

Revised Report

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Fiscal Impact Analysis of the Proposed San Luis Ranch Project

Prepared for:

City of San Luis Obispo

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SUMMARY

The fiscal analysis of the San Luis Ranch Development Project (Proposed Project) has been prepared on behalf of the developers to determine if the project would negatively impact the City of San Luis Obispo operating costs and revenues and what level of mitigation would be needed to address the impacts. The project design has gone through several iterations and was originally analyzed in a fiscal report in 2017, which was revised in 2018 following renegotiation of the City/County Master Tax Sharing Agreement. This prior project design (2017 Project) included 580 dwelling units and 370,000 sq. ft. of commercial space. The Proposed Project now includes 923 units and 238,100 sq. ft. of commercial development. In addition, the Agricultural Heritage site is now anticipated to be run as a private business rather than a non-profit activity, which affects the tax status of that portion of the development.

The analysis is focused on annual General Fund operating revenues and costs as shown in the FY 2023-25 City Financial Plan, and does not address capital costs, one-time entitlement fees, or impacts to the City's enterprise funds. The cost analysis reflects levels of service funded in the FY 2023-24 budget and represents citywide cost averages. The analysis distinguishes impacts by phase, but does not include inflationary adjustments for changes in costs and revenues over time.

The project's residential units would be built at three density levels, designated Low-Medium Density, Medium Density and High Density. The Proposed Project would provide 92 affordable units, mostly in the High Density category. In addition, the project includes a commercial center with 7,000 sq. ft. of building space, an office development of 80,000 sq. ft. and a 200-room hotel, as well as 7.4 acres of active park space and 7.4 acres of natural open space. The site would also retain 52.7 acres of agricultural land, including an Agricultural Heritage Center maintained by a private lessee. The project is estimated to house 2,058 residents at full build out and support 446 jobs onsite. The project would be built in six phases over approximately a ten year period.

At full build out, the project is estimated to generate about \$3.43 million per year in General Fund revenues and \$2.67 million per year in municipal service costs (\$2023). The annual cost/revenue surplus of about \$758,440 averages \$653 per unit (including the 238 equivalent dwelling units (EDU) in the non-residential development) (Exhibit A). **(Note: As of 10/31/24, 120 multifamily units are planned to be owned by Cal Poly and would not generate property tax for the City or County. This would reduce the total revenues and net fiscal gain to the City by \$75,300).** It should be noted that the City has made investments and anticipates additional future investments in circulation infrastructure and other public facilities that benefit the proposed project site. At the discretion of the City Council, any positive net revenue generated by the project may be used to service debt for these public investments that are not funded through direct development impact fees.

Most of the residential units would be built in the first three phases, with an additional multifamily rental complex in Phase 6. The ownership units at all densities show a small positive fiscal impact while the rental units create a negative impact. The hotel would be built in Phase 4 and represents the single highest fiscal net revenue of any of the land uses in the project. The office development would

be built in Phase 5 and produces a neutral fiscal impact (Exhibit A). The retail commercial development in Phase 6 would also produce a positive fiscal benefit. Exhibit B shows the cumulative impact of the project as the phases progress.

In 2017, this project was estimated to generate just less than \$1 million in fiscal gain for the City annually. One difference in the approach is that the larger retail center is estimated draw sales away from existing centers in San Luis Obispo, based on the retail analysis conducted in 2014 and 2017. Therefore, the net sales taxes are lower per sq. ft. than would otherwise be expected. However, the land owner has also indicated that they have been unable to find a retail developer willing to construct such a large center on the site. If so, the full fiscal benefit from the 2017 project design is likely not attainable.

Exhibit A: Project Impact by Phase

| BUDGET CATEGORY | TOTAL | PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | PHASE 5 | PHASE 6 |
|--|---------------------|------------------|------------------|-------------------|--------------------|------------------|--------------------|
| REVENUES | | | | | | | |
| Taxes | | | | | | | |
| Property Tax | \$605,026 | \$159,463 | \$61,096 | \$153,807 | \$51,927 | \$28,989 | \$149,744 |
| Property Tax in lieu of VLF | \$349,060 | \$93,163 | \$35,741 | \$85,087 | \$30,226 | \$17,005 | \$87,838 |
| Sales Tax: General | \$395,808 | \$47,881 | \$18,987 | \$123,141 | \$124,684 | \$2,168 | \$78,948 |
| Sales Tax: Measure G | \$593,712 | \$71,821 | \$28,480 | \$184,712 | \$187,026 | \$3,252 | \$118,422 |
| Sales Tax: Public Safety | \$8,747 | \$1,058 | \$420 | \$2,721 | \$2,756 | \$48 | \$1,745 |
| Use Tax: County Pool | \$57,194 | \$6,919 | \$2,744 | \$17,794 | \$18,017 | \$313 | \$11,408 |
| Transient Occupancy Tax | \$679,010 | \$0 | \$0 | \$0 | \$679,010 | \$0 | \$0 |
| Utility Users Tax | \$194,521 | \$34,673 | \$14,535 | \$54,272 | \$19,481 | \$10,470 | \$61,090 |
| Franchise Fees | \$63,160 | \$11,258 | \$4,719 | \$17,622 | \$6,325 | \$3,400 | \$19,835 |
| Business Tax Certificates | \$39,157 | \$0 | \$0 | \$0 | \$10,648 | \$27,211 | \$1,299 |
| Real Property Transfer Tax | \$35,244 | \$9,642 | \$3,699 | \$9,447 | \$2,190 | \$1,232 | \$9,033 |
| Cannabis Tax | \$47,396 | \$10,167 | \$4,262 | \$15,199 | \$0 | \$0 | \$17,767 |
| Service Charges | | | | | | | |
| Recreation Fees | \$87,090 | \$18,682 | \$7,832 | \$27,929 | \$0 | \$0 | \$32,647 |
| Other Charges for Services | \$68,166 | \$11,173 | \$4,684 | \$27,929 | \$1,320 | \$3,374 | \$19,686 |
| Other Revenue | | | | | | | |
| Fines and Forfeitures | \$4,802 | \$929 | \$390 | \$1,455 | \$110 | \$281 | \$1,638 |
| Interest Earnings and Rents | \$7,247* | \$1,088 | \$430 | \$1,650* | \$2,413 | \$234 | \$1,432 |
| Other Revenues | \$191,469 | \$36,512 | \$15,306 | \$57,546 | \$4,976 | \$12,717 | \$64,412 |
| Transfers in | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$3,426,809* | \$514,431 | \$203,323 | \$780,311* | \$1,141,108 | \$110,694 | \$676,942 |
| EXPENDITURES | | | | | | | |
| General Government | \$356,666 | \$68,681 | \$26,856 | \$100,631 | \$40,214 | \$14,597 | \$105,686 |
| Police | \$742,094 | \$132,685 | \$55,620 | \$212,352 | \$74,550 | \$32,154 | \$234,732 |
| Fire | \$602,374 | \$129,754 | \$51,907 | \$162,185 | \$56,313 | \$30,836 | \$171,379 |
| Community Services Admin | \$32,666 | \$6,398 | \$2,682 | \$9,565 | \$2,839 | \$0 | \$11,181 |
| Parks & Rec | \$243,099 | \$47,617 | \$19,961 | \$71,185 | \$21,127 | \$0 | \$83,209 |
| Community Development | \$68,706 | \$12,247 | \$5,134 | \$19,169 | \$6,881 | \$3,698 | \$21,577 |
| Public Works | \$456,371 | \$81,347 | \$34,100 | \$127,330 | \$45,706 | \$24,565 | \$143,324 |
| Park and Open Space Maintenance | \$57,023 | \$23,983 | \$0 | \$33,040 | \$0 | \$0 | \$0 |
| Utilities - Solid Waste | \$46,806 | \$2,073 | \$869 | \$3,245 | \$36,338 | \$626 | \$3,653 |
| Transfers Out | \$62,564 | \$9,048 | \$3,793 | \$14,162 | \$16,888 | \$2,732 | \$15,941 |
| TOTAL EXPENDITURES | \$2,668,369 | \$513,833 | \$200,922 | \$752,865 | \$300,858 | \$109,208 | \$790,683 |
| TOTAL BUDGET NET (DEFICIT)/ SURPLUS | \$758,440* | \$598 | \$2,400 | \$27,446* | \$840,251 | \$1,486 | (\$113,741) |
| TOTAL BUDGET NET (DEFICIT) PER UNIT | \$653* | \$3 | \$29 | \$84* | \$7,002 | \$19 | (\$322) |

Source: ADE, Inc. *If 120 units are owned by Cal Poly, revenue figures in Phase 3 and the total would be reduced by about \$75,300.

Exhibit B: Cumulative Project Impact by Phase

| BUDGET CATEGORY | PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | PHASE 5 | PHASE 6 |
|--|------------------|------------------|---------------------|--------------------|--------------------|---------------------|
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Property Tax | \$159,463 | \$220,559 | \$374,366 | \$426,293 | \$455,282 | \$605,026 |
| Property Tax in lieu of VLF | \$93,163 | \$128,904 | \$213,991 | \$244,217 | \$261,222 | \$349,060 |
| Sales Tax: General | \$47,881 | \$66,867 | \$190,009 | \$314,692 | \$316,860 | \$395,808 |
| Sales Tax: Measure G | \$71,821 | \$100,301 | \$285,013 | \$472,038 | \$475,290 | \$593,712 |
| Sales Tax: Public Safety | \$1,058 | \$1,478 | \$4,199 | \$6,955 | \$7,003 | \$8,747 |
| Use Tax: County Pool | \$6,919 | \$9,662 | \$27,456 | \$45,473 | \$45,786 | \$57,194 |
| Transient Occupancy Tax | \$0 | \$0 | \$0 | \$679,010 | \$679,010 | \$679,010 |
| Utility Users Tax | \$34,673 | \$49,208 | \$103,480 | \$122,961 | \$133,432 | \$194,521 |
| Franchise Fees | \$11,258 | \$15,977 | \$33,599 | \$39,925 | \$43,324 | \$63,160 |
| Business Tax Certificates | \$0 | \$0 | \$0 | \$10,648 | \$37,858 | \$39,157 |
| Real Property Transfer Tax | \$9,642 | \$13,342 | \$22,789 | \$24,979 | \$26,211 | \$35,244 |
| Cannabis Tax | | | | | | |
| Service Charges | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Recreation Fees | \$18,682 | \$26,514 | \$54,443 | \$54,443 | \$54,443 | \$87,090 |
| Other Charges for Services | \$11,173 | \$15,857 | \$43,786 | \$45,106 | \$48,480 | \$68,166 |
| Other Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fines and Forfeitures | \$929 | \$1,319 | \$2,774 | \$2,884 | \$3,165 | \$4,802 |
| Interest Earnings and Rents | \$1,088 | \$1,518 | \$3,168 | \$5,581 | \$5,815 | \$7,247 |
| Other Revenues | \$36,512 | \$51,818 | \$109,364 | \$114,340 | \$127,057 | \$191,469 |
| Transfers in | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$514,431 | \$717,754 | \$1,498,065* | \$2,639,173 | \$2,749,867 | \$3,426,809* |
| EXPENDITURES | | | | | | |
| General Government | \$68,681 | \$95,537 | \$196,169 | \$236,383 | \$250,980 | \$356,666 |
| Police | \$132,685 | \$188,305 | \$400,658 | \$475,208 | \$507,362 | \$742,094 |
| Fire | \$129,754 | \$181,661 | \$343,847 | \$400,160 | \$430,996 | \$602,374 |
| Community Services Admin | \$6,398 | \$9,080 | \$18,646 | \$21,485 | \$21,485 | \$32,666 |
| Parks & Rec | \$47,617 | \$67,577 | \$138,762 | \$159,890 | \$159,890 | \$243,099 |
| Community Development | \$12,247 | \$17,380 | \$36,549 | \$43,430 | \$47,128 | \$68,706 |
| Public Works | \$81,347 | \$115,447 | \$242,777 | \$288,482 | \$313,047 | \$456,371 |
| Park and Open Space Maintenance | \$23,983 | \$23,983 | \$57,023 | \$57,023 | \$57,023 | \$57,023 |
| Utilities - Solid Waste | \$2,073 | \$2,943 | \$6,188 | \$42,527 | \$43,153 | \$46,806 |
| Transfers Out | \$9,048 | \$12,841 | \$27,003 | \$43,891 | \$46,623 | \$62,564 |
| TOTAL EXPENDITURES | \$513,833 | \$714,755 | \$1,467,621 | \$1,768,478 | \$1,877,686 | \$2,668,369 |
| TOTAL BUDGET NET (DEFICIT)/ SURPLUS | \$598 | \$2,998 | \$30,444* | \$870,695 | \$872,181 | \$758,440* |
| TOTAL BUDGET NET (DEFICIT) PER UNIT | \$3 | \$11 | \$50* | \$1,196 | \$1,079 | \$653* |

Source: ADE, Inc. *If 120 units are owned by Cal Poly, revenue figures in Phase 3 and the total would be reduced by about \$75,300.

PROJECT DESCRIPTION

The San Luis Ranch Development Project (Proposed Project) would develop a 131-acre site into 923 residential units, a 7,000 sq. ft. commercial center, a 200-room hotel and 80,000 sq. ft. of office space and an Agricultural Heritage Center encompassing about 31,100 sq. ft. The project includes a 3.4 acre park, 7.4 acres of natural open space and would retain 52.7 acres of agricultural land, as well as related circulation and utilities. The dwelling units would be developed at three different densities as shown in Table 1. The latest population figures from the State Department of Finance show an average household size of 2.23 persons per household for all unit types, for a total project population of 2,048 persons. The assessed values for the units are projected to range from \$900,000 for the larger units to \$555,600 for the more dense housing. For the High Density units in Phase 3, the developer has provided the following unit types and values:

| | |
|------------|-----------|
| Townhomes | \$695,000 |
| Condos | \$580,000 |
| Nano Units | \$440,000 |

The High Density units in Phase 6 will be rentals and the developer anticipates the following unit types:

| | |
|-------------|------------------|
| Studio | 72 units |
| 1 bd/1bath | 90 units |
| 2 bd/2 bath | <u>114 units</u> |
| | 276 units |

ADE researched market rental rates and capitalization rates¹ for similar rental units that have sold in the San Luis Obispo market and estimates that the average assessed values would be similar to the for-sale units, at \$555,600.

The project proposes to include 74 units for a combination of low income and very low income families, 4 for moderate income households and 14 for Workforce level household incomes. The affordable ownership units are estimated to have an average value of about \$210,800 while the rental units would be valued at an average of \$120,700 (Table 2). Qualifying household incomes for these units range from \$40,550 for a Very Low Income Studio rental to \$162,880 for a Workforce level two-bedroom for-sale unit.

Overall, the residential component of the project would generate \$564.5 million in assessed value. As of October 2024, the 120 "Nano" units are expected to be owned by Cal Poly, which is a tax exempt

¹ In investment terms, the rental projects create a stream of revenue for the building owner and the capitalization rate calculates how much an investor would be willing to pay for that income stream. ADE derived a rate of 5.8% for this analysis.

institution. This would reduce the assessed value by \$50.9 million (114 units at \$440,000 and 6 affordable units at \$120,700).

Table 1: San Luis Ranch Project Description

| LAND USE | UNITS | PHASE | POPULATION | ASSESSED VALUE PER UNIT | TOTAL ASSESSED VALUE |
|--------------------------|----------------|----------|-------------------|-------------------------|----------------------|
| Residential | | | | | |
| Low-Medium Density | 192 | Ph 1 | 428 | \$900,000 | \$172,800,000 |
| Medium Density | 77 | Ph 2 | 172 | \$850,000 | \$65,450,000 |
| High Density | 562 | Ph 3,6 | 1,253 | \$555,600 | \$312,247,200 |
| Very Low Income* | 70 | Ph 6 | 156 | \$138,500 | \$8,449,000 |
| Low Income | 4 | Ph 2 | 9 | \$92,650 | \$780,000 |
| Moderate Income | 4 | Ph 1 | 9 | \$372,000 | \$1,488,000 |
| Workforce | 14 | Ph 1,2,3 | 31 | 232,900 | \$3,263,000 |
| Total Residential | 923 | | 2,058 | | \$564,477,200 |
| Non-Residential | | | | | |
| | Sq. Ft. | | Employment | Per Sq. Ft. | |
| Hotel | 120,000 | Ph 4 | 104 | \$474 | 56,888,889 |
| Office | 80,000 | Ph 5 | 267 | \$400 | \$32,000,000 |
| Commercial | 20,398 | Ph 6 | 37 | \$500 | \$10,199,000 |
| Restaurant | 4,695 | Ph 6 | 19 | \$500 | \$2,347,500 |
| Light Industrial | 9,641 | Ph 6 | 13 | \$135 | \$1,328,535 |
| Public/Institutional | 3,208 | Ph 6 | 6 | \$400 | \$1,283,400 |
| Parks | 6.8 ac | Ph 1,3 | | | |
| Total | 238,142 | | 446 | | \$104,038,235 |
| Grand Total | | | | | \$668,515,435 |

Source: San Luis Ranch DEIR, San Luis Ranch Project Developer, ADE, Inc. *Note: some of these units may be provided at the Low Income level.

Table 2: Affordable Units

| UNIT TYPE | No. | RENT | ASSESSED VALUE | HOUSEHOLD INCOME |
|--|-----|---------|----------------|------------------|
| Affordable Units in Phases 1, 2 and 3 | | | | |
| Moderate 2 bd | 4 | | \$372,000 | \$135,700 |
| Low 2 bd | 4 | | \$195,000 | \$92,650 |
| Workforce Studio | 6 | | \$395,000 | \$126,640 |
| Workforce 1 bd | 2 | | \$455,000 | \$144,800 |
| Workforce 2 bd | 6 | | \$514,000 | \$162,880 |
| Total Average | 22 | | \$210,800 | \$133,600 |
| Affordable Units in Phase 6 | | | | |
| Very Low Income* | | | | |
| Studios | 18 | \$989 | \$100,000 | \$40,550 |
| 1 bedroom | 23 | \$1,131 | \$120,000 | \$46,350 |
| 2 bedroom | 29 | \$1,273 | \$134,000 | \$52,150 |
| Total Average | 70 | \$1,200 | \$120,700 | \$47,300 |

Source: ADE, Inc., based on 2023 Affordable Housing Standards from the San Luis Obispo County Department of Planning and Building. *Note: Some of these units may be provided at higher incomes and units values than shown, which would increase the resulting property and sales tax estimates.

The non-residential uses are estimated to support 446 jobs and generate about \$104 million in assessed value. In addition to conventional business uses including a hotel, an office complex and a small retail center, the proposed project includes an Agricultural Heritage site than encompasses historic farming structures on the site along with new construction to create both a cultural as well as commercial experience for visitors. In earlier iterations of the project design, this facility was envisioned to be operated by a non-profit entity and was not included in the fiscal impact analysis due to its largely non-taxable status. However, the current proposal anticipates this site will be run by for-profit businesses. It includes the following elements:

| <u>Use</u> | <u>Sq. Ft.</u> | <u>Business Activity</u> | <u>Land Use in Table 1</u> |
|--|----------------|---|----------------------------|
| Market | 4,529 | Market/Grocery, Deli, Lite Retail | Retail |
| Restaurant | 4,695 | Restaurant, Bar/Brewery/Tap Room | Restaurant |
| Ag Processing | 9,841 | Food and Drink Production/Processing, Food Service | Light Industrial |
| Retail (6,531 new retail, 2,338 historic hay barn) | 8,869 | Retail, Merchandise, Pre-Made Food Sales | Retail |
| glass atrium | 600 | Gallery exhibit space | Public/Institutional |
| Historic House | 2,608 | Day care, lite retail, museum | Public/Institutional |

Table 1 also shows the planned phasing for the development. The phases are anticipated to occur over a ten year period between 2023 and 2033.

FISCAL ANALYSIS

CITY BUDGET AND COST/REVENUE FACTORS

The City of San Luis Obispo adopts biennial budgets, with Mid-Year Reviews every six months. The fiscal analysis is based on the Financial Plan for Fiscal Years (FY) 2023-2025 (Table 3). The analysis is primarily focused on the General Fund, which supports general government services largely from general tax revenues.

Table 3: City of San Luis Obispo FY 2023-2024 General Fund Budget

| BUDGET CATEGORY | CITY BUDGET | FISCAL ANALYSIS ADJUSTMENTS [A] | FISCAL ANALYSIS NET BASIS |
|---------------------------------------|----------------------|------------------------------------|------------------------------|
| Revenues | | | |
| Taxes | | | |
| Property Tax | \$15,524,886 | | \$15,524,886 |
| Property Tax in lieu of VLF | \$6,475,114 | | \$6,475,114 |
| Sales Tax: General | \$22,579,000 | | \$22,579,000 |
| Sales Tax: Measure G | \$30,262,000 | | \$30,262,000 |
| Sales Tax: Public Safety | \$499,000 | | \$499,000 |
| Transient Occupancy Tax | \$10,704,000 | | \$10,704,000 |
| Utility Users Tax | \$5,710,000 | | \$5,710,000 |
| Franchise Fees | \$1,854,000 | | \$1,854,000 |
| Business Tax Certificates/Licenses | \$3,711,000 | | \$3,711,000 |
| Cannabis Tax/Licenses | \$1,308,000 | \$207,600 | \$1,100,400 |
| Subventions and Grants | \$665,000 | \$665,000 | \$0 |
| Service Charges | | | |
| Development Review Fees | \$6,276,000 | \$6,195,919 | \$80,081 |
| Recreation Fees | \$2,022,000 | | \$2,022,000 |
| Other Charges for Services | \$2,190,000 | \$350,000 | \$1,840,000 |
| Other Revenue | | | \$0 |
| Fines and Forfeitures | \$153,071 | | \$153,071 |
| Interest Earnings and Rents | \$230,000 | | \$230,000 |
| Other Revenues | \$6,012,939 | | \$6,012,939 |
| Transfers in | \$0 | | \$0 |
| Total Revenues | \$116,176,010 | \$7,418,519 | \$108,757,491 |
| Expenditures | | | |
| General Government | \$11,167,307 | \$1,517,723 | \$9,649,584 |
| Police | \$22,086,053 | \$235,259 | \$21,850,794 |
| Fire | \$15,273,559 | \$556,329 | \$14,717,230 |
| Community Services Admin | \$740,534 | | \$740,534 |
| Parks & Rec | \$5,706,331 | \$195,245 | \$5,511,086 |
| Community Development | \$8,212,711 | \$6,195,919 | \$2,016,792 |
| Public Works | \$13,591,608 | \$195,245 | \$13,396,363 |
| <i>Park and Landscape Maintenance</i> | \$4,126,438 | | \$4,126,438 |
| Utilities - Solid Waste | \$341,459 | | \$341,459 |
| Capital Improvements | \$34,228,000 | \$34,228,000 | \$0 |
| Debt Service | \$1,854,000 | \$1,854,000 | \$0 |
| Transfers Out | \$1,490,000 | | \$1,490,000 |
| Total Expenditures | \$118,818,000 | \$44,977,721 | \$73,840,279 |
| Total Net | (\$2,641,990) | (\$38,224,202) | \$35,582,212 |

Source: City of San Luis Obispo 2023-25 Financial Plan Notes: [a] See Table 3 below for adjustment detail.

In order to develop revenue and cost factors for the fiscal analysis relevant to the San Luis Ranch project, we have made a number of adjustments to the City budget figures, which are shown in the second column of Table 3 and detailed further in Table 4. The right-hand column in Table 3 reflects the basis for calculating per capita revenues and cost factors for the fiscal analysis, as shown in Table 5 below.

Table 4: Fiscal Model Revenue and Expenditure Adjustments

| BUDGET CATEGORY | AMOUNT | ITEM |
|----------------------------|----------------------|---|
| Revenues | | |
| Subventions | \$665,000 | Subventions and Grants |
| Services Charges | \$6,195,919 | Development Review Fees (except code enforcement) |
| Service Charges | \$350,000 | Fire Plan Check Fees |
| Licenses | \$207,600 | Cannabis Operators License Fees |
| Expenditures | | |
| General Government | (\$145,089) | City Council |
| General Government | (\$195,245) | IT/Finance Dir |
| General Government | (\$338,100) | City Manager |
| General Government | (\$195,245) | Human Res Dir |
| General Government | (\$310,552) | City Attorney |
| General Government | (\$125,891) | City Clerk |
| Public Safety | (\$235,259) | Police Chief |
| Public Safety | (\$206,329) | Fire Chief |
| Public Safety | (\$350,000) | Fire Plan Check Fees |
| Transportation/Maintenance | (\$195,245) | Public Works Dir |
| Leisure | (\$195,245) | Parks & Rec Dir |
| Community Development | (\$195,245) | CD Director |
| Community Development | (\$6,195,919) | Development Review Fees (except code enforcement) |
| Debt Service/CalPers | (\$1,854,000) | Debt Service |
| Total | (\$3,318,847) | |

Source: ADE, Inc. based on City of San Luis Obispo budget data as shown in Table 2.

In the revenue adjustments, we have deducted Subventions and Grants, which are generally one-time revenues. We have also deducted one-time development review fees, which are typically paid during the entitlement phase for new development but are not ongoing revenues paid by project residents once the project is built. These fees include building permits, planning fees and various plan check fees, including fire inspection and plan check fees. An equivalent amount of expenditure budget is deducted from the Community Development Department and the Fire Department in the lower portion of Table 3. The remaining \$80,081 shown in this category is ongoing code enforcement.

In the expenditure categories, as detailed in Table 4, we have deducted costs that are unlikely to be increased with new development and growth in the City. This includes mainly the City Council expenditures and the major City Department Directors. The figures include both direct salary and benefits.

In the FY 2023-24 budget, the City Council has allocated about \$34.2 million in General Fund reserves to complete one-time capital improvement projects, which includes emergency storm repairs from last year's storms. This is not included in the analysis. In addition, the portion of Transfers Out that go to debt service has also been deducted for purposes of the fiscal analysis.

In fiscal impact methodology, different assumptions for these types of budget adjustments are sometimes used. For example, ADE's adjustments to the General Government category result in a 13.5 percent reduction in the cost of these services compared to the figures shown in the budget. In other fiscal studies, analysts sometimes assume that as much as 50 percent of this cost category is fixed, and therefore make a higher adjustment to the cost basis for the analysis. One rationale for this approach would be that the maintenance of existing City facilities such as City Hall and other administrative buildings is largely fixed and does not increase with added growth. This approach would tend to reduce the estimated costs for municipal services compared to the analysis presented in this report. On the other side of the spectrum, over the very long term, all City costs increase with inflation and as cities increase in size. This would argue for an approach that treated all City costs as variable and would increase the service cost estimates. However, the approach used in this analysis is consistent with the methodology used in the LUCE fiscal analysis, which evaluated the overall impact of all new development permitted under the approved General Plan.

A portion of the costs and revenues in the fiscal analysis are allocated based on per capita factors derived from the budget data in Tables 3 and 4 as well as socioeconomic data for the City of San Luis Obispo as a whole. As of January 2023, the California Department of Finance (DOF) reports that the City population was 47,788. The City's recently adopted Economic Strategic Plan provides data indicating the City supports 43,221 jobs, including both private sector and public sector employment. It is a generally accepted fiscal methodology that jobs-based land uses exert half the demand for municipal services as does the residential population. In addition, visitors generate some service impacts, particularly for police protection and emergency medical services. ADE had previously estimated in 2014 that visitors to San Luis Obispo equated to a full time population of more than 3,000 residents (1.1 million visitor days/365 days per year). Since that time Transient Occupancy Taxes (TOT) have grown roughly at the same rate as inflation, so we assume the number of visitors has remained steady. On a full-time equivalent basis for the services they impact, visitors are estimated to have the same impact as the residential population.

Based on these data and assumptions about relative fiscal impact, we have assigned relative proportions of certain revenues and costs to each major land use group as shown in Table 5. Generally, the residential population generates about 61 percent of the demand for services while non-residential land uses generate about 34 percent.² Visitors equate to about four percent of service demand for a limited number of revenues and service categories. Some exceptions to these percentages exist in that non-residential development does not contribute significantly to subventions, recreation fees or gas tax revenues. Conversely, all business tax revenues are assigned to the non-residential sector, although it is likely some home occupancy businesses also pay this tax. On the

² Note that these percentages are skewed more toward non-residential uses than was the case in the LUCE fiscal analysis, mainly because the Beacon estimate of jobs in the City is much higher than the data available in 2014.

expenditure side, non-residential development is not assumed to utilize recreation and leisure services to a significant degree. Other significant revenues in the analysis, including property tax, and sales tax are calculated using different formulas, as discussed further below.

Table 5: Per Capita Revenue and Cost Factors

| BUDGET CATEGORY | LAND USE | | | | | |
|------------------------------------|-------------|------------|------------|--------------|------------|-------------|
| | RESIDENTIAL | | BUSINESS | | VISITORS | |
| | PROPORTION | PER CAPITA | PROPORTION | PER EMPLOYEE | PROPORTION | PER VISITOR |
| Revenues | | | | | | |
| Utility Users Tax | 66% | \$78.53 | 30% | \$39.26 | 4% | \$73.98 |
| Franchise Fees | 66% | \$25.50 | 30% | \$12.75 | 4% | \$20.71 |
| Business Tax Certificates/Licenses | 0% | \$0.00 | 100% | \$102.04 | | |
| Service Charges | | | | | | |
| Recreation Fees | 100% | \$42.31 | 0% | \$0.00 | | |
| Other Charges for Services | 66% | \$25.30 | 30% | \$12.65 | 4% | \$23.28 |
| Other Revenue | | | | | | |
| Fines and Forfeitures | 66% | \$2.11 | 30% | \$1.05 | 4% | \$2.07 |
| Other Revenues | 66% | \$82.69 | 34% | \$47.69 | | |
| Expenditures | | | | | | |
| Police | 66% | \$300.51 | 30% | \$150.25 | 5% | \$300.51 |
| Fire | 66% | \$135.61 | 30% | \$67.80 | 5% | \$135.61 |
| Community Services Admin | 94% | \$14.49 | 0% | \$0.00 | 6% | \$14.49 |
| Parks & Rec | 94% | \$107.84 | 0% | \$0.00 | 6% | \$107.84 |
| Community Development | 66% | \$27.74 | 30% | \$13.87 | 5% | \$27.74 |
| Public Works | 66% | \$184.23 | 30% | \$92.12 | 5% | \$184.23 |
| Park and Landscape Maintenance | 94% | \$80.75 | 0% | \$0.00 | 6% | \$80.75 |
| Utilities - Solid Waste | 66% | \$4.70 | 30% | \$2.35 | 5% | \$4.70 |
| Transfers Out | 66% | \$20.49 | 30% | \$10.25 | 5% | \$20.49 |

Source: ADE, Inc.

PROJECT REVENUES

PROPERTY TAX

MASTER TAX SHARING AGREEMENT

The San Luis Ranch property will need to be annexed into the City of San Luis Obispo before development can occur. The City and County of San Luis Obispo have negotiated a Master Tax Sharing Agreement to address the distribution of property tax revenues for this project. The prior Master Tax Sharing Agreement treated residential and non-residential property differently, but the current Agreement treats all land uses equally in terms of future property tax distribution. The County receives its existing property tax (in this case based on the raw land assessed value) and then receives two-thirds of its normal property tax share for incremental assessed value (AV) generated by future development. As shown in Table 1, the developed portion of the project is estimated to have an assessed value of \$668.5 million (\$2023) when fully built out.

The project is located in Tax Rate Area (TRA) 113-002, in which the County receives 27.6 percent of property tax revenues. For incremental AV generated by the proposed project, the County would receive 18.4 percent of the property tax and the City would receive 9.2 percent. The total AV from the

completed project, less the existing assessed value on the 52.7 developed acres, would generate \$605,026 for the City. These calculations are outlined below.

| | |
|---|----------------------|
| Projected Total Assessed Value: | \$668,515,435 |
| Existing Assessed Value: | <u>\$ 10,861,030</u> |
| Incremental Increase in Assessed Value: | \$657,654,405 |
| Total property tax @ 1%: | \$ 6,576,544 |
| City's share @ 9.2%: | \$ 605,026 |

If Cal Poly owns the 120 Nano units, it would reduce the taxable assessed value by \$50,884,200. The City's share of property tax foregone would be \$46,800.

PROPERTY TAX IN LIEU OF VEHICLE REGISTRATION FEES

The City receives an additional property tax allocation directly from the State in lieu of vehicle license fees that were formerly distributed to cities prior to 2004. This allocation is distributed based on annual increases in assessed value within the jurisdiction. The current AV for the City as a whole is \$12.18 billion, generating \$6.47 million in property tax in-lieu revenues. The project would increase total AV in the City by about 5.5 percent and generate \$349,060 per year at build out.

If Cal Poly owns the 120 Nano units, the City's share of foregone property tax in lieu of VLF would be \$27,000.

SALES TAX

Household spending by project residents would increase sales tax revenues for the City. ADE has estimated household retail spending for typical households in each residential unit type in the project based on the minimum income required to purchase the units at the prices shown in Table 1 above. The analysis is shown in Table 6.

The assumptions for the monthly housing cost and minimum qualifying income are shown in the footnotes to the table. The taxable sales for households in each residential unit type are estimated using ADE's retail demand model, which correlates consumer expenditure patterns for households at every income level in \$10,000 increments. This model has been updated to reflect the latest data available for the Bureau of Labor Statistics and the Census of Retail Trade. Taxable purchases represent nearly 70 percent of total retail/services spending, with mainly food, pharmaceuticals and services labor being non-taxable. The taxable spending in the Table reflects the total for the number of households in each unit type. (See Tables A-1 to A-6 in the Appendix for detailed household expenditure estimates). The sales tax is one percent of taxable sales and is shown both per-unit and per-person.

As part of the LUCE analysis in 2014, ADE conducted a retail market analysis for the City. San Luis Obispo has the second highest taxable sales per capita of any jurisdiction in the County and sales in the City are twice the County average. Comparing local retail demand to actual sales for each store type category, the City captures sales in excess of its own internal demand in virtually every retail store category. Therefore, it is likely that most of the household spending from project residents would occur in San Luis Obispo. However, households do comparison shop for large items and spend a

portion of their budget out of town while on vacation or other entertainment trips. This analysis assumes 20 percent of household spending will not occur in San Luis Obispo, represented as a leakage factor in Table 6.

Since the project also includes a retail center, it is necessary to analyze how much of the project households’ spending would occur at that center vs. other retail locations in the City. The retail center in the project would be 7,000 sq. ft., and is expected to include a mixture of quick serve restaurants and personal services such as hair salons (Table 7). We estimate the food service would generate about \$578.00 in taxable sales per sq. ft. Considering the likely rates at which the project’s onsite households would patronize such a center, in relation to competitive centers elsewhere in the City, we estimate that the onsite center could capture about 3.2 percent of total spending from project residents. The other 96.8 percent of household spending would occur elsewhere in the City and also at other retail centers outside of San Luis Obispo.

Table 6: Household Retail Taxable Sales Calculations

| STEPS IN THE ANALYSIS | RESIDENTIAL UNIT DENSITIES AND TYPES | | | | | |
|-------------------------------|--------------------------------------|-------------|------------------------|---------------------|--------------------|------------------------|
| | LOW-MEDIUM | MEDIUM | HIGH DENSITY OWNERSHIP | HIGH DENSITY RENTAL | PHASE 6 AFFORDABLE | LOW-MODERATE-WORKFORCE |
| Housing Price per Unit | \$900,000 | \$850,000 | \$555,600 | \$554,200 | \$120,700 | \$210,800 |
| Monthly Housing Costs [a] | \$5,951 | \$5,640 | \$3,808 | \$2,700 | \$1,200 | \$3,340 |
| Minimum Qualifying Income [b] | \$219,700 | \$208,200 | \$140,600 | \$108,000 | \$47,300 | \$133,600 |
| Households | 192 | 77 | 286 | 276 | 70 | 22 |
| Total Taxable Spending | \$5,825,909 | \$2,214,134 | \$7,968,132 | \$6,023,212 | \$912,986 | \$583,681 |
| Leakage Factor | 20% | 20% | 20% | 20% | 20% | 20% |
| Taxes per Unit | \$243 | \$230 | \$223 | \$175 | \$104 | \$212 |
| HHS | 2.23 | 2.23 | 2.23 | 2.23 | 2.23 | 2.23 |
| Taxes per person | \$109 | \$103 | \$100 | \$78 | \$47 | \$95 |

Source: ADE, Inc.
 Notes: [a] Housing costs for Low and Medium Density reflect mortgage payment at 6.5 percent interest for 30 years, 20% down payment and about 2.0% costs for taxes and insurance. Housing costs for High Density and Affordable Units reflect anticipated rent levels.
 [b] Housing costs assumed to be a maximum of 32.5 % of income for market rate units, 30% for affordable units.

The LUCE analysis also estimated taxable purchases for office space and hotel visitors, which has been updated for the present study to reflect current sales tax revenues in the City and the current number of employees and visitors. In office space, very few businesses conduct point-of-sale transactions, but office employees make taxable expenditures for lunch and other incidental items. This generates about \$8.13 in sales tax per employee annually. Hotel visitors spend approximately \$174 per day on taxable items, mostly in restaurants and gift shops. Using these factors, we estimate that the proposed hotel will generate about \$124,700 per year in sales tax but the office space would generate only \$2,200 per year.

**Table 7: Conceptual Estimate of Proposed Project Retail Center
and Onsite Household Spending**

| STORE TYPE | BLDG. SQ. FT. | SALES/ SQ. FT. (2024\$) | % TAXABLE | TOTAL TAXABLE SALES | TAXABLE PROJECT HOUSEHOLD SPENDING | PROJECT HOUSEHOLDS CAPTURE RATE | PROJECT HOUSEHOLDS ONSITE SPENDING |
|---------------------------------|------------------|-------------------------------|--------------|---------------------------|---|--|---|
| Food service | 5,000 | \$577.72 | 100.0% | \$2,888,600 | \$4,918,925 | 10.0% | \$596,553 |
| Personal Services | 2,000 | \$251.23 | 0.0% | \$0 | \$0 | 10.0% | \$0 |
| Total | 7,000 | | | \$2,888,600 | \$4,918,925 | | \$596,553 |
| Total Household Spending in SLO | | | | | \$18,822,427 | | 3.2% |
| Total Household Spending | | | | | \$23,528,034 | | 2.5% |
| Per Total Sq. Ft. | | | | \$420.34 | | | |

Source: ULI, Dollars and Cents of Shopping Centers, 2008, Bureau of Labor Statistics, All Urban Consumers Price Index, April 2017, ADE, Inc. – See Appendix for detailed household taxable sales estimates.

In addition to the base sales tax of one percent of taxable sales, the City receives a share of the state Proposition 172 Public Safety sales tax revenue as well, which represents about 2.5 percent of base sales tax.

The City also has a Local Measure sales tax override (Measure G) which generates an additional 1.5 percent of sales tax.

Finally, in addition to these various sources of sales tax, the City receives a share of the County pool of use taxes that are collected mainly from non-point source transactions such as internet sales. Each City receives a share of the County pool revenue based on its share of point-of-sale transactions. San Luis Obispo’s current share is 14.45 percent of its base sales tax. This is shown as an additional line item in Exhibits A and B in the Summary above.

TRANSIENT OCCUPANCY TAX

The City receives a ten percent transient occupancy tax on hotel room revenues. The project would include a 200 room hotel. For this analysis, we have used a projected room rate of \$200 per night and an average occupancy rate of 68.9 percent.

OTHER REVENUES

Most other revenues are calculated on a per capita basis using the factors shown in Table 4 above, with certain exceptions. The Real Property Transfer Tax is calculated on the assumption that ten percent of the homes in the project will be resold annually and that the non-residential properties will turn over once every fifteen years. This does not account for the initial transfer tax that the City will receive when the development is initially sold. That revenue would be approximately \$367,700 on a one-time basis.

The interest earnings and rents are calculated as a percent of other revenues generated by each Phase in the project, using the same rate of return the City receives on its other General Fund revenues. If Cal Poly owns the 120 Nano units, the lost interest on foregone property tax revenues for the City would be about \$1,500.

PROJECT SERVICES COSTS

As with the Other Revenues, the Service Costs are generally calculated on a per capita basis using the factors in Table 5. However, General Government is calculated as an overhead factor on the other costs generated by each Phase and unit type in the project. Based on the adjusted budget figures from Table 3 (Net Basis column), General Government costs represent about 15.4 percent of direct services costs for the City.

The per capita factor for fire protection shown in Table 5 reflects the emergency medical function of the Fire Department, estimated to consume two-thirds of the departmental budget.³ The remaining one-third is allocated to fire suppression and prevention and is distributed to the land uses in each Phase based on the assessed value of their improvements.

The park maintenance costs are estimated on a per acre basis using a factor of \$7,054 per acre, based on the current average expenditure from the Financial Plan. Maintenance of the natural open space is estimated to cost \$4,465 per acre. No costs have been estimated for the Agricultural preserve, as this would likely be operated by a farm lessee.

Road maintenance and other transportation costs are estimated on a per capita basis and do not reflect specific analysis of the proposed roads and streets in the San Luis Ranch development.

³ ADE, Inc., LUCE Fiscal Impact Analysis and Public Facilities Plan, August 2014. p. 10.

COMPARISON WITH 2017 PROJECT

In 2017, this project was estimated to generate just less than \$1 million in fiscal gain for the City annually. One difference in the approach is that the larger retail center is estimated draw sales away from existing centers in San Luis Obispo, based on the retail analysis conducted in 2014 and 2017. Therefore, the net sales taxes are lower per sq. ft. than would otherwise be expected. However, the land owner has also indicated that they have been unable to find a retail developer willing to construct such a large center on the site. If so, the fiscal benefit from this project design is likely not attainable.

Table 8: San Luis Ranch Project Description, 2017

| LAND USE | UNITS | PHASE | POPULATION | ASSESSED VALUE PER UNIT | TOTAL ASSESSED VALUE |
|------------------------|----------------|-------|-------------------|-------------------------|----------------------|
| Residential | | | | | |
| Low-Medium Density | 220 | Ph 1 | 504 | \$700,000 | \$154,000,000 |
| Medium Density | 120 | Ph 2 | 275 | \$500,000 | \$60,000,000 |
| High Density | 206 | Ph 3 | 472 | \$325,000 | \$66,950,000 |
| Affordable Housing | 34 | Ph 3 | 78 | \$118,700 | \$4,035,100 |
| Total Residential | 580 | | 1,328 | | \$284,985,100 |
| Non-Residential | Sq. Ft. | | Employment | Per Sq. Ft. | |
| Hotel | 120,000 | Ph 4 | 104 | \$320 | \$38,400,000 |
| Office | 100,000 | Ph 5 | 333 | \$254 | \$25,420,000 |
| Commercial | 150,000 | Ph 6 | 273 | \$300 | \$45,000,000 |
| Parks | 3.4 ac | Ph 1 | | | |
| Total | 370,000 | | 710 | | \$108,820,000 |
| Grand Total | | | | | \$393,805,100 |

Source: San Luis Ranch DEIR. ADE, Inc., Fiscal Analysis of the Proposed San Luis Ranch Project, May 25, 2017.

Table 9: Project Impact by Phase, 2017 Analysis

| BUDGET CATEGORY | TOTAL | PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | PHASE 5 | PHASE 6 |
|--|--------------------|-------------------|-------------------|--------------------|------------------|-------------------|------------------|
| REVENUES | | | | | | | |
| Taxes | | | | | | | |
| Property Tax | \$257,424 | \$139,393 | \$54,225 | \$63,805 | \$0 | \$0 | \$0 |
| Property Tax in lieu of VLF | \$279,393 | \$109,258 | \$42,568 | \$50,362 | \$27,244 | \$18,035 | \$31,926 |
| Sales Tax: General | \$658,450 | \$51,052 | \$21,215 | \$30,047 | \$175,992 | \$2,396 | \$377,746 |
| Sales Tax: Measure G | \$329,225 | \$25,526 | \$10,608 | \$15,023 | \$87,996 | \$1,198 | \$188,873 |
| Sales Tax: Public Safety | \$16,309 | \$1,265 | \$525 | \$744 | \$4,359 | \$59 | \$9,357 |
| Transient Occupancy Tax | \$569,400 | \$0 | \$0 | \$0 | \$569,400 | \$0 | \$0 |
| Utility Users Tax | \$147,665 | \$37,269 | \$20,328 | \$40,657 | \$26,994 | \$12,329 | \$10,088 |
| Franchise Fees | \$41,347 | \$10,435 | \$5,692 | \$11,384 | \$7,559 | \$3,452 | \$2,825 |
| Business Tax Certificates | \$38,101 | \$0 | \$0 | \$0 | \$5,596 | \$17,878 | \$14,627 |
| Real Property Transfer Tax | \$19,864 | \$8,470 | \$3,300 | \$3,904 | \$1,478 | \$979 | \$1,733 |
| Service Charges | | | | | | | |
| Recreation Fees | \$47,412 | \$17,984 | \$9,809 | \$19,619 | \$0 | \$0 | \$0 |
| Other Charges for Services | \$39,192 | \$11,729 | \$6,398 | \$12,795 | \$1,215 | \$3,880 | \$3,175 |
| Other Revenue | | | | | | | |
| Fines and Forfeitures | \$3,493 | \$1,045 | \$570 | \$1,140 | \$108 | \$346 | \$283 |
| Interest Earnings and Rents | \$12,941 | \$2,220 | \$948 | \$1,369 | \$4,741 | \$318 | \$3,346 |
| Other Revenues | \$2,422 | \$706 | \$385 | \$770 | \$82 | \$263 | \$216 |
| Transfers in | | | | | | | |
| Gas Tax/TDA | \$28,976 | \$10,991 | \$5,995 | \$11,990 | \$0 | \$0 | \$0 |
| Other | \$30,983 | \$9,027 | \$4,924 | \$9,848 | \$1,055 | \$3,371 | \$2,758 |
| TOTAL REVENUES | \$2,522,597 | \$436,370 | \$187,492 | \$273,459 | \$913,821 | \$64,504 | \$646,951 |
| EXPENDITURES | | | | | | | |
| General Government | \$335,797 | \$103,984 | \$44,092 | \$90,340 | \$52,885 | \$19,633 | \$24,864 |
| Police | \$410,202 | \$100,442 | \$54,787 | \$109,574 | \$77,953 | \$26,666 | \$40,780 |
| Fire | \$374,938 | \$122,853 | \$54,607 | \$83,881 | \$51,181 | \$27,449 | \$34,967 |
| Transportation | \$61,881 | \$15,618 | \$8,519 | \$17,038 | \$11,312 | \$5,167 | \$4,227 |
| Leisure, Cultural and Social Services | \$129,875 | \$39,874 | \$21,750 | \$43,499 | \$24,752 | \$0 | \$0 |
| <i>Park and Open Space Maintenance</i> | \$93,081 | \$60,041 | \$0 | \$33,040 | \$0 | \$0 | \$0 |
| Community Development | \$128,175 | \$32,350 | \$17,645 | \$35,291 | \$23,431 | \$10,702 | \$8,756 |
| Transfers Out | \$2,673 | \$675 | \$368 | \$736 | \$489 | \$223 | \$183 |
| TOTAL EXPENDITURES | \$1,536,621 | \$475,837 | \$201,767 | \$413,398 | \$242,003 | \$89,839 | \$113,777 |
| TOTAL BUDGET NET (DEFICIT)/ SURPLUS | \$985,976 | (\$39,467) | (\$14,275) | (\$139,939) | \$671,818 | (\$25,335) | \$533,174 |
| TOTAL BUDGET NET (DEFICIT) PER UNIT | \$1,038 | (\$179) | (\$119) | (\$583) | \$5,598 | (\$253) | \$3,554 |

Source: ADE, Inc., Fiscal Analysis of the Proposed San Luis Ranch Project, May 25, 2017.

Table 10: Cumulative Project Impact by Phase, 2017 Analysis

| BUDGET CATEGORY | PHASE 1 | PHASE 2 | PHASE 3 | PHASE 4 | PHASE 5 | PHASE 6 |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Property Tax | \$139,393 | \$193,619 | \$257,424 | \$257,424 | \$257,424 | \$257,424 |
| Property Tax in lieu of VLF | \$109,258 | \$151,827 | \$202,188 | \$229,432 | \$247,467 | \$279,393 |
| Sales Tax: General | \$51,052 | \$72,268 | \$102,315 | \$278,307 | \$280,703 | \$658,450 |
| Sales Tax: Measure G | \$25,526 | \$36,134 | \$51,157 | \$139,154 | \$140,352 | \$329,225 |
| Sales Tax: Public Safety | \$1,265 | \$1,790 | \$2,534 | \$6,893 | \$6,953 | \$16,309 |
| Transient Occupancy Tax | \$0 | \$0 | \$0 | \$569,400 | \$569,400 | \$569,400 |
| Utility Users Tax | \$37,269 | \$57,597 | \$98,254 | \$125,249 | \$137,578 | \$147,665 |
| Franchise Fees | \$10,435 | \$16,127 | \$27,512 | \$35,070 | \$38,522 | \$41,347 |
| Business Tax Certificates | \$0 | \$0 | \$0 | \$5,596 | \$23,474 | \$38,101 |
| Real Property Transfer Tax | \$8,470 | \$11,770 | \$15,674 | \$17,153 | \$18,131 | \$19,864 |
| Service Charges | | | | | | |
| Recreation Fees | \$17,984 | \$27,793 | \$47,412 | \$47,412 | \$47,412 | \$47,412 |
| Other Charges for Services | \$11,729 | \$18,127 | \$30,922 | \$32,137 | \$36,017 | \$39,192 |
| Other Revenue | | | | | | |
| Fines and Forfeitures | \$1,045 | \$1,615 | \$2,756 | \$2,864 | \$3,210 | \$3,493 |
| Interest Earnings and Rents | \$2,220 | \$3,168 | \$4,537 | \$9,278 | \$9,595 | \$12,941 |
| Other Revenues | \$706 | \$1,090 | \$1,860 | \$1,943 | \$2,206 | \$2,422 |
| Transfers in | | | | | | |
| Gas Tax/TDA | \$10,991 | \$16,986 | \$28,976 | \$28,976 | \$28,976 | \$28,976 |
| Other | \$9,027 | \$13,951 | \$23,799 | \$24,855 | \$28,225 | \$30,983 |
| TOTAL REVENUES | \$436,370 | \$623,863 | \$897,321 | \$1,811,142 | \$1,875,646 | \$2,522,597 |
| EXPENDITURES | | | | | | |
| General Government | \$103,984 | \$148,077 | \$238,416 | \$291,301 | \$310,933 | \$335,797 |
| Police | \$100,442 | \$155,229 | \$264,803 | \$342,756 | \$369,421 | \$410,202 |
| Fire | \$122,853 | \$177,460 | \$261,341 | \$312,522 | \$339,971 | \$374,938 |
| Transportation | \$15,618 | \$24,137 | \$41,175 | \$52,487 | \$57,654 | \$61,881 |
| Leisure, Cultural and Social Services | \$39,874 | \$61,624 | \$105,123 | \$129,875 | \$129,875 | \$129,875 |
| <i>Park and Landscape Maintenance</i> | \$60,041 | \$60,041 | \$93,081 | \$93,081 | \$93,081 | \$93,081 |
| Community Development | \$32,350 | \$49,995 | \$85,286 | \$108,717 | \$119,419 | \$128,175 |
| Transfers Out | \$675 | \$1,043 | \$1,779 | \$2,267 | \$2,490 | \$2,673 |
| TOTAL EXPENDITURES | \$475,837 | \$677,605 | \$1,091,002 | \$1,333,005 | \$1,422,845 | \$1,536,621 |
| TOTAL BUDGET NET (DEFICIT)/ SURPLUS | (\$39,467) | (\$53,742) | (\$193,681) | \$478,137 | \$452,801 | \$985,976 |
| TOTAL BUDGET NET (DEFICIT) PER UNIT | (\$179) | (\$158) | (\$334) | \$683 | \$566 | \$1,038 |

Source: ADE, Inc., Fiscal Analysis of the Proposed San Luis Ranch Project, May 25, 2017.

APPENDIX

TAXABLE SALES ESTIMATES

The following tables show the estimates of retail/services spending and taxable sales for each of the four income levels modeled for the project. The figures reflect the aggregate total spending from the number of households in each density category, not per household values.

Table A-1: Taxable Household Spending, Low-Medium Density Units

| 192 HOUSEHOLDS WITH AVERAGE INCOME OF \$219,700 | TOTAL | TOTAL | TOTAL | TOTAL SALES | TAXABLE |
|--|---------------------------|----------------------|------------------------|-----------------------------|-----------------------------------|
| STORE CATEGORY | HOUSEHOLD SPENDING | TAXABLE SALES | TAXABLE PERCENT | AS PERCENT OF INCOME | SALES AS PERCENT OF INCOME |
| RETAIL | | | | | |
| Apparel Store Group | \$381,350 | \$381,350 | 100.0% | 0.9% | 0.9% |
| General Merchandise Group | \$1,130,403 | \$755,978 | 66.9% | 2.7% | 1.8% |
| Department Stores/Other General Merch. | \$267,471 | \$242,463 | 90.7% | 0.6% | 0.6% |
| Other General Merchandise | \$684,319 | \$442,070 | 64.6% | 1.6% | 1.0% |
| Drug & Proprietary Stores | \$178,613 | \$71,445 | 40.0% | 0.4% | 0.2% |
| Specialty Retail Group | \$310,602 | \$310,602 | 100.0% | 0.7% | 0.7% |
| Food, Eating and Drinking Group | \$2,145,013 | \$1,452,548 | 67.7% | 5.1% | 3.4% |
| Grocery Stores | \$891,834 | \$222,958 | 25.0% | 2.1% | 0.5% |
| Specialty Food Stores | \$28,681 | \$7,170 | 25.0% | 0.1% | 0.0% |
| Liquor Stores | \$49,469 | \$47,391 | 95.8% | 0.1% | 0.1% |
| Eating Places | \$1,175,029 | \$1,175,029 | 100.0% | 2.8% | 2.8% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$427,067 | \$427,067 | 100.0% | 1.0% | 1.0% |
| Automotive Group | \$2,327,958 | \$2,268,691 | 93.3% | 5.5% | 5.4% |
| Sub-Total Retail | \$6,722,393 | \$5,596,237 | 83.2% | 15.9% | 13.3% |
| SERVICES | | | | | |
| Rental Services | \$77,577 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$26,082 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$241,884 | \$120,942 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$721,214 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$177,159 | \$70,864 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$83,840 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$167,242 | \$16,724 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$105,709 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$161,876 | \$16,188 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$49,545 | \$4,955 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$343,516 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$2,155,644 | \$229,672 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$8,878,037 | \$5,825,909 | 65.6% | 21.0% | 13.8% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-2: Taxable Household Spending, Medium Density Units

| 77 HOUSEHOLDS WITH AVERAGE INCOME OF \$208,200 | TOTAL HOUSEHOLD SPENDING | TAXABLE SALES | TAXABLE PERCENT | TOTAL SALES AS PERCENT OF INCOME | TAXABLE SALES AS PERCENT OF INCOME |
|---|---------------------------------|----------------------|------------------------|---|---|
| RETAIL | | | | | |
| Apparel Store Group | \$144,932 | \$144,932 | 100.0% | 0.9% | 0.9% |
| General Merchandise Group | \$429,609 | \$287,309 | 66.9% | 2.7% | 1.8% |
| Department Stores/Other General Merch. | \$101,652 | \$92,148 | 90.7% | 0.6% | 0.6% |
| Other General Merchandise | \$260,075 | \$168,009 | 64.6% | 1.6% | 1.0% |
| Drug & Proprietary Stores | \$67,882 | \$27,153 | 40.0% | 0.4% | 0.2% |
| Specialty Retail Group | \$118,044 | \$118,044 | 100.0% | 0.7% | 0.7% |
| Food, Eating and Drinking Group | \$815,211 | \$552,040 | 67.7% | 5.1% | 3.4% |
| Grocery Stores | \$338,941 | \$84,735 | 25.0% | 2.1% | 0.5% |
| Specialty Food Stores | \$10,900 | \$2,725 | 25.0% | 0.1% | 0.0% |
| Liquor Stores | \$18,801 | \$18,011 | 95.8% | 0.1% | 0.1% |
| Eating Places | \$446,569 | \$446,569 | 100.0% | 2.8% | 2.8% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$162,307 | \$162,307 | 100.0% | 1.0% | 1.0% |
| Automotive Group | \$884,739 | \$862,215 | 93.3% | 5.5% | 5.4% |
| Sub-Total Retail | \$2,554,842 | \$2,126,847 | 83.2% | 15.9% | 13.3% |
| SERVICES | | | | | |
| Rental Services | \$29,483 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$9,912 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$91,928 | \$45,964 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$274,097 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$67,329 | \$26,932 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$31,863 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$63,560 | \$6,356 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$40,175 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$61,521 | \$6,152 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$18,830 | \$1,883 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$130,553 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$819,252 | \$87,287 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$3,374,094 | \$2,214,134 | 65.6% | 21.0% | 13.8% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-3: Taxable Household Spending, High Density Ownership Units

| 286 HOUSEHOLDS WITH AVERAGE INCOME OF \$140,600 | TOTAL | TOTAL | TOTAL | TOTAL SALES | TAXABLE |
|--|---------------------|--------------------|----------------|--------------------|-------------------|
| STORE CATEGORY | HOUSEHOLD | TAXABLE | TAXABLE | AS PERCENT | SALES AS |
| | SPENDING | SALES | PERCENT | OF INCOME | PERCENT OF |
| | | | | | INCOME |
| RETAIL | | | | | |
| Apparel Store Group | \$451,448 | \$451,448 | 100.0% | 1.1% | 1.1% |
| General Merchandise Group | \$1,607,441 | \$1,066,237 | 66.3% | 4.0% | 2.7% |
| Department Stores/Other General Merch. | \$346,820 | \$314,392 | 90.7% | 0.9% | 0.8% |
| Other General Merchandise | \$1,006,487 | \$650,190 | 64.6% | 2.5% | 1.6% |
| Drug & Proprietary Stores | \$254,134 | \$101,654 | 40.0% | 0.6% | 0.3% |
| Specialty Retail Group | \$459,392 | \$459,392 | 100.0% | 1.1% | 1.1% |
| Food, Eating and Drinking Group | \$3,189,188 | \$2,114,833 | 66.3% | 7.9% | 5.3% |
| Grocery Stores | \$1,383,293 | \$345,823 | 25.0% | 3.4% | 0.9% |
| Specialty Food Stores | \$45,209 | \$11,302 | 25.0% | 0.1% | 0.0% |
| Liquor Stores | \$70,915 | \$67,936 | 95.8% | 0.2% | 0.2% |
| Eating Places | \$1,689,772 | \$1,689,772 | 100.0% | 4.2% | 4.2% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$631,216 | \$631,216 | 100.0% | 1.6% | 1.6% |
| Automotive Group | \$3,111,550 | \$3,026,065 | 93.3% | 7.7% | 7.5% |
| Sub-Total Retail | \$9,450,235 | \$7,749,191 | 82.0% | 23.5% | 19.3% |
| SERVICES | | | | | |
| Rental Services | \$73,989 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$24,863 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$230,583 | \$115,291 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$687,518 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$168,882 | \$67,553 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$79,923 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$159,428 | \$15,943 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$100,770 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$154,313 | \$15,431 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$47,231 | \$4,723 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$327,467 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$2,054,968 | \$218,942 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$11,505,203 | \$7,968,132 | 69.3% | 28.6% | 19.8% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-4: Taxable Household Spending, High Density Rental Units

| 276 HOUSEHOLDS WITH AVERAGE INCOME OF \$108,000 | TOTAL | | | TOTAL SALES | TAXABLE |
|--|--------------------|--------------------|----------------|--------------------|-------------------|
| STORE CATEGORY | HOUSEHOLD | TAXABLE | TAXABLE | AS PERCENT | PERCENT OF |
| | SPENDING | SALES | PERCENT | OF INCOME | INCOME |
| RETAIL | | | | | |
| Apparel Store Group | \$338,895 | \$338,895 | 100.0% | 1.1% | 1.1% |
| General Merchandise Group | \$1,217,151 | \$807,068 | 66.3% | 4.1% | 2.7% |
| Department Stores/Other General Merch. | \$261,526 | \$237,073 | 90.7% | 0.9% | 0.8% |
| Other General Merchandise | \$763,190 | \$493,021 | 64.6% | 2.6% | 1.7% |
| Drug & Proprietary Stores | \$192,435 | \$76,974 | 40.0% | 0.6% | 0.3% |
| Specialty Retail Group | \$348,424 | \$348,424 | 100.0% | 1.2% | 1.2% |
| Food, Eating and Drinking Group | \$2,419,346 | \$1,602,943 | 66.3% | 8.1% | 5.4% |
| Grocery Stores | \$1,051,153 | \$262,788 | 25.0% | 3.5% | 0.9% |
| Specialty Food Stores | \$34,375 | \$8,594 | 25.0% | 0.1% | 0.0% |
| Liquor Stores | \$53,715 | \$51,459 | 95.8% | 0.2% | 0.2% |
| Eating Places | \$1,280,103 | \$1,280,103 | 100.0% | 4.3% | 4.3% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$478,730 | \$478,730 | 100.0% | 1.6% | 1.6% |
| Automotive Group | \$2,349,622 | \$2,284,854 | 93.3% | 7.9% | 7.7% |
| Sub-Total Retail | \$7,152,168 | \$5,860,915 | 81.9% | 24.0% | 19.7% |
| SERVICES | | | | | |
| Rental Services | \$54,792 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$18,431 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$170,926 | \$85,463 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$509,643 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$125,189 | \$50,075 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$59,245 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$118,181 | \$11,818 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$74,699 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$114,389 | \$11,439 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$35,011 | \$3,501 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$242,744 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$1,523,249 | \$162,297 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$8,675,417 | \$6,023,212 | 69.4% | 29.1% | 20.2% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-5: Taxable Household Spending, Phase 6 Affordable Units

| 70 HOUSEHOLDS WITH AVERAGE INCOME OF \$47,300 | TOTAL | | | TOTAL SALES | TAXABLE |
|--|--------------------|------------------|----------------|--------------------|-------------------|
| STORE CATEGORY | HOUSEHOLD | TAXABLE | TAXABLE | AS PERCENT | SALES AS |
| | SPENDING | SALES | PERCENT | OF INCOME | PERCENT OF |
| | | | | | INCOME |
| RETAIL | | | | | |
| Apparel Store Group | \$54,349 | \$54,349 | 100.0% | 1.6% | 1.6% |
| General Merchandise Group | \$205,108 | \$134,951 | 65.8% | 6.2% | 4.1% |
| Department Stores/Other General Merch. | \$41,521 | \$37,639 | 90.7% | 1.3% | 1.1% |
| Other General Merchandise | \$129,583 | \$83,710 | 64.6% | 3.9% | 2.5% |
| Drug & Proprietary Stores | \$34,004 | \$13,602 | 40.0% | 1.0% | 0.4% |
| Specialty Retail Group | \$52,210 | \$52,210 | 100.0% | 1.6% | 1.6% |
| Food, Eating and Drinking Group | \$405,914 | \$259,524 | 63.9% | 12.3% | 7.8% |
| Grocery Stores | \$188,435 | \$47,109 | 25.0% | 5.7% | 1.4% |
| Specialty Food Stores | \$6,253 | \$1,563 | 25.0% | 0.2% | 0.0% |
| Liquor Stores | \$8,895 | \$8,521 | 95.8% | 0.3% | 0.3% |
| Eating Places | \$202,331 | \$202,331 | 100.0% | 6.1% | 6.1% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$74,786 | \$74,786 | 100.0% | 2.3% | 2.3% |
| Automotive Group | \$329,941 | \$319,139 | 93.3% | 10.0% | 9.6% |
| Sub-Total Retail | \$1,122,307 | \$894,959 | 79.7% | 33.9% | 27.0% |
| SERVICES | | | | | |
| Rental Services | \$6,089 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$2,047 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$18,986 | \$9,493 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$56,610 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$13,906 | \$5,562 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$6,581 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$13,127 | \$1,313 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$8,297 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$12,706 | \$1,271 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$3,889 | \$389 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$26,963 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$169,202 | \$18,028 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$1,291,509 | \$912,986 | 70.7% | 39.0% | 27.6% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-6: Taxable Household Spending, Low, Moderate, Workforce Households

| 22 HOUSEHOLDS WITH AVERAGE INCOME OF \$133,600 | TOTAL HOUSEHOLD SPENDING | TAXABLE SALES | TAXABLE PERCENT | TOTAL SALES AS PERCENT OF INCOME | TAXABLE SALES AS PERCENT OF INCOME |
|---|---------------------------------|----------------------|------------------------|---|---|
| RETAIL | | | | | |
| Apparel Store Group | \$35,842 | \$35,842 | 100.0% | 1.2% | 1.2% |
| General Merchandise Group | \$120,378 | \$80,212 | 66.6% | 4.1% | 2.7% |
| Department Stores/Other General Merch. | \$26,658 | \$24,166 | 90.7% | 0.9% | 0.8% |
| Other General Merchandise | \$75,442 | \$48,736 | 64.6% | 2.6% | 1.7% |
| Drug & Proprietary Stores | \$18,278 | \$7,311 | 40.0% | 0.6% | 0.2% |
| Specialty Retail Group | \$34,207 | \$34,207 | 100.0% | 1.2% | 1.2% |
| Food, Eating and Drinking Group | \$236,504 | \$156,652 | 66.2% | 8.0% | 5.3% |
| Grocery Stores | \$102,811 | \$25,703 | 25.0% | 3.5% | 0.9% |
| Specialty Food Stores | \$3,368 | \$842 | 25.0% | 0.1% | 0.0% |
| Liquor Stores | \$5,205 | \$4,986 | 95.8% | 0.2% | 0.2% |
| Eating Places | \$125,121 | \$125,121 | 100.0% | 4.3% | 4.3% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$47,218 | \$47,218 | 100.0% | 1.6% | 1.6% |
| Automotive Group | \$219,891 | \$213,548 | 93.3% | 7.5% | 7.3% |
| Sub-Total Retail | \$694,040 | \$567,678 | 81.8% | 23.6% | 19.3% |
| SERVICES | | | | | |
| Rental Services | \$5,409 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$1,817 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$16,854 | \$8,427 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$50,253 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$12,344 | \$4,938 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$5,842 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$11,653 | \$1,165 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$7,366 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$11,279 | \$1,128 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$3,452 | \$345 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$23,936 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$150,205 | \$16,003 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$844,245 | \$583,681 | 69.1% | 28.7% | 19.9% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-7: Taxable Household Spending, High Density Units, 2017 Project

| 277 HOUSEHOLDS WITH AVERAGE INCOME OF \$133,300 | TOTAL | | | TOTAL SALES AS PERCENT OF INCOME | TAXABLE SALES AS PERCENT OF INCOME |
|--|---------------------------|----------------------|------------------------|---|---|
| STORE CATEGORY | HOUSEHOLD SPENDING | TAXABLE SALES | TAXABLE PERCENT | | |
| RETAIL | | | | | |
| Apparel Store Group | \$418,961 | \$418,961 | 100.0% | 1.1% | 1.1% |
| General Merchandise Group | \$1,502,669 | \$996,444 | 66.3% | 4.1% | 2.7% |
| Department Stores/Other General Merch. | \$323,084 | \$292,876 | 90.7% | 0.9% | 0.8% |
| Other General Merchandise | \$942,010 | \$608,538 | 64.6% | 2.6% | 1.6% |
| Drug & Proprietary Stores | \$237,575 | \$95,030 | 40.0% | 0.6% | 0.3% |
| Specialty Retail Group | \$430,046 | \$430,046 | 100.0% | 1.2% | 1.2% |
| Food, Eating and Drinking Group | \$2,986,003 | \$1,978,652 | 66.3% | 8.1% | 5.4% |
| Grocery Stores | \$1,297,011 | \$324,253 | 25.0% | 3.5% | 0.9% |
| Specialty Food Stores | \$42,411 | \$10,603 | 25.0% | 0.1% | 0.0% |
| Liquor Stores | \$66,312 | \$63,526 | 95.8% | 0.2% | 0.2% |
| Eating Places | \$1,580,270 | \$1,580,270 | 100.0% | 4.3% | 4.3% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$590,880 | \$590,880 | 100.0% | 1.6% | 1.6% |
| Automotive Group | \$2,902,038 | \$2,822,085 | 93.3% | 7.9% | 7.6% |
| Sub-Total Retail | \$8,830,599 | \$7,237,068 | 82.0% | 23.9% | 19.6% |
| SERVICES | | | | | |
| Rental Services | \$67,940 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$22,831 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$211,732 | \$105,866 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$631,310 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$155,075 | \$62,030 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$73,389 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$146,394 | \$14,639 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$92,532 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$141,697 | \$14,170 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$43,369 | \$4,337 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$300,695 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$1,886,964 | \$201,042 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$10,717,563 | \$7,438,110 | 69.4% | 29.0% | 20.1% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.

Table A-8: Taxable Household Spending, Affordable Units, 2017 Project

| 34 HOUSEHOLDS WITH AVERAGE INCOME OF \$54,600 | TOTAL | | | TOTAL SALES | TAXABLE |
|--|------------------|------------------|----------------|--------------------|-------------------|
| STORE CATEGORY | HOUSEHOLD | TAXABLE | TAXABLE | AS PERCENT | SALES AS |
| | SPENDING | SALES | PERCENT | OF INCOME | PERCENT OF |
| | | | | | INCOME |
| RETAIL | | | | | |
| Apparel Store Group | \$26,954 | \$26,954 | 100.0% | 1.5% | 1.5% |
| General Merchandise Group | \$100,288 | \$65,954 | 65.8% | 5.4% | 3.6% |
| Department Stores/Other General Merch. | \$20,678 | \$18,745 | 90.7% | 1.1% | 1.0% |
| Other General Merchandise | \$62,463 | \$40,351 | 64.6% | 3.4% | 2.2% |
| Drug & Proprietary Stores | \$17,146 | \$6,858 | 40.0% | 0.9% | 0.4% |
| Specialty Retail Group | \$26,156 | \$26,156 | 100.0% | 1.4% | 1.4% |
| Food, Eating and Drinking Group | \$195,508 | \$127,676 | 65.3% | 10.5% | 6.9% |
| Grocery Stores | \$87,372 | \$21,843 | 25.0% | 4.7% | 1.2% |
| Specialty Food Stores | \$2,835 | \$709 | 25.0% | 0.2% | 0.0% |
| Liquor Stores | \$4,222 | \$4,045 | 95.8% | 0.2% | 0.2% |
| Eating Places | \$101,079 | \$101,079 | 100.0% | 5.4% | 5.4% |
| Building Materials And | \$0 | \$0 | 0.0% | 0.0% | 0.0% |
| Homefurnishings Group | \$36,749 | \$36,749 | 100.0% | 2.0% | 2.0% |
| Automotive Group | \$166,643 | \$161,509 | 93.3% | 9.0% | 8.7% |
| Sub-Total Retail | \$552,297 | \$444,997 | 80.6% | 29.8% | 24.0% |
| SERVICES | | | | | |
| Rental Services | \$3,418 | \$0 | 0.0% | 0.2% | 0.0% |
| Professional Services | \$1,148 | \$0 | 0.0% | 0.1% | 0.0% |
| Medical Services | | | | | |
| Eyecare | \$10,645 | \$5,323 | 50.0% | 0.6% | 0.3% |
| Other Medical | \$31,740 | \$0 | 0.0% | 1.7% | 0.0% |
| Repair Services | | | | | |
| Auto Repair | \$7,797 | \$3,119 | 40.0% | 0.4% | 0.2% |
| Other Repair | \$3,690 | \$0 | 0.0% | 0.2% | 0.0% |
| Personal Services | | | | | |
| Personal Care Services | \$7,360 | \$736 | 10.0% | 0.4% | 0.0% |
| Other Personal | \$4,652 | \$0 | 0.0% | 0.3% | 0.0% |
| Entertainment/Recreation | | | | | |
| Movie, Theater, Opera, Ballet | \$7,124 | \$712 | 10.0% | 0.4% | 0.0% |
| Sporting Events | \$2,180 | \$218 | 10.0% | 0.1% | 0.0% |
| Other Entertainment | \$15,118 | \$0 | 0.0% | 0.8% | 0.0% |
| Sub-Total Services | \$94,871 | \$10,108 | 10.7% | 5.1% | 0.5% |
| GRAND TOTAL | \$647,169 | \$455,105 | 70.3% | 34.9% | 24.5% |

Source: ADE, Inc.; retail demand model derived from U.S. Economic Census, Bureau of Labor Statistics Consumer Expenditure Survey and PUMS database.