

MEMORANDUM

To: Mike Meyer, Anthem Communities
From: Jamie Gomes and Elliot Kilham
Subject: Creekview Rezone Fiscal Impact Analysis; EPS #192021
Date: June 25, 2019

Introduction

Anthem Communities (Applicant) retained Economic & Planning Systems, Inc. (EPS) to prepare the Fiscal Impact Analysis (Analysis) for the proposed rezone of the Creekview Specific Plan (Project), an approximately 500-acre development located in the City of Roseville (City).

This Analysis examines the Project's estimated fiscal impact on the City's annual General Fund budget, based on the Fiscal Year (FY) 2018-2019 Adopted Budget. Specifically, the Analysis estimates whether projected revenues from the Project will cover the costs of delivering citywide services (e.g., police protection, fire protection, and parks and recreation) to the Project's residents and employees. The Analysis is based on the assumption that these services will be provided by the City.

At the City's request, EPS analyzed the estimated fiscal impacts to the City for the following two land use scenarios:

- **Scenario 1**—Existing Land Uses (with commercially zoned area of approximately 19 acres).
- **Scenario 2**—Proposed Land Uses (with commercially zoned area reduced to approximately 9 acres).

This memorandum provides an overview of the Project and two scenarios, then summarizes annual fiscal impacts of each scenario based on assumed buildout of the Project area. Finally, this memorandum summarizes the methodology used to calculate the fiscal impacts and presents detailed calculations and result in the appendices.

The Economics of Land Use



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Project and Scenario Overview

The Project site is approximately 500 acres, located northwest of the City. **Map 1** shows the Project's location in its local context. The Project site generally is bounded by the proposed Amoruso Ranch Specific Plan to the north, the Reason Farms area to the west, and the City to the east and south. The Project remains undeveloped:

- **Scenario 1**, the approved land use plan, includes entitlement for up to 2,011 residential units on 242 acres of land and 210,000 square feet of commercial space on 19.30 acres of land, as shown in **Table 1**.
- In **Scenario 2**, the Applicant proposes to build the same number of residential units, but to increase the number of low-density (LDR) units from 810 to 955 and reduce the number of medium-density (MDR) units from 654 to 509. This increase in LDR units results in the residential acreage of the Project increasing by 9.42 acres to 251.42 acres. The Applicant also proposes decreasing the commercial land uses in the Project to 100,000 square feet on 9.2 acres of land. In summary, the Applicant has proposed a Project that is lower density and has less commercial space. **Map 2** shows the land use zoning and parcel acreage in this scenario.

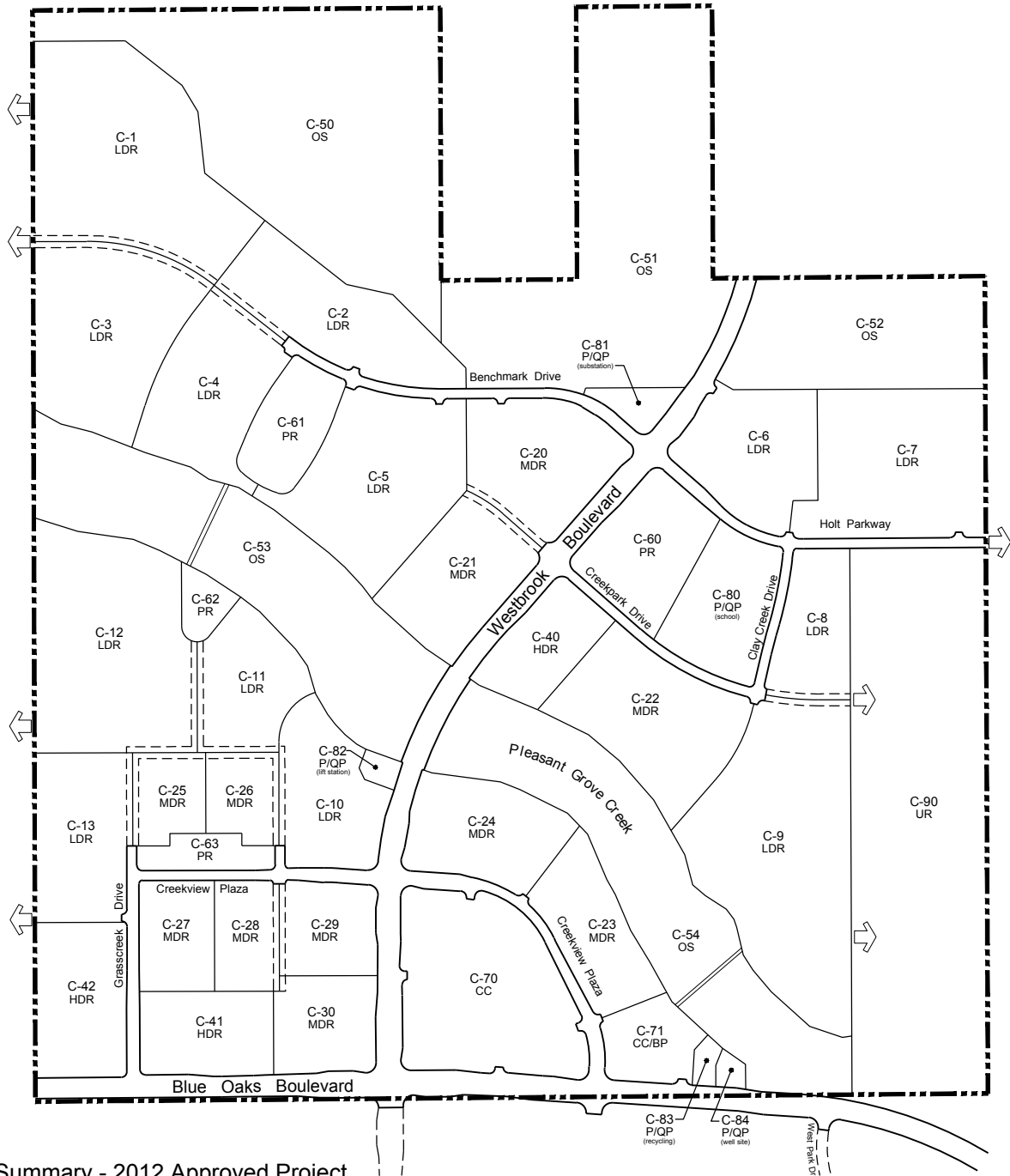
Table 1. Scenario Summary

Land Use	Scenario 1			Scenario 2		
	Existing Land Uses			Proposed Land Uses		
	Gross Acreage	Sq. Ft. Units (Rounded)		Gross Acreage	Sq. Ft. Units (Rounded)	
Residential [1]						
Low Density (LDR)	157.30	810	---	182.85	955	---
Medium Density (MDR)	66.00	654	---	51.20	509	---
High Density (HDR)	<u>18.70</u>	<u>547</u>	---	<u>17.37</u>	<u>547</u>	---
Subtotal/Weighted Avg.	242.00	2,011	---	251.42	2,011	---
Service & Employment						
Community Commercial (CC)	15.50	---	170,000	9.20	---	100,000
Community Comm./Business Prof. (CC/BP)	<u>3.80</u>	---	<u>40,000</u>	<u>0.00</u>	---	<u>0</u>
Subtotal/Weighted Avg.	19.30	---	210,000	9.20	---	100,000
Other Land Uses						
Open Space (OS)	136.90	---	---	136.90	---	---
Park (PR)	16.10	---	---	16.20	---	---
Public/Quasi-Public (P/QP)	9.60	---	---	9.60	---	---
Urban Reserve (UR)	40.10	---	---	40.10	---	---
Right of Way (ROW)	<u>37.40</u>	---	---	<u>37.98</u>	---	---
Subtotal	240.10	---	---	240.78	---	---
Total	501.40	2,011	210,000	501.40	2,011	100,000

[1] High Density (HDR) land use assumed to be renter-occupied units.

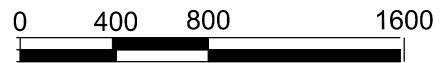
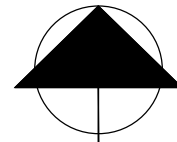
Source: Creekview ; EPS.

Map 1

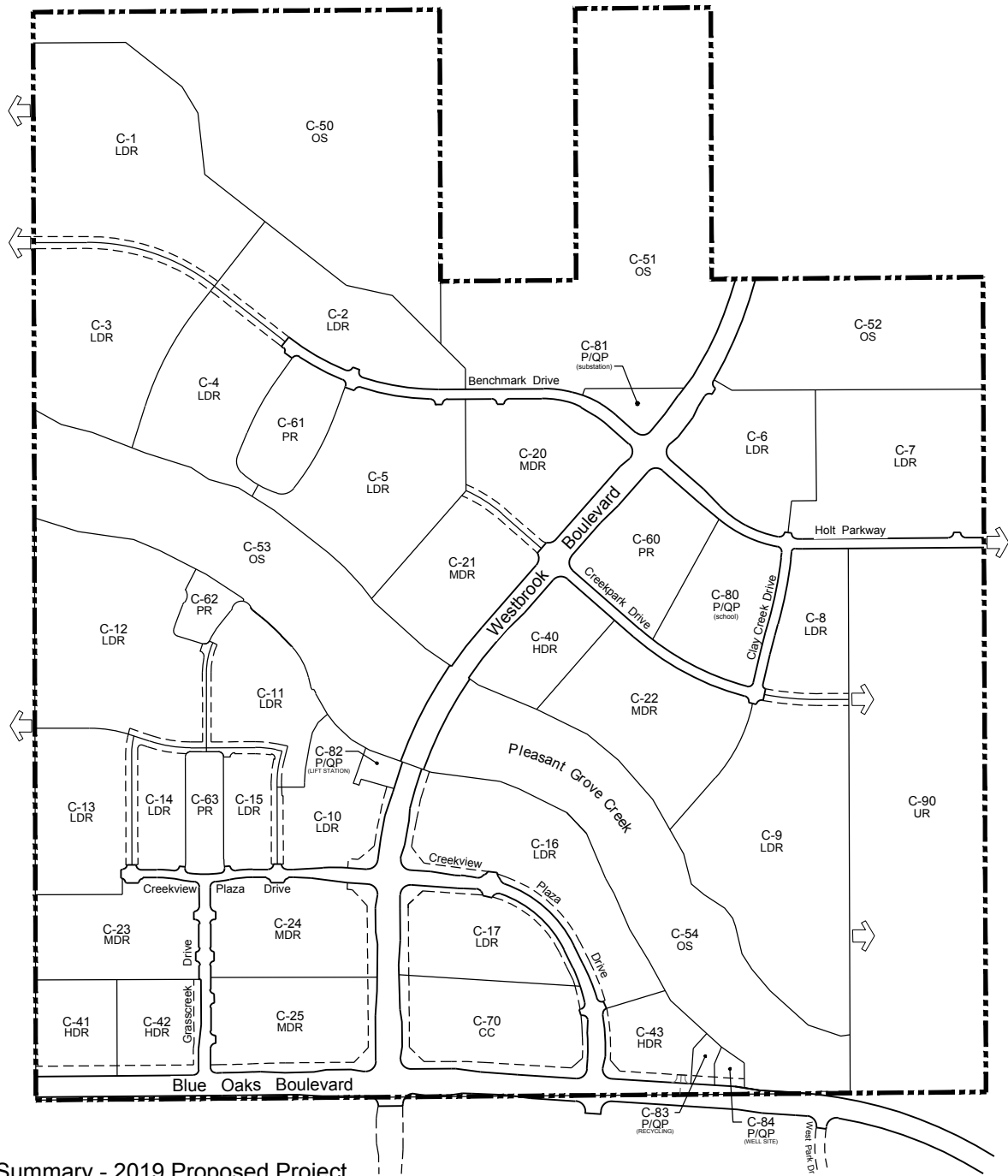


Land Use Summary - 2012 Approved Project

Land Use	Acres	Units
Residential		
Low Density Residential (LDR)	157.30 ac.	810 du
Medium Density Residential (MDR)	66.00 ac.	654 du
High Density Residential (HDR)	18.70 ac.	547 du
<i>Subtotal</i>	242.00 ac.	2,011 du
Service & Employment		
Community Commercial (CC)	15.50 ac.	
Community Comm./Business Prof. (CC/BP)	3.80 ac.	
<i>Subtotal</i>	19.30 ac.	
Open Space & Public		
Open Space (OS)	136.90 ac.	
Park (PR)	16.10 ac.	
Public/Quasi-Public (P/QP)	9.60 ac.	
Urban Reserve (UR)	39.90 ac.	
Right of Way (ROW)	37.50 ac.	
<i>Subtotal</i>	240.00 ac.	
TOTAL	501.30 ac.	2,011 du

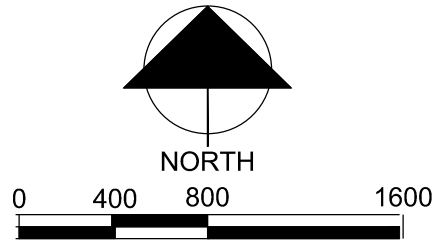


Creekview Specific Plan Existing Land Use Plan (2012)



Land Use Summary - 2019 Proposed Project

Land Use	Acres	Units
Residential		
Low Density Residential (LDR)	182.74 ac.	954 du
Medium Density Residential (MDR)	51.20 ac.	510 du
High Density Residential (HDR)	17.68 ac.	547 du
<i>Subtotal</i>	251.62 ac.	2,011 du
Service & Employment		
Community Commercial (CC)	9.26 ac.	
<i>Subtotal</i>	9.26 ac.	
Open Space & Public		
Open Space (OS)	136.90 ac.	
Park (PR)	16.27 ac.	
Public/Quasi-Public (P/QP)	9.65 ac.	
Urban Reserve (UR)	39.90 ac.	
Right of Way (ROW)	37.70 ac.	
<i>Subtotal</i>	240.42 ac.	
TOTAL	501.30 ac.	2,011 du



Creekview Specific Plan
Proposed Land Use Plan (2019)

The primary difference between the two scenarios is a proposed reduction to the amount of commercial land uses in the Specific Plan. It is important to note that EPS, under a separate analysis, is working with the City to help the City examine the potential cumulative impact of proposed commercial-to-residential rezones such as is proposed by the Applicant. That work, along with other information, may inform the City's determinations regarding the rezone request. The purpose of this Analysis is to compare the estimated fiscal impacts to the City under the current entitlement, as compared to the results from the proposed rezone, without making judgement as to the merit of the rezone request.

Overview of Results

The Analysis comparing the fiscal impacts to the City of the existing versus proposed zoning yielded the following results:

- **For both scenarios, annual revenues are anticipated to exceed annual expenditures for the Project before and after accounting for estimated annual taxes from Community Facilities District (CFD) No. 3 (Municipal Services).** At buildout, the Project in **Scenario 1** is estimated to generate a net annual General Fund surplus of approximately \$321,000 before special taxes and assessments, and approximately \$938,000 after CFD No. 3 revenues (approximately \$617,000 in CFD No. 3 revenues). **Scenario 2** is estimated to generate a net annual surplus of approximately \$174,000 before special taxes and assessments, and \$806,000 after CFD No. 3 revenues (approximately \$632,000 in CFD No. 3 revenues). Please see **Table 2** for a comparison of results between the 2 scenarios. Even though **Scenario 2** reduces potential net revenues to the City's General Fund, the rezone application does not create a situation where the rezoned land uses are anticipated to create a drain on the City's General Fund.
- **Estimated annual revenues in Scenario 2 are approximately \$207,000 lower as compared to Scenario 1.** With significantly more commercial square footage possible under the existing zoning, estimated annual sales tax revenues that may accrue to the City under **Scenario 1** are greater than compared to **Scenario 2**. The difference in estimated sales tax revenues is the primary driver in the total difference in estimated revenues between the 2 scenarios.
- **Scenario 2 is estimated to slightly decrease annual expenditures at Project buildout by approximately \$60,000.** The proposed change in residential and nonresidential land uses in **Scenario 2** decrease the demand on City services as compared to **Scenario 1**. The main departments contributing to the decreased expenditures are police (\$28,000) and fire (\$22,000). The higher expenditures in **Scenario 1** primarily result from having a higher number of employees as a result of the higher amount of commercial square footage.

Table 2
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Revenue and Expenditure Summary Comparison

Item	Scenario 1	Scenario 2	Difference	
	Existing Land Uses	Proposed Land Uses	Amount	Percentage
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = b - a</i>	<i>c / a</i>
GENERAL FUND				
Annual Revenues [1]				
Taxes:				
Property Taxes	\$1,424,100	\$1,409,300	(\$14,800)	(1.0%)
Property Tax In-Lieu of VLF	\$411,400	\$407,100	(\$4,300)	(1.0%)
Real Property Transfer Tax	\$67,100	\$67,400	\$300	0.4%
Sales Tax	\$686,911	\$577,447	(\$109,464)	(15.9%)
Measure B Sales Tax	\$370,830	\$304,650	(\$66,180)	(17.8%)
Prop. 172 Sales Tax	\$15,200	\$12,500	(\$2,700)	(17.8%)
Hotel/Motel Tax	\$112,800	\$110,000	(\$2,800)	(2.5%)
Business License Tax	\$26,400	\$25,700	(\$700)	(2.7%)
Franchise Fees	\$71,700	\$69,900	(\$1,800)	(2.5%)
Electric Franchise Fees	\$189,700	\$185,000	(\$4,700)	(2.5%)
Total Annual General Fund Revenues	\$3,376,141	\$3,168,997	(\$207,144)	(6.1%)
Annual Expenditures [2]				
City Council	\$4,800	\$4,700	(\$100)	(2.1%)
City Manager	\$27,400	\$26,700	(\$700)	(2.6%)
Development & Operations	\$0	\$0	\$0	0.0%
Public Affairs & Communications	\$8,700	\$8,500	(\$200)	(2.3%)
City Attorney	\$35,400	\$34,600	(\$800)	(2.3%)
Human Resources	\$34,000	\$33,200	(\$800)	(2.4%)
Information Technology	\$0	\$0	\$0	0.0%
City Clerk	\$18,600	\$18,100	(\$500)	(2.7%)
Central Services	\$0	\$0	\$0	0.0%
Finance	\$7,500	\$7,300	(\$200)	(2.7%)
Economic Development & Housing	\$16,100	\$15,700	(\$400)	(2.5%)
Development Services	\$117,500	\$114,500	(\$3,000)	(2.6%)
Public Works	\$151,000	\$147,200	(\$3,800)	(2.5%)
Police	\$1,115,500	\$1,087,600	(\$27,900)	(2.5%)
Fire	\$880,900	\$858,900	(\$22,000)	(2.5%)
Parks, Recreation & Libraries	\$637,700	\$637,700	\$0	0.0%
Total Annual General Fund Expenditures	\$3,055,100	\$2,994,700	(\$60,400)	(2.0%)
Annual General Fund Surplus/(Deficit)	\$321,041	\$174,297	(\$146,744)	(45.7%)
CFD No. 3 [3]	\$617,000	\$632,000	\$15,000	2.4%
Subtotal Net Annual Surplus/(Deficit) Including CFD No. 3	\$938,041	\$806,297	(\$131,744)	(14.0%)

summary

Source: City of Roseville FY 2018-19 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$100.

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

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

[3] See Table B-6.

Memorandum Organization

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

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

Methodology and Assumptions

This section details the underlying methodology and assumptions used to estimate the fiscal impact of the Project on the City. It describes assumptions concerning municipal service delivery, land development, and General Fund budgeting. In addition, it details the methodology used to forecast the Project's General Fund revenues and expenditures at buildout.

Municipal Service Provision

Citywide Services

This Analysis examines the Project's ability to generate adequate revenues to cover the City's costs of providing public services to the Project. The services analyzed in this Analysis comprise General Fund services (e.g., police, fire, and general government).

The Analysis excludes any services that may be funded privately, it does not address activities budgeted in other Governmental Funds or Proprietary Funds, nor does it include an evaluation of capital facilities or funding of capital facilities needed to serve new development.

General Assumptions

The Analysis is based on the City's FY 2018-2019 Adopted Budget, tax regulations, statutes, and other general assumptions discussed herein. Each revenue item is estimated based on current State of California (State) legislation and current City practices. Future changes by either State legislation or City practices can affect the revenues and expenditures estimated in this Analysis. All costs and revenues are shown in constant 2018 dollars. General fiscal and demographic assumptions are detailed in **Table A-1** in **Appendix A**.

This Analysis also uses information from the City, the Applicant, and historical and projected demographic data from the California Department of Finance (DOF), the U.S. Census Bureau, and the U.S. Bureau of Labor Statistics. Other critical assumptions that may affect the results of this Analysis are actual home prices versus estimated home prices or other changes in residential assumptions (e.g., residential densities, product types, and persons-per-household factors). The land use information in this Analysis was taken from the Specific Plan and proposed Specific Plan Amendment. The results of this Analysis will vary if development plans or other assumptions change from those on which this Analysis is based.

General Fund Revenue- and Expenditure-Estimating Assumptions

This Analysis considers only discretionary General Fund revenues that will be generated by the Project. Offsetting revenues, which are General Fund revenues that are dedicated to offset the costs of specific General Fund department functions, are excluded from this Analysis. Departmental costs funded by offsetting revenues or not affected by development also are excluded from this Analysis. Calculations used to exclude offsetting revenues from the Analysis were reviewed by City staff and are shown in **Table B-1** in **Appendix B**. Calculations used to estimate costs are shown in **Table C-1** in **Appendix C**.

Development Assumptions

Listed below are brief summaries of the land use and other development-related assumptions:

- **Land Use:** The Creekview Specific Plan Amendment Exhibit, dated February 12, 2019, was used for this Analysis, which examines the fiscal impacts of the Project at buildout.
- **Residential and Employee Estimates:** Population projections are calculated using an average persons-per-household factor of 2.67 for residential units, which was referenced from the City's FY 2018-2019 Adopted Budget. Employee estimates are based on factors of average square feet per employee for Project nonresidential land uses.
- **Residential Assessed Value:** The estimated assessed valuation of single-family residential development is based on prices of comparable residential projects in the City as provided by the Project Applicant. EPS also independently researched estimated finished home sales price data from The Gregory Group's New Home database as of 2018 Q4. The estimated assessed valuation of multifamily residential development is based on an average price per unit from CoStar, a third-party data source that provides sales and lease data for commercial real estate. Estimated buildout assessed values for the total Project are calculated in **Table D-2** in **Appendix D**.
- **Nonresidential Assessed Value:** EPS used a sales comparison approach to estimate finished nonresidential values for the Analysis. Sales comparison data came from Costar, as well as other current real estate market indicators and historic trends.
- **Property Turnover Rates:** The Analysis is based on the assumption that a for-sale residential unit will turn over once every 7 years, and multifamily residential rental properties and nonresidential properties will turn over once every 15 years.
- **Persons-Served Methodology:** In estimating service demands of the Project and those of the existing City, EPS used a factor to approximate the service demands of an employee in Project nonresidential land uses as compared to a Project resident. EPS used a factor of 0.5 to estimate an employee's impact on services as compared to a resident's impact, which is consistent with the persons-served methodology the City has used in the past.
- **Income of Households:** The average household income of each residential land use category (e.g., low density, medium density, high density) in the Project was estimated to forecast household retail expenditures. This calculation was derived using the following assumptions and data inputs:

- Estimated home values for product types proposed under each residential land use category, as described in **Table D-3** in **Appendix D**.
- A 5.5 percent, 30-year, fixed-rate mortgage with a 20 percent down payment and 2 percent annual taxes and insurance. Taxes and insurance include ad valorem taxes, as well as existing and proposed special taxes and assessments for infrastructure and services.
- For owner-occupied homes, 30 percent of income dedicated to mortgage payments, taxes, and insurance.
- For renter-occupied homes, 30 percent of income dedicated to monthly rent.

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

Revenue-Estimating Methodology

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

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

The average-revenue approach uses the City's FY 2018-2019 Adopted Budget revenue amounts on a citywide per capita or per-persons-served basis to forecast revenues derived from estimated residents of the Project.¹

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

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

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

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

Property Tax

Estimated annual property tax revenue resulting from development in the Project is presented in **Table B-3** in **Appendix B**. To be consistent with the City's budget data, the estimated assessed values for Project land uses are assumed to remain static in 2018 dollar values—real growth in assessed value is not estimated. The share of property taxes the City is assumed to receive from the Project is derived from the total assessed value of the Project and the City's property tax allocation share of the 1 percent ad valorem property tax, as shown in **Table D-1** in **Appendix D**.

The Project is in three Tax Rate Areas (TRAs): 005-068, 005-072, and 005-073. As shown in **Table D-1** in **Appendix D** for each TRA, the City is shown to receive all the property tax revenue before adjusting for the City's Educational Revenue Augmentation Fund (ERAF) adjustment factor. The gross property tax is adjusted by the ERAF factor to derive the post-ERAF share of property tax revenue available for tax sharing of approximately 33.31 percent. Based on the terms of the City and Placer County (County) property tax- and sales tax-sharing agreement, EPS understands the City is to remit to the County an equivalent of 18.25 percent of the post-ERAF property tax. That assumption is modeled in this Analysis.

Property Tax in Lieu of Vehicle License Fees

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

Real Property Transfer Tax

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

Sales Tax

Sales tax revenues are based on taxable sales generated in the City. The sales tax components examined in this Analysis include the Bradley-Burns 1 percent local sales tax rate and Measure B ½-cent local sales tax. The Bradley-Burn estimate considers a 16 percent tax-sharing agreement with the County, subtracting this share from the Project estimate. The 16 percent adjustment is the maximum possible amount that may be subject to sales tax sharing with the County. The initial agreement amount is 11.5 percent and is set to automatically increase to 16 percent, subject to a limited number of agreement reopener provisions. Using the maximum potential sharing percentage reflects the most conservative approach to examining estimated fiscal impacts to the City. Estimated sales tax revenues to the City are summarized in **Table B-5** in **Appendix B**.

The Analysis uses 2 methodologies to estimate taxable sales generated by the Project:

1. The **Market Support Method** measures taxable sales generated from new Project residents and employees.
2. The **Retail Space Method** measures taxable sales from the Project's retail land uses.

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

Market Support Method

New Households

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

Specifically, this Analysis estimates retail expenditures of future residents by:

- Estimating the total income of new households based on the projected home sales prices and monthly rent expenses. EPS assumes household income estimates are based on owner-occupied tenure, with home purchase financed by a 30-year fixed-rate mortgage.² EPS estimates residents in renter-occupied units spend approximately 30 percent of their total income on monthly rent.
- Evaluating Consumer Expenditure Survey (CES) data from the U.S. Bureau of Labor Statistics, which reports the proportion of income spent on various household goods and services by income group.

Based on these methods, EPS estimates future household incomes to be \$143,000 for LDR units (assumed to be owner-occupied), \$117,000 for MDR units (assumed to be owner-occupied), and \$66,000 for high-density (HDR) units (assumed to be renter-occupied). Typical household expenditure patterns from the Bureau of Labor Statistics' CES suggests, at these income levels, Project residents for owner-occupied homes and renter-occupied units are estimated to spend 23.3 percent and 31.5 percent, respectively, of their household income on taxable retail expenditures. These assumptions and estimates are summarized in **Table D-3** in **Appendix D**.

The Analysis also is based on the assumption the City's retail businesses would capture roughly 85 percent of the Project's household retail demand. The estimate is not based on market analysis; rather, EPS developed the capture rate based on a qualitative appraisal of existing shopping centers in the Project's market area.

² The income estimate is based on the assumption that annual payment for the mortgage (30-year, 5.5 percent fixed interest, 20 percent down payment), property taxes, and insurance equal 30 percent of income. Property taxes and insurance are assumed at 2 percent of home value.

New Employees

The sales tax analysis accounts for taxable retail expenditures made by the new employees generated by development of nonresidential land uses in the Project. The number of employees is estimated by using the total occupied building square footage for each nonresidential land use and applying an average square foot per employee factor for each corresponding land use (see **Table A-3** in **Appendix A**). EPS estimates employees spend approximately \$10 per business day on taxable goods.³ The amount of taxable sales from new employees is discounted to avoid double counting employees who also are residents.

Total sales revenues generated for the City by the Project's new households and new employees and corresponding calculations for the Market Support Method are shown in **Table B-5A** in **Appendix B**.

Retail Space Method

Annual taxable sales generated by retail uses in the Project were calculated by taking an "annual sales per square foot" factor, published in the Urban Land Institute's *Dollars and Cents of Shopping Centers: 2008*, and escalating it to 2018 dollars using the Consumer Price Index. To prevent double counting, the Project's total taxable sales estimated from the Retail Space Method are reduced by the on-site taxable sales estimated by the Market Support Method (Project residents and employees).

The Retail Space Method also accounts for Project-related sales resulting from the displacement of taxable sales from existing retail outlets outside the Project area but inside the City. Accordingly, 5 percent of net taxable sales (total taxable sales less market support) at the Project's retail are assumed to represent a shift away from existing retail centers in the City.

Total sales revenues and corresponding calculations for the Retail Space Method are shown in **Table B-5B** in **Appendix B**.

Proposition 172

Revenues from the City's share of the County's half-cent sales tax for public safety are included in the Analysis and calculated in **Table B-5** in **Appendix B**. The City's public safety sales tax share is based on estimated citywide taxable sales from the City's FY 2017-2018 Adopted Budget rather than FY 2018-2019. The percentage of this revenue the City receives from the County does not fluctuate much from year to year, so the prior FY amount is reflective of current conditions.

CFD No. 3 (Municipal Services)

Project revenues from CFD No. 3 for police, fire, and library services are estimated in **Table B-6** in **Appendix B**. Estimates are based on fees per unit for residential land and per acre for commercial land.

Expenditure-Estimating Methodology

Expenditure estimates are based on the City's FY 2018-2019 Adopted Budget and supplemental information from City staff. All City General Fund expenditure items are listed on **Table C-1** in **Appendix C**. As described herein, the Project fiscal impact analyses rely on an "average-cost"

³ This Analysis is based on the assumption there are 240 business days per year.

methodology to estimate all General Fund expenditure impacts of new development on the City. An average-cost methodology is a common fiscal impact analysis methodology that divides the City's net cost of service, for a given service function, by the service population to which that service is provided. In this manner, the average-cost method is based on the assumption the marginal cost of agency services to new Project residents and employees would equal the City's existing average-cost structure.

This Analysis applies adjustment factors to several General Fund department average-cost multipliers to reflect the fact that new residents and employees may not increase certain General Fund department expenditures on a 1:1 ratio. Some departments have fixed costs not anticipated to increase with new development (see **Table C-1** in **Appendix C**). These adjustment factors are based on EPS's experience with similar fiscal impact analyses and account for the size and land use of the Project as compared to that of the existing City.

Expenditures affected by residents and employees are projected using a *per-person-served* average expenditure multiplier and include the department functions listed below:

General Government

- City Council
- City Manager
- City Attorney
- Finance
- Public Affairs & Communication
- Human Resources
- Information Technology
- City Clerk
- Central Services

Other

- Economic Development & Housing
- Development Services/Planning
- Public Works
- Police
- Fire

Community Grants costs and Parks, Recreation & Libraries costs are estimated using a *per capita* average-cost multiplier because generally these departments' functions primarily serve residential development.

Technical Appendices

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

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



APPENDICES:

- Appendix A: General Assumptions
- Appendix B: Revenue-Estimating Tables
- Appendix C: Expenditure-Estimating Tables
- Appendix D: Supporting Tables for
Revenue Estimates



APPENDIX A: General Assumptions

Table A-1	General Assumptions	A-1
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Table A-3	Project Assumptions at Buildout	A-3

**Table A-1
Roseville Creekview Rezone Fiscal Impact Analysis
General Assumptions**

Item	Assumption
General Assumptions	
Base Fiscal Year [1] <i>Dollars</i>	FY 2018-19 (2018\$)
General Demographic Characteristics	
City of Roseville	
Population [2]	Per Capita 137,213
Employees [3]	91,543
City of Roseville Persons Served [4]	Persons Served 182,985

gen assumps

Source: California Department of Finance (DOF); California Employment Development Department (EDD); US Census Bureau; EPS.

- [1] Reflects the City of Roseville Fiscal Year 2018-19 Adopted Budget. Revenues and expenditures are in 2018 dollars. This analysis does not reflect changes in value resulting from inflation or appreciation.
- [2] DOF Table 2: E-5 City of Roseville population estimate as of 3/2018.
- [3] Roseville FY 2018-19 Adopted Budget states EMSI estimates Roseville to have 83,221 jobs. EPS adjusted by an additional 10% to account for self-employed workers.
- [4] Defined as total population plus half of total employees.

A-1

**Table A-2
Roseville Creekview Rezone Fiscal Impact Analysis
Land Use Development Plan at Buildout**

Land Use	Scenario 1				Scenario 2			
	Existing Land Uses				Proposed Land Uses			
	Gross Acreage	Average Density	Units	Sq. Ft. (Rounded)	Gross Acreage	Average Density	Units	Sq. Ft. (Rounded)
Residential [1]		<u>DU/Ac.</u>				<u>DU/Ac.</u>		
Low Density (LDR)	157.30	5.15	810	---	182.85	5.22	955	---
Medium Density (MDR)	66.00	9.91	654	---	51.20	9.94	509	---
High Density (HDR)	<u>18.70</u>	<u>29.25</u>	<u>547</u>	---	<u>17.37</u>	<u>31.49</u>	<u>547</u>	---
Subtotal/Weighted Avg.	242.00	8.31	2,011	---	251.42	8.00	2,011	---
Service & Employment		<u>FAR</u>				<u>FAR</u>		
Community Commercial (CC)	15.50	0.25	---	170,000	9.20	0.25	---	100,000
Community Comm./Business Prof. (CC/BP)	<u>3.80</u>	<u>0.25</u>	---	<u>40,000</u>	<u>0.00</u>	<u>0.25</u>	---	<u>0</u>
Subtotal/Weighted Avg.	19.30	0.25	---	210,000	9.20	0.25	---	100,000
Other Land Uses								
Open Space (OS)	136.90	---	---	---	136.90	---	---	---
Park (PR)	16.10	---	---	---	16.20	---	---	---
Public/Quasi-Public (P/QP)	9.60	---	---	---	9.60	---	---	---
Urban Reserve (UR)	40.10	---	---	---	40.10	---	---	---
Right of Way (ROW)	<u>37.40</u>	---	---	---	<u>37.98</u>	---	---	---
Subtotal	240.10	---	---	---	240.78	---	---	---
Total	501.40		2,011	210,000	501.40		2,011	100,000

lu plan

Source: Creekview; EPS.

[1] High Density (HDR) land use assumed to be renter-occupied units.

**Table A-3
Roseville Creekview Rezone Fiscal Impact Analysis
Project Assumptions at Buildout**

Land Use	Assumptions				Scenario 1 Existing Land Uses				Scenario 2 Proposed Land Uses			
	Est. Average Assessed Value	Vacancy Rate [1]	Persons per HH/Sq. Ft. per Employee [2]	Persons Served Factor	Units/Bldg. Sq. Ft.	Occupied Units/Bldg. Sq. Ft.	Population/ Employees	Persons Served	Units/Bldg. Sq. Ft.	Occupied Units/Bldg. Sq. Ft.	Population/ Employees	Persons Served
	<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E = D * (1 - A)</i>	<i>F</i>	<i>G = C * F</i>	<i>H</i>	<i>I = H * (1 - A)</i>	<i>J</i>	<i>K = C * J</i>
Residential												
Low Density (LDR)	\$575,000	4.0%	2.67	1.0	810	778	2,077	2,077	955	917	2,448	2,448
Medium Density (MDR)	\$472,000	4.0%	2.67	1.0	654	628	1,677	1,677	509	489	1,306	1,306
High Density (HDR)	\$226,000	6.4%	2.67	1.0	547	512	1,367	1,367	547	512	1,367	1,367
Subtotal					2,011	1,918	5,121	5,121	2,011	1,918	5,121	5,121
Service & Employment	<i>per sq. ft.</i>											
Community Commercial (CC)	\$225	5.2%	450	0.5	170,000	161,200	358	179	100,000	94,800	211	106
Community Comm./Business Prof. (CC/BP)	\$225	8.6%	300	0.5	40,000	36,600	122	61	0	0	0	0
Subtotal					210,000	197,800	480	240	100,000	94,800	211	106
Total							5,601	5,361			5,332	5,227

Source: Creekview; CoStar; US Census ACS 2017 5-Year; City of Roseville FY 2018-19 Adopted Budget; EPS.

dev assumps

- [1] LDR and MDR vacancy rate based on California Department of Finance historical estimates (2012 through 2017) for Roseville, CA. HDR and Service & Employment vacancies based on City of Roseville FY 2018-19 Adopted Budget.
- [2] Persons per household from the City of Roseville FY 2018-19 Adoped Budget. Square feet per employee based on the Illustrated Book of Development Definitions.

A-3



APPENDIX B: Revenue-Estimating Tables

Table B-1	Revenue-Estimating Procedures Based on City of Roseville FY 2018–19 Budget	B-1
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Table B-3	Estimated Property Tax Revenues.....	B-3
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Table B-1
Roseville Creekview Rezone Fiscal Impact Analysis
Revenue-Estimating Procedures Based on City of Roseville FY 2018-19 Budget (2018\$)

General Fund Revenues	Estimating Procedure	Case Study Reference	FY 2018-19 Budgeted Revenues	Service Population	Revenue Multiplier
Taxes:					
Property Taxes	Case Study	Table B-3	\$34,511,000	N/A	-
Property Tax In-Lieu of VLF	Case Study	Table B-3	\$9,701,750	N/A	-
Real Property Transfer Tax	Case Study	Table B-4	\$800,000	N/A	-
Property Tax In-Lieu of Sales Tax	Case Study	Table B-5	\$0	N/A	-
Sales Tax	Case Study	Table B-5	\$55,796,000	N/A	-
Prop. 172 Sales Tax	Case Study	Table B-5	\$1,151,700	N/A	-
Motor Vehicle In-Lieu	[1]		\$60,000	N/A	-
Secured Tax ABX1 26-AB1484	[1]		\$513,170	N/A	-
Hotel/Motel Tax	Persons Served		\$3,850,000	182,985	\$21.04
Business License Tax	Persons Served		\$900,000	182,985	\$4.92
Miscellaneous Taxes	[2]		\$0	N/A	-
Franchise Fees	Persons Served		\$2,447,000	182,985	\$13.37
Licenses	[2]		\$60,000	N/A	-
Permits	[2]		\$2,731,864	N/A	-
Use of Money and Property	[1,2]		\$1,383,812	N/A	-
Fees for Current Services	[2]		\$11,183,817	N/A	-
Other Revenues	[2]		\$1,848,249	N/A	-
Revenues & Grants from Other Agencies	[1,2]		\$386,601	N/A	-
Electric Franchise Fees	Persons Served		\$6,476,371	182,985	\$35.39
Transfers In	[1]		\$5,285,500	N/A	-
Subtotal General Fund Revenues			\$139,086,834		
Less Offsetting Revenues	[3]		\$22,291,343	N/A	-
Net General Fund Operating Revenues			\$116,795,491		

Source: City of Roseville FY 2018-19 Adopted Budget; EPS.

rev pro

- [1] Not expected to be affected by the Project and therefore no revenue multipliers are estimated in this analysis.
- [2] This analysis assumes that all or part of these revenues are fully dedicated to specific General Fund departmental costs (Offsetting Revenues). Because these revenues are budget-neutral and are not discretionary, they are not included in estimating discretionary Project revenues.
- [3] Sum of offsetting revenues (footnote 1) dedicated to specific General Fund department functions. These revenues are budget neutral and are netted out of both total revenues and total costs. See Table C-1. Amounts exclude one-time grant revenues.

Table B-2
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Project Revenues at Buildout (2018\$)

General Fund Revenues	Source	Scenario 1	Scenario 2	Difference	
		Existing Land Uses	Proposed Land Uses	Amount	Percentage
<i>Formula</i>		<i>a</i>	<i>b</i>	<i>c = b - a</i>	<i>c / a</i>
Taxes:					
Property Taxes	Table B-3	\$1,424,100	\$1,409,300	(\$14,800)	(1%)
Property Tax In-Lieu of VLF	Table B-3	\$411,400	\$407,100	(\$4,300)	(1%)
Real Property Transfer Tax	Table B-4	\$67,100	\$67,400	\$300	0%
Sales Tax	Table B-5	\$686,911	\$577,447	(\$109,464)	(16%)
Measure B Sales Tax	Table B-5	\$370,830	\$304,650	(\$66,180)	(18%)
Prop. 172 Sales Tax	Table B-5	\$15,200	\$12,500	(\$2,700)	(18%)
Hotel/Motel Tax	Persons Served	\$112,800	\$110,000	(\$2,800)	(2%)
Business License Tax	Persons Served	\$26,400	\$25,700	(\$700)	(3%)
Franchise Fees	Persons Served	\$71,700	\$69,900	(\$1,800)	(3%)
Electric Franchise Fees	Persons Served	\$189,700	\$185,000	(\$4,700)	(2%)
Subtotal General Fund Revenues		\$3,376,141	\$3,168,997	(\$207,144)	(6%)

revenues

Source: City of Roseville FY 2018-19 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$100.

B-2

Table B-3
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Property Tax Revenues (2018\$)

Item	Assumptions	Formula	Scenario 1	Scenario 2
			Existing Land Uses	Proposed Land Uses
1 Percent Property Tax				
Total Assessed Value of Project [1]		a	\$945,310,000	\$935,495,000
Property Tax Revenue (1% of Assessed Value)	1.00%	$b = a * 1.00\%$	\$9,453,100	\$9,354,950
Estimated Property Tax Allocation [2]				
City of Roseville	15.06%	$c = b * 15.06\%$	\$1,424,100	\$1,409,314
Other Agencies	84.94%	$d = b * 84.94\%$	\$8,029,000	\$7,945,636
Property Tax In Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)				
Total Citywide Assessed Value [3]		e	\$22,294,333,567	\$22,294,333,567
Total Assessed Value of Project		$f = a$	\$945,310,000	\$935,495,000
Total Assessed Value		$g = e + f$	\$23,239,643,567	\$23,229,828,567
Percent Change in AV		$h = f / e$	4.24%	4.20%
Property Tax In Lieu of VLF [4]	\$9,701,750	$i = h * \$9,701,750$	\$411,367	\$407,096

prop tax

Source: City of Roseville FY 2018-19 Adopted Budget; Placer County Auditor-Controller; EPS.

[1] For assumptions and calculation of assessed value, refer to Table D-2.

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

[3] 2018-19 Placer County Assessment Roll Values for City of Roseville. Includes Citywide secured, unsecured, and homeowner exemption.

[4] Property tax in-lieu of VLF amount derived from the City of Roseville FY 2018-19 Adopted Budget. See Table B-1.

**Table B-4
Roseville Creekview Rezone Fiscal Impact Analysis
Real Property Transfer Tax at Buildout (2018\$)**

Description	Source/ Assumption	Scenario 1	Scenario 2
		Existing Land Uses	Proposed Land Uses
Assumptions			
Rate per \$1,000 of AV [1]	\$0.55		
Turnover Rate			
Owner-Occupied Homes	14.3%		
Renter-Occupied Homes	6.7%		
Nonresidential Sq. Ft.	6.7%		
Assessed Value [2]			
Residential			
Low Density (LDR)		\$465,750,000	\$549,125,000
Medium Density (MDR)		\$308,688,000	\$240,248,000
High Density (HDR)		<u>\$123,622,000</u>	<u>\$123,622,000</u>
Subtotal		\$898,060,000	\$912,995,000
Service & Employment			
Community Commercial (CC)		\$38,250,000	\$22,500,000
Community Comm./Business Prof. (CC/BP)		<u>\$9,000,000</u>	<u>\$0</u>
Subtotal		\$47,250,000	\$22,500,000
Total		\$945,310,000	\$935,495,000
Annual Transfer Tax Revenue			
Residential			
Low Density (LDR)	14%	\$36,595	\$43,146
Medium Density (MDR)	14%	\$24,254	\$18,877
High Density (HDR)	7%	<u>\$4,533</u>	<u>\$4,533</u>
Subtotal		\$65,382	\$66,555
Service & Employment			
Community Commercial (CC)	7%	\$1,403	\$825
Community Comm./Business Prof. (CC/BP)	7%	<u>\$330</u>	<u>\$0</u>
Subtotal		\$1,733	\$825
Total Annual Transfer Tax Revenue		\$67,114	\$67,380

transfer tax

Source: City of Roseville; EPS.

[1] Based on California Revenue and Taxation Code, §§ 11911-11929, which authorizes cities and counties to levy a real estate transfer tax at a rate of \$0.55 per \$1,000 value.

[2] Assessed Values (AV) derived in Table D-2. Note that assessed values are expressed in (2018\$) and include no real AV growth.

**Table B-5
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Taxable Sales and Use Tax Revenue (2018\$)**

Item	Assumptions	Formula	Scenario 1	Scenario 2
			Existing Land Uses	Proposed Land Uses
Estimated Annual Taxable Sales (Rounded)				
Annual Taxable Sales from New Market Support	Table B-5A		\$46,288,000	\$46,686,000
Net Annual Taxable Sales from Onsite Commercial Use	Table B-5B		<u>\$27,878,000</u>	<u>\$14,244,000</u>
Total Annual Taxable Sales		a	\$74,166,000	\$60,930,000
Annual Sales Tax Revenue				
Bradley Burns Local Sales Tax Rate	1.0000%	$b = 1.0000\% * a$	\$741,660	\$609,300
Sales Tax Sharing with Placer County [1]	16.0000%	See Table B-5B	\$54,749	\$31,853
Subtotal		$d = b - c$	\$686,911	\$577,447
Measure B Sales Tax	0.50000%	$f = 0.5000\% * a$	\$370,830	\$304,650
City of Roseville Prop. 172 Public Sales Tax Revenue [2]	0.02056%	$e = 0.0206\% * a$	\$15,249	\$12,527

sales tax

Source: California State Board of Equalization; City of Roseville EPS.

[1] Amount equal to 1 percent of the estimated on-site sales tax anticipated in the Specific Plan. Please see Table B-5B.

[2] State Board of Equalization collects one-half cent sales tax revenue under Proposition 172. Based on estimated citywide taxable sales, the City receives approximately 0.02056% of the annual taxable sales (City FY 2017-18 Adopted Budget).

Table B-5A
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Annual Taxable Sales, Hybrid Market Support Method (2018\$)

Item Description	Assumption	Scenario 1 Existing Land Uses	Scenario 2 Proposed Land Uses
Annual Taxable Sales from New Occupied Households			
Residential Development		<i>Occupied Dwelling Units</i>	
Low Density (LDR)		778	917
Medium Density (MDR)		628	489
High Density (HDR)		<u>512</u>	<u>512</u>
Subtotal		1,918	1,918
Taxable Retail Expenditures [1]			
Low Density (LDR)	\$33,400	\$25,985,200	\$30,627,800
Medium Density (MDR)	\$27,300	\$17,144,400	\$13,349,700
High Density (HDR)	\$20,800	<u>\$10,649,600</u>	<u>\$10,649,600</u>
Subtotal		\$53,779,200	\$54,627,100
Taxable Sales from New Households			
Estimated City Capture from New Residents [2]			
Taxable Sales Captured by the City	85%	\$45,712,320	\$46,433,035
Estimated Taxable Sales inside Project Area [3]	10%	\$4,571,232	\$4,643,304
Estimated Taxable Sales outside Project Area [3]	90%	\$41,141,088	\$41,789,732
Annual Taxable Sales from New Employees			
New Employees	Table A-3	480	211
Average Daily Taxable Sales per New Employee	\$10.00		
Work Days per Year	240		
Total City Taxable Sales from New Employees		\$1,152,000	\$506,400
Adjusted City Taxable Sales from New Employees [4]	50%	\$576,000	\$253,200
Estimated Taxable Sales inside Project Area [3]	10%	\$57,600	\$25,320
Estimated Taxable Sales outside Project Area [3]	90%	\$518,400	\$227,880
Total Annual City Taxable Sales from Market Support		\$46,288,320	\$46,686,235
Taxable City Sales inside Project Area		\$4,628,832	\$4,668,624
Taxable City Sales outside Project Area		\$41,659,488	\$42,017,612

sales tax a

Source: BLS; Consumer Expenditure Survey; and EPS.

- [1] See Table D-3. Rounded to the nearest \$500.
- [2] Total retail sales in the City exceeds resident's retail spending potential, indicating no sales leakage for Roseville, so this analysis marginal leakage for the Project households' retail spending.
- [3] EPS estimate of resident/employee spending split between retail stores in the Project and stores outside the Project
- [4] Discounted by 50% to avoid double-counting employees who are also residents and to account for taxable sales from new employees that occur outside the City.

**Table B-5B
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Annual Taxable Sales Generated from On-Site Nonresidential (2018\$)**

On-Site Commercial Development	Assumption	Formula	Scenario 1	Scenario 2
			Existing Land Uses	Proposed Land Uses
Community Commercial (CC)				
Taxable Sales per Sq. Ft. [1]	\$210	<i>a</i>		
Occupied Building Sq. Ft.		<i>b</i>	161,200	94,800
Subtotal, Annual Taxable Sales		$c = a * b$	\$33,852,000	\$19,908,000
Community Comm./Business Prof. (CC/BP)				
Taxable Sales per Sq. Ft. [1]	\$10	<i>d</i>		
Occupied Building Sq. Ft.		<i>e</i>	36,600	0
Subtotal, Annual Taxable Sales		$f = d * e$	\$366,000	\$0
Annual Taxable Sales from On-Site Commercial Dev. [2]		$g = c + f$	\$34,218,000	\$19,908,000
<i>Less On-Site Market Support [3]</i>		<i>h</i>	\$4,628,832	\$4,668,624
Subtotal Annual Sales less Market Support		$i = g - h$	\$29,589,168	\$15,239,377
<i>Less Shift of Sales from Existing Retail Stores to the Project [4]</i>	5%	$j = g * 0.05$	\$1,710,900	\$995,400
Net Annual On-Site Taxable Sales		$k = i - j$	\$27,878,268	\$14,243,977
<i>Amount Subject to Property Tax Sharing with County [5]</i>	16%	$l = g * 0.16$	\$5,474,880	\$3,185,280

sales tax b

Source: Urban Land Institute & ICSC, *Dollars & Cents of Shopping Centers/The SCORE 2008*; BOE; and EPS.

[1] Derived from ULI's Dollars & Cents of Shopping Centers: 2008. Values inflated to 2018 dollars using the CPI for the West Urban Region, All Urban Consumers. Taxable Retail Sales Factor based on taxable sales information from the CA Board of Equalization.

Retail Type	2008 Annual Sales per Sq. Ft.	Inflated 2018\$ Annual Sales per Sq. Ft.	Taxable Retail Sales Factor	Taxable Sales per Sq. Ft.*
Community Commercial (CC)	\$395	\$473	44%	\$210
Office				\$10

*Rounded to the nearest \$5.

[2] Refers to new sales in the Project from customers other than new Project residents and employees. This total gross amount is subject to sales tax sharing with Placer County per the approved tax sharing agreement.

[3] Derived in Table B-5A.

[4] Represents a discount factor to account for taxable sales transactions that may shift from existing City retail centers to those inside the Project based on a preliminary review of existing retail demand and supply. This assumption was developed in accordance with DPFPG for the Amoruso Ranch Specific Plan Fiscal Analysis.

[5] Reflects the maximum potential sales tax sharing by the City to the County per the sales tax sharing agreement.

**Table B-6
Roseville Creekview Rezone Fiscal Impact Analysis
Summary of Estimated Special Tax/Assessment District Revenues**

Land Use	CFD 3 Municipal Services FY 18/19 Rate	Scenario 1 Existing Land Uses	Scenario 2 Proposed Land Uses
PROGRAM			
Residential Land Uses			
Low Density (LDR)		810	955
Medium Density (MDR)		654	509
High Density (HDR)		<u>547</u>	547
Subtotal		2,011	
Nonresidential Land Uses			
Community Commercial (CC)		15.5	9.2
Community Comm./Business Prof. (CC/BP)		<u>3.8</u>	<u>0.0</u>
Subtotal Nonresidential		19.3	9.2
<hr/>			
Residential Land Uses			
	<i>per unit</i>		
Low Density (LDR)	\$440.00	\$356,400	\$420,200
Medium Density (MDR)	\$257.00	\$168,078	\$130,813
High Density (HDR)	\$128.00	<u>\$70,016</u>	<u>\$70,016</u>
Subtotal		\$594,494	\$621,029
Nonresidential Land Uses			
	<i>per acre</i>		
Community Commercial (CC)	\$1,198	\$18,567	\$11,020
Community Comm./Business Prof. (CC/BP)	\$1,030	<u>\$3,913</u>	<u>\$0</u>
Subtotal Nonresidential		\$22,480	\$11,020
Total Developable Land Uses		\$616,974	\$632,049

cfd

Source: City of Roseville; and EPS.

B-8



APPENDIX C: Expenditure-Estimating Tables

Table C-1	Expenditure-Estimating Procedures Based on City of Roseville FY 2018-19 Budget.....	C-1
Table C-2	Estimated Annual Project Expenditures.....	C-2

**Table C-1
Roseville Creekview Rezone Fiscal Impact Analysis
Expenditure-Estimating Procedures Based on City of Roseville FY 2018-19 Budget**

Item	Estimating Procedure [4]	FY 2018-19 Budgeted Expenditures	Less Offsetting Revenue [1]	FY 2018-19 Net City Expenditures	Population or Persons Served	FY 2018-19 Average Cost	Adjustment Factor [2]	Population Net Average Cost
General Fund Expenditures [3]								
City Council	Persons Served	\$229,005	\$9,102	\$219,903	182,985	\$1.20	75%	\$0.90
City Manager	Persons Served	\$1,287,869	\$39,938	\$1,247,931	182,985	\$6.82	75%	\$5.11
Development & Operations	Persons Served	\$0	\$0	\$0	182,985	\$0.00	75%	\$0.00
Public Affairs & Communications	Persons Served	\$408,145	\$12,657	\$395,488	182,985	\$2.16	75%	\$1.62
City Attorney	Persons Served	\$1,677,484	\$64,420	\$1,613,064	182,985	\$8.82	75%	\$6.61
Human Resources	Persons Served	\$1,597,738	\$49,547	\$1,548,191	182,985	\$8.46	75%	\$6.35
Information Technology	Persons Served	\$0	\$0	\$0	182,985	\$0.00	75%	\$0.00
City Clerk	Persons Served	\$1,025,177	\$179,441	\$845,736	182,985	\$4.62	75%	\$3.47
Central Services	Persons Served	\$0	\$0	\$0	182,985	\$0.00	75%	\$0.00
Finance	Persons Served	\$2,207,492	\$1,865,829	\$341,663	182,985	\$1.87	75%	\$1.40
Economic Development & Housing	Persons Served	\$814,076	\$81,395	\$732,681	182,985	\$4.00	75%	\$3.00
Development Services	Persons Served	\$9,624,423	\$5,614,709	\$4,009,714	182,985	\$21.91	100%	\$21.91
Public Works	Persons Served	\$7,871,233	\$2,718,129	\$5,153,104	182,985	\$28.16	100%	\$28.16
Police	Persons Served	\$40,870,243	\$2,795,204	\$38,075,039	182,985	\$208.08	100%	\$208.08
Fire	Persons Served	\$32,117,397	\$2,050,265	\$30,067,132	182,985	\$164.31	100%	\$164.31
Parks, Recreation & Libraries	Per Capita	\$22,911,376	\$5,825,579	\$17,085,797	137,213	\$124.52	100%	\$124.52
Stormwater	Not Evaluated	\$684,176	\$21,217	\$662,959	N/A	N/A	100%	N/A
Annexation Payments	Not Evaluated	\$5,950,000	\$184,513	\$5,765,487	N/A	N/A	N/A	N/A
City Special Assessments	Not Evaluated	\$139,581	\$4,328	\$135,253	N/A	N/A	N/A	N/A
Interfund Loan Interest Payment to GF Contributions by Developers Fund	Not Evaluated	\$10,640	\$330	\$10,310	N/A	N/A	N/A	N/A
Transfer to Vehicle Replacement Fund	Not Evaluated	\$0	\$0	\$0	N/A	N/A	N/A	N/A
Transfer to Post-Retirement Insurance/Accrual Fund	Not Evaluated	\$5,704,624	\$176,904	\$5,527,720	N/A	N/A	N/A	N/A
Transfer to Golf Operations Funds	Not Evaluated	\$700,000	\$521,707	\$178,293	N/A	N/A	N/A	N/A
Transfer to Parks, Recreation & Libraries Capital Fund	Not Evaluated	\$580,000	\$17,986	\$562,014	N/A	N/A	N/A	N/A
Transfer to Transit Fund	Not Evaluated	\$70,875	\$0	\$70,875	N/A	N/A	N/A	N/A
General Fund Contingency - Materials, Services & Supplies	Not Evaluated	\$1,875,000	\$58,145	\$1,816,855	N/A	N/A	N/A	N/A
Total Annual General Fund Expenditures [5]		\$138,356,554	\$22,291,343	\$116,065,211		\$584.94		\$575.45

Source: City of Roseville FY 2018-19 Adopted Budget; EPS.

exp pro

- [1] Represents departmental revenues identified for specific General Fund department functions in the City's fiscal budget.
- [2] Adjustment factor recognizes some department costs are fixed.
- [3] Any department with a negative net cost is estimated to have a zero net cost for fiscal impact analysis purposes.
- [4] "Not Evaluated" items not expected to be affected by the Project and is not evaluated in this analysis.
- [5] May not tie out with the budget because of rounding.

Table C-2
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Annual Project Expenditures (2018\$)

Expenditures	Source	Scenario 1		Scenario 2		Difference	
		Existing Land Uses		Proposed Land Uses		Amount	Percentage
		Amount (Rounded)	Percentage of Total	Amount (Rounded)	Percentage of Total		
<i>Formula</i>		<i>a</i>		<i>b</i>		<i>c = b - a</i>	<i>c / a</i>
General Fund							
City Council	Table C-1	\$4,800	0.2%	\$4,700	0.2%	(\$100)	(2.1%)
City Manager	Table C-1	\$27,400	0.9%	\$26,700	0.9%	(\$700)	(2.6%)
Development & Operations	Table C-1	\$0	0.0%	\$0	0.0%	\$0	0.0%
Public Affairs & Communications	Table C-1	\$8,700	0.3%	\$8,500	0.3%	(\$200)	(2.3%)
City Attorney	Table C-1	\$35,400	1.2%	\$34,600	1.2%	(\$800)	(2.3%)
Human Resources	Table C-1	\$34,000	1.1%	\$33,200	1.1%	(\$800)	(2.4%)
Information Technology	Table C-1	\$0	0.0%	\$0	0.0%	\$0	0.0%
City Clerk	Table C-1	\$18,600	0.6%	\$18,100	0.6%	(\$500)	(2.7%)
Central Services	Table C-1	\$0	0.0%	\$0	0.0%	\$0	0.0%
Finance	Table C-1	\$7,500	0.2%	\$7,300	0.2%	(\$200)	(2.7%)
Economic Development & Housing	Table C-1	\$16,100	0.5%	\$15,700	0.5%	(\$400)	(2.5%)
Development Services	Table C-1	\$117,500	3.8%	\$114,500	3.8%	(\$3,000)	(2.6%)
Public Works	Table C-1	\$151,000	4.9%	\$147,200	4.9%	(\$3,800)	(2.5%)
Police	Table C-1	\$1,115,500	36.5%	\$1,087,600	36.3%	(\$27,900)	(2.5%)
Fire	Table C-1	\$880,900	28.8%	\$858,900	28.7%	(\$22,000)	(2.5%)
Parks, Recreation & Libraries	Table C-1	\$637,700	20.9%	\$637,700	21.3%	\$0	0.0%
Total General Fund Expenditures		\$3,055,100	100.0%	\$2,994,700	100.0%	(\$60,400)	(2.0%)

expenditures

Source: City of Roseville FY 2018-19 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$100.



APPENDIX D: Supporting Tables for Revenue Estimates

Table D-1	Preliminary Property Tax Allocations	D-1
Table D-2	Estimated Assessed Valuation at Buildout	D-2
Table D-3	Estimated Project Household Incomes	D-3

**Table D-1
Creekview Plan Area Fiscal Impact Analysis
Preliminary Property Tax Allocations**

Fund/ Agency	Pre-ERAF Distribution of Tax Increment [1]				% of Factor Shift to ERAF	Post ERAF Distribution Factors	Property Tax Allocation [2]	
	005-068	Tax Rate Areas 005-072	005-073	Pre-ERAF Wt. Average			City 45.2%	County 54.8%
Taxing Entities Subject to Tax Sharing								
City of Roseville	41.5534%	41.5534%	41.5534%	41.5534%	19.8263%	33.3149%	15.0649%	18.2500%
County General Fund	0.0000%	0.0000%	0.0000%	0.0000%	33.0135%	0.0000%	-	-
Subtotal	41.5534%	41.5534%	41.5534%	41.5534%		33.3149%	15.0649%	18.2500%
Other Taxing Entities								
Roseville Cemetery	0.9715%	0.9715%	0.9715%	0.9715%	10.8568%	0.8660%		
Placer County Resource Conserv	0.0720%	0.0720%	0.0720%	0.0720%	10.6134%	0.0644%		
Roseville City Elem M&O	23.4198%	23.4198%	23.4198%	23.4198%		23.4198%		
Roseville High M&O	21.9476%	21.9476%	21.9476%	21.9476%		21.9476%		
Sierra College M&O	7.8985%	7.8985%	7.8985%	7.8985%		7.8985%		
Superintendent of Schools	3.9018%	3.9018%	3.9018%	3.9018%		3.9018%		
Placer Co Water Agency M&O	0.2354%	0.2354%	0.2354%	0.2354%	38.6067%	0.1445%		
Subtotal	58.4466%	58.4466%	58.4466%	58.4466%		58.2426%		
Subtotal	100.0000%	100.0000%	100.0000%	100.0000%		91.5575%		
Educational Revenue Relief Fund (ERAF)						8.4425%		
Total Gross Property Tax	100.0000%	100.0000%	100.0000%	100.0000%		100.0000%		

tra alloc

Source: Placer County and EPS.

[1] Represents the percentage allocation of the 1% ad valorem property tax by Tax Rate Area (TRA).

[2] Tax increment split based on the revenue sharing agreement in place between the City and County ensuring the County the equivalent of 18.25% of the 1% ad valorem property tax across all Sierra Vista, Creekview, and Reason Farms developments (net of ERAF) as detailed in the Roseville - West Placer Annexations document submitted by the County Executive Officer to the County Board of Supervisors, dated September 12, 2011.

**Table D-2
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Assessed Valuation at Buildout (2018\$) [1]**

Item	Assessed Value	Scenario 1	Scenario 2	Difference	
		Existing Land Uses	Proposed Land Uses	Amount	Percentage
PROGRAM					
Residential					
Low Density (LDR)		810	955		
Medium Density (MDR)		654	509		
High Density (HDR)		<u>547</u>	<u>547</u>		
Subtotal		2,011	2,011		
Service & Employment					
Community Commercial (CC)		170,000	100,000		
Community Comm./Business Prof. (CC/BP)		<u>40,000</u>	<u>0</u>		
Subtotal		210,000	100,000		
<hr/>					
<i>Formula</i>		<i>A</i>	<i>B</i>	<i>C = B - A</i>	<i>C/A</i>
Residential					
Low Density (LDR)	\$575,000	\$465,750,000	\$549,125,000	\$83,375,000	17.9%
Medium Density (MDR)	\$472,000	\$308,688,000	\$240,248,000	(\$68,440,000)	(22.2%)
High Density (HDR)	\$226,000	<u>\$123,622,000</u>	<u>\$123,622,000</u>	<u>\$0</u>	<u>0.0%</u>
Subtotal		\$898,060,000	\$912,995,000	\$14,935,000	1.7%
Service & Employment					
	<i>per bldg. sq. ft.</i>				
Community Commercial (CC)	\$225	\$38,250,000	\$22,500,000	(\$15,750,000)	(41.2%)
Community Comm./Business Prof. (CC/BP)	\$225	<u>\$9,000,000</u>	<u>\$0</u>	<u>(\$9,000,000)</u>	<u>(100.0%)</u>
Subtotal		\$47,250,000	\$22,500,000	(\$24,750,000)	(52.4%)
Total Assessed Value		\$945,310,000	\$935,495,000	(\$9,815,000)	(1.0%)

av base

Source: Creekview; EPS.

[1] Note that assessed values (AV)s are expressed in 2018\$ and include no real AV growth.

Table D-3
Roseville Creekview Rezone Fiscal Impact Analysis
Estimated Project Household Incomes (2018\$)

Residential Land Use Type	Occupied Number of Households [1]		Estimated Unit Value [2]	Estimated Annual Housing Costs [3]	Estimated Household Income (Rounded) [4]	Taxable Expenditures as a % of Income [5]	Average Annual Household Taxable Retail Exp. (Rounded) [6]	
	Scenario 1	Scenario 2					Scenario 1	Scenario 2
	Existing Land Uses	Proposed Land Uses					Existing Land Uses	Proposed Land Uses
Owner Occupied				<i>Annual Mortgage</i>				
Low Density (LDR)	810	955	\$575,000	\$42,842	\$143,000	23.3%	\$33,400	\$33,400
Medium Density (MDR)	654	509	\$472,000	\$35,168	\$117,000	23.3%	\$27,300	\$27,300
Renter Occupied			<i>Monthly Rent</i>	<i>Annual Rent</i>				
High Density (HDR)	547	547	\$1,645	\$19,740	\$66,000	31.5%	\$20,800	\$20,800
Weighted Average/Total	2,011	2,011					\$27,989	\$28,429

hh income

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

- [1] See Table A-3 for calculation of the number of occupied households.
- [2] Residential unit value assumptions informed by new homes sales in Roseville, as reported by The Gregory Group Q4 2018. Data retrieved March 2019.
Renter Occupied monthly rent assumptions informed by apartment search in Roseville, as reported by CoStar. Data retrieved March 2019.
- [3] Housing costs of owner-occupied units are based on a 5.5%, 30-year fixed-rate mortgage with a 20% down payment and 2% annual taxes and insurance.
- [4] Assumes 30% of income is dedicated to housing costs (mortgage, taxes and insurance) or rent payments. Incomes rounded to the nearest \$1,000.
- [5] Taxable expenditures as a percentage of income derived from the BLS Consumer Expenditure Survey.
- [6] Average retail expenditures per household used to estimate annual sales tax revenues, as shown in Table B-5A.