

Appendix J

Fiscal Impact Analysis





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FISCAL IMPACT ANALYSIS REPORT

HILLWOOD INVESTMENT PROPERTIES
PROPOSED SPEEDWAY COMMERCE CENTER
PROJECT

CITY OF RANCHO CUCAMONGA, CA

March 17, 2021

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**HILLWOOD INVESTMENT PROPERTIES
FISCAL IMPACT ANALYSIS REPORT
PROPOSED SPEEDWAY COMMERCE CENTER PROJECT
CITY OF RANCHO CUCAMONGA, CA**

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I EXECUTIVE SUMMARY

A Purpose of the Study

The objective of this Fiscal Impact Analysis (“FIA”) Report (the “Report”) is to analyze the incremental net fiscal impact of the proposed Speedway Commerce Center project (the “Project”) on the City of Rancho Cucamonga (the “City”) General Fund. Approximately 92% of the Project site is currently located within the City, with the remainder located in the unincorporated portion of the County of San Bernardino (the “County”) and within the City of Fontana’s Sphere of Influence. **For the purposes of this study, it is assumed that the Local Agency Formation Commission (“LAFCO”) for the County will approve the annexation of the portion of the Project site that is currently outside of the City limits into the City.** To provide the City with a comprehensive evaluation of the Project’s potential, this DTA Report will evaluate whether the Project is likely to generate an incremental net fiscal surplus or a net fiscal deficit to the City’s General Fund.

B Fiscal Impacts on the County Evaluated in This Study

B.1 Incremental Fiscal Impacts on the County’s General Fund

The purpose of the FIA is to estimate the net fiscal impact of the construction of the proposed Project on the City General Fund. The fiscal impacts identified in this Report include annual recurring municipal revenues and costs that result from the Project’s proposed land use scenario. To provide an accurate fiscal picture of the Project, the Report will focus exclusively on annual recurring revenues and costs.

Recurring revenues to the City General Fund identified in this Report are generated from a variety of sources, including property taxes, sales taxes, licenses and permits, franchise fees, fines, and other revenue sources. Although these revenues vary from year to year, they recur on a regular basis and are part of the City’s annual budgeting plans. The recurring costs to the City General Fund are equally important in this analysis. Recurring costs are associated with a variety of City services, including public safety, public works maintenance, and general government administrative services. Similar to annual revenues, these are costs that the City must anticipate and plan to fund on a yearly basis.

Revenues that are considered non-recurring to the City General Fund, such as various permitting fees, are excluded from this analysis. These types of revenues have been excluded as new development is generally required to pay specific user fees, such as grading and building prior to the construction of the project. As these are considered one-time revenues, there is no expectation that new development will need to pay these fees on a recurring basis. In addition, costs imposed as a result of the proposed Project that are considered to be non-recurring are also excluded from the FIA calculations.

C Description of the Project

The Project site, as depicted in Figure 1 below, encompasses approximately 35.73 acres of vacant land in the eastern portion of the City and is located directly south of the Burlington Northern Santa Fe Railway, directly west of San Sevaine Channel, north of Napa Street in the City and County, and east of the East Etiwanda Creek channel.

Figure 1: Aerial Map for the Project Site

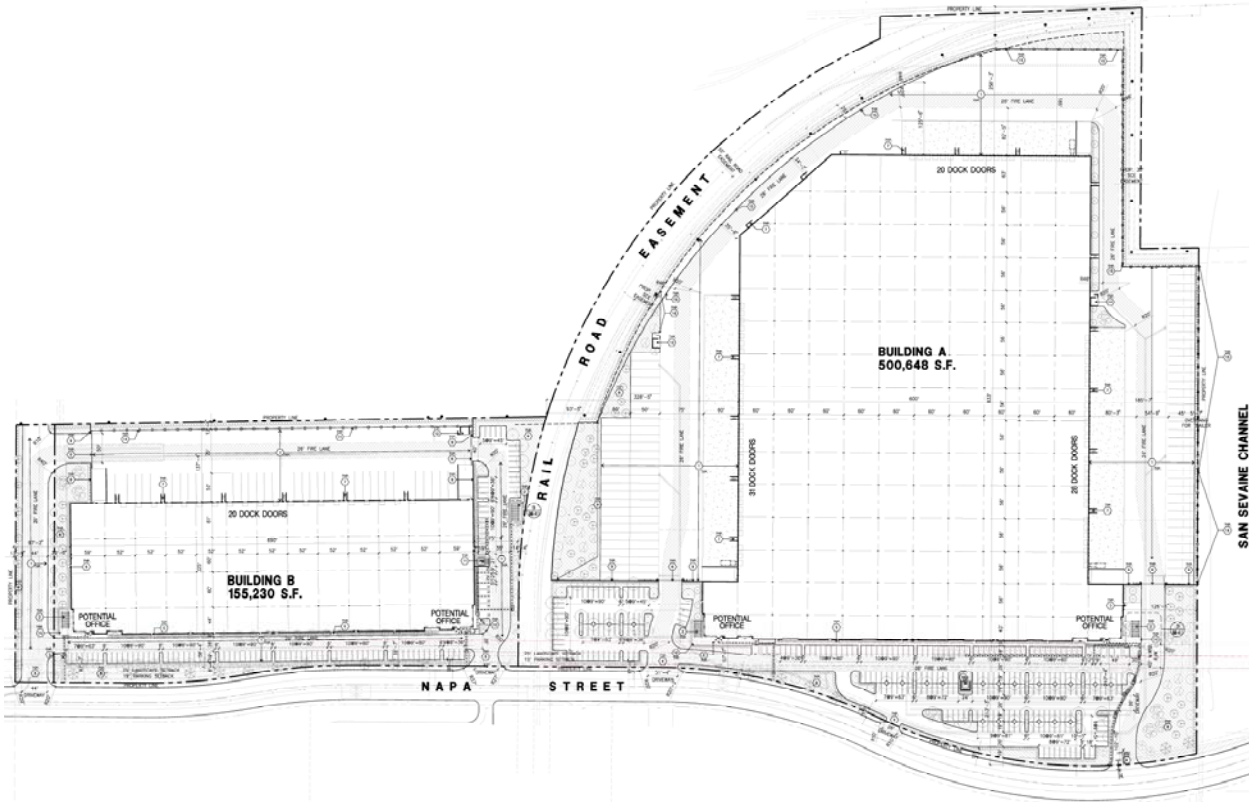


The Project site is proposed to be developed into two industrial buildings totaling approximately 655,878 square feet of new warehouse space and related on-site and off-site improvements under its primary site plan. A summary of the land uses and building square feet (“BSF”) associated with each land use in the Project is listed below in Table 1. The conceptual site plan for Buildings A and B within the Project is illustrated in Figure 2 below.

Table 1: Proposed Land Uses for the Project

Land Use	BSF
Building A - Warehouse	500,648
Building B - Warehouse	155,230

Figure 2: Conceptual Site Plan



D Conclusions of the Fiscal Impact Analysis ("FIA")

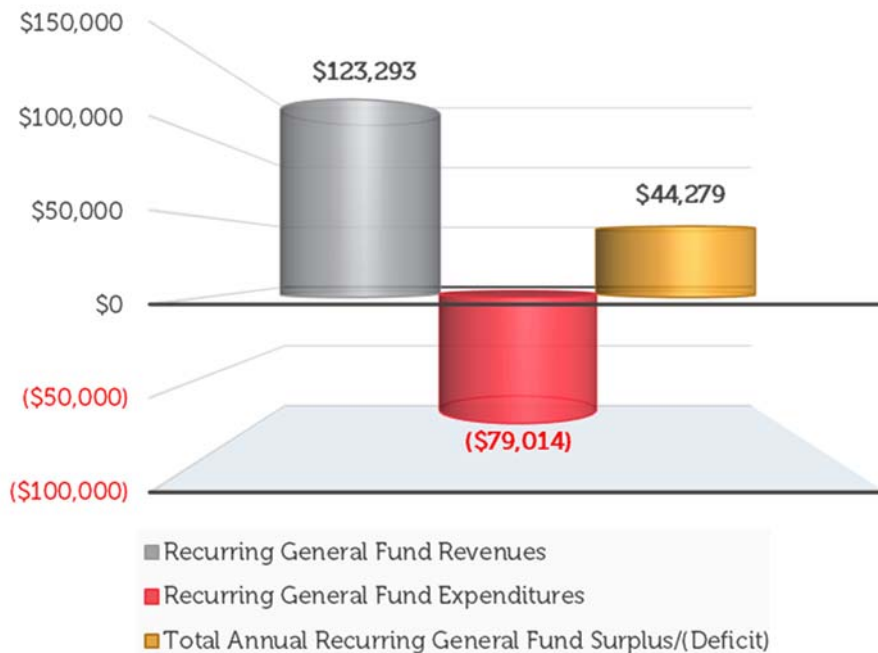
D.1 Incremental Fiscal Impact to the County's General Fund

The body of this Report will present the results of the incremental FIA, including narratives and tables detailing the fiscal impact on specific General Fund revenue and expenditure categories. **Table 2, below,** reflects the overall incremental fiscal impact of the Project to the City. **The Project site is anticipated to generate an annual recurring incremental fiscal surplus at buildout of \$44,279 based on the generation of \$123,293 in annual recurring revenues and \$79,014 in recurring annual costs.** Overall, the annual revenues generated are projected to equal 1.56 times the associated City General Fund costs. In a fiscal impact analysis, a revenue/cost Ratio >1 is expected to generate a positive net fiscal impact. A summary of the overall incremental fiscal impacts of the Project to the City General Fund is provided in **Appendix A.**

Table 2: Net Fiscal Impact (the City's General Fund)

Category	Impact/Ratio
Total Recurring Revenues	\$123,293
Total Recurring Costs	\$79,014
Annual Recurring Surplus/(Deficit)	\$44,279
Total Annual Revenue/Cost Ratio	1.56

Figure 3: Net Fiscal Impact (the City's General Fund)



II INTRODUCTION

DTA has been retained by Hillwood Investment Properties to analyze the fiscal impacts of the development of the proposed Speedway Commerce Center project (the "Project") on the City of Rancho Cucamonga (the "City") General Fund. The Project site includes an estimated 35.73 acres of vacant land in the eastern portion of the City located approximately 1.3 miles east of Interstate 15 and approximately 1.5 miles north of Interstate 10. An estimated 92% of the Project site is currently located within the City, with the remainder located in the unincorporated County of San Bernardino (the "County") and within the City of Fontana Sphere of Influence (the "Unincorporated Project Area"). The Project will include a pre-zone application and annexation proposal (the "Annexation Application") for the portion of the Project located in the Unincorporated County and certain adjacent property to the west to create a logical boundary into the City from the centerline of Napa Street, east of Etiwanda Avenue and west of the San Sevaine Channel.

For the purposes of this study, it is assumed that the Local Agency Formation Commission ("LAFCO") for the County will approve the Annexation Application and the entire Project site will be located within the City limits. To provide the City with a comprehensive evaluation of the Project's potential, DTA will determine whether the Project is likely to generate an incremental net fiscal surplus or a net fiscal deficit to the City's General Fund.

A Scope and Methodology – Recurring Fiscal Impacts

Fiscal impacts arising from a land development plan can be broadly categorized as one of two types, specifically one-time impacts or recurring impacts. Each of these types may, in turn, be divided into a revenue component and cost component. In this Report, it is assumed that one-time revenues would directly offset one-time costs. This is consistent with Section 66000 et. seq. of the California Government Code, which authorizes a municipality to require the payment of development impact fees equal in value to the cost of the public infrastructure necessary to support a development project. Thus, the fiscal impacts considered in this Report focus on ongoing, or recurring, fiscal impacts of the Project on the City General Fund. Revenues that are generated outside of the City General Fund (e.g., special district revenues) or costs that are incurred by the City outside of the General Fund (e.g., costs financed through a special district, such as the Rancho Cucamonga Fire District) are not included within this fiscal analysis.

The FIA presented in this Report utilizes two methods of analysis, specifically the Per Capita/Multiplier Approach and Case Study Approach. The primary *Multiplier Methodology* used is the *Per Capita ("Persons Served") Methodology*, which recognizes the fact that the exact relationship of service demands and revenue-generating potential between residents and employees is difficult to quantify. In order to address this challenge, several assumptions are employed.

First, based on more than 30 years of preparing fiscal impact studies and performing peer reviews of similar studies prepared by other consulting firms, DTA has determined that utilizing a Persons Served population comprised of all residents and 50% of the employees working at locations within a given service area is common fiscal practice in generally quantifying the impacts of new development if more specific local data or facilities usage data is not readily available. This ratio suggests that a resident generally has twice the fiscal impact of an employee on the use of a typical public improvement and can be applied to a City's General Fund budget to calculate average revenues and costs per Person Served on a Citywide basis using a Multiplier Approach. While a fiscal impact analysis focused on marginal revenues and costs associated with a specific new development project (with greater emphasis on a Case Study Approach) is often applied to larger projects, the consulting budgets required to evaluate individual metrics related to each type of municipal revenue and service, including interviews with individual municipal departments, can be prohibitive for smaller projects. As a result, while DTA did utilize a Case Study Approach for General Fund revenues and costs that were easy to quantify (e.g., property taxes and sales taxes), many of the metrics employed in this Report are based on average revenues/costs per Person Served utilizing the Fiscal Year ("FY") 2020-2021 City budget. for the Project.

DTA also used solely a *Per Employee Methodology* in this Report to project recurring fiscal factors that relate to employment only in areas such as business license revenues. Similar to the *Persons Served Methodology* discussed above, the *Per Employee Methodology* involves dividing the applicable revenues/costs by the total number employees in the City utilizing the FY 2020-21 City budget, and applying these factors to the specific number of employees forecast to be working within the Project under the given scenario. For the purposes of the Report, all recurring revenues and costs are stated in constant (uninflated) 2021 dollars based on the assumption that the relative impacts of inflation in future years will be the same for both fiscal impact categories.

B Major Assumptions and Analysis Used in This Report

B.1 Discounting Revenues and Expenses

Certain revenues and expenditures presented in this Report are not expected to increase on a one-to-one basis with the addition of new development. To project these numbers without any adjustment would result in inaccurate conclusions. To accurately account for this factor, DTA applied a series of discount rates to specific areas. Based on an examination of the numbers presented in the City's annual General Fund budget, discount rates were applied to several revenue categories as documented in Appendix A-1. A 100% discount rate is applied to revenues from the intergovernmental budget category given the unpredictable nature and complex apportionment factors involved in those revenue allocations. Similarly, revenues such as reimbursements from other funds for personnel costs, state mandate and non-abated reimbursements, and Housing and Successor

Agency Admin Allowances, are discounted 100% to reflect that such revenues are unlikely to increase as a result of the development of the Project. Discount rates of 20% and 25% are applied to various other General Fund revenues. A list of the discount rates applied to various revenue sources is included in Table 8, below.

This same discounting technique was applied to the General Fund expenditures to accurately reflect the estimated ratio of fixed costs to variable costs. Notably, DTA has assumed that no discount factors would be applied to police, public works, and building and safety expenditures. A 10% discount rate is applied to animal control and community services expenditures. The marginal increase in the general government overhead costs associated with the additional non-general government expenditures incurred by new development is assumed to be 75%, which means a 25% discount was applied to these overhead costs.

B.2 Employee Generation

DTA estimated the number of direct on-site employees at the build-out of the Project based upon an average number of Square Feet per Employee ("SF/E") for the proposed use of the Project as warehouses. Warehouse operations are characterized by a wide range of SF/Es. DTA utilizes an approximation of 1,650 SF/E based on recent estimates prepared by Beacon Economics LLC of the UC Riverside Center for Economic Forecasting. In total, the Project is expected to employ 397 permanent employees.

B.3 Valuation per BSF

This Report provides an estimated valuation per BSF calculation. Accuracy in this calculation is important because the valuations are used to determine expected property revenues. There have been 10 warehouse projects constructed in the City over the past 5 years. DTA calculated their respective valuations per BSF using their FY 2020-21 assessed values ("AV"). As presented in Table 3 below, the average FY 2020-21 AV for those projects was **\$142 per BSF**.

Table 3: FY 2020-21 AV per BSF for Comparable Projects

Assessor's Parcel Number	Property Address/ Project Name	Year Built	BSF	FY 2020-21 AV	
				Gross	Per BSF
0210371020000	10220 4th St	2016	116,480	\$15,327,579	\$132
0229262480000	9060 Rochester CT	2016	124,500	\$14,101,269	\$113
0229401100000	9560 Buffalo Avenue	2016	135,183	\$21,341,636	\$158
0229341030000	9370 Pittsburgh Ave	2017	44,264	\$6,994,936	\$158
0229341150000	9408 Pittsburgh Avenue	2017	45,884	\$7,241,636	\$158
0209211410000	9168 Hermosa Avenue	2018	102,530	\$14,877,312	\$145
0229321070000	9455 Hyssop Drive	2019	42,875	\$6,055,371	\$141
0209032660000	9500 Feron Blvd	2019	64,509	\$10,652,313	\$165
0209032290000	9509 Feron Boulevard	2019	87,171	\$12,808,445	\$147
0210081430000	4 th Street Business Center	2019	299,619	\$41,857,676	\$140
Grand Total/Average			1,063,015	\$151,258,173	\$142

To ensure that the fiscal analysis did not overestimate the potential value of the Project, DTA conservatively utilized a cost of \$120 per BSF, which reflects a 15% discount on the \$142 per BSF average valuation on recent new warehouse projects within the City.

C Limitations – Accuracy of Information

The fiscal model in the Report contains an analysis of revenues, costs, and impacts to the City resulting from the Project. This model is based on information provided to DTA by Hillwood Investment Properties, the City's FY 2020-21 budget, the County's FY 2020-21 Assessor's Roll, Housing and Population Information from the California Department of Finance, a City of Rancho Cucamonga employment profile Report from Environics Analytics, and additional assumptions derived from DTA's municipal cost database, as compiled by DTA from previous fiscal impact studies prepared by the firm. The sources of information and basis of the estimates calculated in the Report are stated herein. While DTA is confident that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information. The analysis of fiscal impacts contained in this Report is not considered to be a "financial forecast" or a "financial projection" as technically defined by the American Institute of Certified Public Accountants. The word "projection" used within this Report relates to broad expectations of future events or market conditions. Since the analysis contained herein is based on estimates and assumptions that are inherently subject to uncertainty and variation depending on evolving events, DTA cannot represent that such estimates will definitely be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from these projections stated throughout the Report.

III DESCRIPTION OF RECURRING FISCAL REVENUES/COSTS

A Analysis of Recurring Revenues, Case Study Method

A.1 Property Taxes – Secured and Unsecured

Property tax revenues are specifically based on the City’s estimated share of the general 1% *ad valorem* property tax levy. The basic 1% property tax collected is considered a significant source of municipal revenues and is distributed to many taxing entities, as summarized in Table 4 below.

Table 4: 1% Ad Valorem Property Tax Distribution Among Taxing Entities

Taxing Purpose/Taxing Entity	Net Apportionment Factor	Estimated Property Tax
County	14.809866%	\$116,562
General Fund	14.809866%	\$116,562
City	17.558809%	\$138,197
General Fund	5.102616%	\$40,160
Rancho Cucamonga Fire District	12.456193%	\$98,037
Education	60.123527%	\$473,204
Superintendent of Schools	0.920999%	\$7,249
Chaffey Community College	4.283825%	\$33,716
Etiwanda Elementary School District	16.867316%	\$132,755
Chaffey Joint Union High School District	15.625750%	\$122,983
ERAF	22.425637%	\$176,502
Special Districts	7.507798%	\$59,090
San Bernardino County Flood Control District	2.791356%	\$21,969
Inland Empire Resource Conservation District	0.118203%	\$930
Inland Empire Utilities Agency	4.598239%	\$36,191
Grand Total	100.000000%	\$787,054

The net apportionment factors for each taxing entity represent the fraction of the FY 2020-21 basic 1% *ad valorem* property tax that it will receive from the Project TRAs after deducting the projected Education Revenue Augmentation Fund (“ERAF”) property tax shifts.

The estimated basic 1% property tax distribution is calculated based on the projected total taxable valuation of \$78,705,360 (See **Table 5**) for the Project at its build-out.

Per the County Auditor’s Office, the City General Fund receives approximately 5.1% of the FY 2020-21 basic 1% [Proposition (“Prop”) 13] property tax from the Tax Rate Areas (“TRAs”) encompassing the Project¹. Major property tax assumptions are summarized in **Table 5** below. Notably, the City will receive \$40,160 at Project buildout in annual *ad valorem* property tax revenues for its General Fund.

Table 5: Property Tax Assumptions

Description	Assumptions
Land Use BSF and Estimated Valuation per BSF	
Warehouse	655,878 BSF @ \$120/BSF
Total Land Use Net Taxable Value	\$78,705,360
Secured Property Tax – Net Apportionment Factor to the City as a Fraction of 1.0% Property Tax Rate (Net of ERAF)	
City’s General Fund	5.102616% ²
Unsecured Property Tax – Unsecured Taxes as a % of Secured Property Value	
Non-Residential Property	5.00%
Property Tax Transfer	
Non-Residential Property Turnover Rate	0.00%
Transfer Tax as a % of Assessed Value	0.11%
Property Transfer Tax Passed Through to the City	50.00%
Property Taxes in Lieu of Vehicle License Fees (“VLFs”)	
City – Total Assessed Value (FY 2020-21)	\$28,915,974,788
City – VLF Property Tax Revenues (FY 2020-21)	\$21,079,930
VLF Property Tax In-Lieu per \$1,000 Assessed Value	\$0.73

Unsecured property taxes collected in the City are levied on tangible personal property that is not secured by real estate. Examples of unsecured property includes trade fixtures (e.g., manufacturing equipment and computers), airplanes, boats, and mobile homes on leased land. Specific examples include the dock equipment, conveyors, forklifts, and racks and shelves.

In generating the fiscal impact models for this Report, DTA has assumed that unsecured property values average 5.00% of the secured value for non-residential land uses. As listed in Table 11, total unsecured property taxes generated on behalf of the City are anticipated to be \$2,008.

¹ Assumes the City’s General Fund would receive the same allocation of basic 1% Prop 13 property tax from the Unincorporated Project Area after its annexation into the City as the TRAs encompassing the portion of the Project located within the City.

² Currently being shared between the General Fund and Library Fund.

A.2 Property Taxes in Lieu of VLFs

The passage of Prop 1A in California in 2004 enacted a constitutional amendment that introduced a new methodology to calculate Property Taxes in Lieu of VLFs. Per California Revenue and Taxation Code §97.70, the amount of Property Taxes in Lieu of VLFs now grows in proportion to the growth rate of gross assessed valuation in a city or county. Property Taxes in Lieu of VLF revenues are projected to grow with the change in the Countywide gross assessed valuation of taxable property from the prior FY.

Property Taxes in Lieu of VLF revenues constitute an addition to other property tax apportionments and were calculated for the purposes of this Report at \$0.73 per \$1,000 increase in assessed valuation on a Citywide basis. Based on DTA's analysis, property taxes in lieu of VLF revenues are anticipated to equal \$53,974 per year.

A.3 Sales Taxes

Direct sales tax revenues are generated by taxable sales from businesses within the City. The sales tax is collected by the State and distributed to the City. The sales tax rate in the City is 7.75%, with 1.00% of taxable sales receipts passed through to the City. In addition, the City currently receives 3.93% of Prop 172 Sales Tax generated within the City, which is a one-half cent sales tax approved by the State of California voters dedicated to the funding of local public safety activities, such as police, sheriff, fire protection, district attorney, and correction services. In aggregate, approximately 1.02% of taxable sales receipts are passed through to the City.

While DTA assumed that there would be no direct retail sales generated by the Project, there will be indirect sales tax revenues resulting from purchases made by the Project's employees within the City. DTA conservatively limited the scope of spending to meal purchases occurring in quick-service restaurants. Based on studies outlined in the *International Council of Shopping Projects' Office-Worker Retail Spending in a Digital Age*, DTA estimates that an employee within the Project will spend an average of \$870 annually in the Fast Food/Deli/Lunch Eateries category near their place of work for employees with annual income between \$50,000 and \$75,000. Assuming the off-site businesses within the City will capture on average 50% of the 397 Project employees' annual spending, each employee is estimated to spend approximately \$435 annually off-site within the City, thereby generating \$1,762 in total sales taxes from the Project annually. **Table 6** reflects the major sales tax assumptions.

Table 6: Sales Tax Assumptions

Description	Assumptions
Percentage of Sales Tax Passed Through to the City	1.02%
Local Employee Spending (Fast Food/Deli/Lunch Eateries)	\$870
Non-Project Capture Rate of Retail Spending (Within the City)	50%
Taxable Sales per BSF	\$0.00/BSF
Displacement Rate (Existing Taxable Sales Within the City)	NA

A.4 Other Property Tax Revenue

Per California Revenue and Taxation Code §11901, et seq., and the City Code §3.16.020, sales of real property are taxed by the City at a rate of \$0.55 per \$1,000 of property value, excluding assumed liens or encumbrances. Since Hillwood Investment Properties has indicated that it plans to own and operate the Project for an extended period, DTA conservatively assumes that there will not be any sales of the Project components, therefore generating no property transfer tax.

A.5 Interest Income

Interest "Investment" Income revenues are generated by the increase in General Fund revenues resulting from the Project. This increase reflects growth in the following revenue categories: property taxes, sales taxes, and multiplier revenues (to be discussed in detail in the following sections of this Report). Revenues from this source are usually estimated by multiplying the projected recurring General Fund revenues available for investment by the Local Agency Investment Fund ("LAIF") investment fund rate of return. An LAIF percentage of earnings cost factor of 50% is then applied because the funds being invested on average will be available for only 6 months. Investment income assumptions are summarized in **Table 7** below.

Table 7: Investment Income Assumptions

Description	Assumptions
Investment Period for Non-Interest General Fund Revenues	1 Month
LAIF Rate of Return (2020 Average)	1.24%
LAIF Percentage of Earnings	50%
Projected Recurring General Fund Revenues Available for Investment	\$123,293

The projected recurring General Fund revenues available for investment total \$123,293. This calculation results in estimated investment income of \$64, which was considered to be negligible and not included in this Report.

B Analysis of Recurring Revenues, Multiplier Method

The Per Capita Employee (Persons Served) Multiplier figures presented in this section play a key role in understanding the impact of the proposed Project on the City’s General Fund. As stated in the introduction section of this Report, the Persons Served approach recognizes the fact that the exact relationship of service demands and revenue-generating potential between residents and employees is difficult to quantify, so a specific set of assumptions are needed.

To address this, DTA has introduced several assumptions, including the utilization of a service population, or Persons Served population, comprised of all service area residents and 50% of employees working in the service area, as this is common fiscal practice in quantifying the impact of new development in a given service area. This number suggests that a City resident generally has twice the fiscal impact of an employee within the City on the City General Fund. The Persons Served population of the City is estimated at 212,849, equaling the total residents within the City (175,522) plus 50% of employees working in the City (74,654)

Utilizing the above assumptions, the multipliers presented in this section and illustrated in **Table 8** quantify the marginal increase in revenue per Person Served by each specific revenue category that will result from the development of the proposed Project.

Table 8: General Fund Revenues (Multiplier Method)

Category	Amount	Methodology	Discount
Business License Tax	\$29.79	Per Employee	20%
Franchise Fees and Taxes	\$27.98	Person Served	20%
Use of Money and Property	\$5.30	Person Served	25%
Licenses and Permits	\$6.56	Person Served	25%
Charges for Services	\$24.87	Person Served	25%
Fines, Forfeitures, and Penalties	\$3.61	Person Served	25%
Intergovernmental	\$0.00	Person Served	100%
Other Financing Source	\$0.00	Person Served	100%

A.2 Franchise Fees and Taxes

Franchise fees and taxes are expected to play a consistent role in contributing to the City’s General Fund over the next several years. Generally, a tax is a compulsory payment levied by the government on its citizens and various business firms. In contrast, a fee is usually defined as a voluntary payment to the government for the special services rendered by it in the public interest. This distinction has become blurred as fees are usually a required part of doing business in a particular area or industry, so for the purpose of this Report, both terms will be referred to as fees.

The City receives franchise revenue from utility companies, including Southern California Edison, Southern California Gas and Burrtec, for the privilege of operating exclusively in the City using the City's rights-of-way.

Note that the revenue multiplier presented in this section has been reduced by 20% to account for only the portion of the franchise fee and tax revenues that are expected to vary with population and employee growth in the City, as opposed to such revenues that are fixed and will therefore remain unchanged by the Project.

DTA has forecasted franchise fees at \$27.98 per Person Served using the *Per Capita Multiplier Method* (this represents a marginal increase in revenue per additional Persons Served in this category). This is expected to generate \$5,554 in additional revenue to the City's General Fund.

A.3 Business License Tax

Business license tax revenue is expected to increase as the City looks to expand its commercial and industrial sectors. The purpose of this annual tax is to ensure that businesses share the burden of payment for City services used by the business and/or their employees.

Note that the revenue multiplier presented in this section has been reduced by 20% to account for only the portion of the business license tax revenues that are expected to vary with population and employee growth in the City.

DTA forecasts the business license tax at \$29.79 per employee using the *Per Employee Multiplier Method*, generating \$11,827 in additional revenue to the City's General Fund.

A.4 Licenses and Permits

In addition to business licenses, the City imposes fees on a variety of permits, including building, electrical, plumbing, grading, construction, and many other areas. This is a reliable source of revenue and it is expected to continue to be a steady contributor to the General Fund over the coming years.

Note that the revenue multiplier presented in this section has been reduced by 25% to account for only the portion of the licenses and permits tax revenues that are expected to vary with population and employee growth in the City.

DTA forecasts the licenses and permits tax at \$6.56 per Person Served using the *Per Capita Multiplier Method*, generating \$1,302 in additional revenue to the County's General Fund.

A.5 Charges for Services

Charges for services is another area that makes up a considerable amount of the City's General Fund, accounting for 8% of total General Fund revenues in FY 2020-21. This category is made up of service charges and fees imposed on users for specialized services provided by the City under the rationale that benefiting parties, rather than the general public, should pay for the cost of those services. Examples of such services include charges for planning and zoning checks, building code assessments, public works inspections, filing fees, fees for false alarm responses, recreation programs, and other miscellaneous services.

Note that the revenue multiplier presented in this section has been reduced by 25% to account for only the portion of the charges for services revenues that are expected to vary with population and employee growth in the City.

Charges for services are projected at \$24.87 per Person Served, generating \$4,937 in additional revenue to the City's General Fund.

A.6 Uses of Money and Property

The City expects to derive 2% of its total FY 2020-21 General Fund revenues from the use of City money and property. To accurately measure the impact in this category, the revenue multiplier presented in this section has been reduced by 25%.

Uses of money and property are projected at \$5.30 per Person Served, generating an additional \$1,052 to the County's General Fund.

A.7 Fines, Forfeitures, and Penalties

To ensure the payment of various licenses and fees, the City Code empowers the City to impose penalties and collect fines in several areas. Although considered a consistent revenue stream each year, the City expects to derive 1% of its total FY 2020-21 General Fund revenues from fines, forfeitures, and penalties.

Note that the revenue multiplier presented in this section has been reduced by 25% to account for only the portion of the fines, forfeitures, and penalties that are expected to vary with population and employee growth in the City. Fines, forfeitures, and penalties are projected at \$3.61 per Person Served, generating \$717 in additional revenue to the City's General Fund.

A.8 Intergovernmental

Given the unpredictable nature and complex apportionment factors involved in the intergovernmental revenue allocations, DTA conservatively assumes that the intergovernmental revenues will not increase with population and employee growth in the City. Therefore, the development of the Project will not generate additional intergovernmental revenues to the City's General Fund.

A.9 Other Financing Sources

Revenues in this category include reimbursements from other funds for personnel costs, state mandate and non-abated reimbursements, and Housing and Successor Agency Admin Allowances. DTA conservatively assumes that these revenues are unlikely to increase with population and employee growth in the City, and therefore the development of the Project will not generate additional revenues in this category to the City’s General Fund.

B Analysis of Recurring Costs, Case Study Method

B.1 General Government Costs

General government costs are projected at a marginal rate of 75.00% of the City General Fund recurring costs, based on the assumption that the FY 2020-2021 general government expenditures, equaling \$20.1 million, will remain at the same relative proportion of the FY 2020-2021 County total non-governmental expenditures of approximately \$70.0 million in future years. Government costs in this area are generated from several areas, including the City Council, Management and Administration, Finance, Personnel, Technology Services, Economic Development, Planning and Engineering, and Non-Departmental expenditures.

According to the FY 2020-2021 budget, the percentage of general government expenditures to non-governmental expenditures is approximately 28.7%. However, these general government costs are not expected to increase on a one-for-one basis as a result of the land use development depicted in this Report. Therefore, this Report assumes that general government costs increase at an estimated marginal rate of 75%, or 21.6% of the existing General Government cost overhead rate. This approach results in annual general government costs of \$14,014. A detailed explanation of these calculations is presented in **Appendix A-10**.

B.2 Infrastructure Maintenance Costs

This Report provides an estimated annual maintenance cost for the additional City infrastructure that will be constructed for the Project. Based on over 30 years of performing numerous fiscal impact studies and infrastructure need analysis in various counties and cities in the state, DTA has compiled an extensive municipal cost database. **Table 9** presents the additional infrastructure requirement and annual maintenance costs assumptions.

Table 9: Additional Infrastructure Requirement and Annual Maintenance Costs Assumptions

Infrastructure	Units	Annual Maintenance Costs
Roadway Improvement	0.2 Lane Miles	\$2,661/Lane Mile
Streetlights	7	\$61/Streetlight

The estimated annual maintenance costs for the addition required infrastructure is \$854. A detailed explanation of these calculations is presented in **Appendix A-9**.

C Analysis of Recurring Costs, Multiplier Method

As discussed previously in Section III.B, DTA utilized the Persons Served population approach to quantify the marginal increase in City’s General Fund expenditures resulting from the proposed Project. The multipliers presented in this section and illustrated in **Table 10** quantify the marginal increase in expenditures per Person Served for each specific service category.

Table 10: General Fund Expenditures (Multiplier Method)

Category	Amount	Methodology	Discount
Animal Control	\$13.37	Person Served	10%
Public Works	\$53.04	Person Served	0%
Building and Safety	\$8.30	Person Served	0%
Police	\$210.80	Person Served	0%
Community Services	\$37.64	Person Served	10%

C.1 Non-General Government Costs

C.1.i Animal Control Services

The FY 2020-2021 City General Fund expenditures for animal control services are \$3.2 million. The cost multiplier presented in this section has been reduced by 10% to account for only the portion of the animal control services costs that are expected to vary with population and employee growth in the City. The animal control services expenditures are projected at \$13.37 per Person Served, resulting in an additional \$2,654 to the City’s annual expenditures.

C.1.ii Public Works Services

The FY 2020-2021 City General Fund expenditures for public works services are \$11.3 million. Notably, the cost multipliers presented in this section have not been discounted. The public works services expenditures are projected at \$53.04 per Person Served, resulting in an additional \$10,528 to the City’s annual expenditures.

C.1.iii Building and Safety Services

The FY 2020-2021 City General Fund expenditures for building and safety services are \$1.8 million. Notably, the cost multipliers presented in this section have not been discounted. The public works services expenditures are projected at \$8.30 per Person Served, resulting in an additional \$1,648 to the City’s annual expenditures.

C.1.iv Police Services

The FY 2020-2021 City General Fund expenditures for police services are \$44.9 million. Notably, the cost multipliers presented in this section have not been

discounted. The police services expenditures are projected at \$210.80 per Person Served, resulting in an additional \$41,844 to the City's annual expenditures.

C.1.v Community Services

The FY 2020-2021 City General Fund expenditures for community services are \$8.9 million. The cost multiplier presented in this section has been reduced by 10% to account for only the portion of the community services costs that are expected to vary with population and employee growth in the City. The community services expenditures are projected at \$37.64 per Person Served, resulting in an additional \$7,472 to the City's annual expenditures.

D Fire Protection Costs

As discussed previously, the purpose of the fiscal impact portion of this study is to estimate the incremental net fiscal impact of the Project on the **City's General Fund**. Fire protection services are provided by the Rancho Cucamonga Fire Protection District ("RCFPD"), a self-governed subsidiary district of the City. As the result, this Report did not analyze the fiscal impact to the RCFPD's General Fund resulting from the development of the Project. The Project will, however, contribute an estimated **\$98,037** in annual *ad valorem* property taxes to the RCFPD's General Fund.

E Library Services Costs

Library services costs are funded through the City's Library Fund, with its primary revenue source being the portion of annual property taxes received by the City's General Fund that is shared with the Library Fund. Given the library services costs are generally a function of population growth, **the development of the Project will have negligible impacts on the current library service costs as the Project will not generate any new residents.** As a result, DTA concludes it is reasonable to earmark the entirety of the *ad valorem* property taxes generated by the Project to be utilized exclusively for General Fund purposes, even though it appears from the City Budget that City staff has the discretion to assign some of these property tax revenues directly for library use.

IV FISCAL IMPACTS

A Total Recurring Revenues

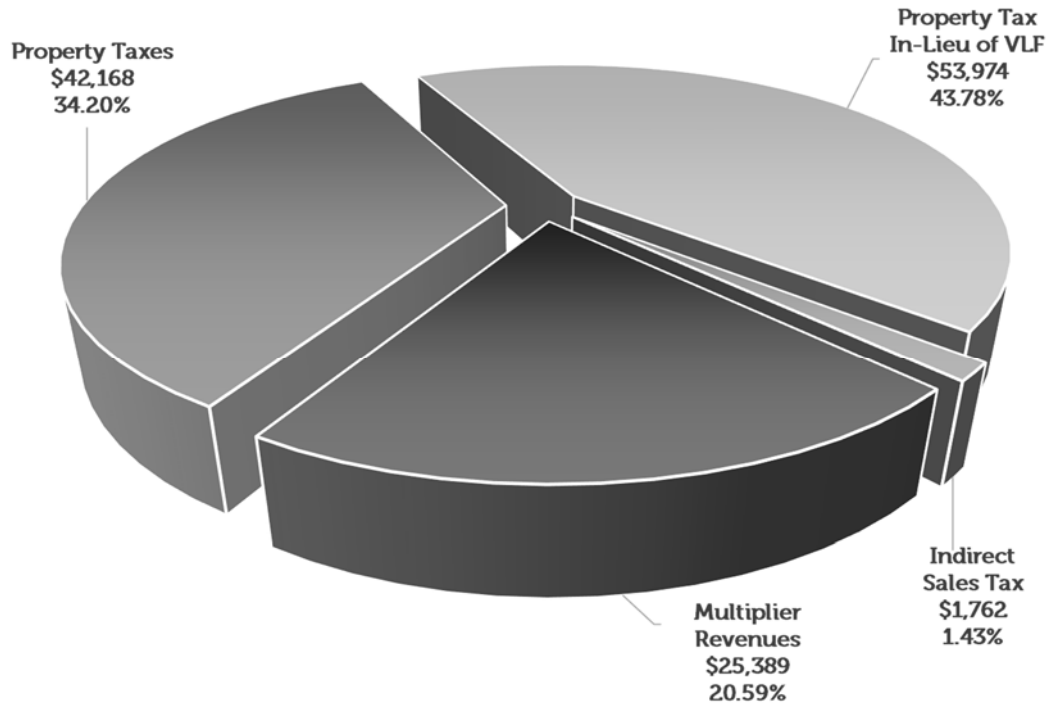
The total recurring incremental revenues to the City are projected to be \$123,293 per year. As illustrated below in **Table 11** and **Figure 4**, the largest percentage of revenue generated (78.0%) is attributed to the Property Tax category (including property tax in lieu of VLFs). Since parcels on which the Project is located have not changed hands in many years, the existing assessed value has been artificially restricted by a 2% annual escalator that has not fully reflected the impacts of real estate inflation on new development sales prices over the years. The development and sale of the components of the Project would remove that restriction and substantially increase the property taxes and in-lieu VLF revenues for the site.

Multiplier Revenues (20.6%) is another category contributing significant revenue to the City include. Attachments in **Appendices A-4 through A-7** provide additional details regarding all recurring revenues and the assumptions used in their derivation.

Table 11: Recurring Fiscal Revenues (the City's General Fund)

Category	Amount	Percent
Secured Property Tax	\$40,160	32.58%
Unsecured Property Tax	\$2,008	1.63%
Property Transfer Tax	\$0	0.00%
Property Taxes In Lieu of VLFs	\$53,974	43.78%
Direct Sales Tax	\$0	0.00%
Indirect Sales Tax	\$1,762	1.43%
Business Licenses	\$11,827	9.59%
Franchise Fees	\$5,554	4.50%
Licenses and Permits	\$1,302	1.06%
Charges for Services	\$4,937	4.00%
Fines and Forfeitures	\$717	0.58%
Use of Money and Property	\$1,052	0.85%
Investment Income	\$0	0.00%
Total Revenues	\$123,293	100.00%

Figure 4: Recurring General Fund Revenues at Project Build-Out Broken Down by Source



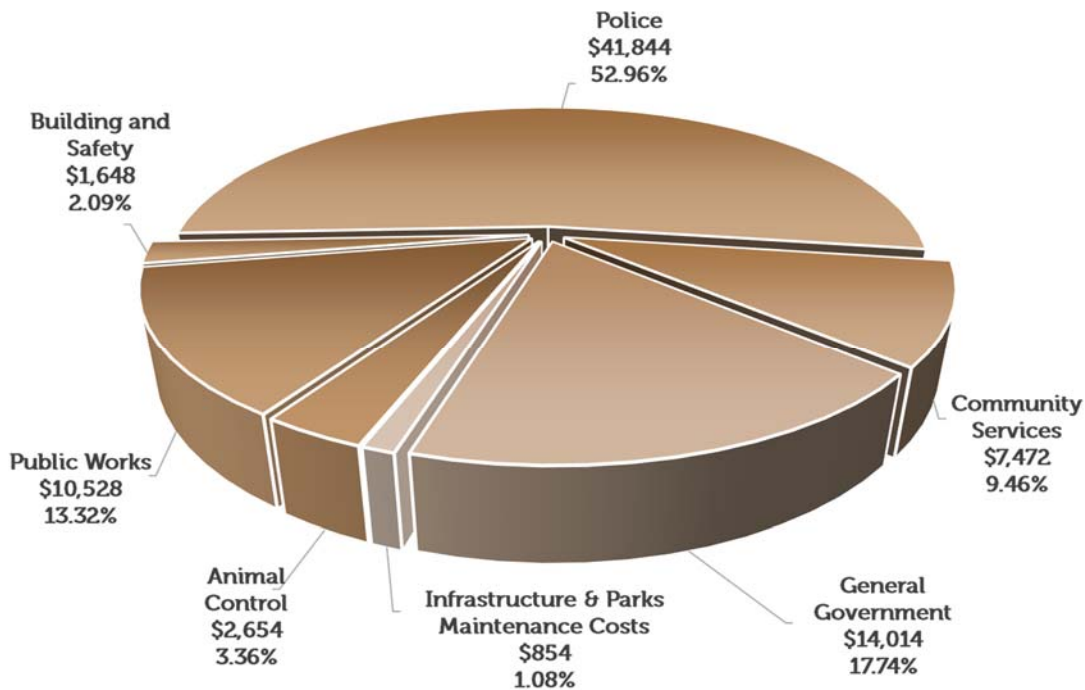
B Total Recurring Costs

As illustrated in **Table 12** and **Figure 5** below, the City’s projected total annual incremental recurring costs are projected to be \$79,014 per year. Police protection services constitute the majority of costs, accounting for 53.0%. Attachments in **Appendices A-8 and A-10** provide additional details about all recurring costs and the assumptions used in their derivation.

Table 12: Recurring Fiscal Costs (the County's General Fund)

Category	Amount	Percent
Animal Control	\$2,654	3.36%
Public Works	\$10,528	13.32%
Building and Safety	\$1,648	2.09%
Police	\$41,844	52.95%
Community Services	\$7,472	9.46%
General Government	\$14,014	17.74%
Infrastructure & Parks Maintenance Costs	\$854	1.08%
Total Costs	\$79,014	100.00%

Figure 5: Recurring General Fund Costs at Project Build-Out Broken Down by Source



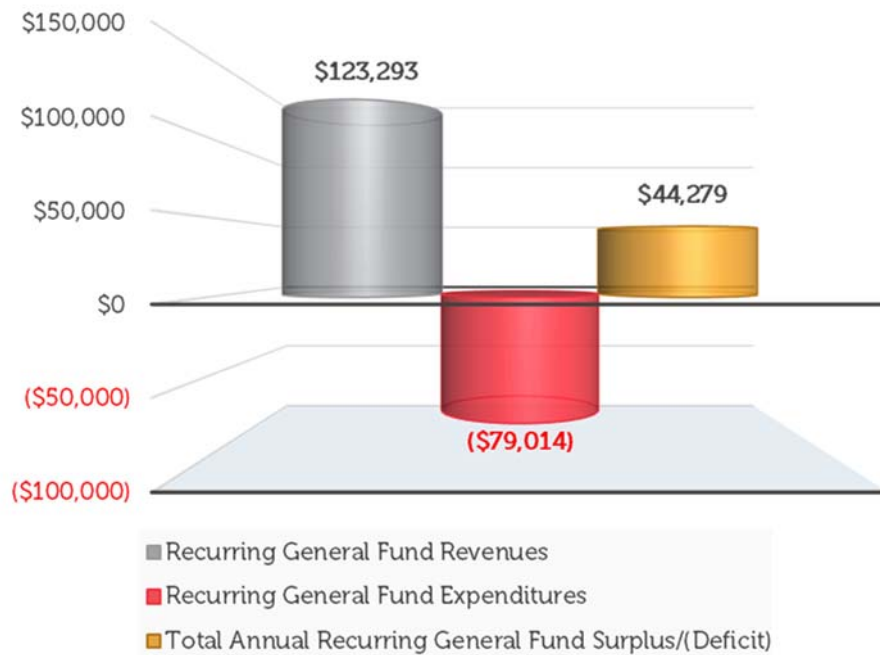
C Overall Net Fiscal Impact

Table 13 and Figure 6 below shows the overall incremental fiscal impact to the City. The Project will generate a recurring incremental fiscal surplus of \$44,279 based on the generation of \$123,293 in annual recurring revenues and \$79,014 in recurring annual costs. Furthermore, annual revenues generated are projected to equal 1.56 times the associated City incremental General Fund costs.

Table 13: Net Fiscal Impact (the City's General Fund)

Category	Impact/Ratio
Total Recurring Revenues	\$123,293
Total Recurring Costs	\$79,014
Annual Recurring Surplus/(Deficit)	\$44,279
Total Annual Revenue/Cost Ratio	1.56

Figure 6: Net Fiscal Impact (the City's General Fund)



APPENDIX A

Hillwood Investment Properties
Proposed Speedway Commerce Center Project
Fiscal Impact Report



FISCAL IMPACT ANALYSIS

APPENDIX A-1

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT

CITY GENERAL FUND REVENUES (BY TYPE)

I Demographics and Other Data

2020 Estimated City Population [1]	175,522
2020 Estimated City Employees [2]	74,654
2020 Persons Served Population [3]	212,849

Notes:

- [1] California Department of Finance, Housing and Population Information, January 1, 2020.
- [2] Spotlight by Environics Analytics, Employment Profile by NAICS Code, Sept. 2020.
- [3] Assumes City population plus 50% of employees.

II City Revenue Sources (by Type)

Revenue Type	Total Revenues	Revenue Type	Fiscal Impact Basis	Discount	Fiscal Impact Revenue Factor
Tax Revenue	\$40,667,630		Persons Served		\$0.00
Current Year Property Tax	\$5,190,970	Recurring	Case Study	0%	NA
Prior Year Property Tax	\$150,750	Recurring	Case Study	0%	NA
Other Property Tax	\$2,201,810	Recurring	Case Study	0%	NA
Sales and Use Tax	\$28,190,420	Recurring	Case Study	0%	NA
RDA	\$2,543,990	Recurring	Case Study	0%	NA
Prop 172	\$554,160	Recurring	Case Study	0%	NA
Transient Occupancy Tax	\$1,835,530	Recurring	Case Study	0%	NA
Business Licenses	\$2,779,690	Recurring	Per Employee	20%	\$29.79
Franchise Fees	\$7,445,070	Recurring	Persons Served	20%	\$27.98
Licenses and Permits	\$1,860,890	Recurring	Persons Served	25%	\$6.56
Charges for Services	\$7,056,870	Recurring	Persons Served	25%	\$24.87
VLF/Property Tax Compensation	\$21,079,930	Recurring	Case Study	0%	NA
Fines and Forfeitures	\$1,025,320	Recurring	Persons Served	25%	\$3.61
Interest Income	\$304,650	Recurring	Case Study	0%	NA
Intergovernmental	\$216,130	Recurring	Persons Served	100%	\$0.00
Use of Money and Property	\$1,505,000	Recurring	Persons Served	25%	\$5.30
Other Financing Source	\$3,635,770	Recurring	Persons Served	100%	\$0.00
Operating Transfers-in	\$1,817,550	Non-Recurring	NA	0%	NA
Total Revenues	\$89,394,500	NA	NA	NA	NA
Total Recurring Revenues	\$87,576,950	NA	NA	NA	NA

APPENDIX A-2

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT

CITY GENERAL FUND EXPENDITURES (BY TYPE)

I Demographics and Other Data

2020 Estimated City Population [1]	175,522
2020 Estimated City Employees [2]	74,654
2020 Persons Served Population [3]	212,849

Notes:

[1] California Department of Finance, Housing and Population Information, January 1, 2020.

[2] Spotlight by Environics Analytics, Employment Profile by NAICS Code, Sept. 2020.

[3] Assumes City population plus 50% of employees.

II **City Expenditures (by Type)**

Expenditure Type	Total Expenditures	Expenditure Type	Fiscal Impact Basis	Discount	Fiscal Impact Expenditure Factor
General Government					
Legislative	\$1,150,440	Recurring	Case Study	0%	NA
Administration	\$198,830	Recurring	Case Study	0%	NA
Business Licensing	\$369,880	Recurring	Case Study	0%	NA
Economic Development	\$802,270	Recurring	Case Study	0%	NA
Non-Departmental	\$4,714,170	Recurring	Case Study	0%	NA
Finance	\$1,520,910	Recurring	Case Study	0%	NA
Procurement	\$247,010	Recurring	Case Study	0%	NA
Technology Services	\$4,312,290	Recurring	Case Study	0%	NA
Personnel	\$2,813,450	Recurring	Case Study	0%	NA
Engineering	\$2,353,300	Recurring	Case Study	0%	NA
Planning	\$1,633,770	Recurring	Case Study	0%	NA
Non-General Government					
Animal Control	\$3,161,730	Recurring	Persons Served	10%	\$13.37
Public Works	\$11,289,910	Recurring	Persons Served	0%	\$53.04
Building and Safety	\$1,766,050	Recurring	Persons Served	0%	\$8.30
Police	\$44,869,070	Recurring	Persons Served	0%	\$210.80
Community Services	\$8,901,420	Recurring	Persons Served	10%	\$37.64
Total Expenditures	\$90,104,500	NA	NA	NA	NA
Total Recurring Expenditures	\$90,104,500	NA	NA	NA	NA

APPENDIX A-3

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
 LAND USE AND DEMOGRAPHICS SUMMARY

Future Land Use Data

I	Developable Land Use Description	
A	<u>Projected Non-Residential Land Uses</u>	<u>Building Sq. Ft. [1]</u>
	Building A - Warehouse	500,648
	Building B - Warehouse	155,230

Demographic Data

I	Non-Residential Land Use Employee Generation	
A	<u>Projected Non-Residential Land Uses</u>	<u>Sq. Ft. per Employee</u>
	Building A - Warehouse [2]	1,650
	Building B - Warehouse [2]	1,650

Population and Employees (Calculations)

I	Projected Direct Employees		
A	<u>Projected Non-Residential Land Uses</u>	<u>Building Sq. Ft.</u>	<u>Total Direct Employees</u>
	Building A - Warehouse	500,648	303
	Building B - Warehouse	155,230	94

Population and Employees (Totals)

I	Total Projected Residential Population	0
II	Total Projected Direct Employees	397
III	Total Persons Served Population [3]	199

NOTES:

[1] Source: Project Proponent.

[2] Source: Beacon Economics LLC of the UC Riverside Center for Economic Forecasting.

[3] Assumes residential population plus 50% of direct employees.

* *All figures subject to rounding*

APPENDIX A-4

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
PROPERTY TAX REVENUE ANALYSIS

General Property Tax Assumptions

I	Property Tax Allocation (as a Portion of the 1% General Property Tax Levy) [1]	
A	<u>Category / Code</u>	<u>Allocated to City</u>
	City of Rancho Cucamonga [2]	5.102616%
	Total	5.102616%

Assessed Valuation Assumptions

I	Non-Residential Land Uses	
A	<u>Building A - Warehouse</u>	
	Estimated Number of Sq. Ft. [3]	500,648
	Estimated Valuation per Sq. Ft. [4]	\$120.00
	Total Estimated Net Taxable Value	\$60,077,760
B	<u>Building B - Warehouse</u>	
	Estimated Number of Sq. Ft. [3]	155,230
	Estimated Valuation per Sq. Ft. [4]	\$120.00
	Total Estimated Net Taxable Value	\$18,627,600
II	Total Land Use Net Taxable Value (Includes Takeout from Homeowner's Exemption)	\$78,705,360

Other Property Tax Revenue Assumptions

I	Unsecured Property Taxes - Assumptions [5]	
A	<u>Unsecured Taxes as a % of Secured</u>	
	Non-Residential Property	5.00%
II	Property Tax Transfer - Assumptions	
A	<u>Turnover Rate [6]</u>	
	Non-Residential Property	0.00%
B	<u>Other Assumptions [7]</u>	
	Transfer Tax as a % of Assessed Value	0.11%
	Property Transfer Tax Passed Through to City of Rancho Cucamonga	50.00%
III	<u>Motor Vehicle Licensing Fees - Assumptions</u>	
	Vehicle Licensing Fees per Capita	NA
IV	<u>Property Tax In-Lieu of Vehicle License Fee - Assumptions</u>	
	Total City of Rancho Cucamonga Gross Assessed Value [8]	\$28,915,974,788
	City of Rancho Cucamonga Property Tax In-Lieu of Vehicle License Fee [9]	\$21,079,930
	Property Tax In-Lieu of Vehicle License Fee Increase per \$1,000 Assessed Value	\$0.73

APPENDIX A-4

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT

PROPERTY TAX REVENUE ANALYSIS

Fiscal Impact Calculation

I	Fiscal Impact Category	Annual Fiscal Impact Amount
A	Secured Property Tax	
A.1	<u>Projected Non-Residential Land Uses</u>	
	Building A - Warehouse	\$30,655
	Building B - Warehouse	\$9,505
B	Unsecured Property Tax	
B.1	<u>Projected Non-Residential Land Uses</u>	
	Building A - Warehouse	\$1,533
	Building B - Warehouse	\$475
C	Property Transfer Tax	
C.1	<u>Projected Non-Residential Land Uses</u>	
	Building A - Warehouse	\$0
	Building B - Warehouse	\$0
D	<u>Property Tax In-Lieu of Vehicle License Fee [10]</u>	
	Projected Residential and Non-Residential Land Uses	\$53,974
II	Total Property Tax Revenues	\$96,142

NOTES:

- [1] Based on "General Fund" levy for Tax Rate Area (TRA). Data provided by the County of San Bernardino Auditor-Controller's Office. TRA allocations adjusted for ERAF. Note, figure does not include non-General Funds.
 - [2] Post ERAF rates based on the weighted average of the fiscal year 2020-21 rates applicable to the TRAs in the Project. Source: County of San Bernardino Auditor-Controller Office.
 - [3] Please see Appendix A-3. Subject to change.
 - [4] Source: DTA research.
 - [5] Based on typical DTA baseline assumptions.
 - [6] Project Proponent plans to own the Project for an extended period.
 - [7] Source: California Revenue & Taxation Code §11901, et seq.;
 - [8] Source: San Bernardino County Auditor-Controller.
 - [9] Source: City of Rancho Cucamonga, California, Fiscal Year 2020/21 Adopted Budget.
 - [10] Property Tax in-lieu of Vehicle Licensing Fees applies to incremental property value. Current estimated land value of Project site of \$4,667,326 excluded from calculation.
- * *All figures subject to rounding*

APPENDIX A-5

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
 SALES TAX REVENUE ANALYSIS

Indirect Sales Tax Assumptions

I	<u>Indirect Sales Tax Assumptions - Employees</u>	
	Annual Spending per Employee [1]	\$870
II	<u>Retail Taxable Sales Capture</u>	
	City of Rancho Cucamonga Retail Taxable Purchase Capture [2]	50%

Direct Sales Tax Assumptions

I	<u>Non-Residential Direct Sales Tax Assumptions</u>	
A	<u>Non-Residential Land Uses</u>	<u>Taxable Sales per Sq. Ft</u>
	Building A - Warehouse	\$0.00
	Building B - Warehouse	\$0.00

Other Sales Tax Assumptions

I	<u>Percent to the City of Rancho Cucamonga</u>	
	City of Rancho Cucamonga Municipal Code §3.20.030	1.00%
	Prop 172 [3]	0.02%
	Total	1.02%

Fiscal Impact Calculation

I	<u>Fiscal Impact Category</u>	<u>Annual Fiscal Impact Amount</u>
A	<u>Indirect Sales Tax</u>	
A.1	<u>Employee Taxable Sales</u>	
	Direct Employees	\$1,762
B	<u>Direct Sales Tax</u>	
B.1	<u>Projected Non-Residential Land Uses</u>	
	Building A - Warehouse	\$0
	Building B - Warehouse	\$0
II	<u>Total Sales Tax Revenues</u>	\$1,762

NOTES:

- [1] Based on the average spending on Fast Food/Deli/Lunch Eateries for workers with annual income between \$50K and \$75K. Source: "Office-Worker Retail Spending in a Digital Age," ICSC (2012). Adjusted for inflation assuming 3% annual inflation rate.
 - [2] Based on typical DTA baseline assumptions.
 - [3] The City projects to receive approximately 4% of the Prop 172 sales tax receipts generated within the City, which is equivalent to 0.02% sales tax rate. Source: City of Rancho Cucamonga, California, Fiscal Year 2020/21 Adopted Budget.
- * ***All figures subject to rounding***

APPENDIX A-6

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
 MULTIPLIER REVENUE SOURCES ANALYSIS

Multiplier Revenue Assumptions

I	<u>Revenue Category</u>	<u>Multiplier Factor [1]</u>	<u>Revenue Projection Basis</u>
	Business Licenses	\$29.79	Per Employee
	Franchise Fees	\$27.98	Persons Served
	Licenses and Permits	\$6.56	Persons Served
	Charges for Services	\$24.87	Persons Served
	Fines and Forfeitures	\$3.61	Persons Served
	Use of Money and Property	\$5.30	Persons Served

Fiscal Impact Calculation

I	<u>Fiscal Impact Category</u>	<u>Annual Fiscal Impact Amount</u>
	Business Licenses	\$11,827
	Franchise Fees	\$5,554
	Licenses and Permits	\$1,302
	Charges for Services	\$4,937
	Fines and Forfeitures	\$717
	Use of Money and Property	\$1,052
II	Total Multiplier Revenues	\$25,389

NOTES:

[1] Based on City of Rancho Cucamonga, California, Fiscal Year 2020/21 Adopted Budget.

* *All figures subject to rounding*

APPENDIX A-7

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
 INVESTMENT INCOME REVENUES ANALYSIS

Assumptions

I Investment Income Assumptions

Investment Period for Recurring Non-Interest General Fund Revenues (Month)	1
Local Agency Investment Fund (LAIF) Rate of Return [1]	1.24%
Local Agency Investment Fund (LAIF) Percentage of Earnings Cost [1]	50.00%

Fiscal Impact Calculation

I <u>Fiscal Impact Category</u>	Annual Fiscal Impact Amount
Total Property Tax Revenues (Appendix A-4)	\$96,142
Total Sales Tax Revenues (Appendix A-5)	\$1,762
Total Multiplier Revenues (Appendix A-6)	\$25,389
II Projected Recurring General Fund Revenues Available for Investment	\$123,293
III Plus: Investment Income (Less Earnings Cost) [2]	\$0
IV Total Recurring General Fund Revenues	\$123,293

NOTES:

[1] Based on the 2020 average LAIF apportionment rates. Subject to change.

[2] Earning is negligible and excluded from the annual recurring revenues.

* *All figures subject to rounding*

APPENDIX A-8

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
 MULTIPLIER EXPENDITURES ANALYSIS

Multiplier Expenditure Assumptions

I	<u>Expenditure Category</u>	<u>Multiplier Factor [1]</u>	<u>Expenditure Projection Basis</u>
	Animal Control	\$13.37	Persons Served
	Public Works	\$53.04	Persons Served
	Building and Safety	\$8.30	Persons Served
	Police	\$210.80	Persons Served
	Community Services	\$37.64	Persons Served

Fiscal Impact Calculation

I	<u>Fiscal Impact Category</u>	<u>Annual Fiscal Impact Amount</u>
	Animal Control	\$2,654
	Public Works	\$10,528
	Building and Safety	\$1,648
	Police	\$41,844
	Community Services	\$7,472
II	Total Multiplier Expenditures	\$64,146

NOTES:

[1] Source: City of Rancho Cucamonga, California, Fiscal Year 2020/21 Adopted Budget.

* *All figures subject to rounding*

APPENDIX A-9
RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
INFRASTRUCTURE & PARK MAINTENANCE EXPENDITURES ANALYSIS

Additional Infrastructure Requirement Assumptions

I	<u>Estimated Roadway Infrastructure and Sidewalks/Trails Requirements [1]</u>	
	Estimated Lane Miles of Roadway	0.2
	Estimated Number of Signalized Intersections	0.0
	Estimated Number of Streetlights	7.0
	Estimated Mileage of Sidewalks/Trails	0.0
II	<u>Estimated Parks and Open Space Requirements [1]</u>	
	Estimated Acres of Parks	0.0
	Estimated Acres of Open Space/Slopes	0.0
III	<u>Estimated Storm Drainage Infrastructure Requirements [1]</u>	
	Estimated Acres of Basin	0.0
	Estimated Mileage of Storm Drains	0.0

Annual Maintenance Costs Assumptions

I	<u>Roadway Infrastructure and Sidewalks/Trails [2]</u>	
	Roadway Maintenance Costs per Lane Mile	\$2,661
	Traffic Signal Maintenance per Intersection	\$5,720
	Street Light Maintenance per Light	\$61
	Sidewalk/Trail Maintenance per Lineal Mile	\$840
II	<u>Parks and Open Space [2]</u>	
	Park Maintenance Costs per Acre	\$18,000
	Open Space/Slope Maintenance per Acre	\$4,792
III	<u>Storm Drainage Infrastructure [2]</u>	
	Basin/Lake Maintenance per Acre	\$5,227
	Storm Drain Maintenance Per Mile	\$1,177

Fiscal Impact Calculation

	Annual Fiscal Impact Amount
I	Fiscal Impact Category
A	<u>Roadway Infrastructure and Sidewalks/Trails</u>
	Roadways \$426
	Signalized Intersections \$0
	Street Lights \$428
	Sidewalks/Trails \$0
B	<u>Parks and Open Space</u>
	Parks \$0
	Open Space \$0
C	<u>Storm Drainage Infrastructure</u>
	Basin \$0
	Storm Drains \$0
II	Total Infrastructure & Parks Maintenance Costs \$854

NOTES:

- [1] Source: Project Proponent. Subject to change.
- [2] Based on data obtained from the DTA Public Works database, in concert with research from the Engineering News-Record.
- * *All figures subject to rounding*

APPENDIX A-10

RANCHO CUCAMONGA, CALIFORNIA: SPEEDWAY COMMERCE CENTER PROJECT
 GENERAL GOVERNMENT EXPENDITURES ANALYSIS

Assumptions

I General Government Overhead Expenditures

Total Recurring General Fund Expenditures (excluding General Government Overhead) [1]	\$69,988,180
Recurring General Government Overhead Expenditures (as a % of Total Recurring General Fund Expenditures) [2]	28.7%
Marginal Increase in General Government Costs	75%

Fiscal Impact Calculation

I Fiscal Impact Category

Annual Fiscal Impact Amount

Total Multiplier Expenditures (Appendix A-8)	\$64,146
Total Infrastructure and Park Maintenance Expenditures (Appendix A-9)	\$854
II Projected Recurring General Fund Expenditures	\$65,000
III Plus: General Government Costs	\$14,014
IV Total Recurring Expenditures	\$79,014

NOTES:

- [1] Based on City of Rancho Cucamonga, California, Fiscal Year 2020/21 Adopted Budget.
- [2] General Government Overhead Expenditures defined as costs for Legislative, Administration, Finance, Development Services, and other General Government.
- * *All figures subject to rounding*



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