Per \$1,000 in Assessed Value	\$0.9278
Source: City of Santa Maria, Comprehensive Annual Financial Report FY 2019-20	

Sales Tax and Measure U

The City receives one percent (also known as Bradley Burns portion) of the sales tax collected from retail sales generated within the city. The City receives an additional one percent of sales tax revenues from the local Measure U. City voters initially approved Measure U in the June 2012 election at a one-quarter-cent rate, and in November 2018, voters extended and increased the rate to one-cent. Nearly all of Measure U's revenues (90 percent) are allocated to public safety-related services, while the remaining amount goes to youth services (5 percent) and programs for quality of life (5 percent).

Estimated sales tax revenues are based on residential and employee taxable sales per capita. Revenues are also based on net new retail square footage. A capture rate for residential and employee sales per capita is applied to account for retail spending by households and employees outside of the city, and a capture rate is applied to net new on-site retail to accommodate for any overlapping spending by new households and employees within the city. Table 17 provides key assumptions for estimating sales tax revenues.

Table 17: Property Sales Tax Assumptions

	Assumption
Taxable Sales per Household	\$11,330
Taxable Sales per Employee	\$3,598
Residential and Employee Capture Rate	75%
On-Site Revenue Capture Rate	25%
Retail Taxable Sales per sf.	\$325
Sales Tax Rate to City General Fund	1.0%
Sales Tax Measure U Rate	1.0%
Sources: Esri, Retail Goods and Services Expenditures, 2022; California Board of Equalization, 2012; ICSC "Office Worker Retail Spending in a Digital Age" 2012	

Transit Occupancy Tax (TOT) Revenues

Transit occupancy taxes (TOT) are levied on hospitality businesses such as motels and hotels. There are 30 motels and hotels in the City of Santa Maria with a total of 1,668 rooms. Since 2010, there has been one hotel built in Santa Maria, the Hampton Inn and Suites, with 107 rooms.

Table 18 shows key assumptions for estimating TOT taxes. The 1,668 hotel and motel rooms in Santa Maria generated \$3,213,990 in TOT revenues to the City's General Fund in fiscal year 2020-2021. A hotel or motel room in Santa Maria averages \$1,926.85 in TOT revenues per year. Assuming Santa Maria adds a 100-room hotel every 10 years, the City could expect to add \$192,685 in TOT revenues every 10 years.

Table 18: Transient Occupancy Tax Assumptions

Assumptions	
Existing Number of Hotel Rooms	1,668
Baseline TOT Revenues (FY 2020/21)	\$3,213,990
TOT per Hotel Room	\$1,926.85
Net New Hotel Rooms per 10 years	100
Net New Revenue per 10 years	\$192,685

Other Tax Revenues

Additional tax revenues were calculated on a per capita basis based on the service population except for business license tax revenues, which are calculated based solely on employment. Table 19 shows the key assumptions used to calculate the additional tax revenues.

Table 19: Other Tax Revenue Assumptions

	FY 2018/19 Revenues	Rate Basis	Estimated Rate
Business Licenses	\$646,006	<i>Per Employee</i>	\$15.01
Licenses, Permits & Fines	\$2,485,948	<i>Per Service Population</i>	\$20.46
Revenue from Use of Money & Property	\$4,027,140	<i>Per Service Population</i>	\$33.14
Revenues from Other Agencies	\$700,564	<i>Per Service Population</i>	\$5.77
Charges for Current Services	\$6,378,802	<i>Per Service Population</i>	\$52.49
Other Revenue ¹	\$1,014,961	<i>Per Service Population</i>	\$8.35

¹Includes the following sources: Prior Year & Damage Recover, Sales of Property, Sale of Maps, Plans & Others, Other Miscellaneous Revenue.

Expenditures

Net new expenditures to the City's General Fund were calculated on a per capita basis. The per capita rate was established by dividing expenditures occurring to the City's General Fund (2020-2021 Budget Actuals) by the estimated 2022 service population. Future net new expenditures were determined by multiplying the per capita costs by future service population estimates. A percentage variable was applied to account for the scale at which the demand for city service would grow with an increase in households and employees within the City. Table 20 shows the estimated per capita rate assumptions for expenditures to the General Fund, and Table 21 shows the rate for expenditures calculated for Measure U.

Table 20: Expenditures Rate Assumptions

	FY 2020/21 Expenditures	Percent Variable	Variable Revenues	Estimated Rate
General Government				
Mayor & Council	\$169,773	50%	\$84,887	\$0.70
City Attorney	\$1,213,032	50%	\$606,516	\$4.99
City Manager	\$6,472,790	50%	\$3,236,395	\$26.63
Finance	\$9,730,595	70%	\$6,811,417	\$56.05
Community Development	\$3,978,834	80%	\$3,183,067	\$26.19
Recreation & Parks	\$8,728,872	80%	\$6,983,098	\$57.47
Police	\$28,431,813	90%	\$25,588,632	\$210.58
Fire	\$11,201,739	85%	\$9,521,478	\$78.36
Public Works	\$2,913,642	80%	\$2,330,914	\$19.18

Table 21: Measure U Expenditures Rate Assumptions

	FY 2020/21 Expenditures	Percent Variable	Variable Revenues	Estimated Rate
Police	\$8,626,919	90%	\$7,764,227	\$63.90
Fire	\$7,140,520	85%	\$6,069,442	\$49.95
Recreation & Parks	\$1,774,476	80%	\$1,419,581	\$11.68
Library	\$471,290	70%	\$329,903	\$2.71
Community Development	\$314,509	80%	\$251,607	\$2.07
City Manager	\$27,601	50%	\$13,801	\$0.11
Finance	\$108,719	70%	\$76,103	\$0.63

Appendix

Table A-1: Detailed General Fund Net New Revenues 2050 Buildout

	Alternative A: Annexation	Alternative B: City Infill	Alternative C: Hybrid
Property Tax	\$19,061,933	\$15,108,477	\$14,105,908
Property Transfer Tax	\$361,029	\$315,404	\$293,449
Property Tax in Lieu of VLF	\$17,406,862	\$13,796,668	\$12,881,149
Sales Tax	\$10,627,186	\$9,199,043	\$8,030,122
Transient Occupancy Tax	\$578,056	\$578,056	\$578,056
Business Licenses	\$612,648	\$612,378	\$600,313
Licenses, Permits & Fines	\$835,237	\$834,869	\$818,420
Revenue from Use of Money & Property	\$1,353,051	\$1,352,455	\$1,325,809
Revenues from Other Agencies	\$235,378	\$235,274	\$230,639
Charges for Current Services	\$2,143,170	\$2,142,225	\$2,100,020
Other Revenue ¹	\$341,010	\$340,860	\$334,144
Total General Fund Revenues	\$53,555,559	\$44,515,708	\$41,298,029
<i>Measure U Revenues</i>	<i>\$10,627,186</i>	<i>\$9,199,043</i>	<i>\$8,030,122</i>
Total General Fund Revenues with Measure U	\$64,182,745	\$53,714,751	\$49,328,151
¹ Includes the following sources: Prior Year & Damage Recover, Sales of Property, Sale of Maps, Plans & Others, Other Miscellaneous Revenue.			

Table A-2: Detailed General Fund Net New Expenditures 2050 Buildout

	Alternative A: Annexation	Alternative B: City Infill	Alternative C: Hybrid
General Government			
Mayor & Council	\$28,520	\$28,508	\$27,946
City Attorney	\$203,779	\$203,689	\$199,676
City Manager	\$1,087,374	\$1,086,895	\$1,065,481
Finance	\$2,288,522	\$2,287,513	\$2,242,445
Community Development	\$1,069,457	\$1,068,986	\$1,047,925
Recreation & Parks	\$2,346,204	\$2,345,169	\$2,298,966
Police	\$8,597,351	\$8,593,560	\$8,424,254
Fire	\$3,199,057	\$3,197,646	\$3,134,648
Public Works	\$783,148	\$782,803	\$767,380
<u>Total General Fund Expenditures</u>	<u>\$19,603,412</u>	<u>\$19,594,769</u>	<u>\$19,208,722</u>
Net Annual Surplus/(Deficit)	<u>\$33,952,148</u>	<u>\$24,920,939</u>	<u>\$22,089,307</u>
Net Annual Surplus/(Deficit) as % of Total Revenue	63.40%	55.98%	53.49%
<i>Measure U Expenditures</i>			-
Police	\$2,608,650	\$2,607,500	\$2,556,128
Fire	\$2,039,231	\$2,038,332	\$1,998,173
Recreation & Parks	\$476,955	\$476,745	\$467,352
Library	\$110,842	\$110,793	\$108,610
Community Development	\$84,536	\$84,499	\$82,834
City Manager	\$4,637	\$4,635	\$4,543
Finance	\$25,569	\$25,558	\$25,055
<u>Total Measure U Expenditures</u>	<u>\$5,350,420</u>	<u>\$5,348,061</u>	<u>\$5,242,696</u>
<u>Total General Fund Expenditures with Measure U</u>	<u>\$24,953,831</u>	<u>\$24,942,830</u>	<u>\$24,451,418</u>
Net Annual Surplus/(Deficit) with Measure U	<u>\$39,228,914</u>	<u>\$28,771,922</u>	<u>\$24,876,734</u>
Net Annual Surplus/(Deficit) as % of Total Revenue	61.12%	53.56%	50.43%



Table A-3: Detailed General Fund Net New Revenues 5-Year Increments

	2025			2030		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Property Tax	\$2,295,188	\$2,537,747	\$2,189,616	\$2,295,188	\$2,537,747	\$2,189,616
Property Transfer Tax	\$48,581	\$53,203	\$47,066	\$48,581	\$53,203	\$47,066
Property Tax in Lieu of VLF	\$2,095,906	\$2,317,405	\$1,999,501	\$2,095,906	\$2,317,405	\$1,999,501
Sales Tax	\$878,873	\$1,502,285	\$998,591	\$878,873	\$1,502,285	\$998,591
Transient Occupancy Tax	\$0	\$0	\$0	\$192,685	\$192,685	\$192,685
Business Licenses	\$92,001	\$103,356	\$94,569	\$92,001	\$103,356	\$94,569
Licenses, Permits & Fines	\$125,427	\$140,907	\$128,928	\$125,427	\$140,907	\$128,928
Revenue from Use of Money & Property	\$203,186	\$228,264	\$208,858	\$203,186	\$228,264	\$208,858
Revenues from Other Agencies	\$35,346	\$39,709	\$36,333	\$35,346	\$39,709	\$36,333
Charges for Current Services	\$321,838	\$361,559	\$330,822	\$321,838	\$361,559	\$330,822
Other Revenue	\$51,209	\$57,529	\$52,639	\$51,209	\$57,529	\$52,639
Total General Fund Revenues	\$6,147,555	\$7,341,965	\$6,086,923	\$6,340,241	\$7,534,650	\$6,279,608
<i>Measure U Revenues</i>	<i>\$878,873</i>	<i>\$1,502,285</i>	<i>\$998,591</i>	<i>\$878,873</i>	<i>\$1,502,285</i>	<i>\$998,591</i>
<i>Total General Fund Revenues with Measure U</i>	<i>\$7,026,428</i>	<i>\$8,844,250</i>	<i>\$7,085,513</i>	<i>\$7,219,113</i>	<i>\$9,036,935</i>	<i>\$7,278,198</i>



	2035			2040		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Property Tax	\$2,239,268	\$2,508,245	\$2,133,971	\$3,027,051	\$2,508,245	\$2,431,669
Property Transfer Tax	\$47,309	\$52,249	\$45,800	\$57,971	\$52,249	\$49,829
Property Tax in Lieu of VLF	\$2,044,841	\$2,290,465	\$1,948,687	\$2,764,225	\$2,290,465	\$2,220,537
Sales Tax	\$864,393	\$1,548,618	\$984,621	\$1,637,517	\$1,548,618	\$1,508,235
Transient Occupancy Tax	\$0	\$0	\$0	\$192,685	\$192,685	\$192,685
Business Licenses	\$89,444	\$101,417	\$92,102	\$99,568	\$101,417	\$102,794
Licenses, Permits & Fines	\$121,941	\$138,264	\$125,565	\$135,744	\$138,264	\$140,141
Revenue from Use of Money & Property	\$197,539	\$223,982	\$203,410	\$219,899	\$223,982	\$227,023
Revenues from Other Agencies	\$34,364	\$38,964	\$35,385	\$38,254	\$38,964	\$39,493
Charges for Current Services	\$312,893	\$354,777	\$322,192	\$348,310	\$354,777	\$359,594
Other Revenue	\$49,786	\$56,450	\$51,265	\$55,421	\$56,450	\$57,217
<u>Total General Fund Revenues</u>	<u>\$6,001,777</u>	<u>\$7,313,431</u>	<u>\$5,942,999</u>	<u>\$8,576,646</u>	<u>\$7,506,116</u>	<u>\$7,329,217</u>
<i>Measure U Revenues</i>	<i>\$864,393</i>	<i>\$1,548,618</i>	<i>\$984,621</i>	<i>\$1,637,517</i>	<i>\$1,548,618</i>	<i>\$1,508,235</i>
<i>Total General Fund Revenues with Measure U</i>	<i>\$6,866,170</i>	<i>\$8,862,049</i>	<i>\$6,927,620</i>	<i>\$10,214,163</i>	<i>\$9,054,734</i>	<i>\$8,837,452</i>



	2045			2050		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
Property Tax	\$4,602,619	\$2,508,245	\$2,580,518	\$4,602,619	\$2,508,245	\$2,580,518
Property Transfer Tax	\$79,293	\$52,249	\$51,844	\$79,293	\$52,249	\$51,844
Property Tax in Lieu of VLF	\$4,202,992	\$2,290,465	\$2,356,462	\$4,202,992	\$2,290,465	\$2,356,462
Sales Tax	\$3,183,765	\$1,548,618	\$1,770,043	\$3,183,765	\$1,548,618	\$1,770,043
Transient Occupancy Tax	\$0	\$0	\$0	\$192,685	\$192,685	\$192,685
Business Licenses	\$119,817	\$101,417	\$108,140	\$119,817	\$101,417	\$108,140
Licenses, Permits & Fines	\$163,350	\$138,264	\$147,429	\$163,350	\$138,264	\$147,429
Revenue from Use of Money & Property	\$264,620	\$223,982	\$238,830	\$264,620	\$223,982	\$238,830
Revenues from Other Agencies	\$46,033	\$38,964	\$41,547	\$46,033	\$38,964	\$41,547
Charges for Current Services	\$419,146	\$354,777	\$378,295	\$419,146	\$354,777	\$378,295
Other Revenue	\$66,692	\$56,450	\$60,192	\$66,692	\$56,450	\$60,192
<u>Total General Fund Revenues</u>	<u>\$13,148,328</u>	<u>\$7,313,431</u>	<u>\$7,733,298</u>	<u>\$13,341,013</u>	<u>\$7,506,116</u>	<u>\$7,925,983</u>
<i>Measure U Revenues</i>	<i>\$3,183,765</i>	<i>\$1,548,618</i>	<i>\$1,770,043</i>	<i>\$3,183,765</i>	<i>\$1,548,618</i>	<i>\$1,770,043</i>
<u>Total General Fund Revenues with Measure U</u>	<u>\$16,332,093</u>	<u>\$8,862,049</u>	<u>\$9,503,341</u>	<u>\$16,524,778</u>	<u>\$9,054,734</u>	<u>\$9,696,026</u>



Table A-4: Detailed General Fund Net New Expenditures 5-Year Increments

	2025			2030		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
General Government						
Mayor & Council	\$4,283	\$4,811	\$4,402	\$4,283	\$4,811	\$4,402
City Attorney	\$30,601	\$34,378	\$31,456	\$30,601	\$34,378	\$31,456
City Manager	\$163,290	\$183,443	\$167,848	\$163,290	\$183,443	\$167,848
Finance	\$343,665	\$386,081	\$353,259	\$343,665	\$386,081	\$353,259
Community Development	\$160,599	\$180,421	\$165,083	\$160,599	\$180,421	\$165,083
Recreation & Parks	\$352,327	\$395,812	\$362,163	\$352,327	\$395,812	\$362,163
Police	\$1,291,056	\$1,450,399	\$1,327,096	\$1,291,056	\$1,450,399	\$1,327,096
Fire	\$480,399	\$539,691	\$493,810	\$480,399	\$539,691	\$493,810
Public Works	\$117,605	\$132,119	\$120,888	\$117,605	\$132,119	\$120,888
<u>Total General Fund Expenditures</u>	<u>\$2,943,825</u>	<u>\$3,307,156</u>	<u>\$3,026,004</u>	<u>\$2,943,825</u>	<u>\$3,307,156</u>	<u>\$3,026,004</u>
Net Annual Surplus/(Deficit)	\$3,203,730	\$4,034,809	\$3,060,919	\$3,396,416	\$4,227,494	\$3,253,604
Net Annual Surplus/(Deficit) as % of Total Revenue	52%	55%	50%	54%	56%	52%



	2025			2030		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
<i>Measure U Expenditures</i>						
<i>Police</i>	\$391,738	\$440,087	\$402,674	\$391,738	\$440,087	\$402,674
<i>Fire</i>	\$306,229	\$344,024	\$314,778	\$306,229	\$344,024	\$314,778
<i>Recreation & Parks</i>	\$71,624	\$80,464	\$73,623	\$71,624	\$80,464	\$73,623
<i>Library</i>	\$16,645	\$18,699	\$17,110	\$16,645	\$18,699	\$17,110
<i>Community Development</i>	\$12,695	\$14,261	\$13,049	\$12,695	\$14,261	\$13,049
<i>City Manager</i>	\$696	\$782	\$716	\$696	\$782	\$716
<i>Finance</i>	\$3,840	\$4,314	\$3,947	\$3,840	\$4,314	\$3,947
<i><u>Total Measure U Expenditures</u></i>	<u>\$803,467</u>	<u>\$902,632</u>	<u>\$825,897</u>	<u>\$803,467</u>	<u>\$902,632</u>	<u>\$825,897</u>
<i>Total General Fund Expenditures with Measure U</i>	\$3,747,292	\$4,209,788	\$3,851,900	\$3,747,292	\$4,209,788	\$3,851,900
<i>Net Annual Surplus/(Deficit) with Measure U</i>	\$3,279,136	\$4,634,462	\$3,233,613	\$3,471,821	\$4,827,147	\$3,426,298
<i>Net Annual Surplus/(Deficit) as % of Total Revenue</i>	47%	52%	46%	48%	53%	47%



	2035			2040		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
General Government						
Mayor & Council	\$4,164	\$4,721	\$4,288	\$4,635	\$4,721	\$4,785
City Attorney	\$29,751	\$33,733	\$30,635	\$33,118	\$33,733	\$34,191
City Manager	\$158,752	\$180,002	\$163,470	\$176,721	\$180,002	\$182,446
Finance	\$334,113	\$378,838	\$344,043	\$371,933	\$378,838	\$383,982
Community Development	\$156,136	\$177,036	\$160,776	\$173,809	\$177,036	\$179,440
Recreation & Parks	\$342,535	\$388,386	\$352,715	\$381,308	\$388,386	\$393,660
Police	\$1,255,173	\$1,423,190	\$1,292,477	\$1,397,251	\$1,423,190	\$1,442,515
Fire	\$467,047	\$529,566	\$480,928	\$519,914	\$529,566	\$536,757
Public Works	\$114,336	\$129,641	\$117,734	\$127,278	\$129,641	\$131,401
<u>Total General Fund Expenditures</u>	<u>\$2,862,006</u>	<u>\$3,245,114</u>	<u>\$2,947,066</u>	<u>\$3,185,969</u>	<u>\$3,245,114</u>	<u>\$3,289,178</u>
Net Annual Surplus/(Deficit)	\$3,139,771	\$4,068,316	\$2,995,934	\$5,390,677	\$4,261,002	\$4,040,039
Net Annual Surplus/(Deficit) as % of Total Revenue	52%	56%	50%	63%	57%	55%



	2035			2040		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
<i>Measure U Expenditures</i>						
Police	\$380,851	\$431,831	\$392,170	\$423,961	\$431,831	\$437,695
Fire	\$297,718	\$337,571	\$306,566	\$331,418	\$337,571	\$342,154
Recreation & Parks	\$69,633	\$78,954	\$71,703	\$77,515	\$78,954	\$80,026
Library	\$16,182	\$18,349	\$16,663	\$18,014	\$18,349	\$18,598
Community Development	\$12,342	\$13,994	\$12,709	\$13,739	\$13,994	\$14,184
City Manager	\$677	\$768	\$697	\$754	\$768	\$778
Finance	\$3,733	\$4,233	\$3,844	\$4,156	\$4,233	\$4,290
<u>Total Measure U Expenditures</u>	<u>\$781,136</u>	<u>\$885,699</u>	<u>\$804,352</u>	<u>\$869,556</u>	<u>\$885,699</u>	<u>\$897,726</u>
<i>Total General Fund Expenditures with Measure U</i>	\$3,643,142	\$4,130,813	\$3,751,418	\$4,055,525	\$4,130,813	\$4,186,904
Net Annual Surplus/(Deficit) with Measure U	\$3,223,028	\$4,731,236	\$3,176,202	\$6,158,638	\$4,923,921	\$4,650,548
<i>Net Annual Surplus/(Deficit) as % of Total Revenue</i>	47%	53%	46%	60%	54%	53%



	2045			2050		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
General Government						
Mayor & Council	\$5,578	\$4,721	\$5,034	\$5,578	\$4,721	\$5,034
City Attorney	\$39,854	\$33,733	\$35,969	\$39,854	\$33,733	\$35,969
City Manager	\$212,661	\$180,002	\$191,934	\$212,661	\$180,002	\$191,934
Finance	\$447,573	\$378,838	\$403,951	\$447,573	\$378,838	\$403,951
Community Development	\$209,157	\$177,036	\$188,772	\$209,157	\$177,036	\$188,772
Recreation & Parks	\$458,854	\$388,386	\$414,133	\$458,854	\$388,386	\$414,133
Police	\$1,681,408	\$1,423,190	\$1,517,534	\$1,681,408	\$1,423,190	\$1,517,534
Fire	\$625,648	\$529,566	\$564,671	\$625,648	\$529,566	\$564,671
Public Works	\$153,162	\$129,641	\$138,235	\$153,162	\$129,641	\$138,235
<u>Total General Fund Expenditures</u>	<u>\$3,833,894</u>	<u>\$3,245,114</u>	<u>\$3,460,235</u>	<u>\$3,833,894</u>	<u>\$3,245,114</u>	<u>\$3,460,235</u>
Net Annual Surplus/(Deficit)	\$9,314,434	\$4,068,316	\$4,273,063	\$9,507,119	\$4,261,002	\$4,465,749
Net Annual Surplus/(Deficit) as % of Total Revenue	71%	56%	55%	71%	57%	56%



	2045			2050		
	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid	Alternative A: Annexation	Alternative B: Infill	Alternative C: Hybrid
<i>Measure U Expenditures</i>						
<i>Police</i>	\$510,181	\$431,831	\$460,458	\$510,181	\$431,831	\$460,458
<i>Fire</i>	\$398,818	\$337,571	\$359,948	\$398,818	\$337,571	\$359,948
<i>Recreation & Parks</i>	\$93,279	\$78,954	\$84,188	\$93,279	\$78,954	\$84,188
<i>Library</i>	\$21,678	\$18,349	\$19,565	\$21,678	\$18,349	\$19,565
<i>Community Development</i>	\$16,533	\$13,994	\$14,922	\$16,533	\$13,994	\$14,922
<i>City Manager</i>	\$907	\$768	\$818	\$907	\$768	\$818
<i>Finance</i>	\$5,001	\$4,233	\$4,513	\$5,001	\$4,233	\$4,513
<i><u>Total Measure U Expenditures</u></i>	<u>\$1,046,396</u>	<u>\$885,699</u>	<u>\$944,413</u>	<u>\$1,046,396</u>	<u>\$885,699</u>	<u>\$944,413</u>
<i>Total General Fund Expenditures with Measure U</i>	\$4,880,290	\$4,130,813	\$4,404,647	\$4,880,290	\$4,130,813	\$4,404,647
<i>Net Annual Surplus/(Deficit) with Measure U</i>	\$11,451,803	\$4,731,236	\$5,098,693	\$11,644,488	\$4,923,921	\$5,291,379
<i>Net Annual Surplus/(Deficit) as % of Total Revenue</i>	70%	53%	54%	70%	54%	55%

Table A-5: Retail Rent Comparables

	Year Built	SF	Annual Rent	Annual Rent PSF
E Betteravia Rd, Ste 3B	2022	1,290	\$59,598	\$46.20
560 S Blosser Rd, Ste X	2020	5,737	\$120,477	\$21.00
560 S Blosser Rd, Ste Y	2020	1,656	\$49,680	\$30.00
2247 S Depot St, Ste 103	2019	5,682	\$143,186	\$25.20
1606 E Clark Ave, Ste 101	2019	1,100	\$39,600	\$36.00
550 E Betteravia Rd, Ste D	2008	3,510	\$84,240	\$24.00
1423 S Bradley Rd	2000	7,000	\$210,000	\$30.00
335 E Betteravia Rd	1994	8,032	\$195,660	\$24.36
230-238 E Betteravia Rd, Ste 230 C	1982	2,086	\$50,040	\$23.99
230-238 E Betteravia Rd, Ste 230 M/R	1982	8,400	\$201,600	\$24.00
223 E Betteravia Rd	1981	4,860	\$131,220	\$27.00
4869 S Bradley Rd	1981	1,420	\$24,708	\$17.40
402 E Main St	1980	3,610	\$86,640	\$24.00
1609-1637 S Broadway, Ste 1617	1977	3,440	\$61,920	\$18.00

Table A-6: Office Rent Comparables

	Year Built	SF	Annual Rent	Annual Rent PSF
1414 S Miller St, Ste L-P	2019	3,825	\$91,800	\$24.00
2247 S Depot St, Ste 103	2019	5,682	\$143,186	\$25.20
1430 E Main St, Ste 103	2018	1,096	\$23,016	\$21.00
1430 E Main St, Ste 107	2018	467	\$9,807	\$21.00
411-421 E Betteravia Rd, Ste 202/203	2005	2,740	\$73,980	\$27.00
2236 S Broadway, Ste A	2000	2,214	\$39,852	\$18.00
525 E Plaza Dr, Ste 306	1994	3,422	\$58,311	\$17.04
525 E Plaza Dr, Ste 307	1994	1,450	\$24,708	\$17.04
1300 E Cypress St	1990	15,360	\$460,800	\$30.00
201 S Miller St, Ste 105	1988	1,760	\$34,848	\$19.80
201 S Miller St, Ste 107	1988	1,550	\$30,690	\$19.80
1105 E Foster Rd, Ste C	1985	1,035	\$22,977	\$22.20
1105 E Foster Rd, Ste H	1985	814	\$18,071	\$22.20
230-238 E Betteravia Rd, Ste 230 C	1982	2,086	\$50,040	\$23.99
230-238 E Betteravia Rd, Ste 230 M/R	1982	8,400	\$201,600	\$24.00
402 E Main St	1980	3,610	\$86,640	\$24.00
821 E Chapel St, Ste 201	1950	1,922	\$44,975	\$23.40

Table A-7: Industrial Rent Comparables

	Year Built	SF	Annual Rent	Annual Rent PSF
1158-1160 W Betteravia Rd, Ste 1158	2014	11,944	\$136,162	\$11.40
2377 A St	2008	1,500	\$18,000	\$12.00
2330 A St, Ste 2-B	2006	6,968	-	\$10.20
3070 Skyway Dr, Ste 402	2004	2,000	\$42,000	\$21.00
2049 Preisker Ln	2001	1,534	\$15,647	\$10.20
1344 White Ct	1990	7,500	\$99,000	\$13.20
2315 Meredith Ln	1987	3,130	\$33,804	\$10.80
850-900 E Stowell Rd	1960	10,000	\$120,000	\$12.00

Table A-8: 2-Bedroom Multifamily Rent Comparables

	Year Built	Building type	Number of Units	SF	Total Monthly Rent	Price PSF
703 E Meehan St Unit 7303	2020	Apartment	318	870	\$2,763	\$3.18
703 E Meehan St Unit 1114	2020	Apartment	318	947	\$2,803	\$2.96
1735 Biscayne St Unit O-159	2011	Apartment	128	1,257	\$3,038	\$2.42
1735 Biscayne St Unit N-153	2011	Apartment	128	1,257	\$3,073	\$2.44
2460 Rubel Way Unit 2429J	2004	Apartment	208	1,109	\$3,289	\$2.97
2460 Rubel Way Unit 2517J	2004	Apartment	208	1,084	\$3,322	\$3.06
740 S Western Ave Unit 3-049	1979	Apartment	460	788	\$2,804	\$3.56
740 S Western Ave Unit 1-001	1979	Apartment	460	788	\$2,797	\$3.55

Table A-9: 2-Bedroom Multifamily Sales Price Comparables

	Year Built	Building Type	SF	Sale Price	Price PSF	Date Sold
5684 Kai Ct	2019	Townhouse	1,884	\$605,000	\$321	July-1-2022
5677 Kai Ct	2019	Townhouse	1,884	\$538,000	\$286	February-26-2021
5612 Aidan Way	2018	Townhouse	1,841	\$589,000	\$320	June-24-2022
5622 Kai Ct	2018	Condo/Co-op	1,749	\$545,000	\$312	March-12-2021
4344 Foxenwood Cir	2008	Townhouse	2,137	\$545,000	\$255	February-26-2021
4316 Foxenwood Cir	2007	Condo/Co-op	2,137	\$705,000	\$330	April-13-2022
610 Sunrise Dr Unit 10L	2005	Condo/Co-op	1,129	\$330,000	\$292	August-18-2021
610 Sunrise Dr Unit 4G	2005	Condo/Co-op	1,129	\$322,500	\$286	August-13-2021
610 Sunrise Dr Unit 9D	2005	Condo/Co-op	1,129	\$295,000	\$261	February-18-2021
610 Sunrise Dr Unit 4J	2005	Condo/Co-op	1,129	\$295,000	\$261	November-17-2020
310 E McCoy Ln Unit 5D	2003	Condo/Co-op	1,130	\$347,000	\$307	August-9-2022
310 E Mccoy Ln Unit 2C	2003	Condo/Co-op	1,130	\$375,000	\$332	May-13-2022
310 E McCoy Ln Unit 5H	2003	Condo/Co-op	1,130	\$359,000	\$318	April-8-2022
310 E McCoy Ln Unit 10K	2003	Condo/Co-op	1,130	\$332,000	\$294	September-14-2021
310 E McCoy Ln Unit 5j	2003	Condo/Co-op	1,130	\$289,900	\$257	March-10-2021
310 E McCoy Ln Unit 7G	2003	Condo/Co-op	1,130	\$305,000	\$270	December-30-2020
310 E McCoy Ln Unit 2L	2003	Condo/Co-op	1,130	\$277,500	\$246	July-17-2020
310 E Mccoy Ln Unit 2k	2003	Condo/Co-op	1,130	\$245,095	\$217	December-19-2019

Table A-10: 3-Bedroom Single-Family Home Sales Price Comparables

	Year Built	SF	Sale Price	Price PSF	Date Sold
1517 Copperberry Way	2022	2004	\$999,999	\$499	April-25-2022
1618 Tuscan Way	2021	2949	\$999,000	\$339	June-16-2022
1612 Tuscan Way	2021	2949	\$1,024,000	\$347	June-10-2022
5606 Kai Ct	2020	2055	\$620,000	\$302	September-14-2022
5891 Leaf Springs Pl	2020	2150	\$989,000	\$460	April-26-2022
1876 Sterling Pl	2019	1585	\$588,000	\$371	April-27-2022
1013 Shultz Ln	2018	1801	\$680,000	\$378	November-10-2022
1932 Blue Sage Ln	2018	1585	\$535,000	\$338	October-14-2022
1053 Shultz Ln	2018	2362	\$850,000	\$360	August-9-2022
1320 Shelton Way	2018	1499	\$572,500	\$382	July-8-2022
1021 Shultz Ln	2018	2362	\$815,000	\$345	June-6-2022
1870 Sterling Pl	2018	1446	\$545,000	\$377	May-13-2022
1107 Suncrest Pl	2018	1585	\$586,000	\$370	April-20-2022
1505 S Irving Ln	2017	1401	\$545,000	\$389	November-1-2022
1502 S Lennox	2017	1300	\$551,000	\$424	September-13-2022
1348 W Milford Way	2017	1763	\$600,000	\$340	August-18-2022
1336 W Milford Way	2017	1499	\$625,000	\$417	August-15-2022
1826 Sterling Pl	2017	1705	\$569,000	\$334	July-29-2022
1971 S Miller St	2017	1588	\$550,000	\$346	July-20-2022
301 Dressler Ave	2017	1739	\$768,000	\$442	June-30-2022
1974 Blue Sage Ln	2017	1585	\$549,000	\$346	June-30-2022
1541 S Syracuse Ln	2017	1506	\$530,000	\$352	June-14-2022
1959 Celebration Ave	2016	1732	\$530,000	\$306	October-4-2022
325 Dressler	2016	2132	\$790,000	\$371	June-10-2022
2441 Parkland	2015	1505	\$52,000	\$35	August-12-2022
787 Mahogany St	2014	1562	\$759,000	\$486	September-21-2022
810 Union Ave	2012	1466	\$584,000	\$398	November-3-2022
1167 Hastings Ct	2012	1879	\$850,000	\$452	May-20-2022
785 Sage Crest Dr	2011	2081	\$849,000	\$408	August-12-2022

	Year Built	SF	Sale Price	Price PSF	Date Sold
1345 Veneto Dr	2011	1206	\$500,000	\$415	June-24-2022
735 Damask Ct	2008	1242	\$555,000	\$447	July-22-2022
1738 Bilbao Dr	2007	2144	\$530,000	\$247	September-29-2022
205 Navarra Way	2007	2394	\$715,000	\$299	August-12-2022
1595 Jensen Ranch Rd	2006	1682	\$684,000	\$407	September-2-2022
1571 Jensen Ranch Rd	2006	1871	\$795,000	\$425	July-6-2022
2612 Long Ter	2005	2120	\$739,000	\$349	October-26-2022
2737 Taran Ct	2005	2328	\$745,000	\$320	August-11-2022
2214 Cordoban Ln	2005	1874	\$550,000	\$293	July-22-2022
927 Sloan	2005	1868	\$630,500	\$338	July-19-2022
1031 Anabelle St	2005	2268	\$670,000	\$295	June-30-2022
1608 Paraiso Dr	2005	1845	\$650,000	\$352	June-24-2022
610 Sunrise Dr Unit 8D	2005	1128	\$407,000	\$361	June-10-2022
2990 Wildhaven Cir #2	2005	3200	\$1,600,000	\$500	April-22-2022