



Fresno General Plan and Development Code Update

FISCAL IMPACT ANALYSIS OF CONCEPT ALTERNATIVES

DISCUSSION
P A P E R

March 15, 2012

Development and Resource
Management Department



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Chapter I: Introduction and Scope

INTRODUCTION

The fiscal impact analysis is focused on the City's General Fund budget, comparing the costs of providing public services and maintaining public facilities with the primary revenue sources available to cover these expenditures. In the context of the City's General Plan update, the primary goal of the fiscal impact analysis is to quantify the impact of the four evaluated alternatives on the City's long-term fiscal health to help formulate policies, growth patterns, and public service standards that are fiscally sustainable over the General Plan buildout.

This Fiscal Impact Analysis report has been prepared by Economic & Planning Systems (EPS) as a sub-consultant to Dyett & Bhatia as part of the Fresno General Plan Update study process. The analysis is based on interviews with City staff as well as review of applicable budget trends both at the City and State level.

As noted, this analysis is designed to inform key planning and policy parameters associated with the General Plan Update. The information will be used to craft a preferred General Plan alternative that is fiscally sustainable over the long-term. Ultimately, EPS will conduct a fiscal analysis of the preferred alternative and use the findings to recommend refinements and/or corresponding policies related to taxes or other mitigations. In addition, the fiscal model can be used as a useful tool by City staff as they seek to implement the General Plan Update over time. The key General Plan related policies and issues that will be informed by the Fiscal Impact Analysis include, but are not necessarily limited to, the following:

- **Public service levels and standards:** The level of service provided by various departments is often quantified based on standards or ratios (i.e., sworn police officers per 1,000 service population for police, park acres per 1,000 population, etc.) related to either articulated goals or actual conditions. A key analytical component of the fiscal analysis will be to determine the fiscal implications of "business as usual" relative to more optimal service levels, such as addressing deferred maintenance issues.
- **Location for growth:** The location of new growth, for example, infill locations within the City versus along the City's urban edge (greenfield), can have important fiscal implications. The fiscal analysis differentiates the fiscal impacts of growth by geography.
- **Type of growth:** The General Plan will include projections that differentiate between land use categories based on density, product type, and other factors. These product types are based on classifications defined by the City, with support from Dyett & Bhatia and Mark Steele Working Group, and are consistent with the General Plan land use designations, as further described below.
- **Tax and fee rates:** The General Plan can also articulate various goals or standards related to financing mechanisms and requirements to ensure fiscal sustainability, promote economic development, and other objectives. For example, certain areas in the City are charged different taxes depending upon historical agreements (e.g., CFDs) or boundaries (e.g., redevelopment).

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It is important to stress that this analysis is being provided to compare the fiscal implication of various General Plan alternatives and not for actual budgeting purposes. Thus, the results will not and should not be used as a basis for making actual, department level staffing decisions or annual revenue estimates.

GENERAL PLAN DEVELOPMENT ALTERNATIVES OVERVIEW

A summary of the four General Plan alternatives evaluated and compared in this analysis is summarized in **Table I** and illustrated in **Figures 1 through 4**. These alternatives, established by Dyett & Bhatia, reflect a range of potential urban forms and directions in which the City may continue to grow. They range between the share of growth accommodated within infill format relative to greenfield and how much growth can occur within the existing City boundary relative to annexation of new land. The highlights for each alternative are briefly described below.

- **Alternative A (Boulevard Plan).** This development alternative emphasizes revitalization, infill, and densification of established transit corridors within the sphere of influence (SOI), reserving some land for future development. It includes modest Southeast Growth Area (SEGA) development and moderate SOI expansion to the south for a heavy industrial district. This alternative reflects the most compact growth form and reflects the lowest amount of residential and commercial growth relative to the other alternatives. This scenario results in the least annexation of unincorporated land of around 17,500 acres.
- **Alternative B (Growth Areas Plan).** This alternative emphasizes both growth area development and infill, with the second highest amount of land annexation of approximately 23,000 acres. It places a heavy emphasis on development in SEGA. This alternative has the highest share of multifamily units and the lowest amount of retail space relative to the other alternatives.
- **Alternative C (Expanded Boundary Plan).** This development alternative is based on continuation of existing densities and development patterns in Fresno. It provides the highest share of low-density residential uses and high commercial growth, predominantly in the industrial category. This alternative also reflects strong SEGA development and SOI boundary expansion for residential growth to southwest of the City and requires the most annexation (about 26,000 acres).
- **Alternative D (The Hybrid Plan).** This alternative combines concepts in Alternatives A, B, and C. This alternative includes the highest share of retail growth in the City. It reflects modest SEGA development and moderate SOI expansion to southwest for mixed-use growth and results in a moderate amount of annexation (about 21,000 acres).

Table 1
Development Program Summary by Alternative
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Alternative A			Alternative B			Alternative C			Alternative D		
	Infill*	Greenfield	Total									
Residential (units)												
Single Family	4,626	22,808	27,434	3,249	26,326	29,575	3,693	34,014	37,707	4,002	28,810	32,812
Townhome	7,356	8,814	16,171	4,782	11,252	16,034	4,106	9,934	14,040	5,424	10,183	15,607
Multifamily	<u>20,978</u>	<u>11,245</u>	<u>32,223</u>	<u>13,391</u>	<u>19,953</u>	<u>33,344</u>	<u>12,190</u>	<u>15,055</u>	<u>27,245</u>	<u>16,465</u>	<u>14,783</u>	<u>31,248</u>
Subtotal	32,960	42,868	75,828	21,422	57,531	78,953	19,989	59,003	78,992	25,891	53,777	79,668
Commercial (sq.ft.)												
Retail	16,460,202	2,689,142	19,149,344	11,089,735	4,758,321	15,848,056	9,890,099	6,972,164	16,862,263	14,053,077	6,432,373	20,485,450
Office	13,306,210	3,584,661	16,890,871	10,721,767	5,366,808	16,088,575	11,340,625	9,345,066	20,685,692	12,918,568	6,953,130	19,871,698
Industrial	<u>15,692,226</u>	<u>12,168,605</u>	<u>27,860,832</u>	<u>11,583,548</u>	<u>25,816,065</u>	<u>37,399,613</u>	<u>13,286,345</u>	<u>32,111,707</u>	<u>45,398,052</u>	<u>13,333,113</u>	<u>11,386,313</u>	<u>24,719,425</u>
Subtotal	45,458,638	18,442,409	63,901,047	33,395,049	35,941,194	69,336,243	34,517,068	48,428,937	82,946,006	40,304,757	24,771,815	65,076,572

*Includes downtown; new development in downtown does not vary by development alternative.

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

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Figure I Alternative A: Boulevard Plan

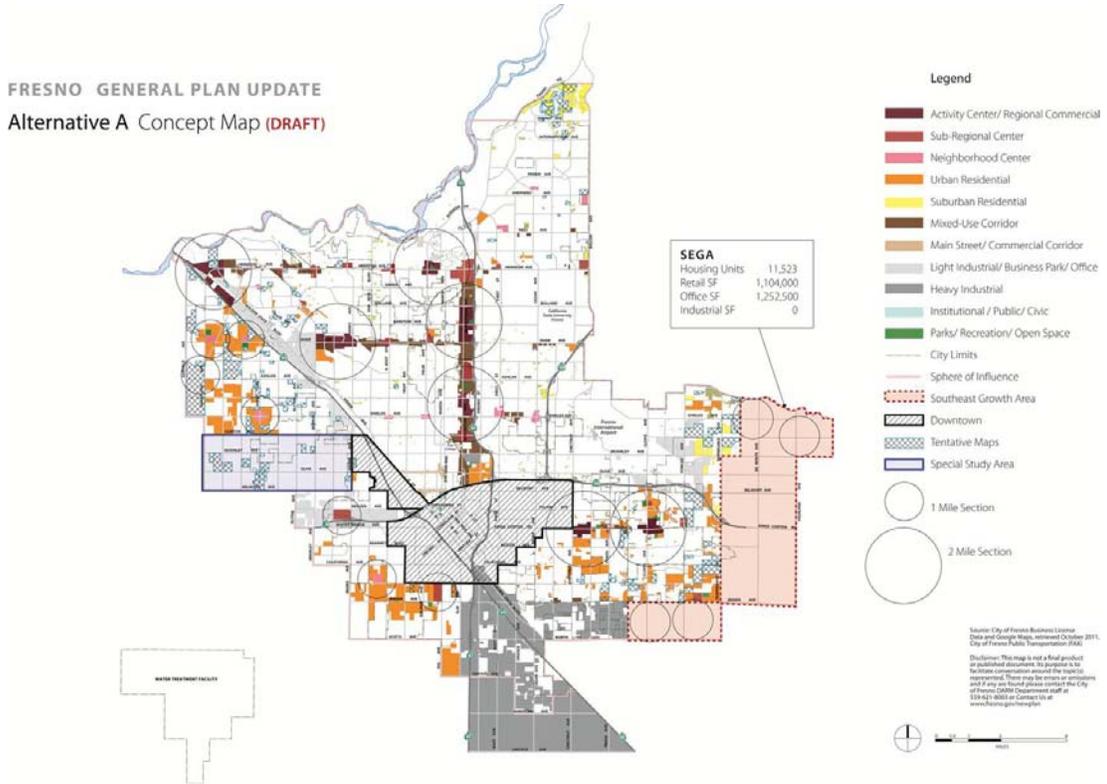
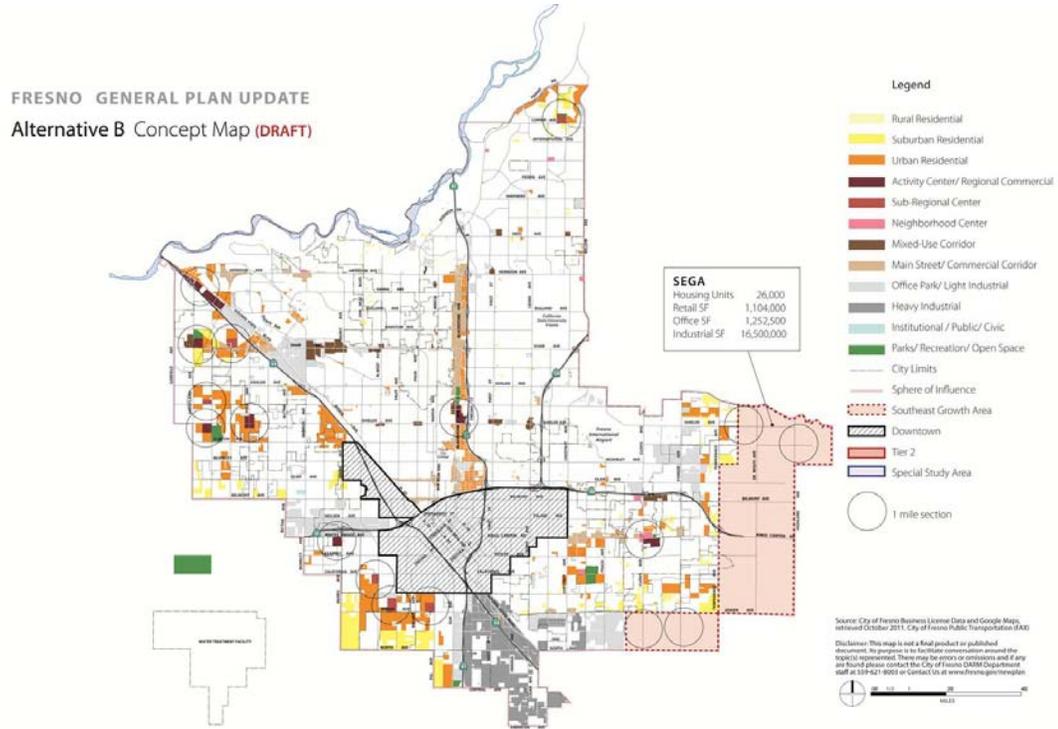


Figure 2 Alternative B: Growth Areas Plan



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Figure 3 Alternative C: Expanded Boundary Plan

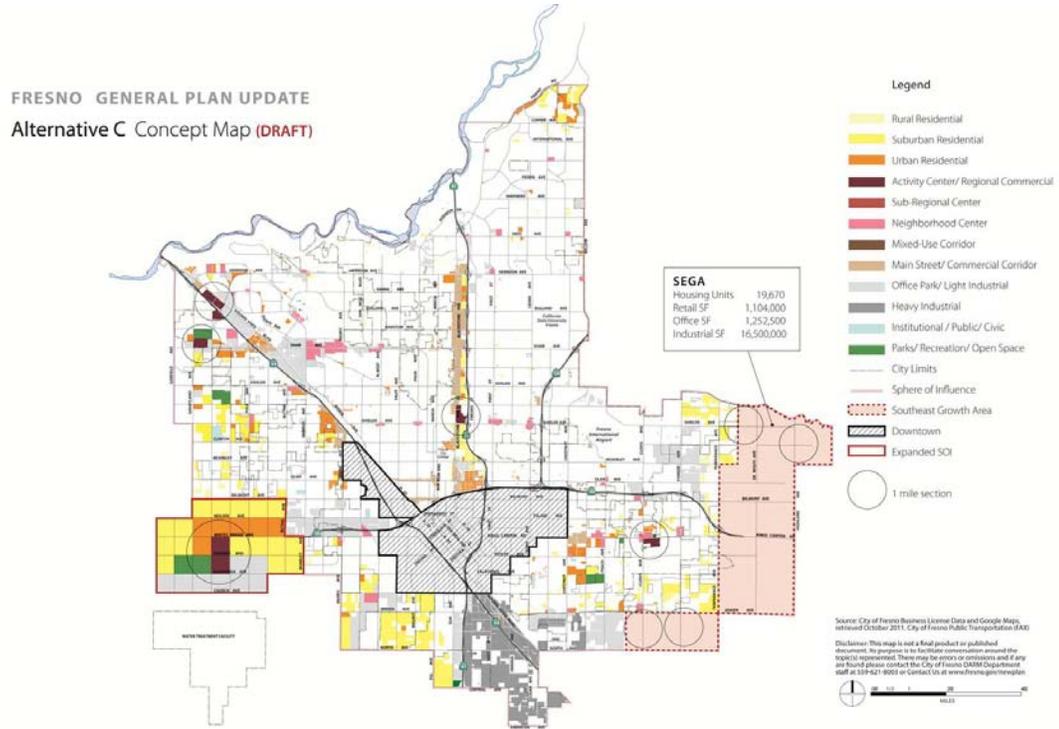
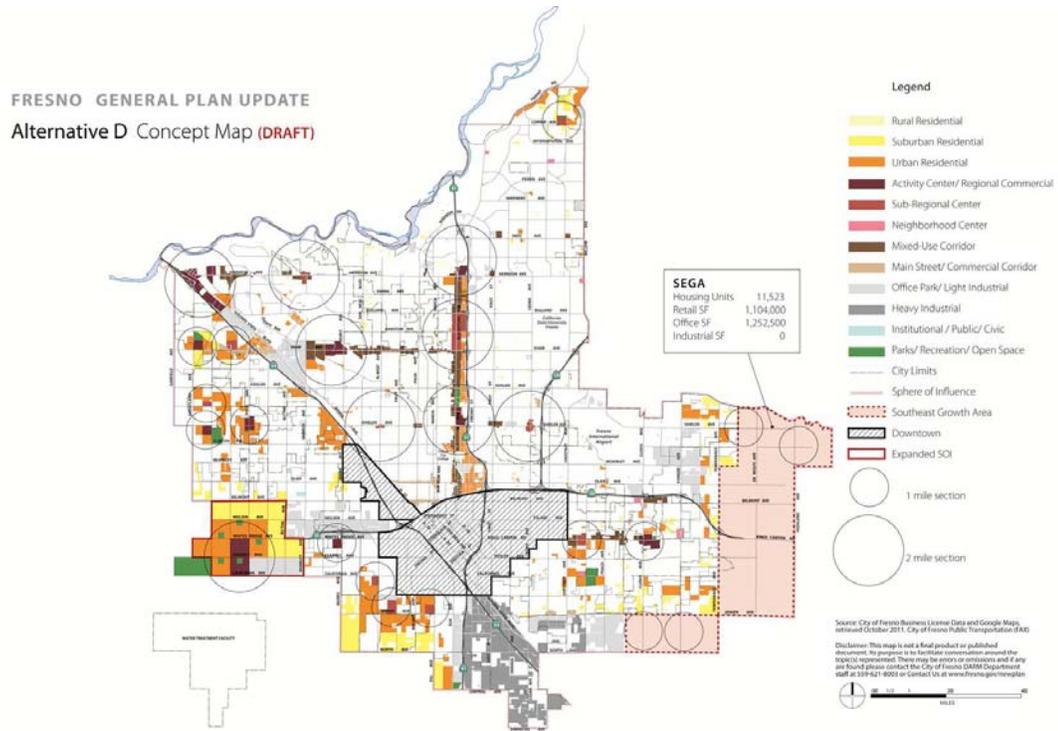


Figure 4 Alternative D: The Hybrid Plan



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General Plan alternatives anticipate annexation of any particular county islands that may be annexed or developed over the buildout of the General Plan. Currently, the City provides services to a number of islands on a contract basis. However, specific fiscal parameters, service provision agreements, and service costs vary throughout the City. Fiscal implications for island annexation, if any, would depend on unique circumstances for each area, such as size, location, and service needs.

Complete analysis for each development alternative is summarized in **Appendices A** through **D**. This report references development alternative D (**Appendix D**) for illustrative purposes. Revenue and cost estimates will vary by alternative.

Chapter 2: Key Findings and Policy Considerations

This chapter describes the key finding from this analysis and discusses their policy implications. The more detailed description of the methodology, assumptions and calculations is presented in subsequent chapters and documented in the appendices.

KEY FINDINGS

This section summarizes the General Fund fiscal impacts for the four General Plan Alternatives. It should be noted that the fiscal results (annual surpluses or deficits) are simply indicators of fiscal performance; they do not mean that the City will automatically have surplus revenues or deficits because the City must have a balanced budget each year. Persistent shortfalls shown in a fiscal analysis may indicate the need to reduce service levels or obtain additional revenues; persistent surpluses will provide the City with resources to reduce liabilities such as deferred maintenance, improve service levels, or build up reserves. In addition, the findings are based on a set of “baseline” conditions and assumptions related to the key factors that affect General Fund costs and revenues, such as property assessed value, sales tax levels, State and federal budget and tax policy and other factors. To the degree that these conditions change, the fiscal performance of new growth will differ from the estimates provided herein.

The fiscal impact results are illustrated in **Table 2** and **Table 3** and further summarized below.

1. All four General Plan development alternatives are projected to generate net General Fund surpluses under the current service level standard but significant deficits under more optimal service standards.

The General Fund surpluses ranging from \$17 million to \$24 million for all alternatives under baseline conditions occur because expenditures reflect the City’s existing sub-optimal service levels which have been required primarily as the result of recent budget constraints and associated cuts in staff and facilities. Meanwhile, General Fund deficits ranging from \$10 million to \$22 million under the more “optimum service standards” articulated by Department staff suggest that higher levels of service standards are not sustainable given the current revenue environment.

In terms of Department level costs, the Police costs make up the bulk of General Fund costs under both the existing and optimal service standard, followed by Fire, PARCS, and Public Works, respectively. However, Public Works department cost increase most rapidly under the Optimal Service Standard, growing by nearly four times. In absolute dollar terms, police department costs experience the highest increase of nearly \$20 million.

Table 2
Fiscal Impact Summary of Development Alternatives
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Existing Service Level Total	Optimal Service Level Total
Alternative A		
Revenues	\$96,186,076	\$96,186,076
Expenditures	<u>\$71,956,909</u>	<u>\$105,885,508</u>
Net Impact	\$24,229,167	(\$9,699,431)
Net Impact as % of Revenues	25%	10%
Alternative B		
Revenues	\$93,643,829	\$93,643,829
Expenditures	<u>\$76,554,502</u>	<u>\$112,963,459</u>
Net Impact	\$17,089,327	(\$19,319,630)
Net Impact as % of Revenues	18%	21%
Alternative C		
Revenues	\$103,970,754	\$103,970,754
Expenditures	<u>\$85,299,428</u>	<u>\$125,804,394</u>
Net Impact	\$18,671,326	(\$21,833,641)
Net Impact as % of Revenues	18%	21%
Alternative D		
Revenues	\$100,019,703	\$100,019,703
Expenditures	<u>\$77,021,701</u>	<u>\$113,916,674</u>
Net Impact	\$22,998,002	(\$13,896,971)
Net Impact as % of Revenues	23%	14%

Table 3
Cost of Providing Optimal Service Level
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total
Additional Service Cost to Existing Residents (1)	
Police	\$42,388,746
Fire	\$10,303,200
PARCS (2)	\$1,887,600
Public Works	<u>\$19,545,800</u>
Total Cost	\$74,125,346
Fiscal Impact Shortfall to Service New Residents (3)	
Total Cost	\$13,896,971
Total Cost for Service Level Improvement	
Total Cost	\$88,022,317
% Share of Projected Buildout Budget	27%

- (1) Does not vary; constant across all alternatives.
 (2) Does not reflect an additional capital replacement funding deficiency.
 (3) Based on development alternative D.

Source: Economic & Planning Systems, Inc.

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2. Alternative A reflects the most fiscally advantageous outcome for the City's General Fund while Alternatives B and C are the least fiscally favorable.

The relative performance of various General Plan alternatives are driven by a variety of complex factors most notable of which include the location and type of development envisioned in each. In general, nonresidential development appears to perform better than residential development and infill slightly better than greenfield. This is because residents generate a higher demand for public services than do businesses and their employees and infill generates a slightly higher level of sales and property tax revenue than greenfield¹.

Alternative A is the most compact development alternative and therefore generates the most favorable fiscal impact in absolute and relative terms (i.e. as a percent of total budget) under both existing and "optimal" service levels. Alternative C has the highest amount of single family residential and total commercial uses. While it results in the highest General Plan revenues out of the four evaluated programs, it also generates disproportionately high service costs to the General Fund.

3. The application of "optimal service standards" to both new and existing residents and development would generate General Fund deficits that significantly exceed those calculated for new growth only.

Although the provision of an "optimal service standards" would incrementally exacerbate the City's General Fund shortfall, the application of these standards to existing residents and development would make matters significantly worse from a fiscal perspective. As shown in **Table 3**, improvement in the existing service provision by Police, Fire, PARCS, and Public Works departments would result in the additional cost of \$74 million to the existing population, compared to a net cost increase of \$13.9 million to new growth only under Alternative D. Combined, the improvement in the City's key service level provision would result in the cost of \$88 million, about 27 percent of the overall General Plan buildout budget.

KEY GENERAL PLAN FISCAL PARAMETERS

As noted at the outset, the fiscal impact analysis is designed to determine how key General Plan parameters will affect the performance and sustainability of the City's General Fund budget over the long term. The analysis will in turn help inform the design of preferred General Plan alternative and corresponding implementation policies that will ensure the City's long-term fiscal health. The role and implications of critical and inter-related General Plan land use and policy parameters on the City's fiscal performance is described further below.

Public Service Levels and Standards

This analysis has found that existing service levels are fiscally sustainable, and indeed would likely result in General Fund surpluses if maintained over the long term. However, City staff

¹ Assuming a share of greenfield growth would be annexed to the City.

have also stressed that these services levels are sub-optimal and continue to have negative implications on the quality of public services and infrastructure with important implications on the quality of life of City residents (e.g., public safety, recreation, and transportation). Moreover, deferred maintenance issues may actually necessitate higher cost investments in the future. The fiscal analysis has also found that none of the General Plan alternatives is likely to generate sufficient revenue provide service standards considered optimal by Departmental staff, given current tax rates, property values and costs (e.g., salaries, equipment, etc).

Ultimately the level of service the City can provide will be constrained by revenue. The fiscal analysis suggests that small increases to existing service levels may be warranted given baseline revenue growth projections. However, unless the basic revenue drivers improve (and they may), the City will need to make strategic decisions and accept trade-off related to the level of service it can provide. Of course, these decisions should be made with consideration of the dynamic relationship between service levels and revenue generation. As described above, improved public services and facilities can enhance quality of life which, in turn, improves property and sales tax revenue, the two key drivers of General Fund revenue. Ideally, service level improvements will focus on those services and facilities that are most likely to actually improve the City's quality of life.

Another issue complicating the policy decisions about optimal service provision is the distinction between existing deficiencies and the cost of growth. As noted, new growth is projected to generate a positive fiscal impact on the margin and thus can afford to pay for a slightly higher level of service than is currently being provided. However, the fiscal benefit of new growth is significantly below the costs associated with expanding service standards to cover existing deficiencies faced by existing residents, let alone deferred maintenance. Thus, service standards articulated in the General Plan update should account for the cost serving both existing and new residents.

Given historic funding challenges for many functions, deferred maintenance is a major issue that will also need to be addressed going forward. Multiple department interviews have revealed that historic funding has not been adequate to reflect many of the deferred maintenance issues in Fresno, that have prevailed even during the stronger budget periods, especially those related to capital replacement. Many capital replacement costs have not been historically budgeted through the City's CIP. While the magnitude of the existing deferred maintenance is not specifically quantified in this analysis, it is understood that potential fiscal benefits from new growth may be available to fund a portion of existing deferred maintenance costs in the City.

Location for Growth

From a fiscal perspective, this analysis finds that infill development performs slightly better than greenfield development overall. However, this result appears to be driven primarily by General Fund revenues rather than cost. In other words, the relative cost of providing public services to infill versus greenfield locations appears negligible in aggregate (although individual projects can differ significantly). Although existing urban areas may provide some economies of scale by relying on existing infrastructure (e.g., roads, existing police sub-

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stations), greenfield areas benefit from other factors, such as the excess capacity of some existing fire stations and higher likelihood of assessment district formation to cover facility maintenance.

On the revenue side, the key fiscal disadvantage of greenfield development relates to annexation. Specifically, as the City gets increasingly built out, a portion of new growth will need to be accommodated on land currently controlled by the County that will need to be annexed by the City. The existing tax sharing agreement between the City and the County, described above, provides less favorable terms to the City for property and sales tax growth capture relative to those the City could realize in its existing areas. As a result, new growth that will occur on annexed land will likely result in lower property and sales taxes relative to new development within existing City boundary.

It is worth noting that annexations could occur in two categories—along the fringe and in existing City islands. While annexations along the fringe are likely to be fiscally less advantageous to the City relative to accommodating new growth within its existing limits, annexations of islands are more difficult to quantify. The experience of many other cities and counties in California suggests that annexation of County islands could create more efficient urban service delivery system, such as police and fire protection, sewer, water, trash collection and code enforcement. On one hand, as described above, Fresno’s General Fund will only capture a portion of future property and sales tax generated from its county islands upon annexation. On the other hand, the City could provide services to these areas more efficiently, including police and fire departments, relative to existing service contracts.

Type of Growth

The type of growth encouraged by General Plan policies will directly affect the City’s fiscal balance through its impact on property values. While the analysis does not distinguish between assessed values per unit by geography, the General Plan alternatives differ in both the mix (e.g., density, product type) and level of growth. In general, the analysis finds that residential development is slightly less favorable than nonresidential (e.g., retail, office, industrial) from a fiscal perspective primarily because of public service costs. Specifically, the cost of providing public services per net increase in assessed value is higher for residential than nonresidential development because residents generally create more service demands than do businesses and their employees.

Of course, the City’s total assessed value growth will also be subject to much more complex range of internal and external variables. For example, future values could be driven by the quality of life factors, such as the level of service provided by the City as well as broader socioeconomic factors that affect property value growth. In addition, the relative fiscal benefit from nonresidential development will depend on market demand and the degree to which tenants seek new developed space in the City.

It is also important to note that the fiscal analysis is based on current real estate market values. To the degree that the current market rebounds and various real estate product types experience real appreciation, the City’s fiscal performance will improve and “optimal service standards” will be more attainable. By way of example, it would require about 15 to

25 percent increase in assessed value over existing assumptions, depending on alternative, to generate property tax revenues necessary to cover the cost of the optimal service standard scenario for new growth only. Of course, the cost of providing the optimal service standard to both new and existing development would require a significantly greater property value increase.

As described further below, the recent elimination of redevelopment could also play a role in shaping the City's assessed value growth. Historically, Fresno RDA invested its tax increment to incentivize new development in the City's established areas, with much development being commercial and industrial. With this investment no longer available, developers may have no incentive to invest in the City's existing core areas with growth more likely to spur outward, potentially affecting the vitality of existing urban areas.

Tax and Fee Rates

The fiscal impact analysis is based on the existing level and scope of City taxes and fees. Of course, the General Plan can also articulate various goals or standards related to financing mechanisms and requirements to ensure fiscal sustainability, promote economic development, and other objectives. For example, certain areas in the City currently generate different tax revenue depending upon historical agreements (e.g., CFDs, property tax allocation factors). Changes in these rates could potentially improve the fiscal performance of various alternatives to the extent that such actions do not deter growth.

Over the last 10 years, the City started implementing special taxes to cover Public Works-related costs of many new residential communities. Consequently, this analysis assumes a share of new development will include a CFD to cover the cost of Public Works related functions.² However, the actual scope and amount of CFD or related taxes has not been determined. Moreover, a City policy requiring all new development to adopt CFD does not exist.

Assuming that special taxes could be imposed on all future residential and commercial growth that occurs in greenfield setting (including all of the land that would be annexed to the City), EPS estimates that the General Fund share of the Public Works cost could be no longer necessary. On the other hand, if no CFD would be implemented going forward, the General Fund share of the Public Works cost could be as high as \$3.6 million under the existing service level scenario or \$11.7 million under the optimal service level scenario. It is worth noting that if CFD is imposed on all new greenfield development, this scenario assumes between \$7.1 million and \$12.0 million in CFD special taxes from greenfield growth, depending on the scenario. This level of taxes makes up about 0.1 percent of greenfield assessed value. From the market perspective, this share of special taxes falls well within a reasonable range to support this level of special taxes given the future value that would be created in the City's greenfield areas.

² The analysis assumes that CFD funding is used to cover all key public works functions that vary with growth for a portion of new development that varies by alternative. The calculations do not include and PARCS costs

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The recent legislative action to eliminate redevelopment in California will also impact the City's General Fund. EPS estimates that the City's General Fund revenue could increase by about \$5.2 million a year before any existing obligations are considered. The impact of redevelopment elimination on new development is less certain as the General Fund impact will depend on location of new growth within the City and a portion of new development within existing redevelopment areas. However, while a share of new growth to be accommodated within the City's existing redevelopment areas is not known, this share is not likely to be significant given a lack of incentives, as described above. As a result, the impact of elimination of redevelopment on new growth is not likely to be significant.

POLICY CONSIDERATIONS OVERVIEW

Land use policies, such as those reflected in the Fresno General Plan Update, have broad implications for the City's fiscal well-being. While this has always been true, it is particularly important in these times of economic stress and transformation in California. In the face of such challenges, the major question is whether future land use planning will continue historical expansionist patterns or whether a more compact urban form, characterized by distinct urban boundaries, infill development, and revitalization of existing urban areas, takes hold.

Specifically, if the General Plan succeeds in improving the City's quality of life by supporting strong public safety and other municipal services, good schools, an efficient transportation system, and improved air quality, and providing diverse and affordable housing and attractive recreational and shopping opportunities, it will attract and retain residents and employers who might otherwise choose other higher amenity locations in the San Joaquin Valley or beyond. An increasing population and employment base can, in turn, create a positive feedback loop by boosting property values and household incomes, improving economic and social conditions. Achieving these quality of life factors will also boost the City's tax base and enable further investment in the type of public services and infrastructure needed to sustain economic growth and quality of life.

The City's economic and fiscal health are also affected by a variety of factors outside of its control, including the national business cycle, state and federal budget decisions, international trade, and performance of key local industries such as agriculture and logistics. Thus a key challenge during recessionary periods is to guard against a negative economic and fiscal spiral triggered by declining tax revenues and further exacerbated by disinvestment in critical public services and infrastructure that in turn reduces the City's quality of life and ultimately the loss of valuable jobs and employed residents.

As part of the General Plan, the City must treat its economic and fiscal performance as fundamental and integrally linked components that over the long run will rise and/or fall together. In other words, the City, through the General Plan Update effort, should approach and evaluate planning alternatives and policies holistically, rather than as distinct or independent items. For an example, an over-emphasis on creating additional capacity for revenue generating land uses, such as "big-box" retail, will not necessarily improve the City's long-term fiscal health if household incomes do not support growth in consumer demand or if new store sales "cannibalize" existing retail areas. Likewise, overly permissive land use or

development standards will not encourage net new growth if over the long-run if they result in an urban landscape that is unappealing, one-dimensional, discontinuous, or is neglectful of existing neighborhoods.

In this context, the General Plan process presents a fresh opportunity to focus on improving Fresno's quality of life and related social and economic improvement; even if immediate budget constraints make the necessary public and private investments and meeting desired municipal service standards difficult in the short-term. In the long-run, Fresno cannot win the economic and fiscal interplay by "competing for the bottom" (being a low-cost provider) or expecting a "silver bullet" to appear. A balanced and integrated approach to planning future land use and investing in municipal service and facilities that improve quality of life for existing and future residents is the best way to ensure Fresno's sustainable growth and economic and fiscal well-being.

Chapter 3: Fiscal Trends and Analytical Framework

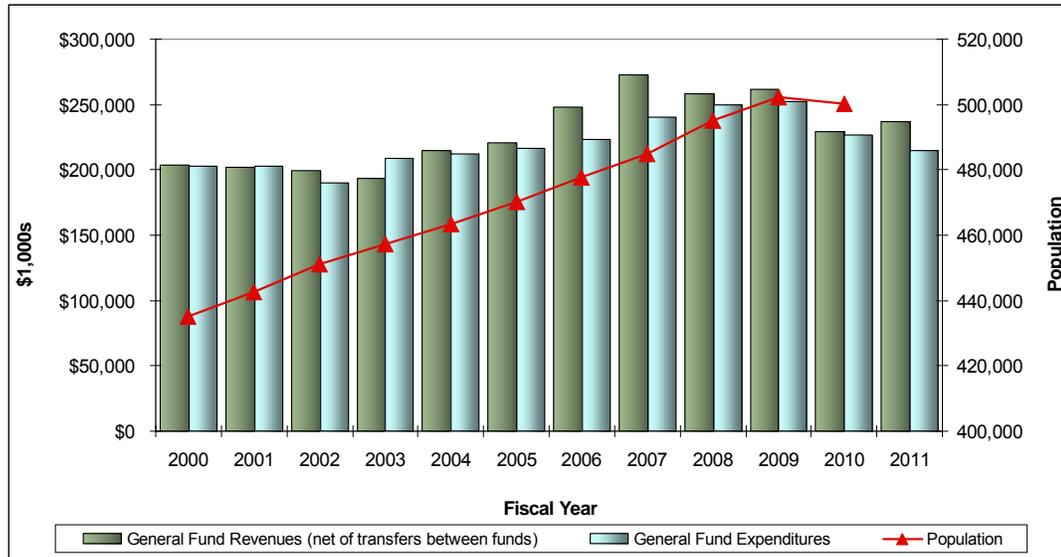
This chapter provides an overview of the key economic and budgetary trends facing the City of Fresno as a context for evaluating the key fiscal issues and trade-offs that will need to be considered as part of General Plan Update. It also describes the general methodology and key assumptions utilized in subsequent chapters to provide quantitative projections of the relative fiscal impact of various General Plan alternatives.

ECONOMIC AND BUDGETARY ENVIRONMENT

The recent “Great Recession” has had a significant effect on the fiscal performance of many California municipalities, especially for cities like Fresno particularly hard hit by home foreclosures, unemployment, reduced consumer confidence and credit, and declining property values. These conditions have diminished General Fund revenues from property, sales, business license, development fees and other sources. At the same time, demand for many of the public services funded through the General Fund, such as public safety, facility maintenance, and park and recreation, has remained steady and in some cases increased.

City staff interviewed as part of this effort has noted that, as a relatively low-cost housing market, Fresno often experiences growth in certain population types during recessions as unemployed or under-employed individuals and households relocate from higher priced markets. These population segments often increase demand for public services but typically do not generate a corresponding increase in General Fund revenues. Indeed, as illustrated in **Figure 5**, while City General Fund revenues have declined since a high in 2007, population growth has experienced a steady upward trend through 2010, despite major job losses and growing unemployment (the County’s unemployment rate doubled from a low of 8 percent in 2006 to 16 percent by the end of 2010). The City’s population has decreased slightly in 2011 by 0.4 percent.

Figure 5. City of Fresno Population and General Fund Revenue and Expenditure Trends (FY2000-FY2011 \$2011)



Sources: City of Fresno Annual Budgets and Department of Finance

In response to recent fiscal pressures, the City of Fresno has undertaken a number of efforts to cut costs, including reduction in services, reorganization of the City’s departments, layoffs, and salary caps. For example, City spending dropped a sizeable 15.7 percent between FY2009 and FY2010 and the recently approved FY2012 budget authorizes 900 less positions than the FY2010 budget, a 22 percent reduction. In addition, the City has explored potential revenue enhancement options, such as the creation of a commercial solid waste franchise, although few of these options have been implemented.

Given the requirement that municipalities balance their budgets, General Fund expenditures reflect both local policy and spending priorities as well as available resources. A historic trend of expenditures by department since FY2007 is summarized in **Table 4** and is reflective of the City’s recent cost cutting restructuring efforts. While the City’s General Fund revenues peaked in FY2007-08, generating a budget surplus, General Fund costs actually peaked a year later in FY2008-09. General Fund Cost has increased significantly (by 26 percent in real terms adjusted for inflation) since FY 2000-01, spurred by population growth and new development. The growth in General Fund expenditures was made possible in part by revenues from new development and housing values that outpaced inflation.

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Table 4. Fresno General Fund Appropriated Expenditures by Department (in constant \$2011, in \$1,000s)

Item	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
<i>Budget Status</i>	<i>Actual</i>	<i>Actual</i>	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>
City Council	\$3,175,000	\$3,045,700	\$3,111,600	\$3,422,700	\$3,006,700	\$2,760,200
Office of the Mayor	\$1,856,800	\$2,863,400	\$2,162,200	\$1,998,100	\$2,058,600	\$1,765,000
City Clerk	\$767,100	\$715,700	\$724,500	\$675,000	\$635,300	\$654,300
Police	\$135,747,200	\$133,764,500	\$125,909,700	\$121,127,600	\$125,833,200	\$130,272,600
Fire	\$46,599,000	\$46,213,300	\$42,907,100	\$42,021,200	\$45,090,300	\$46,129,700
Parks & Recreation	\$22,740,200	\$23,014,600	\$19,690,300	\$17,861,100	\$15,709,900	\$10,779,100
Public Works	\$16,576,700	\$14,822,500	\$12,025,400	\$11,315,600	\$3,219,500	\$6,763,900
General City Purpose	\$1,258,300	\$1,712,800	\$1,285,400	\$1,290,100	\$977,900	\$712,300
Downtown/Comm Revitalization	\$1,530,600	\$1,502,600	\$1,560,700	\$1,445,800	\$970,100	\$0
Development and Resource Management	\$1,135,800	\$688,800	\$1,014,300	\$1,537,300	\$556,400	\$773,600
Finance	<u>\$14,550,600</u>	<u>\$14,683,600</u>	<u>\$16,342,600</u>	<u>\$21,384,300</u>	<u>\$14,817,500</u>	<u>\$14,164,500</u>
Subtotal	\$245,937,300	\$243,027,500	\$226,733,800	\$224,078,800	\$212,875,400	\$214,775,200

Sources: City of Fresno Annual Budgets

On a cost adjusted basis, the City’s General Fund revenues increased by 33 percent between FY2000-01 and FY2007-08, more than double the City’s population growth of 12 percent during this time period. While the City’s population continued to increase through the recession over the last three years, the General Fund revenues declined by 16 percent, offsetting some of the prior gains. Individual revenue sources experienced various rates of change as shown in **Table 5**.

Table 5. Fresno General Fund Operating Revenues (constant \$2011, in \$1,000s)

Item	FY2000	FY2007	FY2012	Change		
				FY2000-FY2007	FY2007-FY2012	FY2000-FY2012
Population	435,038	484,804	na	11.4%	na	na
Sales Tax	\$63,422	\$83,404	\$66,393	31.5%	-20.4%	4.7%
MRZ Incentive Credit	\$0	\$0	\$0	na	na	na
Prop 172 Sales Tax	\$2,174	\$2,445	\$2,216	12.5%	-9.4%	2.0%
Property Tax	\$52,036	\$74,645	\$69,075	43.4%	-7.5%	32.7%
Motor Vehicle In Lieu	\$26,281	\$37,302	\$36,473	41.9%	-2.2%	38.8%
Business Tax	\$14,742	\$17,191	\$16,162	16.6%	-6.0%	9.6%
Franchise Tax	\$4,915	\$6,484	\$10,022	31.9%	54.6%	103.9%
Hotel Room Tax	\$4,555	\$11,575	\$8,845	154.1%	-23.6%	94.2%
Real Estate Transfer Tax	\$654	\$1,915	\$832	192.8%	-56.6%	27.2%
Card Room Receipts	\$839	\$1,528	\$1,400	82.0%	-8.4%	66.8%
Charges for Current Services	\$6,886	\$20,693	\$14,275	200.5%	-31.0%	107.3%
Enterprise In-Lieu Fees	\$9,442	\$344	\$322	-96.4%	-6.3%	-96.6%
Intergovernmental	\$17,081	\$11,062	\$9,352	-35.2%	-15.5%	-45.2%
Bond Sale Proceeds	\$0	\$829	\$0	na	-100.0%	na
All Other	(\$49)	\$1,426	\$1,484	na	4.0%	na
Total General Fund Revenue	\$202,977	\$270,841	\$236,851	33.4%	-15.9%	12.2%
<i>Revenue per Capita</i>	<i>\$467</i>	<i>\$559</i>	<i>na</i>	<i>19.7%</i>	<i>na</i>	<i>na</i>

Sources: City of Fresno Annual Budgets and Department of Finance

Role of Non-General Fund Budget Categories

Although the EPS analysis is focused on the City’s General Fund, it is important to address the interrelationships with other City funds as well as State and Federal budget decisions.

Since the City's General Fund only accounts for about 20 percent of Fresno's total budget, other Funds such as Enterprise, Special Revenues, and Internal Service, provide and maintain public services and facilities that will be critical to the success of the General Plan. However, most of these other funds rely on dedicated revenue sources (e.g., fee for service, special taxes, etc.) and are thus less susceptible to discretionary decisions by City officials. Nevertheless, these other funds are also affected by economic cycles and the recent economic downturn has created shortfalls that have had implications on the General Fund. For example, the General Fund is being used to pay down debt service for the Convention Center and associated parking, where a revenue decrease resulted in a less than adequate level of proceeds to service debt. Reduction in impact fee proceeds is another example where the General Fund is used to cover debt service for capital improvements because of the reduced revenue stream.

Role of State Budget

Fresno's General Fund is significantly affected by the State budget and how lawmakers in Sacramento address their own fiscal crisis. In particular, State lawmakers have targeted cuts in a number of local (city and county) programs and revenues as well as a transfer of traditionally State responsibilities to local bodies (e.g., "realignment"). Major changes to Redevelopment Agencies and the State Prison system are probably the most salient examples, as described further below.

The most recent State budget agreement was premised on relatively optimistic assumptions about the pace of economic recovery and thus State tax receipts. As a result, it includes a number of cost cutting measures if revenues are below the estimated projection. These measures include cuts to public schools, community colleges, libraries and certain social programs.

ANALYTICAL APPROACH AND KEY ASSUMPTIONS

Methodological Overview

As part of the General Plan Update, EPS developed a fiscal impact model designed to test how City policies, service standards, growth patterns, and socio-economic changes affect the City's General Fund costs and revenues over time. While State and Federal funding sources are considered indirectly, the analysis is focused primarily on the City's General Fund expenditure and revenue items that (1) represent a substantive component of the overall budget and (2) are likely to be affected by the General Plan policies and growth trends. Thus, General Fund costs and revenues that are relatively small or are operated on a cost-recovery basis are excluded from the analysis.

As described below, this fiscal impact analysis is being undertaken at a time of significant economic and financial uncertainty. The Great Recession imposed a significant reduction in local government revenues, including those of the City of Fresno, caused by reduced economic activity, real estate sales, and retail sales, among other factors. At the same time the State's fiscal difficulties have led to continuing realignments of State services and local funding. As a result, there have been and continue to be cuts in service levels at all levels of government in order to balance budgets.

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This analysis is based on the adopted FY2011-12 budget, the most recent budget adopted by the City and assumed as the existing service level “baseline” for the purpose of projecting General Fund revenues and costs. However, it is recognized that recent budget cuts have, in many cases, reduced City service levels well below historic and/or optimal service levels. While it is expected that economic conditions will improve in coming years, long-term structural outcomes are unclear.

As a starting point, this report documents actual service standards based on the existing level of service either provided by applicable City departments (e.g., number of police offices, park acres, road miles, etc.) or reflected in the most recent budget. Given the City’s current fiscal situation, it is recognized that the City’s current service provision may not be adequate going forward. As a result, for several key expenditure categories, the EPS analysis also utilizes an alternative “optimal service standard” approach, that reflects a return to a more ideal service level, as articulated by Department staff. While the existing service standards document existing cost relationships, the “optimal service standard” is reflective of potential improvements in staffing or the provision of public facilities that may be warranted as General Fund revenues improve.

EPS has used several approaches to evaluate the General Fund costs and revenues based on the adopted FY2011-12 budget. A description of the primary budget categories, proportion of the total General Fund costs and revenues, and their estimating methodology are illustrated in **Table 6**. The primary forecasting methodologies and factors are described below (**Table 7** provides a more detailed break-down for each general Fund budget category).

- **Service population.** The service population for any given budget item is defined as the universe of individuals that generate impacts and is based on a review of the various population groups—including residents and employees—relative to each of the City’s service providers. For each department, the relative impacts of employment and population are compared and used to estimate a total service population. For instance, for general government, an employee is estimated to have a service demand profile equal to about half the service demanded by a typical resident. Other types of City services, such as parks and recreation, are provided to the extent that they are accessed by the population. For these departments, an employee is only likely to access services during non-work hours and therefore has a significantly lower impact than the residential population.
- **Case study.** A case study approach was used to calculate fiscal impacts for budget items that may not vary directly with service population or for which detailed data is available to make a more precise estimate. For example, the case study approach is used to estimate property and sales tax revenues.
- **Not estimated.** Some budget items were not estimated because certain City revenues and expenditures are either not directly related to growth and development (e.g., City’s bond sale proceeds) and/or generated on a cost-recovery basis.

Table 6. Primary General Fund Revenues and Expenditure Summary

Budget Item	Description	% of GF Total*	Estimating Methodology
<u>GF Costs (1)</u>			
Police	Community safety through violent crime, gang, drug, and property crime prevention	60%	case study
Fire	Fire prevention and suppression and emergency response	20%	case study
General Government	Includes City Council, Office of the Mayor, City Clerk, and Finance.	10%	per service pop
Parks and Recreation	Park facilities, recreation, community services, after school programs	5%	case study
Public Works	Street maintenance, traffic signals, street lighting, trails, parks, medians and buffers, plan check, permitting, inspections, capital management, traffic planning and operations, right-of-way and administration of development impact fees, and CFD oversight	<u>3%</u>	case study
Total		98%	
<u>GF Tax Revenues</u>			
Sales Tax	A 1% portion of the sales tax is captured by the City's General Fund. In addition to Bradley-Burns sales tax rate, the City also collects special tax for library, Measure C, and zoo.	30%	case study
Property Tax	Ad valorem tax imposed on real property and tangible personal property. Fresno's General Fund captures a share of this tax ranging by TRA	30%	case study
Motor Vehicle License Fee (2)	Varies by growth in assessed value backfilled by the State	15%	case study
Business Tax	A tax for obtaining a business license for operation in the City	7%	per employee
Charges for Services	Various fees charged by the City to cover its costs for service	<u>6%</u>	per service pop
Total		88%	

*Rounded.

(1) Does not include approximately \$17 million in annual debt service accounted for under intergovernmental transfers.

(2) Considered as part of the property tax in the City's CAFR.

Sources: City of Fresno Adopted FY2011-12 Annual Budget

Table 7
Fresno General Fund Operating Budget and Estimating Methodology (FY2011-12 Adopted City Budget, in \$1,000s)
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total	% Variable	Estimating Methodology	
Operating Revenues				
Property Tax	\$69,075			case study
Sales Tax	\$66,393			case study
Motor Vehicle In Lieu	\$36,473			case study
Real Estate Transfer Tax	\$832			case study
Prop 172 Sales Tax	\$2,216			case study
Business Tax	\$16,162		\$81.75	per employee
Franchise Tax	\$10,022		\$16.73	per service population
Hotel Room Tax	\$8,845		\$14.77	per service population
Card Room Receipts	\$1,400		\$2.34	per service population
Charges for Current Services	\$14,275		\$23.83	per service population
Intergovernmental	\$9,352	50%	\$7.81	per service population
Enterprise In-Lieu Fees	\$322			-not estimated
MRZ Incentive Credit	\$0			-not estimated
Bond Sale Proceeds	\$0			-not estimated
All Other	\$1,484			-not estimated
Subtotal	\$236,851			
Operating Expenditures				
City Council	\$2,760	20%	\$0.92	per service population
Office of the Mayor	\$1,765	20%	\$0.59	per service population
City Clerk	\$654	20%	\$0.22	per service population
Police	\$130,273			case study
Fire	\$46,130			case study
Parks & Recreation	\$10,779			case study
Public Works	\$6,764			case study
General City Purpose	\$712	25%	\$0.30	per service population
Development and Resource Management	\$774	50%	\$0.65	per service population
Finance	\$14,165	20%	\$4.73	per service population
Subtotal	\$214,775			

Sources: City of Fresno, and Economic & Planning Systems, Inc.

This analysis also evaluates how fiscal impacts differ by land use type and location of growth by comparison of infill development within existing development envelope with greenfield growth in undeveloped locations, such as along the urban edge and outside of the City's existing limits. Downtown is identified as a subset of the infill location and is evaluated separately as part of the special interest area as identified by the City staff.

It is important to distinguish between land uses consistent with the General Plan land use designations. This analysis is based on various real estate prototypes as specified in the General Plan update effort. They include:

- Single-family residential
- Townhomes
- Multifamily residential
- Retail
- Office,
- Industrial

It is understood that some new growth will combine these uses in a mixed-use development format (i.e. residential multifamily over ground story retail).

Key Demographic and Market Assumptions

As described above, population and employment are key factors that are assumed to drive changes in the City's General Fund costs and revenues. Currently, Fresno is the 5th largest city in California with a population of 500,000 and a regional employment hub with nearly 200,000 jobs, as shown in **Table 8**. Fresno has over 172,000 housing units with an average household size of 3.07. Fresno has a service population of 599,000.

While this report does not provide a market study, it is based on a number of market assumptions that are critical to the results of the analysis. These assumptions and their sources are summarized in **Table 9** and described below:

- Residential unit value assumptions range from \$115,000 per unit for multifamily to \$170,000 per unit for single-family uses. Housing prices are ultimately uncertain and will vary over the course of the General Plan buildout. Property values may also vary by geography within the City, reflecting locational preferences and desirability, but analysis does not incorporate this level of specificity. However, the analysis does assume for sale products generate a 10 to 15 percent premium relative to rental uses.
- This analysis does not evaluate any residential assessed value reductions associated with the affordable housing component. The impact of affordable housing is not assumed to be significant going forward given the recent reduction in grant funding and elimination of redevelopment.
- This analysis assumes that 75 percent of single-family, 50 percent of townhomes, and 10 percent of multifamily units will be for-sale with the remainder as rentals.

Table 8
Fresno Citywide Assumptions, 2010-2011
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total	Sources
Housing Units and Households		
Housing Units	172,171	DOF 2011
Owner-Occupied Units	49.5%	Census 2010
Rentals	50.5%	Census 2010 (1)
Occupied Households	159,165	DOF 2011
Persons/Household	3.14	DOF 2011
Population and Employment		
Population	500,121	DOF 2011
Employed in Fresno	99,597	LED_LEHD data 2005-2009
Employed Elsewhere	66,981	LED_LEHD data 2005-2009
Unemployed	23,295	ACS 2005-2009
Other (2)	310,249	DOF 2011/LED_LEHD data 2005-2009
Employment	197,700	Fresno CAFR 2010
by Residents	99,597	LED_LEHD data 2005-2009
by non-Residents	98,103	LED_LEHD data 2005-2009
Service Population (3)	598,971	DOF 2011/LED_LEHD/City of Fresno

(1) Ownership and rental distribution is based on the existing distribution rate in Fresno between 2006 and 2010 per 2010 Census.

(2) Reflects military employment, unemployed, and those not in labor force.

(3) Calculated by adding total residential population and half of employment.

Sources: Department of Finance; American Community Survey; Census 2010; LED_LEHD; and Economic & Planning Systems, Inc.

Table 9
Market Assumptions
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Vacancy Rate	Average HH Size	Emp Density	For-Sale Values (per unit or per sq.ft.)*		Rental Values (per unit or per sq.ft.)*		Average Values (per unit or per sq.ft.)*		
				Infill	Greenfield	Infill	Greenfield	Infill	Greenfield	
Residential										
Single Family	6%	3.07	na	\$170,000	\$170,000	\$150,000	\$150,000	\$165,000	\$165,000	
Townhome	6%	3.07	na	\$150,000	\$150,000	\$130,000	\$130,000	\$140,000	\$140,000	
Multifamily	6%	3.07	na	\$115,000	\$115,000	\$100,000	\$100,000	\$101,500	\$101,500	
Commercial										
Retail	8%	na	400	na	na	\$200	\$200	\$200	\$200	
Office	8%	na	350	na	na	\$240	\$240	\$240	\$240	
Industrial	6%	na	700	na	na	\$50	\$50	\$50	\$50	

*Note: property values in infill and greenfield locations are assumed to be comparable while prices in for-sale units are assumed 10 to 15 percent higher than in rentals. Home values are based on the sale comparables data provided by DQ News and reflect long-term normalized prices.

Sources: DQ News, RAND org, Dyett & Bhatia, and Economic & Planning Systems, Inc.

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EPS assumes commercial building values range from \$50 to \$240 per square foot. These estimates are based on the rent capitalization approach summarized in **Table 10**.

- This analysis assumes vacancy rates of 6 percent for residential and between 6 and 8 percent for commercial uses³. These vacancy rates are typical for Fresno.
- This analysis evaluated development of the General Plan alternatives at buildout. This analysis does not make any assumptions about the timing or absorption of these uses over time.
- Residential for-sale turnover rates are assumed to be 7.8 percent per annum based on the historic trend for single-family unit turnover in Fresno between 2002 and 2009. Residential rental and commercial use turnover is assumed at 3 percent per annum as investment product typically turns over less frequently. This assumption is based on prior EPS experience.

Other Key Assumptions

- This analysis makes assumptions about a share of the growth to occur outside of existing City limits that would require annexation. The allocation varies by alternative and is provided by Dyett & Bhatia. As shown in **Table D-1**, between 29 percent and 60 percent of new development is assumed to take place on annexed land, depending on land use.
- This analysis is based on a share of new growth assumed to be located within special assessment districts, as shown in **Table D-1**. A share of new development within special district varies by alternative and is established by Dyett & Bhatia (based on development of greenfield parcels larger than 25 acres to be in assessment districts and all of new development to be annexed would be in assessment districts). These assumptions result in between 3 percent and 19 percent of new development estimated to be subject to a CFD district special tax, depending on land use category. This analysis assumes CFD funding could be used for all key Public Works functions but would not be available to fund Parks, After School, Recreation and Community Services (PARCS) operating costs.
- This analysis is based on an average household size of 3.07 across all residential densities. This assumption is based on the existing household size average in Fresno.
- This report is conducted in constant 2011 dollars.

³ Given a historically higher vacancy rate in rental product relative to for-sale uses, residential vacancy implies a higher vacancy in rentals and a lower vacancy in for-sale units, averaging 6%.

Table 10
Commercial Capitalized Value Assumptions (per sq.ft.)*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Retail	Office	Industrial
<u>Average Rent</u>			
Rent Type	NNN	FS	NNN
Monthly Rent (1)	\$1.50	\$2.34	\$0.36
Annual Rent	\$18	\$28	\$4
Vacancy	8%	8%	6%
Operating Expenses	3%	30%	3%
Net Annual Rent	\$16	\$18	\$4
Cap Rate (2)	8.0%	7.5%	8.0%
Capitalized Value (rounded)	\$200	\$240	\$50

*Note: property values in infill and greenfield locations are assumed to be comparable.

Sources: Grubb & Ellis, IRR-Viewpoint 2011, and Economic & Planning Systems, Inc.

Table D-1
Development Program
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Infill		Greenfield	Total	Allocation Assumptions		
	Downtown	Other Infill			Assessment District	Outside City Limits	% Rental
Residential (units)							
Single Family	0	4,002	28,810	32,812	10%	59%	25%
Townhome	2,170	3,253	10,183	15,607	5%	60%	50%
Multifamily	<u>8,681</u>	<u>7,784</u>	<u>14,783</u>	<u>31,248</u>	5%	41%	90%
Subtotal	10,851	15,040	53,777	79,668			
Commercial (sq.ft.)							
Retail	2,600,000	11,453,077	6,432,373	20,485,450	19%	29%	na
Office	5,400,000	7,518,568	6,953,130	19,871,698	3%	37%	na
Industrial	<u>3,100,000</u>	<u>10,233,113</u>	<u>11,386,313</u>	<u>24,719,425</u>	9%	43%	na
Subtotal	11,100,000	29,204,757	24,771,815	65,076,572			

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

Chapter 4: General Fund Revenues

This chapter provides a detailed description of the key General Fund revenues projected in this analysis. Major General Fund revenue sources are based on the case study approach with other revenues based on an average revenue approach, including per-employee and per-service population methods.

PROPERTY TAX

Background

Property tax revenues represent the largest single revenue source in the City's General Fund. The City has experienced a significant increase in assessed value over the last decade, primarily as a result of the national housing boom that was particularly strong in San Joaquin Valley. Despite the State redirecting some property tax revenue to cover unmet financial obligations to schools between Fiscal Year 2000-01 and Fiscal Year 2008-09, the City experienced an inflation-adjusted 30 percent increase in property tax revenues. Property tax has grown at an average rate of 5.4 percent a year (above inflation) over the nine years before FY2009. Property taxes have decreased since because of the county assessor reductions in the assessed valuations from the property value drop. These reductions resulted in a decrease of property tax revenue of nearly 20 percent by FY2011. Future property tax revenue will be directly linked to performance of the real estate market and associated home values.

Methodology for Projecting General Fund Revenues

Property tax revenue to the General Fund will be based on the increase in assessed value and the City's share of the 1 percent tax. For the purpose of this analysis, EPS established a set of property values for each land uses considered, as shown in **Table D-1**. As shown in **Table D-2**, new development yields \$20.9 billion in new assessed value to the City. Although property values may vary by geography within the City, reflecting locational preferences and desirability, this analysis does not incorporate this level of specificity.

Typically, the share of assessed value captured by the General Fund ranges by tax rate area (TRA). This analysis utilizes a blended average approach that reflects the City's average property tax capture within an existing boundary. However, a portion of new growth will occur outside of the City and will be annexed from unincorporated County. For the property tax generated from annexation, the analysis applies the existing property tax sharing agreement between the City and Fresno County⁵ to new assessed value growth. This approach yields an estimated post-ERAF General Fund capture rate of 22.1 percent

⁵ Based on the memorandum of understanding #03-001, set to expire in 2017. This analysis assumes that the tax allocation terms will not change going forward.

**Table D-2
Development Program Detail
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	Occupied Uses	New Population	New Employment	Service Pop (1)	Assessed Values (2)			
					Downtown	Other Infill	Greenfield	Total
Residential								
Single Family	30,844	94,690	na	94,690	\$0	\$660,350,483	\$4,753,707,134	\$5,414,057,617
Townhome	14,671	45,039	na	45,039	\$303,828,000	\$455,488,565	\$1,425,685,415	\$2,185,001,980
Multifamily	<u>29,373</u>	<u>90,176</u>	<u>na</u>	<u>90,176</u>	<u>\$881,101,200</u>	<u>\$790,113,802</u>	<u>\$1,500,473,728</u>	<u>\$3,171,688,730</u>
Subtotal	74,888	229,905	0	229,905	\$1,184,929,200	\$1,905,952,849	\$7,679,866,278	\$10,770,748,327
Commercial								
Retail	722,590	na	47,117	23,559	\$520,000,000	\$2,290,615,394	\$1,286,474,509	\$4,097,089,903
Office	988,250	na	52,234	26,117	\$1,296,000,000	\$1,804,456,211	\$1,668,751,198	\$4,769,207,409
Industrial	<u>869,179</u>	<u>na</u>	<u>33,195</u>	<u>16,598</u>	<u>\$155,000,000</u>	<u>\$511,655,633</u>	<u>\$569,315,633</u>	<u>\$1,235,971,266</u>
Subtotal	2,580,019	na	132,546	66,273	\$1,971,000,000	\$4,606,727,238	\$3,524,541,340	\$10,102,268,578
Total	2,654,907	229,905	132,546	296,178	\$3,155,929,200	\$6,512,680,087	\$11,204,407,617	\$20,873,016,905

(1) Calculated by adding residential population and half of non-resident employment.

(2) Based on the historic distribution of ownership versus rental product going forward; this analysis does not consider any assessed value roll exemptions associated with affordable housing given the recent reduction in grant funding and elimination of redevelopment.

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

within the City and 15.2 percent for annexed property, as shown in **Table D-3**. These rates yield a net property tax revenue increase of \$33.4 to the City's General Fund under Alternative D buildout, as shown in **Table D-4**. Property tax estimates vary depending on the General Plan alternative.

Redevelopment

Redevelopment has historically played an important role in a fiscal analysis since property tax increment from these areas did not accrue to the General Fund. However, the property tax estimates do not reflect any redevelopment tax increment, pass-throughs, or enforceable obligations going forward. This is because the use of Redevelopment in its historic form as a local government financing was eliminated as of February 2012. Although tax increment revenue will still be diverted from the General Fund to pay "Enforceable Obligations" this is expected to have minimal impact on property tax revenue generated by new development, the focus of this analysis.

SALES TAX

Background

Sales tax revenues represent the second largest revenue source in the City's General Fund. In addition to the 1 percent sales tax captured by the General Fund, three other county-level taxes fund local services:

1. Public library (0.125 percent of gross sales)
2. Measure C FCTA (0.5 percent of gross sales)
3. Zoo FCZA (0.1 percent of gross sales)

In FY2010, General Fund sales tax revenues accounted for more than 26 percent of the City's General Fund revenues. At \$60 million, the budget for sales tax revenues represents an inflation adjusted decrease in sales tax revenues since FY2000. Specifically, between FY2000 and FY2007 the City's sales tax rose by about 30 percent and decreased by approximately 30 percent over the next four years, wiping out the gains during the first part of the decade.

Comparatively, the City's population increased by 17 percent over the same ten-year period. The increase in the per-capita generation of sales tax revenues during the early part of the decade reflects the overall retail base growth as well as the City's increase in capture rate and/or the income levels during the economic expansion. However, per-capita sales tax revenue has decreased after FY2007, reflecting a decrease in purchasing power of City residents associated with decreased retail spending and rising unemployment. This phenomena is consistent with the City's role as a relatively low cost housing market that has experienced growth in certain types of population during recessions, as described earlier.

**Table D-3
Fresno General Fund Property Tax Share Estimate*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	FY2010-2011	FY2011-2012	Source
Citywide Assessed Value			
Gross	\$28,034,081,476	\$27,327,298,568	County Auditor Tax Rate Book
Net (1)	\$27,646,156,415	\$26,946,100,044	County Auditor Tax Rate Book
Gross Redevelopment Area Value	\$3,576,281,233	\$3,603,721,187	County Auditor Tax Rate Book
Property Tax	\$276,461,564	\$269,461,000	1% of Net Citywide AV
General Fund Property Tax Share (2)			
Total (3)	\$54,882,284	\$53,492,554	County Auditor Schedule of Levies
With No RDA (4)	\$60,125,515	\$60,586,844	County Auditor Schedule of Levies
Citywide General Fund Capture			
Average	19.9%	19.9%	EPS estimate
Net of RDA (5)	21.7%	22.5%	EPS estimate

*Note: this analysis does not reflect the change in assessed value over time. This change is likely to fluctuate and will vary among different geographic areas within the City based on a range of factors.

(1) Reflects exemptions not subject to property tax (e.g. home owner exemptions).

(2) Net of Triple Flip/Reverse ERAF.

(3) With RDA funds; FY2011-12 estimates are based on the annual change in the citywide assessed value growth between FY2010-11 and FY2011-12.

(4) Net of the tax increment shifted from the City's General Fund to the RDA (above the frozen base) net of the City's General Fund share of pass throughs;

FY2011-12 estimates are based on the annual growth in the property value in redevelopment areas between FY2010-11 and FY2011-12.

(5) RDA staff indicates that the General Fund impact could be less than what is estimated in this analysis based on enforceable obligations. This assumption is subject to further review and input from RDA and City staff.

Sources: Fresno County Auditor's Office; and Economic & Planning Systems, Inc.

Table D-4
Property Tax Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Factor	Existing City Limits	Outside City Limits (1)	Total
Property Tax				
New Assessed Value		\$11,603,561,948	\$9,269,454,956	\$20,873,016,905
Property Tax	1.0%	\$116,035,619	\$92,694,550	\$208,730,169
Fresno's General Fund Share (2)		22.1%	15.2%	
Total Fresno General Fund Share (3)		\$25,662,840	\$7,749,264	\$33,412,105

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

(1) Growth outside the City limits is assumed to be annexed to the City with property tax subject to the existing tax allocation agreement with the County.

(2) Post ERAF; based on the average between FY2010-11 and FY2011-12. The estimate is below the pre-ERAF share estimated at 27.8% based on the TRA breakdowns provided by the County Assessor's office. This factor does not vary by infill or greenfield location as geography-specific information about the General Fund capture within the City is not available. The share outside city limits is based on the tax allocation agreement with Fresno County, #03-001. The County's post-ERAF share of property tax in unincorporated areas around Fresno is estimated to ranges between 35% and 45%.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

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Methodology for Projecting General Fund Revenues

EPS forecasted the sales tax to the City's General Fund based on demand from population and employment growth. This is a conservative approach as the analysis does not attribute a net fiscal benefit from additional retail development to ensure that the City's General Plan fiscal planning is based on internal growth dynamics rather than an assumption that "supply creates demand".

For residential uses, new demand is based on household income with a certain portion of income spent on taxable sales. For all other uses, EPS forecasted sales based on average taxable expenditure per non-resident employee. The City retains 1.0 percent of taxable sales within its boundary but is estimated to capture a smaller share from areas to be annexed. This is because similar to property tax, the City has a sales tax allocation agreement with the County for areas of new annexation. As such, a portion of new sales will occur in areas that would likely be annexed from unincorporated County, estimated based on a share of overall retail square footage for the purpose of this analysis. While the agreement specifies a variable rate of sales tax allocation subject to the overall retail sales growth citywide, this analysis assumes that Fresno General Fund will receive 0.95 percent of sales in the annexed areas⁶.

These calculations yields a total sales tax revenue increase of \$7.8 million to the City's General Fund under Alternative D buildout, as summarized in **Tables D-5**. Retail tax proceeds will vary by development alternative.

MOTOR VEHICLE IN-LIEU

Background

Motor Vehicle In-Lieu or Vehicle License Fee (VLF) is a tax imposed by the State on the ownership of a registered vehicle in place of taxing vehicles as personal property. Changes in the State budget converted a significant portion of VLF subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value. However, proceeds from VLF still make up the third largest revenue source in Fresno. Over the next two years, this revenue source is not projected to change significantly from the FY2011 estimate of nearly \$36 million. Over the long term, its performance will likely be tied to a combination of population growth and economic recovery.

Methodology for Projecting General Fund Revenues

This analysis forecasts Motor Vehicle In-Lieu proceeds based on an assessed value increase relative to the existing base. As shown in **Table D-6**, Motor Vehicle In-Lieu proceeds are estimated at \$27.9 million based on the citywide assessed value growth of 76 percent. Future revenues will vary by development alternative.

⁶ Based on the memorandum of understanding #03-001, set to expire in 2017. This analysis assumes that the tax allocation terms will not change going forward.

**Table D-5
Sales Tax Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	Assumptions	Total
SALES TAX GENERATED BY NEW RESIDENTS		
Average Median Income (1)		\$43,124
HH Retail Expenditure (2)	29.7%	\$12,806
New Occupied Households		74,888
Total Retail Expenditure		\$959,001,437
Taxable Expenditures Captured in Fresno	80% of retail expenditures	\$767,201,150
Inside Existing City Limits	71%	\$545,153,014
In Areas to be Annexed (3)	29%	\$222,048,136
Sales Tax from New Residents		
Inside Existing City Limits	1.0% of taxable sales	\$5,451,530
In Areas to be Annexed (4)	0.95%	<u>\$1,498,925</u>
Total Sales Tax From New Residents		\$6,950,455
SALES TAX GENERATED BY NEW EMPLOYEES		
New Employment		132,546
Non-Resident Employment (5)		65,772
Daily Taxable Employee Spending in Fresno (6)	\$10 per employee	\$657,725
Annual Taxable Spending by Employees (7)		\$164,431,168
Net New Taxable Sales (8)	50% of total taxable sales	\$81,594,643
Sales Tax from New Employees	1.0% of taxable sales	\$815,946
Total GF Sales Tax Increase		\$7,766,402

(1) Based on the existing citywide income; from the Census data for the period between 2006 and 2010.

(2) Based on the 2010 Bureau of Labor Statistics average taxable expenditure for households in the Western United States.

(3) Based on existing distribution of retail space between incorporated and unincorporated areas.

(4) Based on the tax allocation agreement with Fresno County, #03-001. The actual General Fund capture will vary based on the timing of sales and the City's overall retail sales tax growth.

(5) Based on the existing citywide allocation between resident and non-resident employees.

(6) EPS assumption.

(7) Reflects 250 work days out of a year

(8) Excludes employees that are Fresno residents to avoid double-counting; based on the 5-year average LED_LEHD data for primary employment and population in Fresno.

Sources: Bureau of Labor Statistics; LED_LEHD; and Economic & Planning Systems, Inc.

Table D-6

Alternative D

Motor Vehicle in Lieu of VLF Estimates*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total
Existing Motor Vehicle in Lieu	\$36,473,000
City of Fresno Citywide Value	\$27,327,298,568
Assessed Value of New Growth	\$20,873,016,905
New Growth as a Share of Existing Base	76.4%
Net Increase in Motor Vehicle in Lieu	\$27,858,646

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

PROPERTY TRANSFER TAX

Property transfer tax is collected by the City when the ownership of residential and commercial property changes. The City's General Fund receives \$0.55 of every \$1,000 in value sold. This analysis assumes that for-sale residential uses change ownership more frequently than residential rental and commercial uses. This approach results in the property transfer tax estimate of nearly \$500,000 a year, as shown in **Table D-7**. Property transfer tax proceeds will range by development alternative.

PROPOSITION 172 SALES TAX PROCEEDS

Proposition 172, passed in 1993, established a one-half cent sales tax with proceeds used to fund eligible public safety expenditures, such as police and fire. State's allocation of Prop. 172 proceeds varies based on each City's and County's relative growth in sales tax. For the purpose of this analysis, Fresno's General Fund is assumed to receive a share of new Prop. 172 proceeds based on the increase of taxable sales over the existing base. The sales increase driven by new growth is estimated at 12 percent. As a result, the increase in Prop. 172 proceeds is estimated at \$260,000, as shown in **Table D-8**.

OTHER REVENUES

While not as significant in total dollars, other revenues, such as Real Estate Transfer Tax, Franchise Tax, Hotel Room Tax, Card Room Receipts, and Charges for Current Services, have also increased faster than inflation over the last ten years. However, Business License tax revenue in Fresno has decreased over the last ten years. This decrease is likely the result of either a change in market conditions (i.e., fewer businesses), a change in the City's tax rate, or a combination of both factors. The EPS fiscal analysis projects these revenues based on a per-employee and per-service population approaches, as shown in **Table 7**. Intergovernmental proceeds are estimated based on a per service population approach, with 50 percent of revenues assumed variable. This assumption reflects the complex allocation of many Federal and State government funds to local jurisdictions with allocation approaches ranging widely by funding source. Respective proceeds associated with these revenues are summarized in **Table D-9**.

As shown, new development is estimated to increase General Fund revenues by approximately \$100 million a year with property taxes and motor vehicle in lieu fees as the largest revenue drivers. Given the dependence of these revenue sources on future assessed values, policy choices associated with maximizing the City's value will be important for fiscal sustainability going forward. Other key revenues will include business taxes, sales taxes, and charges for services.

Table D-7

Alternative D

Real Estate Transfer Tax*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Assumption	Total
Residential For-Sale		
New For-Sale Value		\$5,713,480,647
Average Residential Turnover (1)	7.8% a year	\$445,648,801
Transfer Tax From Residential For-Sale Uses	\$0.55 per \$1,000 value	\$245,107
Other Uses		
Residential Rental Value		\$5,057,267,680
Non-Residential Value		<u>\$10,102,268,578</u>
Subtotal		\$15,159,536,258
Average Commercial Turnover (2)	3.0% a year	\$454,786,088
Transfer Tax From Commercial Uses	\$0.55 per \$1,000 value	\$250,132
Total Real Estate Transfer Tax		\$495,239

*Reflects long-term average in property turnover likely to occur in lumps.

(1) Based on the historic trend for single-family unit turnover in Fresno between 2002 and 2009.

(2) Based on typical turnover trends for investment property; while Fresno-specific data is not available, residential rental and commercial uses typically turn over less frequently than residential for-sale uses.

Sources: Rand California, Department of Finance, and Economic & Planning Systems, Inc.

Table D-8
Proposition 172 Proceeds Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Total
Existing Sales Tax to the City	\$66,393,000
Estimated Increase from New Growth	
Total	\$7,766,402
% Increase	12%
Existing Prop 172 Proceeds	\$2,216,000
Increase in Prop 172 Proceeds	\$259,219

*Note: allocation of prop 172 depends on a more complex sales tax allocation methodology applied by the State based on relative growth in sales tax. This analysis utilizes a simplified approach as a proxy for potential prop 172 proceeds. The actual amount will vary on sales tax growth in other jurisdictions.

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table D-9
Operating Revenues Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level Total	Optimal Service Level Total
Sales Tax	\$7,766,402	\$7,766,402
Prop 172 Sales Tax	\$259,219	\$259,219
Property Tax	\$33,412,105	\$33,412,105
Motor Vehicle In Lieu	\$27,858,646	\$27,858,646
Business Tax	\$10,835,652	\$10,835,652
Franchise Tax	\$4,955,659	\$4,955,659
Hotel Room Tax	\$4,373,658	\$4,373,658
Real Estate Transfer Tax	\$495,239	\$495,239
Card Room Receipts	\$692,269	\$692,269
Charges for Current Services	\$7,058,674	\$7,058,674
Intergovernmental	<u>\$2,312,179</u>	<u>\$2,312,179</u>
Total Revenues	\$100,019,703	\$100,019,703

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Chapter 5: General Fund Costs

This section highlights the key trends, methodology, and estimates associated with the General Fund costs categories considered for this analysis. This analysis is based on a range of cost estimating approaches. Project-specific “case study” estimates are applied to Public Works, PARCS, Fire, and Police Departments, while a “per-service population” approach is used for other citywide services. Actual costs will vary by department, and will depend on future service demands, fiscal and economic conditions, and policy decisions to be made by the City Council related to staffing and service levels.

As described above, the current costs are based on abnormal fiscal circumstances that may not be reflective of long-term services provided by the City. As a result, key costs are evaluated under two separate scenarios: (1) cost reflective of existing service levels and (2) cost associated with providing optimal service levels. Cost estimates utilized in this analysis are not designed for budgeting purposes. These estimates are comparative in order to understand the relative magnitude of the General Fund implications of various General Plan land use alternatives. Discussion of the key methodological issues for each major department is provided below.

POLICE

Service and Budget Background

Police Department expenditures account for approximately 55 to 60 percent of all City General Fund expenditures. The department’s General Fund funding share has been shrinking since FY2007 and is projected to stabilize at \$130 million by FY2012, a level roughly comparable to FY2008-2009. The Department has managed to prevent significant reduction in its level of service through innovative funding alternatives, such as seizure auctions and federal grants. However, as many of these funding sources become more difficult to obtain going forward, the Department’s ability to maintain an existing level of service is uncertain. This trend also puts more emphasis on the General Fund share of the Department’s overall funding. Although Police services are funded through a number of sources, including the General Fund, federal and state grants, drug seizures, and citation revenue, about 90 percent of the police budget is currently funded by the General Fund.

Fresno Police Department consists of administrative services, patrol, support, investigative services, and professional standards divisions. Police services are currently provided through four stations in the City with 767 sworn personnel through 4 primary quadrants and 33 beats. The City’s police force has been decreased by about 100 sworn officers since FY2009 through attrition, although the overall Department staffing has reduced by nearly 300 during this time period. The City’s current service standard is approximately 1.28 sworn officers per 1,000 service population. The majority of this reduction came from the elimination of non-sworn staff positions to cut costs, accomplished through layoffs and attrition. For example, non-sworn officers have been predominantly utilized to respond to lower priority calls with the City recently losing this capacity and shifting its focus to higher priority crimes. Total crime rate has increased in Fresno over the last two years following

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the staff reduction; however, the crime rate is significantly below that from the early part of the decade.

Methodology for Projecting General Fund Cost

This analysis utilizes the cost structure and assumptions outlined in the Police Department's "2025 Public Safety Needs Assessment" prepared by the Police Department in June 2003, updated to current dollars based on the CPI. Specifically, it utilizes service standards and cost per unit assumptions for the Department's major expenditure categories that are likely to be affected by growth, as described below.

- **Sworn Officers:** The existing service level is calculated at 1.28 sworn officers per 1,000 service population. The optimal level corresponds to the 2.0 officers / 1,000 standard articulated in the Needs Assessment document, adjusted to account for employment (ratio per population versus service population). Average cost per officer is assumed at approximately \$118,000, based on Department estimates.
- **Non-sworn Personnel:** The existing service level is calculated at 0.33 per 1,000 service population. The optimal level corresponds to the 0.83 / 1,000 population standard articulated in the Needs Assessment document, also adjusted to account for employment. This category assumes an average cost of \$50,000 per officer⁷.
- **Vehicles, equipment, and O&M costs:** The cost estimates and ratios (i.e. officers per vehicle) are based on the Needs Assessment document, adjusted for inflation.
- **Substations:** This analysis assumes that under an optimal standard the Department would have one additional Police substation (i.e. five instead of four).⁸ The number of new stations required as the City grows is calculated based on new square miles added to the City (the General Plan scenarios assume about 25 to 35 percent increase in square miles depending on alternative).

As shown in **Table D-10**, these assumptions generate existing service level cost of \$50.3 million. Under the optimal service level, the cost increases to \$70.2 million at buildout, an increase of roughly 40 percent above the existing service level. These cost estimates range by development alternative. Assuming the optimal service standard is applied to existing police services, the General Fund cost would increase by \$42.4 million.

⁷ The City has historically utilized non-sworn officers to address lower priority crimes. The existing non-sworn officer staffing is substantially below the historic norm.

⁸ The Departments' fifth (5th) substation, the Central District Police Station, was closed in January, 2011 as a result of budget cuts.

Table D-10
General Plan Cost Estimate for Fresno General Plan Fiscal Analysis; EPS #20132

Alternative D

Item	Existing Service Level		Optimal Service Level	
	Assumption or factor / Unit	Amount	Assumption or factor / Unit	Amount
<u>Police Department Cost Estimating Factors</u>				
Sworn Officers				
Service Level	1.28 / 1,000 Service Pop.	766.75	1.69 / 1,000 Service Pop. ¹	1,011
Avg. Annual Cost ²	\$118,087 / Sworn Officer	\$90,543,207	Same as Existing	\$119,440,470
Non-Sworn Personnel				
Service Level	0.33 / 1,000 Service Pop.	200	0.70 / 1,000 Service Pop. ¹	420
Avg. Annual Cost ²	\$50,000 / FTE	\$10,000,000	Same as Existing	\$20,987,829
Vehicles & Equipment Cost / Year³	\$5,600 / Sworn Officer	\$4,293,800	Same as Existing	\$5,664,185
Vehicle O&M Cost⁴	\$44.53 / Sworn / City Sq. Mile	\$3,550,850		\$4,684,119
Substations⁵				
# of Stations	26 Sq. Miles / Station	4	21 Sq. Miles / Station	5
O&M cost	\$35,000 / substation	<u>\$120,000</u>	Same as Existing	<u>\$120,000</u>
Variable Cost Subtotal		\$108,507,857		\$150,896,603
<u>Police Budget (Adopted FY2011-12)</u>				
Total		\$143,983,700		\$186,372,446
General Fund		\$130,272,600		\$172,661,346
General Fund as a Share of Total		90%		93%
Estimated Variable Costs				
as % of Total		75%		81%
as % of General Fund		83%		87%
<u>General Plan Build-out Projections</u>				
Increase Service Population		296,178		
Increased City Sq. Miles		32.68		
Increased Personnel Costs				
Sworn	379.1 New FTEs	\$44,771,627	500.1 New FTEs	\$59,060,688
Non-Sworn	98.9 New FTEs	\$4,944,780	207.6 New FTEs	\$10,378,020
Increased Vehicle & Equipment Costs				
		\$2,123,190		\$2,800,815
Increased Vehicle O&M Costs				
		\$551,647		\$727,708
Increased Substation O&M Costs				
	1.0 New Station(s)	<u>\$35,000</u>	2.0 New Station(s)	<u>\$70,000</u>
Net Increase in General Fund Cost				
		\$50,303,054		\$70,236,417
Additional Cost of Providing Optimal Service to Existing Residents		\$0		\$42,388,746

(1) Based on a service standard of 2.00 sworn officers and .83 non-sworn personnel per 1,000 residents, as articulated in the '2025 Public Safety Needs Assessment', prepared by the Police Department in June, 2003. Standards have been translated to service population to account for the impact of employment.

(2) Estimate provided by the Department staff, include benefits and taxes.

(3) Based on cost estimated provided in the '2025 Public Safety Needs Assessment' adjusted for inflation using the CPI. Calculation assumes 2.5 officers per vehicle and an average life cycle of 5.0 years

(4) Based on average vehicle miles traveled (20,000 / year in 2003) and O&M costs from "2025 Public Safety Needs Assessment."

(5) According the Department, the existing number of substations is sub-optimal; a fifth (5th) substation, the Central District Police Station, was closed in January, 2011 as a result of budget cuts.

Sources: Fresno PD and Economic & Planning Systems, Inc.

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It is worth noting that Police Department cost estimates provided in this analysis differ from those provided in the Police Department's "2025 Public Safety Needs Assessment" for the following reasons:

- EPS's Our estimates are based on build-out of the General plan and thus are run off different population projections; they not correspond to a specific point in time (i.e. 2025);
- EPS's estimates are in constant dollars (they are not inflated into 2025 dollars).
- EPS's numbers are based on a "service population" and thus include employment;
- EPS's methodology is focused on General Fund costs only and excludes capital expenditures.

FIRE

Service and Budget Background

The Fresno Fire Department is responsible for fire prevention and suppression, urban search and rescue, hazardous materials, and aircraft firefighting. It consists of operations, prevention and investigation, support services, and administration divisions. The Fire Department accounts for the second largest share of the General Fund resources after the Police Department with approximately 20 percent of the overall costs. Similar to Police, the Fire Department's budget has experienced a decrease since FY2007 and is projected to stabilize at \$55 million in FY2012 with approximately \$46 million to be covered by the General Fund, equivalent to the FY2008 and FY2009 level.

Fire protection is provided through 19 separate fire stations distributed about 4.5 miles apart throughout the City. The Fire Department's staff currently consists of 317 firefighters, including 254 firefighters that provide direct service to the City (the remainder is contracted through special fire districts such as North Central Fire Protection). Stations are staffed with three firefighters on a 24-hour basis and one engine (a ratio of three firefighters per engine). The Fire Department's service goal is a response time (travel time) of four minutes in at least 90 percent of priority I calls for the first arriving unit, with the balance of needed units arriving within eight minutes. The department currently meets its goal for the first arriving unit but falls short of meeting the goal for providing the necessary number of units on scene within the required time. Some newer stations located on the urban fringe generally receive significantly fewer calls for service. These stations tend to serve newer development areas and structures that are fully compliant with existing fire codes including interior sprinkler systems.

Methodology for Projecting General Fund Cost

The Fire department is funded through a number of sources, including the General Fund, charges for services, federal and state grants, and agreements for fire protection services by County islands. Given the relative prominence of Fire services in the General Fund, estimated at over 80 percent of the overall Department budget, new growth in the City will potentially have a significant impact on Department expenditures. For the purpose of this

analysis, EPS utilizes the Fire Department's estimates for new station and staffing needs associated with each General Plan development alternative.

This analysis utilizes the average General Fund share of cost per firefighter applied to new staffing needs. As shown in **Table D-II**, the average General Fund share of the cost per firefighter, estimated at nearly \$182,000, is used as a baseline measure of departmental spending. In addition, this analysis differentiates between service demand and cost generated by growth in the infill locations relative to greenfield locations. Specifically, based on the Department's input, this analysis reflects new growth being more cost effectively accommodated in infill areas on a per-firefighter basis. However, higher population and employment density and resulting densification of urban form will likely create higher service needs and demand for specialized equipment, requiring a higher level of staffing (firefighters per service population) relative to less developed greenfield locations.

The Fire Department indicates that while it has adequate capacity to accommodate new growth in downtown, it will incur new costs from population and employment growth in other infill locations and greenfield areas. Specifically, it estimates the necessity for between four (4) and five (5) new fire stations to provide adequate fire protection to new growth. These needs require four (4) new fire stations driven by greenfield growth under all development alternatives⁹. In addition, the Department estimates that one additional fire station would be necessary to accommodate infill growth under the optimal service scenario, while no new infill stations are included under the existing service level scenario.

These estimates translate into needs of between 7 and 9 engine companies depending on the service level. The City typically staff between 9 and 12 firefighters per engine with an additional relief position per 8 firefighters to cover any leaves for vacation, holiday, sick, or injury time. Assuming the lower end of a reasonable range (3 shifts of 3 firefighters with a relief position), a total of 71 new firefighters would be required under the existing service level scenario. This includes 41 firefighters required as part of greenfield growth and 30 firefighters required as part of infill growth. The optimal service level reflects the higher end of the range of 12 firefighters per engine company (with additional relief positions), resulting in the need for 122 new firefighters, including 54 firefighters required for greenfield growth and 68 for infill growth.

While specific cost distribution by division in the Fire Department is not known, EPS assumes that a portion of the cost per firefighter is variable and will increase as the City's population and employment continue to grow. The Fire Department indicated that given the existing support infrastructure, the cost burden of infill staffing would be lower relative to greenfield areas. As a result, the Department estimates about 70 percent of its cost in infill areas and 90 percent of the greenfield area cost would be variable with the remainder as fixed, thus not likely to be significantly affected by growth (i.e. the cost for the

⁹ This assumption is based on the department maintaining its existing contract with the North Central Fire Protection District which results in operation of two stations that would serve a portion of the new growth along the City's western edge.

Table D-11
Fire Service
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level			Optimal Service Level		
	Greenfield	Infill (1)	Total	Greenfield	Infill (1)	Total
Existing Average Cost per Firefighter						
Sworn Firefighters			317.65			
Non-Contracted Sworn Firefighters (3)			254			
Firefighters per 1,000 Service Pop.			0.42			
Fire Department Budget (Adopted FY2011-12 Budget)			\$54,950,500			
General Fund Cost			\$46,144,700			
General Fund as a Share of Total			84%			
Average General Fund Cost per Firefighter (rounded)			\$181,700			\$181,700
New Fire Department Needs						
Fire Stations (3)	4	0	4	4	1	5
Engine Companies (3)	4	3	7	4	5	9
Firefighters per Engine Company (4)	10.1	10.1		13.5	13.5	13.5
New Firefighters Required (rounded)	41	30	71	54	68	122
Variable General Fund Cost						
Variable General Fund Funding Share (5)	90%	70%		90%	70%	
Avg. Variable Cost per Firefighter (rounded)	\$163,500	\$127,200		\$163,500	\$127,200	
Total Variable Cost	\$6,703,500	\$3,816,000	\$10,519,500	\$8,829,000	\$8,649,600	\$17,478,600
Operating Cost per Additional Fire Station (6)	\$125,000	\$125,000		\$125,000	\$125,000	
Total Operating Cost per Additional Fire Station	\$500,000	\$0	\$500,000	\$500,000	\$125,000	\$625,000
Total General Fund Cost Increase	\$7,203,500	\$3,816,000	\$11,019,500	\$9,329,000	\$8,774,600	\$18,103,600
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)			na	\$0	\$10,303,200	\$10,303,200

- (1) Excludes downtown; driven by densification of existing uses and additional calls for service resulting from new growth. Downtown has adequate capacity to support future growth.
- (2) Net of the special district firefighters.
- (3) Provided by the Fire Department based on needs assessment.
- (4) Reflects the City's existing ratio of 3 firefighters per engine company assuming 3 shifts under the exiting service level and 4 firefighters per engine company under the optimal service level. Includes one relief position per 8 firefighters to cover any staff leave.
- (5) Reflects a net out of the fixed fire cost component, including administration. Given existing department expenditure allocation, the fixed cost share is assumed to be lower in infill relative to greenfield locations.
- (6) Estimated by the Fire Department; includes apparatus, equipment, maintenance cost, and utilities.
- (7) Based on the identified existing deficiency of 6 engines by the Fire Department needed to meet its service goals; assumes 13.5 firefighters per engine company.

Sources: Fresno FD and Economic & Planning Systems, Inc.

administration division). These assumptions result in an average variable cost of \$164,000 per firefighter for greenfield areas and \$127,000 for infill areas, including salary, benefits, operating equipment, and vehicles.

In addition to staffing cost, new fire stations will require new spending by the City and specifically by the General Fund. The Fire Department estimates that \$125,000 per station would be spent by the General Fund to cover apparatus, equipment, maintenance, and utilities annual costs. This analysis does not consider capital facility costs that typically get funded through non-General Fund sources.

As shown in **Table D-11**, the above assumptions generate the need for an additional \$11.0 million in General Fund costs under the existing service level and \$18.1 million under the optimal service level. The Fire Department indicates that while changes between development alternatives will result in differences in the level of service and timing of costs over time, the total cost at General Plan at buildout is not likely to vary. The reason for similar Fire cost estimates between development alternatives is associated with the “step function” structure of the Department where a certain level of new growth requires development of staffing of new fire stations in increments of at least 3 firefighters. Furthermore, while firefighter staffing may vary by geography within the City, the overall changes in the Department’s funding are not likely to change substantially by type of development or its orientation. Assuming the optimal service standard is applied to existing fire services, the General Fund cost would increase by \$38.7 million.

PARCS

Service and Budget Background

Fresno’s PARCS department is responsible for capital improvements, recreation, community services, and after school programs, as well as park operation functions (e.g., custodial, trash pick-up, lighting). It consists of the operations, recreation services, and administrative divisions. The Department operates nearly 75 parks in the City, including Woodward Regional Park, Roeding Regional Park, and Camp Fresno. Downtown parks tend to be smaller pocket parks that often require higher costs per acre, while larger parks in Northeast Fresno are typically maintained more efficiently given economies of scale associated with larger size.

While the City only tracks neighborhood and regional parks (estimated at 858 acres based on the City’s GIS database), EPS assumes that smaller pocket parks and trails will comprise an additional 10 percent of the inventory. This assumption results in the estimate of nearly 950 acres of maintained parks maintained by the City, ranging in size and orientation from pocket parks and trails to regional parks. This equates to about 2 acres per 1,000 residents below the current General Plan standard of 3 acres per 1,000.

The budget for PARCS has been reduced by over 30 percent between FY2008 and FY2011 as a result of cost cutting measures. Further reductions cut the FY2011 budget of \$18.0 million to \$12.1 million by FY2012 with about \$10.7 million funded by the City’s General Fund. General Fund funding makes up the majority of the Department’s budget, ranging between 85 and 90 percent. According to PARCS staff, recent cuts resulted in deferred

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maintenance for some facilities that would likely require higher expenditure in the long term as a result of short-term lack of preventative maintenance.

The latest cost reduction in the adopted FY2011-12 budget reflects the maintenance of the City's parks and trails transferred from the PARCS department to Public Works. This function is funded through the General Fund and reflects an option to furlough park maintenance during the winter months. The proposal also reflects converting non-management staff to a part-time status.

PARCS has begun updating its Strategic Plan. Areas of the new plan related to maintenance and facilities include goals that state the need for less reliance on the General Fund and instead developing dedicated funding sources and joint-use/partnership agreements to defray costs and improve services. The Department plans to develop the CIP program by conducting a detailed assessment of the state of infrastructure and assets of the citywide park system, though little detailed data is currently available for the fiscal impact analysis.

Methodology for Projecting General Fund Cost

This analysis estimates the additional PARCS General Fund costs to be driven by new growth, including an increase in park acreage as well as an increase in population. Although interrelated, EPS assumes that park acreage drives the operation and maintenance portion of the budget while population growth drives the service related functions. Development alternatives range with between 1,158 acres and 1,618 acres of new parks added to the City based on the alternative, as estimated by Dyett & Bhatia¹⁰. New growth will also add 230,000 new residents in Fresno.

While a share of the park maintenance cost has been shifted from PARCS to the Public Works department, PARCS staff continues to provide limited planned and custodial maintenance for these facilities. In addition, PARCS provides a variety of other recreational and social services including after school programs, senior hot meals, and various sports programs. According to the adopted FY2011-12 budget, total PARCS costs are about \$12 million, of which about \$10.8 million or 89 percent, are covered by the General Fund. Although the current budget does not provide a clear breakdown of the relative General Fund costs by functions, PARCS staff indicates that it is underfunded as the budget does not reflect any capital replacement costs which has resulted in long-term deferred maintenance¹¹. Based on the interview with PARCS staff, EPS has categorized the General Fund portion of the PARCS budget into the following categories:

- **Park Facility Operational Costs:** This refers to the cost of maintaining park facilities and hardscape (e.g. community centers, sports and playground structures), as compared to programmatic functions. The \$6,000 per acre cost assumption represents the

¹⁰ There could be a higher need for parks in the greenfield areas relative to infill, which are already served by existing parks. This analysis does not differentiate between greenfield and infill driven park demand. To the extent that infill requires fewer parks than greenfield, incremental maintenance cost will be lower.

¹¹ Capital replacement costs include slurry seal of parking lots, replacement of skate parks and basketball courts, and replacement of lights in City parks.

existing service level and an average between various park sizes, facility types and geographic locations. As shown, this assumption suggests park maintenance accounts for about \$5.7 million, or nearly 50 percent of the PARCS total budget.

- **Other Park Costs Linked to Acreage:** This category captures other PARCS costs in addition to maintenance that are variable and likely to increase in proportion to park acres (i.e., sports and aquatics functions). These costs are assumed to represent 30 percent of the other departmental PARCS cost.
- **Park Costs linked to Population:** This category is designed to cover PARCS functions related to providing recreational and other programmatic services that vary based on population growth. They are assumed to represent approximately 40 percent of the other departmental portion of the PARCS budget.
- **Fixed Overhead Costs:** In addition to the above categories, approximately 30 percent of the PARCS costs represent overhead or administrative functions that are assumed to be fixed and thus not likely to be significantly affected by growth.

As noted above, the existing service levels and costs are not necessarily optimal or sustainable over the long term and have resulted in deferred maintenance. Although the extent of this deferred maintenance and/or sub-standard service is difficult to quantify, EPS has assumed it can be captured through the average maintenance-cost-per-acre assumptions. Specifically, EPS has assumed that the optimal service standard is closer to \$8,000 per acre, including capital replacement cost, an equivalent to a 33 percent improvement in facility maintenance funding.

As shown in **Table D-12**, the above assumptions generate an additional \$10.9 million a year in PARCS-related General Fund costs under existing service levels and \$13.2 million under optimal service levels. These costs vary by development alternative. Assuming the optimal service standard is applied to existing park facilities, the General Fund cost would increase by \$1.9 million.

PUBLIC WORKS

Service and Budget Background

Department of Public Works provides street maintenance, most park maintenance, traffic and engineering, parking, capital management, and facilities services in Fresno. The department is funded through a variety of sources including the General Fund, various federal, state and local transportation-related funds (i.e., Measure C), and developer fees and charges. For example, Measure C is a local sales tax initiative that generates \$3.4 million a year specifically for street maintenance and is set to expire in 2026. At the department level, Measure C provides approximately \$8 million annually including the \$3.4 million for street maintenance. The department also receives user fees and penalties in its Parking Enterprise Fund.

The General Fund's share of the department's cost has ranged from \$12.6 million in FY2007 to \$3.1 million by FY2011. The department's General Fund share in FY2012 is projected to increase to \$6.8 million with a portion of the cost reflective of the recent restructuring

Table D-12
PARCS Operating Cost Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Assumption / Source	Total
Existing Parks (1)	City GIS Data	944 acres
Park Facility Operational Cost (2)	\$6,000 / acre (EPS estimate)	\$5,662,800
Other Departmental Costs (3)		
Driven by Park Acre Growth	30% EPS estimate	\$1,948,170
Driven by Population Growth	40% EPS estimate	\$2,597,560
Fixed (in real terms)	30% EPS estimate	<u>\$1,948,170</u>
Subtotal		\$6,493,900
Total Department Budget	City's Budget	\$12,156,700
Net General Fund Cost	City's Budget	\$10,779,100
% Share of Total Budget		89%
New Park Area and GP Buildout (4)	General Plan Alternative	1,197 acres
Increase in Park Facility Operational Costs (New Growth Only)		
Existing Service Level	\$6,000 per acre	\$7,182,000
Optimal Service Level	\$8,000 per acre	\$9,576,000
Net Increase in Other PARCS Departmental Cost (New Growth Only) (5)		
Driven by Park Acre Growth		\$2,470,820
Driven by Population Growth		<u>\$1,194,095</u>
Subtotal		\$3,664,915
Total Net New Cost (6)		
Existing Service Level	100% of New Cost	\$10,846,915
Optimal Service Level	Assigned to GF	\$13,240,915
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)		\$1,887,600

(1) Reflect a range of park sizes and orientations from pocket parks and trails to regional scale parks; estimated acres to be refined on forthcoming data from PARCS. Note that trail maintenance has been shifted to public works.

(2) Reflects capital replacement cost; the cost of the City's maintenance for planned and custodial activities with other functions shifted to Public Works.

(3) EPS assumption; includes other departmental functions, including administration and recreation services.

(4) Estimated by Dyett & Bhatia; includes a range of park sizes.

(5) Revised numbers to be provided by the PARCS Department.

(6) Assumes that 100% of new PARCS costs are covered by the General Fund (currently about 89% of costs are covered by the General Fund).

(7) Does not reflect an additional capital replacement funding deficiency.

Sources: Fresno PARCS Department and Economic & Planning Systems, Inc.

efforts undertaken by the City, bringing park landscape maintenance from the PARCS Department into the Street Maintenance Division. Despite the Department's increasing dependence on non-General Fund sources, there remains a dynamic relationship between various funding sources and service levels. For example, as funding from other Public Works sources increases, General Fund expenditures may be used to address some of the department's deferred maintenance issues. A brief description of the key issues and preliminary methodological framework associated with these and other Public Works functions are described below.

Street Maintenance

The department maintains approximately 3,700 lane-miles or 1,700 street-miles in the City. These activities include maintenance of all right-of-way areas (including sidewalks, median islands, curbs and gutters), street sweeping, traffic paint and signage, concrete maintenance, traffic signals and street lighting, and ROW landscape maintenance (i.e., median island street trees). However, the proportion of street maintenance funded using General Fund sources has been declining steadily over the last five years and is negligible in the most recent budget. Currently, the bulk of these costs are funded using gas taxes, community sanitation user fees, and Measure C proceeds. These funding sources have restrictions on the type of maintenance that is allowed (e.g., only areas within the public ROW).

Although the State of California's Streets 4 Highways Code specifies that the curbs, gutter, sidewalks, and street trees are the responsibility of the property owner, the City of Fresno maintains these facilities with public dollars, including gas tax and Measure C proceeds. Because the General Fund was eliminated from the Street Maintenance division, the City has defunded tree trimming in the non-CFD core of the City, which was previously \$1 million in annual operations.

Over the last ten years, local CFDs have been used to cover the maintenance of new sidewalks, street lighting, buffers, and median islands. In 2010, the City also began to require that new CFDs for subdivisions include the cost of local street pavement maintenance. The City has adopted development impact fees to cover the capital cost of new streets and traffic signals to serve new development. However, there remain significant deferred maintenance issues on many of the City's older streets resulting in substandard service levels. For example, the City does not have a maintenance and replacement program for alleys. Consequently, street maintenance is expected to remain an important General Fund issue.

Park Landscape Maintenance

A recently transferred responsibility for regional and neighborhood parks maintenance from the Parks and Recreation Department has resulted in the General Fund revenue shift of \$3.7 million. This reflects a light level of ongoing maintenance, such as irrigation, mowing the grass, and leaf blowing, and does not reflect any more substantial periodic repairs and capital improvements, which are still covered by the PARCS.

EPS understands that larger parks typically allow for economies of scale in maintenance provision that often result in lower maintenance cost relative to smaller parks. Given the

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limitation of cost data and park acreage by type, the fiscal impact analysis utilizes an average maintenance cost per acre, reflective of a range of parks from pocket parks and trails to community and regional parks. The City's smaller pocket parks are typically funded through private sources, such as CFD or HOA, and do not pose significant costs to the City¹². Maintenance costs for other park types vary based on a level of amenities (walks, trees, shelters etc.) across parks, with geographic location not considered to have a significant effect on the Department's cost. Maintenance service is typically provided on a two-week schedule that follows a set route regardless of a location within the City.

Parking

Public Works operates a standalone enterprise that is responsible for managing the City's parking garages, lots, and meters. This enterprise fund depends on revenues derived from operations of the parking garages, lots, and citation collections. Because of continued decline in proceeds, \$2.5 million in General Fund revenue is being used to pay debt service in FY2012. Given the enterprise nature of the fund and short-term debt service payment by the General Fund, the impact of the parking fund is not evaluated as part of the General Plan fiscal impact analysis.

Facilities Management

Public Works provides maintenance and construction service to assure that City facilities are efficiently maintained in a manner that allows customer departments to serve the citizens of Fresno. This function shifted in FY2011 from the dissolved General Services Department and divided among building maintenance, special projects, and capital projects (consist of City Hall improvement projects in the City's CIP). The net General Fund cost of these function are not expected to vary significantly by General Plan alternative.

Other

Other Public Works functions include administration, engineering services, and capital project management. The net General Fund cost of these function are not expected to vary significantly by General Plan alternative.

Methodology for Projecting General Fund Cost

The fiscal impact analysis of the General Plan is focused on the street maintenance and park maintenance divisions within the Public Works Department. Specifically, EPS has evaluated existing and optimal costs, funding sources, and net General Fund cost for each of the major Public Works functions.

¹² Provision and maintenance cost of pocket parks and trails is a vital issue in Fresno. The City indicates that the cost for these functions is significant, although staff does not currently have an inventory of the trails provided in the City and the cost for maintaining them. For the purpose of this analysis, pocket parks and trails are implicitly evaluated as part of the "other parks" category on a per acre basis. However, the General Plan development alternatives do not vary by provision of pocket parks and trails in the City as they are subsumed in the broader park acreage. Additional data would be required from the City staff in order to provide a more detailed analysis.

EPS identified the set of existing infrastructure facilities that drive major Public Works operating functions based on readily available public data. As shown in **Table D-13**, these improvements include road and lane miles, park acres, landscape square footage, sidewalks, curbs, and gutters length, street lights and road signals, and street trees. EPS made a number of maintenance cost assumptions based on the Department's detailed program-level budget in order to estimate a cost for infrastructure operating cost, as shown in **Table D-14**. As shown, after accounting for non-General Fund funding sources, the remaining Department budget share is \$6.8 million, covered by the Fresno General Fund. Road maintenance cost is based on the 2010 Streets and Roads Report produced by the State of California Controller's Office and reflects a mix of arterial, collector, and residential street types, while other costs are estimated based on the interview with the Public Works department staff and work conducted in comparable jurisdictions. It is understood that a number of other items also contribute to the Department's operating cost, including administration and overhead. These costs will not be significantly affected by new growth and are assumed fixed going forward.

Future infrastructure improvement needs are estimated by Dyett & Bhatia and EPS and are summarized in **Table D-15**. Service ratios for landscaping, sidewalks, curbs, and gutters, street lights, road signals, and trees are based on the existing citywide per road mile ratio. The Public Works portion of the fiscal impact analysis includes two forecasting approaches—existing costs and preferred costs, with each described separately. The existing costs scenario reflects the same level of service going forward while the optimum cost scenario reflects a higher level of service provided to new growth in Fresno. Costs are used as a proxy for an overall service level measure.

Existing Service Level Scenario

Table D-16 summarize assumptions for annual operating maintenance items and their annual cost, as described above. These assumptions reflect the Public Works Department's current sub-optimal level of service under the constrained fiscal circumstances and do not factor any of the Department's deferred maintenance needs. Assuming the Department's current per-unit service level and costs do not change going forward, new growth is estimated to result in additional annual spending of \$11.7 million. A large portion of this cost is likely to be offset by non-General Fund revenues, consistent with the existing funding structure. The offsetting non-General Fund revenues include the following:

- State funding (Measure C, gas taxes, and Prop 42): The Public Works department receives substantial funding from the State based on its share of the Statewide sales tax. EPS assumes that State sources will continue funding major Public Works functions based on the City's share of the sales tax growth.
- Community sanitation user fees: Community sanitation user fee proceeds are projected based on the existing monthly charge of \$6.23 per household.
- CFD funding: Estimated on a per-service population approach (population and one-half of employment) based on a share of new growth subject to these special taxes.

Table D-13
Existing Public Works Infrastructure Estimate
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Infrastructure	Source
Citywide Streets (1)		
Lane Miles	3,700 miles	Fresno FY2010-11 Adopted Budget
Road Miles	1,700 miles	Fresno City staff
Parks		
Regional Parks	566 acres	GIS data layer provided by the City staff
Neighborhood Parks	292 acres	GIS data layer provided by the City staff
Other (2)	86 acres	EPS Assumption
Total	944 acres	
Landscaping		
Maintained Square Footage	26,000,000 sq.ft.	Fresno FY2010-11 Adopted Budget
Average Square Footage per Road Mile	15,294 sq.ft.	EPS
Sidewalks, Curbs, and Gutters		
Maintained Linear Feet	3,000 miles	"Building a Better Fresno" Public Works Letter
Average Maintained Miles per Road Mile	1.8 linear ft.	EPS
Street Lights		
Maintained Lights	38,000 lights	"Building a Better Fresno" Public Works Letter
Average Lights per Road Mile	22 lights	EPS
Road Signals		
Maintained Signals	488 signals	Fresno FY2010-11 Adopted Budget
Average Signals per Road Mile	0.29 signals	EPS
Street Trees		
Maintained Trees	172,000 trees	Fresno FY2010-11 Adopted Budget
Trees per Road Mile	101 trees	EPS

(1) Reflect a mix of arterials, collectors, and residential streets.

(2) Include pocket parks and trails; estimated at 10% of regional and neighborhood park area.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

**Table D-14
Public Works Existing Per Unit Cost Estimates and Budget Overview*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	Assumption (1)	Existing Cost
Road Maintenance		
Citywide Street Total	3,700 lane miles	
Cost (2)	\$3,600 per lane mile	\$13,986,000
(less) Committed State Funding Sources (3)		<u>(\$13,986,000)</u>
Net General Fund Share		\$0
Other Maintenance Functions		
<u>Park Maintenance</u>		
Parks and Trails	944 acres	
Cost	\$4,000 per acre	\$3,775,000
<u>Landscaping</u>		
Maintained Square Footage	26,000,000 sq.ft.	
Cost	\$0.45	\$11,700,000
<u>Sidewalks, Curbs, and Gutters</u>		
Miles	3,000	
Cost	\$540 per mile	\$1,620,000
<u>Street Sweeping</u>		
Road Miles	1,700	
Cost	\$1,400 per mile	\$2,380,000
<u>Street Lights</u>		
Lights	38,000	
Cost	\$80 per light	\$3,040,000
<u>Road Signals</u>		
Signals	488	
Cost	\$4,500 per signal	\$2,196,000
<u>Street Tree Trimming</u>		
Street Trees	172,000	
Cost	\$4.50 per tree	\$774,000
<u>Other Operating and Maintenance Costs (4)</u>		<u>\$2,406,000</u>
Total		\$41,877,000
(less) Non-GF Operating Revenue Sources		
CFD		(\$4,685,000)
State Funding (5)		(\$4,508,000)
Community Sanitation User Fees		(\$9,954,200)
Other Sources (6)		<u>(\$1,077,600)</u>
Subtotal		(\$34,210,800)
Net General Fund Cost		\$7,666,200
(less) Debt Service		<u>(\$902,300)</u>
Operating Net General Fund Cost		\$6,763,900

* Reflect existing sub-optimal levels of service; does not include parking and facilities management funds.

- (1) Based on the Department's detailed budget by function totals.
- (2) Rounded; reflects patching, overlay, and sealing based on the State Controller's Roads Report.
- (3) Include Measure C, prop 42, and special gas taxes.
- (4) Include the cost of administration and overhead and other miscellaneous items.
- (5) Less of funding sources committed to road maintenance; include Measure C, prop 42, and special gas taxes.
- (6) Include citywide beautification, street tree trimming support, and special project revolving fund.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table D-15
New Public Works Infrastructure Needs
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Units	Source / Estimating Factor (1)	Infrastructure Increase From New Growth
Road Maintenance (2)	lane miles	Dyett & Bhatia	821
Park Maintenance	acres	Dyett & Bhatia	1,197
Landscaping	sq.ft.	15,294 per road mile	4,712,452
Sidewalks, Curbs, and Gutters	miles	1.8 per road mile	544
Street Sweeping	road miles	Dyett & Bhatia	308
Street Lights	lights	22.4 per road mile	6,887
Road Signals	signals	0.3 per road mile	88
Street Tree Trimming	trees	101 per road mile	31,175

(1) Non Dyett & Bhatia ratio assumptions are based on the existing citywide average.

(2) Reflect a mix of arterials, collectors, and residential streets.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table D-16
Public Works Cost Estimates From New Growth and the General Fund Cost Share
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level		Optimal Service Level	
	Per Unit	Buildout Total	Per Unit (1)	Buildout Total
Key Operating Expenditures				
Road Maintenance (2)	\$3,600 per lane mile	\$2,956,980	\$7,000 per lane mile	\$5,749,683
Park Maintenance	\$4,000 per acre	\$4,788,000	\$6,000 per acre	\$7,182,000
Landscaping	\$0.45 per sq.ft.	\$2,120,603	\$0.70 per sq.ft.	\$3,298,716
Sidewalks, Curbs, and Gutters	\$540 per mile	\$293,622	\$800 per mile	\$434,996
Street Sweeping	\$1,400 per road mile	\$431,371	\$1,400 per road mile	\$431,371
Street Lights	\$80 per light	\$550,994	\$120 per light	\$826,492
Road Signals	\$4,500 per signal	\$398,021	\$7,000 per signal	\$619,144
Street Tree Trimming	\$4.50 per tree	<u>\$140,286</u>	\$40 per tree	<u>\$1,246,987</u>
Total Cost		\$11,679,877		\$19,789,388
(less) Offsetting Non-General Fund Revenues (3)				
CFD Funding (4)		(\$901,000)		(\$1,527,000)
State Funding (5)		(\$1,987,000)		(\$1,987,000)
Comm. Sanitation User Fees (6)		(\$5,599,000)		(\$5,599,000)
Other Revenues (7)		<u>(\$533,000)</u>		<u>(\$533,000)</u>
Subtotal		(\$9,020,000)		(\$9,646,000)
Net General Fund Cost Increase				
From New Growth		\$2,659,877		\$10,143,388
<hr/>				
Additional Cost of Providing Optimal Service Standard to Existing Facilities		\$0		\$19,545,800

- (1) EPS assumption based on comparable jurisdictions; reflects an increase in Fresno's existing service level.
- (2) Cost estimate reflects a weighted mix of arterials, collectors, and residential streets.
- (3) Rounded; for simplification the analysis assumes these funds are relatively fungible across operating expense categories although in reality some are restricted.
- (4) Additional special district funding is likely to be imposed on some new development in Fresno; this funding is assumed to cover all of the key Public Works categories shown above.
- (5) Includes Measure C, prop 42, and special gas taxes; based on the growth in retail sales tax relative to the existing base.
- (6) Based on the existing monthly charge of \$6.23 per household.
- (7) Reflect other revenues such as citywide beautification, street tree trimming support, and special project revolving fund; estimated at \$2 per service population based on the existing budget.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

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- Other revenues (federal grants, median island landscaping earmarks, citywide beautification funds, street tree trimming support, and special project revolving fund): Projected to increase based on the existing average cost of \$2 per-service population.

The analysis assumes these funds are relatively fungible across operating expense categories although in reality some are restricted. General Fund covers the net difference between total Public Works maintenance cost and offsetting non-General Fund proceeds. It is estimated to result in an additional cost of \$2.7 million to the General Fund, as shown in **Table D-16**. This cost will vary by alternative. This analysis assumes that all sources currently funding the Public Works function remain over the General Plan buildout term. As noted above, some funding sources are scheduled to expire and their potential expansion is uncertain.

Optimum Service Level Scenario

Optimal service level cost approach utilizes similar methodology as the existing cost approach described above, though it is based on higher maintenance costs reflective of an optimum service provision by the Public Works Department going forward. As shown in **Table D-16**, this approach utilizes higher road maintenance, park maintenance, landscaping, sidewalks, curbs, and gutters, street lights and road signals, and tree trimming costs relative to the City's existing sub-par service level. The Public Works department staff indicates that the street sweeping is the only function that does not require a substantial increase in funding to get to an optimal level. Optimal service level costs are estimated based on the interview with Public Works staff and work conducted by EPS in other jurisdictions.

This approach results in substantially higher operating costs, estimated at \$19.8 million, an increase of nearly 70 percent above the existing cost. However, the optimal service level scenario also reflects a higher share of offsetting revenues relative to the existing cost approach due to higher CFD funding. Similar to the existing cost scenario, General Fund is assumed to cover the net difference between total departmental maintenance needs and offsetting proceeds. As shown in **Table D-16**, the General Fund share in this scenario is estimated at \$10.1 million, significantly above the cost estimate of \$2.7 million under the existing service level scenario. Assuming the optimal service standard is applied to existing Public Works functions, the General Fund cost would increase by \$19.5 million.

OTHER EXPENDITURES

While not as significant in total dollars, other expenditures, such as City Council and Mayor's Office, City Clerk, Finance, Development and Resource Management, and General City Purpose will also be affected by new growth in Fresno. The EPS fiscal analysis projects the costs for these City functions based on a per-service population approach, as shown in **Table 7**. However, only a portion of the costs for each of the Department's is assumed variable with the remainder likely to be fixed. Specifically, EPS assumes that between 20 and 50 percent of the costs would be variable given each Department's orientation and financial composition. Respective proceeds associated with these assumptions are summarized in **Table D-17**.

Table D-17
Operating Expenditures Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level Total	Optimal Service Level Total
City Council	\$272,972	\$272,972
Office of the Mayor	\$174,551	\$174,551
City Clerk	\$64,707	\$64,707
Police	\$50,303,054	\$70,236,417
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$10,846,915	\$13,240,915
Public Works	\$2,659,877	\$10,143,388
General City Purpose	\$88,054	\$88,054
Development and Resource Management	\$191,264	\$191,264
Finance	<u>\$1,400,807</u>	<u>\$1,400,807</u>
Total Operating Expenditures	\$77,021,701	\$113,916,674

Sources: City of Fresno; and Economic & Planning Systems, Inc.

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Similar to the existing budget allocation, public safety is estimated to continue comprising the largest share of the General Fund costs. Specifically, police service is estimated to comprise over 60 of the overall cost associated with new growth followed by fire protection. Other major cost categories include PARCS, Public Works, and Finance Departments.

APPENDIX A
General Plan Development Alternative A

Table A-1
Development Program
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Infill		Greenfield	Total	Allocation Assumptions		
	Downtown	Other Infill			Assessment District	Outside City Limits	% Rental
Residential (units)							
Single Family	0	4,626	22,808	27,434	11%	55%	25%
Townhome	2,170	5,186	8,814	16,171	6%	58%	50%
Multifamily	<u>8,681</u>	<u>12,297</u>	<u>11,245</u>	<u>32,223</u>	4%	36%	90%
Subtotal	10,851	22,109	42,868	75,828			
Commercial (sq.ft.)							
Retail	2,600,000	13,860,202	2,689,142	19,149,344	20%	16%	na
Office	5,400,000	7,906,210	3,584,661	16,890,871	3%	21%	na
Industrial	<u>3,100,000</u>	<u>12,592,226</u>	<u>12,168,605</u>	<u>27,860,832</u>	7%	46%	na
Subtotal	11,100,000	34,358,638	18,442,409	63,901,047			

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table A-2
Development Program Detail
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Item	Occupied Uses	New Population	New Employment	Service Pop (1)	Assessed Values (2)			
					Downtown	Other Infill	Greenfield	Total
Residential								
Single Family	25,788	79,170	na	79,170	\$0	\$763,293,610	\$3,763,377,037	\$4,526,670,647
Townhome	15,200	46,665	na	46,665	\$303,828,000	\$726,027,609	\$1,234,018,370	\$2,263,873,979
Multifamily	<u>30,290</u>	<u>92,989</u>	<u>na</u>	<u>92,989</u>	<u>\$881,101,200</u>	<u>\$1,248,172,900</u>	<u>\$1,141,356,840</u>	<u>\$3,270,630,940</u>
Subtotal	71,278	218,824	0	218,824	\$1,184,929,200	\$2,737,494,119	\$6,138,752,247	\$10,061,175,565
Commercial								
Retail	423,131	na	44,043	22,022	\$520,000,000	\$2,772,040,376	\$537,828,498	\$3,829,868,874
Office	718,773	na	44,399	22,200	\$1,296,000,000	\$1,897,490,399	\$860,318,556	\$4,053,808,955
Industrial	<u>916,116</u>	<u>na</u>	<u>37,413</u>	<u>18,707</u>	<u>\$155,000,000</u>	<u>\$629,611,308</u>	<u>\$608,430,269</u>	<u>\$1,393,041,577</u>
Subtotal	2,058,021	na	125,855	62,928	\$1,971,000,000	\$5,299,142,082	\$2,006,577,324	\$9,276,719,406
Total	2,129,299	218,824	125,855	281,752	\$3,155,929,200	\$8,036,636,201	\$8,145,329,570	\$19,337,894,971

(1) Calculated by adding residential population and half of non-resident employment.

(2) Based on the historic distribution of ownership versus rental product going forward; this analysis does not consider any assessed value roll exemptions associated with affordable housing given the recent reduction in grant funding and elimination of redevelopment.

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table A-3
Fresno General Fund Property Tax Share Estimate*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative A

Item	FY2010-2011	FY2011-2012	Source
Citywide Assessed Value			
Gross	\$28,034,081,476	\$27,327,298,568	County Auditor Tax Rate Book
Net (1)	\$27,646,156,415	\$26,946,100,044	County Auditor Tax Rate Book
Gross Redevelopment Area Value	\$3,576,281,233	\$3,603,721,187	County Auditor Tax Rate Book
Property Tax	\$276,461,564	\$269,461,000	1% of Net Citywide AV
General Fund Property Tax Share (2)			
Total (3)	\$54,882,284	\$53,492,554	County Auditor Schedule of Levies
With No RDA (4)	\$60,125,515	\$60,586,844	County Auditor Schedule of Levies
Citywide General Fund Capture			
Average	19.9%	19.9%	EPS estimate
Net of RDA	21.7%	22.5%	EPS estimate

*Note: this analysis does not reflect the change in assessed value over time. This change is likely to fluctuate and will vary among different geographic areas within the City based on a range of factors.

(1) Reflects exemptions not subject to property tax (e.g. home owner exemptions).

(2) Net of Triple Flip/Reverse ERAF.

(3) With RDA funds; FY2011-12 estimates are based on the annual change in the citywide assessed value growth between FY2010-11 and FY2011-12.

(4) Net of the tax increment shifted from the City's General Fund to the RDA (above the frozen base) net of the City's General Fund share of pass throughs; FY2011-12 estimates are based on the annual growth in the property value in redevelopment areas between FY2010-11 and FY2011-12.

Sources: Fresno County Auditor's Office; and Economic & Planning Systems, Inc.

Table A-4
Property Tax Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Factor	Existing City Limits	Outside City Limits (1)	Total
Property Tax				
New Assessed Value		\$12,295,274,442	\$7,042,620,529	\$19,337,894,971
Property Tax	1.0%	\$122,952,744	\$70,426,205	\$193,378,950
Fresno's General Fund Share (2)		22.1%	15.2%	
Total Fresno General Fund Share (3)		\$27,192,656	\$5,887,631	\$33,080,286

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

(1) Growth outside the City limits is assumed to be annexed to the City with property tax subject to the existing tax allocation agreement with the County.

(2) Post ERAF; based on the average between FY2010-11 and FY2011-12. The estimate is below the pre-ERAF share estimated at 27.8% based on the TRA breakdowns provided by the County Assessor's office. This factor does not vary by infill or greenfield location as geography-specific information about the General Fund capture within the City is not available. The share outside city limits is based on the tax allocation agreement with Fresno County, #03-001. The County's post-ERAF share of property tax in unincorporated areas around Fresno is estimated to ranges between 35% and 45%.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table A-5
Sales Tax Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Assumptions	Total
SALES TAX GENERATED BY NEW RESIDENTS		
Average Median Income (1)		\$43,124
HH Retail Expenditure (2)	29.7%	\$12,806
New Occupied Households		71,278
Total Retail Expenditure		\$912,778,245
Taxable Expenditures Captured in Fresno	80% of retail expenditures	\$730,222,596
Inside Existing City Limits	84%	\$614,377,371
In Areas to be Annexed (3)	16%	\$115,845,225
Sales Tax from New Residents		
Inside Existing City Limits	1.0% of taxable sales	\$6,143,774
In Areas to be Annexed (4)	0.95%	<u>\$925,938</u>
Total Sales Tax From New Residents		\$7,069,711
SALES TAX GENERATED BY NEW EMPLOYEES		
New Employment		125,855
Non-Resident Employment (5)		62,452
Daily Taxable Employee Spending in Fresno (6)	\$10 per employee	\$624,522
Annual Taxable Spending by Employees (7)		\$156,130,586
Net New Taxable Sales (8)	50% of total taxable sales	\$77,475,697
Sales Tax from New Employees	1.0% of taxable sales	\$774,757
Total GF Sales Tax Increase		\$7,844,468

(1) Based on the existing citywide income; from the Census data for the period between 2006 and 2010.

(2) Based on the 2010 Bureau of Labor Statistics average taxable expenditure for households in the Western United States.

(3) Based on existing distribution of retail space between incorporated and unincorporated areas.

(4) Based on the tax allocation agreement with Fresno County, #03-001. The actual General Fund capture will vary based on the timing of sales and the City's overall retail sales tax growth.

(5) Based on the existing citywide allocation between resident and non-resident employees.

(6) EPS assumption.

(7) Reflects 250 work days out of a year

(8) Excludes employees that are Fresno residents to avoid double-counting; based on the 5-year average LED_LEHD data for primary employment and population in Fresno.

Sources: Bureau of Labor Statistics; LED_LEHD; and Economic & Planning Systems, Inc.

Table A-6

Alternative A

Motor Vehicle in Lieu of VLF Estimates*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total
Existing Motor Vehicle in Lieu	\$36,473,000
City of Fresno Citywide Value	\$27,327,298,568
Assessed Value of New Growth	\$19,337,894,971
New Growth as a Share of Existing Base	70.8%
Net Increase in Motor Vehicle in Lieu	\$25,809,761

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table A-7

Alternative A

Real Estate Transfer Tax*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Assumption	Total
Residential For-Sale		
New For-Sale Value		\$5,081,235,592
Average Residential Turnover (1)	7.8% a year	\$396,333,984
Transfer Tax From Residential For-Sale Uses	\$0.55 per \$1,000 value	\$217,984
Other Uses		
Residential Rental Value		\$4,979,939,974
Non-Residential Value		<u>\$9,276,719,406</u>
Subtotal		\$14,256,659,380
Average Commercial Turnover (2)	3.0% a year	\$427,699,781
Transfer Tax From Commercial Uses	\$0.55 per \$1,000 value	\$235,235
Total Real Estate Transfer Tax		\$453,219

*Reflects long-term average in property turnover likely to occur in lumps.

(1) Based on the historic trend for single-family unit turnover in Fresno between 2002 and 2009.

(2) Based on typical turnover trends for investment property; while Fresno-specific data is not available, residential rental and commercial uses typically turn over less frequently than residential for-sale uses.

Sources: Rand California, Department of Finance, and Economic & Planning Systems, Inc.

Table A-8
Proposition 172 Proceeds Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Total
Existing Sales Tax to the City	\$66,393,000
Estimated Increase from New Growth	
Total	\$7,844,468
% Increase	12%
Existing Prop 172 Proceeds	\$2,216,000
Increase in Prop 172 Proceeds	\$261,825

*Note: allocation of prop 172 depends on a more complex sales tax allocation methodology applied by the State based on relative growth in sales tax. This analysis utilizes a simplified approach as a proxy for potential prop 172 proceeds. The actual amount will vary on sales tax growth in other jurisdictions.

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table A-9
Operating Revenues Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Existing Service Level Total	Optimal Service Level Total
Sales Tax	\$7,844,468	\$7,844,468
Prop 172 Sales Tax	\$261,825	\$261,825
Property Tax	\$33,080,286	\$33,080,286
Motor Vehicle In Lieu	\$25,809,761	\$25,809,761
Business Tax	\$10,288,662	\$10,288,662
Franchise Tax	\$4,714,274	\$4,714,274
Hotel Room Tax	\$4,160,622	\$4,160,622
Real Estate Transfer Tax	\$453,219	\$453,219
Card Room Receipts	\$658,550	\$658,550
Charges for Current Services	\$6,714,854	\$6,714,854
Intergovernmental	<u>\$2,199,556</u>	<u>\$2,199,556</u>
Total Revenues	\$96,186,076	\$96,186,076

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table A-10
General Plan Cost Estimate for Fresno General Plan Fiscal Analysis; EPS #20132

Alternative A

Item	Existing Service Level		Optimal Service Level	
	Assumption or factor / Unit	Amount	Assumption or factor / Unit	Amount
Police Department Cost Estimating Factors				
Sworn Officers				
Service Level	1.28 / 1,000 Service Pop.	766.75	1.69 / 1,000 Service Pop. ¹	1,011
Avg. Annual Cost ²	\$118,087 / Sworn Officer	\$90,543,207	Same as Existing	\$119,440,470
Non-Sworn Personnel				
Service Level	0.33 / 1,000 Service Pop.	200	0.70 / 1,000 Service Pop. ¹	420
Avg. Annual Cost ²	\$50,000 / FTE	\$10,000,000	Same as Existing	\$20,987,829
Vehicles & Equipment Cost / Year³	\$5,600 / Sworn Officer	\$4,293,800	Same as Existing	\$5,664,185
Vehicle O&M Cost⁴	\$44.53 / Sworn / City Sq. Mile	\$3,550,850		\$4,684,119
Substations⁵				
# of Stations	26 Sq. Miles / Station	4	21 Sq. Miles / Station	5
O&M cost	\$35,000 / substation	<u>\$120,000</u>	Same as Existing	<u>\$120,000</u>
Variable Cost Subtotal		\$108,507,857		\$150,896,603
Police Budget (Adopted FY2011-12)				
Total		\$143,983,700		\$186,372,446
General Fund		\$130,272,600		\$172,661,346
General Fund as a Share of Total		90%		93%
Estimated Variable Costs				
as % of Total		75%		81%
as % of General Fund		83%		87%
General Plan Build-out Projections				
Increase Service Population		281,752		
Increased City Sq. Miles		27.48		
Increased Personnel Costs				
Sworn	360.7 New FTEs	\$42,590,851	475.8 New FTEs	\$56,183,908
Non-Sworn	94.1 New FTEs	\$4,703,926	197.5 New FTEs	\$9,872,518
Increased Vehicle & Equipment Costs				
		\$2,019,772		\$2,664,391
Increased Vehicle O&M Costs				
		\$441,338		\$582,193
Increased Substation O&M Costs				
	1.0 New Station(s)	<u>\$35,000</u>	1.0 New Station(s)	<u>\$35,000</u>
Net Increase in General Fund Cost				
		\$47,771,114		\$66,673,619
Additional Cost of Providing Optimal Service to Existing Residents		\$0		\$42,388,746

(1) Based on a service standard of 2.00 sworn officers and .83 non-sworn personnel per 1,000 residents, as articulated in the '2025 Public Safety Needs Assessment', prepared by the Police Department in June, 2003. Standards have been translated to service population to account for the impact of employment.

(2) Estimate provided by the Department staff, include benefits and taxes.

(3) Based on cost estimated provided in the '2025 Public Safety Needs Assessment' adjusted for inflation using the CPI. Calculation assumes 2.5 officers per vehicle and an average life cycle of 5.0 years

(4) Based on average vehicle miles traveled (20,000 / year in 2003) and O&M costs from "2025 Public Safety Needs Assessment."

(5) According the Department, the existing number of substations is sub-optimal; a fifth (5th) substation, the Central District Police Station, was closed in January, 2011 as a result of budget cuts.

Sources: Fresno PD and Economic & Planning Systems, Inc.

Table A-11
Fire Service
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Existing Service Level			Optimal Service Level		
	Greenfield	Infill (1)	Total	Greenfield	Infill (1)	Total
Existing Average Cost per Firefighter						
Sworn Firefighters			317.65			
Non-Contracted Sworn Firefighters (3)			254			
Firefighters per 1,000 Service Pop.			0.42			
Fire Department Budget (Adopted FY2011-12 Budget)			\$54,950,500			
General Fund Cost			\$46,144,700			
General Fund as a Share of Total			84%			
Average General Fund Cost per Firefighter (rounded)			\$181,700			\$181,700
New Fire Department Needs						
Fire Stations (3)	4	0	4	4	1	5
Engine Companies (3)	4	3	7	4	5	9
Firefighters per Engine Company (4)	10.1	10.1		13.5	13.5	13.5
New Firefighters Required (rounded)	41	30	71	54	68	122
Variable General Fund Cost						
Variable General Fund Funding Share (5)	90%	70%		90%	70%	
Avg. Variable Cost per Firefighter (rounded)	\$163,500	\$127,200		\$163,500	\$127,200	
Total Variable Cost	\$6,703,500	\$3,816,000	\$10,519,500	\$8,829,000	\$8,649,600	\$17,478,600
Operating Cost per Additional Fire Station (6)	\$125,000	\$125,000		\$125,000	\$125,000	
Total Operating Cost per Additional Fire Station	\$500,000	\$0	\$500,000	\$500,000	\$125,000	\$625,000
Total General Fund Cost Increase	\$7,203,500	\$3,816,000	\$11,019,500	\$9,329,000	\$8,774,600	\$18,103,600
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)			na	\$0	\$10,303,200	\$10,303,200

- (1) Excludes downtown; driven by densification of existing uses and additional calls for service resulting from new growth. Downtown has adequate capacity to support future growth.
- (2) Net of the special district firefighters.
- (3) Provided by the Fire Department based on needs assessment.
- (4) Reflects the City's existing ratio of 3 firefighters per engine company assuming 3 shifts under the exiting service level and 4 firefighters per engine company under the optimal service level. Includes one relief position per 8 firefighters to cover any staff leave.
- (5) Reflects a net out of the fixed fire cost component, including administration. Given existing department expenditure allocation, the fixed cost share is assumed to be lower in infill relative to greenfield locations.
- (6) Estimated by the Fire Department; includes apparatus, equipment, maintenance cost, and utilities.
- (7) Based on the identified existing deficiency of 6 engines by the Fire Department needed to meet its service goals; assumes 13.5 firefighters per engine company.

Sources: Fresno FD and Economic & Planning Systems, Inc.

Table A-12
PARCS Operating Cost Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Assumption / Source	Total
Existing Parks (1)	City GIS Data	944 acres
Park Facility Operational Cost (2)	\$6,000 / acre (EPS estimate)	\$5,662,800
Other Departmental Costs (3)		
Driven by Park Acre Growth	30% EPS estimate	\$1,948,170
Driven by Population Growth	40% EPS estimate	\$2,597,560
Fixed (in real terms)	30% EPS estimate	<u>\$1,948,170</u>
Subtotal		\$6,493,900
Total Department Budget	City's Budget	\$12,156,700
Net General Fund Cost	City's Budget	\$10,779,100
% Share of Total Budget		89%
New Park Area and GP Buildout (4)	General Plan Alternative	1,158 acres
Increase in Park Facility Operational Costs (New Growth Only)		
Existing Service Level	\$6,000 per acre	\$6,948,000
Optimal Service Level	\$8,000 per acre	\$9,264,000
Net Increase in Other PARCS Departmental Cost (New Growth Only) (5)		
Driven by Park Acre Growth		\$2,390,317
Driven by Population Growth		<u>\$1,136,542</u>
Subtotal		\$3,526,859
Total Net New Cost (6)		
Existing Service Level	100% of New Cost	\$10,474,859
Optimal Service Level	Assigned to GF	\$12,790,859
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)		\$1,887,600

(1) Reflect a range of park sizes and orientations from pocket parks and trails to regional scale parks; estimated acres to be refined on forthcoming data from PARCS. Note that trail maintenance has been shifted to public works.

(2) Reflects capital replacement cost; the cost of the City's maintenance for planned and custodial activities with other functions shifted to Public Works.

(3) EPS assumption; includes other departmental functions, including administration and recreation services.

(4) Estimated by Dyett & Bhatia; includes a range of park sizes.

(5) Revised numbers to be provided by the PARCS Department.

(6) Assumes that 100% of new PARCS costs are covered by the General Fund (currently about 89% of costs are covered by the General Fund).

(7) Does not reflect an additional capital replacement funding deficiency.

Sources: Fresno PARCS Department and Economic & Planning Systems, Inc.

Table A-13
Existing Public Works Infrastructure Estimate
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Existing Infrastructure	Source
Citywide Streets (1)		
Lane Miles	3,700 miles	Fresno FY2010-11 Adopted Budget
Road Miles	1,700 miles	Fresno City staff
Parks		
Regional Parks	566 acres	GIS data layer provided by the City staff
Neighborhood Parks	292 acres	GIS data layer provided by the City staff
Other (2)	86 acres	EPS Assumption
Total	944 acres	
Landscaping		
Maintained Square Footage	26,000,000 sq.ft.	Fresno FY2010-11 Adopted Budget
Average Square Footage per Road Mile	15,294 sq.ft.	EPS
Sidewalks, Curbs, and Gutters		
Maintained Linear Feet	3,000 miles	"Building a Better Fresno" Public Works Letter
Average Maintained Miles per Road Mile	1.8 linear ft.	EPS
Street Lights		
Maintained Lights	38,000 lights	"Building a Better Fresno" Public Works Letter
Average Lights per Road Mile	22 lights	EPS
Road Signals		
Maintained Signals	488 signals	Fresno FY2010-11 Adopted Budget
Average Signals per Road Mile	0.29 signals	EPS
Street Trees		
Maintained Trees	172,000 trees	Fresno FY2010-11 Adopted Budget
Trees per Road Mile	101 trees	EPS

(1) Reflect a mix of arterials, collectors, and residential streets.

(2) Include pocket parks and trails; estimated at 10% of regional and neighborhood park area.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

**Table A-14
Public Works Existing Per Unit Cost Estimates and Budget Overview*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative A

Item	Assumption (1)	Existing Cost
Road Maintenance		
Citywide Street Total	3,700 lane miles	
Cost (2)	\$3,600 per lane mile	\$13,986,000
(less) Committed State Funding Sources (3)		<u>(\$13,986,000)</u>
Net General Fund Share		\$0
Other Maintenance Functions		
<u>Park Maintenance</u>		
Parks and Trails	944 acres	
Cost	\$4,000 per acre	\$3,775,000
<u>Landscaping</u>		
Maintained Square Footage	26,000,000 sq.ft.	
Cost	\$0.45	\$11,700,000
<u>Sidewalks, Curbs, and Gutters</u>		
Miles	3,000	
Cost	\$540 per mile	\$1,620,000
<u>Street Sweeping</u>		
Road Miles	1,700	
Cost	\$1,400 per mile	\$2,380,000
<u>Street Lights</u>		
Lights	38,000	
Cost	\$80 per light	\$3,040,000
<u>Road Signals</u>		
Signals	488	
Cost	\$4,500 per signal	\$2,196,000
<u>Street Tree Trimming</u>		
Street Trees	172,000	
Cost	\$4.50 per tree	\$774,000
<u>Other Operating and Maintenance Costs (4)</u>		<u>\$2,406,000</u>
Total		\$41,877,000
(less) Non-GF Operating Revenue Sources		
CFD		(\$4,685,000)
State Funding (5)		(\$4,508,000)
Community Sanitation User Fees		(\$9,954,200)
Other Sources (6)		<u>(\$1,077,600)</u>
Subtotal		(\$34,210,800)
Net General Fund Cost		\$7,666,200
(less) Debt Service		<u>(\$902,300)</u>
Operating Net General Fund Cost		\$6,763,900

* Reflect existing sub-optimal levels of service; does not include parking and facilities management funds.

- (1) Based on the Department's detailed budget by function totals.
- (2) Rounded; reflects patching, overlay, and sealing based on the State Controller's Roads Report.
- (3) Include Measure C, prop 42, and special gas taxes.
- (4) Include the cost of administration and overhead and other miscellaneous items.
- (5) Less of funding sources committed to road maintenance; include Measure C, prop 42, and special gas taxes.
- (6) Include citywide beautification, street tree trimming support, and special project revolving fund.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table A-15
New Public Works Infrastructure Needs
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Units	Source / Estimating Factor (1)	Infrastructure Increase From New Growth
Road Maintenance (2)	lane miles	Dyett & Bhatia	547
Park Maintenance	acres	Dyett & Bhatia	1,158
Landscaping	sq.ft.	15,294 per road mile	3,094,146
Sidewalks, Curbs, and Gutters	miles	1.8 per road mile	357
Street Sweeping	road miles	Dyett & Bhatia	202
Street Lights	lights	22.4 per road mile	4,522
Road Signals	signals	0.3 per road mile	58
Street Tree Trimming	trees	101 per road mile	20,469

(1) Non Dyett & Bhatia ratio assumptions are based on the existing citywide average.

(2) Reflect a mix of arterials, collectors, and residential streets.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table A-16
Public Works Cost Estimates From New Growth and the General Fund Cost Share
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Existing Service Level		Optimal Service Level	
	Per Unit	Buildout Total	Per Unit (1)	Buildout Total
Key Operating Expenditures				
Road Maintenance (2)	\$3,600 per lane mile	\$1,968,257	\$7,000 per lane mile	\$3,827,166
Park Maintenance	\$4,000 per acre	\$4,632,000	\$6,000 per acre	\$6,948,000
Landscaping	\$0.45 per sq.ft.	\$1,392,366	\$0.70 per sq.ft.	\$2,165,902
Sidewalks, Curbs, and Gutters	\$540 per mile	\$192,789	\$800 per mile	\$285,613
Street Sweeping	\$1,400 per road mile	\$283,233	\$1,400 per road mile	\$283,233
Street Lights	\$80 per light	\$361,777	\$120 per light	\$542,666
Road Signals	\$4,500 per signal	\$261,336	\$7,000 per signal	\$406,523
Street Tree Trimming	\$4.50 per tree	<u>\$92,110</u>	\$40 per tree	<u>\$818,759</u>
Total Cost		\$9,183,869		\$15,277,862
(less) Offsetting Non-General Fund Revenues (3)				
CFD Funding (4)		(\$707,000)		(\$1,175,000)
State Funding (5)		(\$2,035,000)		(\$2,035,000)
Comm. Sanitation User Fees (6)		(\$5,329,000)		(\$5,329,000)
Other Revenues (7)		<u>(\$507,000)</u>		<u>(\$507,000)</u>
Subtotal		(\$8,578,000)		(\$9,046,000)
Net General Fund Cost Increase				
From New Growth		\$605,869		\$6,231,862
<hr/>				
Additional Cost of Providing Optimal Service Standard to Existing Facilities		\$0		\$19,545,800

- (1) EPS assumption based on comparable jurisdictions; reflects an increase in Fresno's existing service level.
- (2) Cost estimate reflects a weighted mix of arterials, collectors, and residential streets.
- (3) Rounded; for simplification the analysis assumes these funds are relatively fungible across operating expense categories although in reality some are restricted.
- (4) Additional special district funding is likely to be imposed on some new development in Fresno; this funding is assumed to cover all of the key Public Works categories shown above.
- (5) Includes Measure C, prop 42, and special gas taxes; based on the growth in retail sales tax relative to the existing base.
- (6) Based on the existing monthly charge of \$6.23 per household.
- (7) Reflect other revenues such as citywide beautification, street tree trimming support, and special project revolving fund; estimated at \$2 per service population based on the existing budget.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table A-17
Operating Expenditures Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Existing Service Level Total	Optimal Service Level Total
City Council	\$259,676	\$259,676
Office of the Mayor	\$166,049	\$166,049
City Clerk	\$61,556	\$61,556
Police	\$47,771,114	\$66,673,619
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$10,474,859	\$12,790,859
Public Works	\$605,869	\$6,231,862
General City Purpose	\$83,765	\$83,765
Development and Resource Management	\$181,948	\$181,948
Finance	<u>\$1,332,575</u>	<u>\$1,332,575</u>
Total Operating Expenditures	\$71,956,909	\$105,885,508

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table A-18
Fiscal Impact Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative A

Item	Existing Service Level Total	Optimal Service Level Total
Operating Revenues		
Sales Tax	\$7,844,468	\$7,844,468
Prop 172 Sales Tax	\$261,825	\$261,825
Property Tax	\$33,080,286	\$33,080,286
Motor Vehicle In Lieu	\$25,809,761	\$25,809,761
Business Tax	\$10,288,662	\$10,288,662
Franchise Tax	\$4,714,274	\$4,714,274
Hotel Room Tax	\$4,160,622	\$4,160,622
Real Estate Transfer Tax	\$453,219	\$453,219
Card Room Receipts	\$658,550	\$658,550
Charges for Current Services	\$6,714,854	\$6,714,854
Intergovernmental	\$2,199,556	\$2,199,556
Subtotal	\$96,186,076	\$96,186,076
Operating Expenditures		
City Council	\$259,676	\$259,676
Office of the Mayor	\$166,049	\$166,049
City Clerk	\$61,556	\$61,556
Police	\$47,771,114	\$66,673,619
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$10,474,859	\$12,790,859
Public Works	\$605,869	\$6,231,862
General City Purpose	\$83,765	\$83,765
Development and Resource Management	\$181,948	\$181,948
Finance	\$1,332,575	\$1,332,575
Subtotal	\$71,956,909	\$105,885,508
Net Impact	\$24,229,167	(\$9,699,431)

Sources: City of Fresno; and Economic & Planning Systems, Inc.

APPENDIX B
General Plan Development Alternative B

Table B-1
Development Program
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Infill		Greenfield	Total	Allocation Assumptions		
	Downtown	Other Infill			Assessment District	Outside City Limits	% Rental
Residential (units)							
Single Family	0	3,249	26,326	29,575	8%	65%	25%
Townhome	2,170	2,612	11,252	16,034	4%	65%	50%
Multifamily	<u>8,681</u>	<u>4,710</u>	<u>19,953</u>	<u>33,344</u>	5%	54%	90%
Subtotal	10,851	10,571	57,531	78,953			
Commercial (sq.ft.)							
Retail	2,600,000	8,489,735	4,758,321	15,848,056	24%	25%	na
Office	5,400,000	5,321,767	5,366,808	16,088,575	3%	34%	na
Industrial	<u>3,100,000</u>	<u>8,483,548</u>	<u>25,816,065</u>	<u>37,399,613</u>	5%	67%	na
Subtotal	11,100,000	22,295,049	35,941,194	69,336,243			

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

Table B-2
Development Program Detail
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Occupied Uses	New Population	New Employment	Service Pop (1)	Assessed Values (2)			
					Downtown	Other Infill	Greenfield	Total
Residential								
Single Family	27,800	85,347	na	85,347	\$0	\$536,085,000	\$4,343,764,840	\$4,879,849,840
Townhome	15,072	46,271	na	46,271	\$303,828,000	\$365,680,000	\$1,575,274,272	\$2,244,782,272
Multifamily	<u>31,344</u>	<u>96,225</u>	<u>na</u>	<u>96,225</u>	<u>\$881,101,200</u>	<u>\$478,065,000</u>	<u>\$2,025,265,457</u>	<u>\$3,384,431,657</u>
Subtotal	74,216	227,843	0	227,843	\$1,184,929,200	\$1,379,830,000	\$7,944,304,569	\$10,509,063,769
Commercial								
Retail	588,666	na	36,451	18,226	\$520,000,000	\$1,697,946,946	\$951,664,211	\$3,169,611,157
Office	861,345	na	42,290	21,145	\$1,296,000,000	\$1,277,224,023	\$1,288,033,890	\$3,861,257,913
Industrial	<u>1,734,964</u>	<u>na</u>	<u>50,222</u>	<u>25,111</u>	<u>\$155,000,000</u>	<u>\$424,177,383</u>	<u>\$1,290,803,265</u>	<u>\$1,869,980,647</u>
Subtotal	3,184,974	na	128,963	64,482	\$1,971,000,000	\$3,399,348,352	\$3,530,501,365	\$8,900,849,717
Total	3,259,190	227,843	128,963	292,325	\$3,155,929,200	\$4,779,178,352	\$11,474,805,935	\$19,409,913,487

(1) Calculated by adding residential population and half of non-resident employment.

(2) Based on the historic distribution of ownership versus rental product going forward; this analysis does not consider any assessed value roll exemptions associated with affordable housing given the recent reduction in grant funding and elimination of redevelopment.

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table B-3
Fresno General Fund Property Tax Share Estimate*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative B

Item	FY2010-2011	FY2011-2012	Source
Citywide Assessed Value			
Gross	\$28,034,081,476	\$27,327,298,568	County Auditor Tax Rate Book
Net (1)	\$27,646,156,415	\$26,946,100,044	County Auditor Tax Rate Book
Gross Redevelopment Area Value	\$3,576,281,233	\$3,603,721,187	County Auditor Tax Rate Book
Property Tax	\$276,461,564	\$269,461,000	1% of Net Citywide AV
General Fund Property Tax Share (2)			
Total (3)	\$54,882,284	\$53,492,554	County Auditor Schedule of Levies
With No RDA (4)	\$60,125,515	\$60,586,844	County Auditor Schedule of Levies
Citywide General Fund Capture			
Average	19.9%	19.9%	EPS estimate
Net of RDA	21.7%	22.5%	EPS estimate

*Note: this analysis does not reflect the change in assessed value over time. This change is likely to fluctuate and will vary among different geographic areas within the City based on a range of factors.

(1) Reflects exemptions not subject to property tax (e.g. home owner exemptions).

(2) Net of Triple Flip/Reverse ERAF.

(3) With RDA funds; FY2011-12 estimates are based on the annual change in the citywide assessed value growth between FY2010-11 and FY2011-12.

(4) Net of the tax increment shifted from the City's General Fund to the RDA (above the frozen base) net of the City's General Fund share of pass throughs; FY2011-12 estimates are based on the annual growth in the property value in redevelopment areas between FY2010-11 and FY2011-12.

Sources: Fresno County Auditor's Office; and Economic & Planning Systems, Inc.

Table B-4
Property Tax Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Factor	Existing City Limits	Outside City Limits (1)	Total
Property Tax				
New Assessed Value		\$9,629,634,159	\$9,780,279,328	\$19,409,913,487
Property Tax	1.0%	\$96,296,342	\$97,802,793	\$194,099,135
Fresno's General Fund Share (2)		22.1%	15.2%	
Total Fresno General Fund Share (3)		\$21,297,233	\$8,176,314	\$29,473,547

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

(1) Growth outside the City limits is assumed to be annexed to the City with property tax subject to the existing tax allocation agreement with the County.

(2) Post ERAF; based on the average between FY2010-11 and FY2011-12. The estimate is below the pre-ERAF share estimated at 27.8% based on the TRA breakdowns provided by the County Assessor's office. This factor does not vary by infill or greenfield location as geography-specific information about the General Fund capture within the City is not available. The share outside city limits is based on the tax allocation agreement with Fresno County, #03-001. The County's post-ERAF share of property tax in unincorporated areas around Fresno is estimated to ranges between 35% and 45%.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table B-5
Sales Tax Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Assumptions	Total
SALES TAX GENERATED BY NEW RESIDENTS		
Average Median Income (1)		\$43,124
HH Retail Expenditure (2)	29.7%	\$12,806
New Occupied Households		74,216
Total Retail Expenditure		\$950,399,059
Taxable Expenditures Captured in Fresno	80% of retail expenditures	\$760,319,247
Inside Existing City Limits	75%	\$571,573,587
In Areas to be Annexed (3)	25%	\$188,745,660
Sales Tax from New Residents		
Inside Existing City Limits	1.0% of taxable sales	\$5,715,736
In Areas to be Annexed (4)	0.95%	<u>\$1,347,959</u>
Total Sales Tax From New Residents		\$7,063,695
SALES TAX GENERATED BY NEW EMPLOYEES		
New Employment		128,963
Non-Resident Employment (5)		63,994
Daily Taxable Employee Spending in Fresno (6)	\$10 per employee	\$639,945
Annual Taxable Spending by Employees (7)		\$159,986,244
Net New Taxable Sales (8)	50% of total taxable sales	\$79,388,966
Sales Tax from New Employees	1.0% of taxable sales	\$793,890
Total GF Sales Tax Increase		\$7,857,585

(1) Based on the existing citywide income; from the Census data for the period between 2006 and 2010.

(2) Based on the 2010 Bureau of Labor Statistics average taxable expenditure for households in the Western United States.

(3) Based on existing distribution of retail space between incorporated and unincorporated areas.

(4) Based on the tax allocation agreement with Fresno County, #03-001. The actual General Fund capture will vary based on the timing of sales and the City's overall retail sales tax growth.

(5) Based on the existing citywide allocation between resident and non-resident employees.

(6) EPS assumption.

(7) Reflects 250 work days out of a year

(8) Excludes employees that are Fresno residents to avoid double-counting; based on the 5-year average LED_LEHD data for primary employment and population in Fresno.

Sources: Bureau of Labor Statistics; LED_LEHD; and Economic & Planning Systems, Inc.

Table B-6

Alternative B

Motor Vehicle in Lieu of VLF Estimates*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total
Existing Motor Vehicle in Lieu	\$36,473,000
City of Fresno Citywide Value	\$27,327,298,568
Assessed Value of New Growth	\$19,409,913,487
New Growth as a Share of Existing Base	71.0%
Net Increase in Motor Vehicle in Lieu	\$25,905,882

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table B-7

Alternative B

Real Estate Transfer Tax*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Assumption	Total
Residential For-Sale		
New For-Sale Value		\$5,356,812,764
Average Residential Turnover (1)	7.8% a year	\$417,828,874
Transfer Tax From Residential For-Sale Uses	\$0.55 per \$1,000 value	\$229,806
Other Uses		
Residential Rental Value		\$5,152,251,006
Non-Residential Value		<u>\$8,900,849,717</u>
Subtotal		\$14,053,100,723
Average Commercial Turnover (2)	3.0% a year	\$421,593,022
Transfer Tax From Commercial Uses	\$0.55 per \$1,000 value	\$231,876
Total Real Estate Transfer Tax		\$461,682

*Reflects long-term average in property turnover likely to occur in lumps.

(1) Based on the historic trend for single-family unit turnover in Fresno between 2002 and 2009.

(2) Based on typical turnover trends for investment property; while Fresno-specific data is not available, residential rental and commercial uses typically turn over less frequently than residential for-sale uses.

Sources: Rand California, Department of Finance, and Economic & Planning Systems, Inc.

Table B-8
Proposition 172 Proceeds Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Total
Existing Sales Tax to the City	\$66,393,000
Estimated Increase from New Growth	
Total	\$7,857,585
% Increase	12%
Existing Prop 172 Proceeds	\$2,216,000
Increase in Prop 172 Proceeds	\$262,263

*Note: allocation of prop 172 depends on a more complex sales tax allocation methodology applied by the State based on relative growth in sales tax. This analysis utilizes a simplified approach as a proxy for potential prop 172 proceeds. The actual amount will vary on sales tax growth in other jurisdictions.

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table B-9
Operating Revenues Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Existing Service Level Total	Optimal Service Level Total
Sales Tax	\$7,857,585	\$7,857,585
Prop 172 Sales Tax	\$262,263	\$262,263
Property Tax	\$29,473,547	\$29,473,547
Motor Vehicle In Lieu	\$25,905,882	\$25,905,882
Business Tax	\$10,542,742	\$10,542,742
Franchise Tax	\$4,891,182	\$4,891,182
Hotel Room Tax	\$4,316,754	\$4,316,754
Real Estate Transfer Tax	\$461,682	\$461,682
Card Room Receipts	\$683,262	\$683,262
Charges for Current Services	\$6,966,835	\$6,966,835
Intergovernmental	<u>\$2,282,096</u>	<u>\$2,282,096</u>
Total Revenues	\$93,643,829	\$93,643,829

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table B-10
General Plan Cost Estimate for Fresno General Plan Fiscal Analysis; EPS #20132

Alternative B

Item	Existing Service Level		Optimal Service Level	
	Assumption or factor / Unit	Amount	Assumption or factor / Unit	Amount
<u>Police Department Cost Estimating Factors</u>				
Sworn Officers				
Service Level	1.28 / 1,000 Service Pop.	766.75	1.69 / 1,000 Service Pop. ¹	1,011
Avg. Annual Cost ²	\$118,087 / Sworn Officer	\$90,543,207	Same as Existing	\$119,440,470
Non-Sworn Personnel				
Service Level	0.33 / 1,000 Service Pop.	200	0.70 / 1,000 Service Pop. ¹	420
Avg. Annual Cost ²	\$50,000 / FTE	\$10,000,000	Same as Existing	\$20,987,829
Vehicles & Equipment Cost / Year³	\$5,600 / Sworn Officer	\$4,293,800	Same as Existing	\$5,664,185
Vehicle O&M Cost⁴	\$44.53 / Sworn / City Sq. Mile	\$3,550,850		\$4,684,119
Substations⁵				
# of Stations	26 Sq. Miles / Station	4	21 Sq. Miles / Station	5
O&M cost	\$35,000 / substation	<u>\$120,000</u>	Same as Existing	<u>\$120,000</u>
Variable Cost Subtotal		\$108,507,857		\$150,896,603
<u>Police Budget (Adopted FY2011-12)</u>				
Total		\$143,983,700		\$186,372,446
General Fund		\$130,272,600		\$172,661,346
General Fund as a Share of Total		90%		93%
Estimated Variable Costs				
as % of Total		75%		81%
as % of General Fund		83%		87%
<u>General Plan Build-out Projections</u>				
Increase Service Population		292,325		
Increased City Sq. Miles		35.48		
Increased Personnel Costs				
Sworn	374.2 New FTEs	\$44,189,114	493.6 New FTEs	\$58,292,264
Non-Sworn	97.6 New FTEs	\$4,880,445	204.9 New FTEs	\$10,242,994
Increased Vehicle & Equipment Costs				
		\$2,095,565		\$2,764,374
Increased Vehicle O&M Costs				
		\$591,153		\$779,822
Increased Substation O&M Costs				
	1.0 New Station(s)	<u>\$35,000</u>	2.0 New Station(s)	<u>\$70,000</u>
Net Increase in General Fund Cost				
		\$49,695,712		\$69,385,081
Additional Cost of Providing Optimal Service to Existing Residents		\$0		\$42,388,746

(1) Based on a service standard of 2.00 sworn officers and .83 non-sworn personnel per 1,000 residents, as articulated in the '2025 Public Safety Needs Assessment', prepared by the Police Department in June, 2003. Standards have been translated to service population to account for the impact of employment.

(2) Estimate provided by the Department staff, include benefits and taxes.

(3) Based on cost estimated provided in the '2025 Public Safety Needs Assessment' adjusted for inflation using the CPI. Calculation assumes 2.5 officers per vehicle and an average life cycle of 5.0 years

(4) Based on average vehicle miles traveled (20,000 / year in 2003) and O&M costs from "2025 Public Safety Needs Assessment."

(5) According the Department, the existing number of substations is sub-optimal; a fifth (5th) substation, the Central District Police Station, was closed in January, 2011 as a result of budget cuts.

Sources: Fresno PD and Economic & Planning Systems, Inc.

Table B-11
Fire Service
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Existing Service Level			Optimal Service Level		
	Greenfield	Infill (1)	Total	Greenfield	Infill (1)	Total
Existing Average Cost per Firefighter						
Sworn Firefighters			317.65			
Non-Contracted Sworn Firefighters (3)			254			
Firefighters per 1,000 Service Pop.			0.42			
Fire Department Budget (Adopted FY2011-12 Budget)			\$54,950,500			
General Fund Cost			\$46,144,700			
General Fund as a Share of Total			84%			
Average General Fund Cost per Firefighter (rounded)			\$181,700			\$181,700
New Fire Department Needs						
Fire Stations (3)	4	0	4	4	1	5
Engine Companies (3)	4	3	7	4	5	9
Firefighters per Engine Company (4)	10.1	10.1		13.5	13.5	13.5
New Firefighters Required (rounded)	41	30	71	54	68	122
Variable General Fund Cost						
Variable General Fund Funding Share (5)	90%	70%		90%	70%	
Avg. Variable Cost per Firefighter (rounded)	\$163,500	\$127,200		\$163,500	\$127,200	
Total Variable Cost	\$6,703,500	\$3,816,000	\$10,519,500	\$8,829,000	\$8,649,600	\$17,478,600
Operating Cost per Additional Fire Station (6)	\$125,000	\$125,000		\$125,000	\$125,000	
Total Operating Cost per Additional Fire Station	\$500,000	\$0	\$500,000	\$500,000	\$125,000	\$625,000
Total General Fund Cost Increase	\$7,203,500	\$3,816,000	\$11,019,500	\$9,329,000	\$8,774,600	\$18,103,600
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)			na	\$0	\$10,303,200	\$10,303,200

- (1) Excludes downtown; driven by densification of existing uses and additional calls for service resulting from new growth. Downtown has adequate capacity to support future growth.
- (2) Net of the special district firefighters.
- (3) Provided by the Fire Department based on needs assessment.
- (4) Reflects the City's existing ratio of 3 firefighters per engine company assuming 3 shifts under the exiting service level and 4 firefighters per engine company under the optimal service level. Includes one relief position per 8 firefighters to cover any staff leave.
- (5) Reflects a net out of the fixed fire cost component, including administration. Given existing department expenditure allocation, the fixed cost share is assumed to be lower in infill relative to greenfield locations.
- (6) Estimated by the Fire Department; includes apparatus, equipment, maintenance cost, and utilities.
- (7) Based on the identified existing deficiency of 6 engines by the Fire Department needed to meet its service goals; assumes 13.5 firefighters per engine company.

Sources: Fresno FD and Economic & Planning Systems, Inc.

Table B-12
PARCS Operating Cost Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Assumption / Source	Total
Existing Parks (1)	City GIS Data	944 acres
Park Facility Operational Cost (2)	\$6,000 / acre (EPS estimate)	\$5,662,800
Other Departmental Costs (3)		
Driven by Park Acre Growth	30% EPS estimate	\$1,948,170
Driven by Population Growth	40% EPS estimate	\$2,597,560
Fixed (in real terms)	30% EPS estimate	<u>\$1,948,170</u>
Subtotal		\$6,493,900
Total Department Budget	City's Budget	\$12,156,700
Net General Fund Cost	City's Budget	\$10,779,100
% Share of Total Budget		89%
New Park Area and GP Buildout (4)	General Plan Alternative	1,258 acres
Increase in Park Facility Operational Costs (New Growth Only)		
Existing Service Level	\$6,000 per acre	\$7,548,000
Optimal Service Level	\$8,000 per acre	\$10,064,000
Net Increase in Other PARCS Departmental Cost (New Growth Only) (5)		
Driven by Park Acre Growth		\$2,596,734
Driven by Population Growth		<u>\$1,183,385</u>
Subtotal		\$3,780,120
Total Net New Cost (6)		
Existing Service Level	100% of New Cost	\$11,328,120
Optimal Service Level	Assigned to GF	\$13,844,120
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)		\$1,887,600

(1) Reflect a range of park sizes and orientations from pocket parks and trails to regional scale parks; estimated acres to be refined on forthcoming data from PARCS. Note that trail maintenance has been shifted to public works.

(2) Reflects capital replacement cost; the cost of the City's maintenance for planned and custodial activities with other functions shifted to Public Works.

(3) EPS assumption; includes other departmental functions, including administration and recreation services.

(4) Estimated by Dyett & Bhatia; includes a range of park sizes.

(5) Revised numbers to be provided by the PARCS Department.

(6) Assumes that 100% of new PARCS costs are covered by the General Fund (currently about 89% of costs are covered by the General Fund).

(7) Does not reflect an additional capital replacement funding deficiency.

Sources: Fresno PARCS Department and Economic & Planning Systems, Inc.

Table B-13
Existing Public Works Infrastructure Estimate
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Existing Infrastructure	Source
Citywide Streets (1)		
Lane Miles	3,700 miles	Fresno FY2010-11 Adopted Budget
Road Miles	1,700 miles	Fresno City staff
Parks		
Regional Parks	566 acres	GIS data layer provided by the City staff
Neighborhood Parks	292 acres	GIS data layer provided by the City staff
Other (2)	86 acres	EPS Assumption
Total	944 acres	
Landscaping		
Maintained Square Footage	26,000,000 sq.ft.	Fresno FY2010-11 Adopted Budget
Average Square Footage per Road Mile	15,294 sq.ft.	EPS
Sidewalks, Curbs, and Gutters		
Maintained Linear Feet	3,000 miles	"Building a Better Fresno" Public Works Letter
Average Maintained Miles per Road Mile	1.8 linear ft.	EPS
Street Lights		
Maintained Lights	38,000 lights	"Building a Better Fresno" Public Works Letter
Average Lights per Road Mile	22 lights	EPS
Road Signals		
Maintained Signals	488 signals	Fresno FY2010-11 Adopted Budget
Average Signals per Road Mile	0.29 signals	EPS
Street Trees		
Maintained Trees	172,000 trees	Fresno FY2010-11 Adopted Budget
Trees per Road Mile	101 trees	EPS

(1) Reflect a mix of arterials, collectors, and residential streets.

(2) Include pocket parks and trails; estimated at 10% of regional and neighborhood park area.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table B-14
Public Works Existing Per Unit Cost Estimates and Budget Overview*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Assumption (1)	Existing Cost
Road Maintenance		
Citywide Street Total	3,700 lane miles	
Cost (2)	\$3,600 per lane mile	\$13,986,000
(less) Committed State Funding Sources (3)		<u>(\$13,986,000)</u>
Net General Fund Share		\$0
Other Maintenance Functions		
<u>Park Maintenance</u>		
Parks and Trails	944 acres	
Cost	\$4,000 per acre	\$3,775,000
<u>Landscaping</u>		
Maintained Square Footage	26,000,000 sq.ft.	
Cost	\$0.45	\$11,700,000
<u>Sidewalks, Curbs, and Gutters</u>		
Miles	3,000	
Cost	\$540 per mile	\$1,620,000
<u>Street Sweeping</u>		
Road Miles	1,700	
Cost	\$1,400 per mile	\$2,380,000
<u>Street Lights</u>		
Lights	38,000	
Cost	\$80 per light	\$3,040,000
<u>Road Signals</u>		
Signals	488	
Cost	\$4,500 per signal	\$2,196,000
<u>Street Tree Trimming</u>		
Street Trees	172,000	
Cost	\$4.50 per tree	\$774,000
<u>Other Operating and Maintenance Costs (4)</u>		<u>\$2,406,000</u>
Total		\$41,877,000
(less) Non-GF Operating Revenue Sources		
CFD		(\$4,685,000)
State Funding (5)		(\$4,508,000)
Community Sanitation User Fees		(\$9,954,200)
Other Sources (6)		<u>(\$1,077,600)</u>
Subtotal		(\$34,210,800)
Net General Fund Cost		\$7,666,200
(less) Debt Service		<u>(\$902,300)</u>
Operating Net General Fund Cost		\$6,763,900

* Reflect existing sub-optimal levels of service; does not include parking and facilities management funds.

- (1) Based on the Department's detailed budget by function totals.
- (2) Rounded; reflects patching, overlay, and sealing based on the State Controller's Roads Report.
- (3) Include Measure C, prop 42, and special gas taxes.
- (4) Include the cost of administration and overhead and other miscellaneous items.
- (5) Less of funding sources committed to road maintenance; include Measure C, prop 42, and special gas taxes.
- (6) Include citywide beautification, street tree trimming support, and special project revolving fund.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table B-15
New Public Works Infrastructure Needs
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Units	Source / Estimating Factor (1)	Infrastructure Increase From New Growth
Road Maintenance (2)	lane miles	Dyett & Bhatia	741
Park Maintenance	acres	Dyett & Bhatia	1,258
Landscaping	sq.ft.	15,294 per road mile	4,203,107
Sidewalks, Curbs, and Gutters	miles	1.8 per road mile	485
Street Sweeping	road miles	Dyett & Bhatia	275
Street Lights	lights	22.4 per road mile	6,143
Road Signals	signals	0.3 per road mile	79
Street Tree Trimming	trees	101 per road mile	27,805

(1) Non Dyett & Bhatia ratio assumptions are based on the existing citywide average.

(2) Reflect a mix of arterials, collectors, and residential streets.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table B-16
Public Works Cost Estimates From New Growth and the General Fund Cost Share
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Existing Service Level		Optimal Service Level	
	Per Unit	Buildout Total	Per Unit (1)	Buildout Total
Key Operating Expenditures				
Road Maintenance (2)	\$3,600 per lane mile	\$2,666,745	\$7,000 per lane mile	\$5,185,337
Park Maintenance	\$4,000 per acre	\$5,032,000	\$6,000 per acre	\$7,548,000
Landscaping	\$0.45 per sq.ft.	\$1,891,398	\$0.70 per sq.ft.	\$2,942,175
Sidewalks, Curbs, and Gutters	\$540 per mile	\$261,886	\$800 per mile	\$387,979
Street Sweeping	\$1,400 per road mile	\$384,746	\$1,400 per road mile	\$384,746
Street Lights	\$80 per light	\$491,440	\$120 per light	\$737,160
Road Signals	\$4,500 per signal	\$355,001	\$7,000 per signal	\$552,224
Street Tree Trimming	\$4.50 per tree	<u>\$125,123</u>	\$40 per tree	<u>\$1,112,207</u>
Total Cost		\$11,208,339		\$18,849,828
(less) Offsetting Non-General Fund Revenues (3)				
CFD Funding (4)		(\$765,000)		(\$1,287,000)
State Funding (5)		(\$2,022,000)		(\$2,022,000)
Comm. Sanitation User Fees (6)		(\$5,548,000)		(\$5,548,000)
Other Revenues (7)		<u>(\$526,000)</u>		<u>(\$526,000)</u>
Subtotal		(\$8,861,000)		(\$9,383,000)
Net General Fund Cost Increase				
From New Growth		\$2,347,339		\$9,466,828
<hr/>				
Additional Cost of Providing Optimal Service Standard to Existing Facilities		\$0		\$19,545,800

- (1) EPS assumption based on comparable jurisdictions; reflects an increase in Fresno's existing service level.
- (2) Cost estimate reflects a weighted mix of arterials, collectors, and residential streets.
- (3) Rounded; for simplification the analysis assumes these funds are relatively fungible across operating expense categories although in reality some are restricted.
- (4) Additional special district funding is likely to be imposed on some new development in Fresno; this funding is assumed to cover all of the key Public Works categories shown above.
- (5) Includes Measure C, prop 42, and special gas taxes; based on the growth in retail sales tax relative to the existing base.
- (6) Based on the existing monthly charge of \$6.23 per household.
- (7) Reflect other revenues such as citywide beautification, street tree trimming support, and special project revolving fund; estimated at \$2 per service population based on the existing budget.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table B-17
Operating Expenditures Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Existing Service Level Total	Optimal Service Level Total
City Council	\$269,420	\$269,420
Office of the Mayor	\$172,280	\$172,280
City Clerk	\$63,866	\$63,866
Police	\$49,695,712	\$69,385,081
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$11,328,120	\$13,844,120
Public Works	\$2,347,339	\$9,466,828
General City Purpose	\$86,909	\$86,909
Development and Resource Management	\$188,776	\$188,776
Finance	<u>\$1,382,581</u>	<u>\$1,382,581</u>
Total Operating Expenditures	\$76,554,502	\$112,963,459

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table B-18
Fiscal Impact Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative B

Item	Existing Service Level Total	Optimal Service Level Total
Operating Revenues		
Sales Tax	\$7,857,585	\$7,857,585
Prop 172 Sales Tax	\$262,263	\$262,263
Property Tax	\$29,473,547	\$29,473,547
Motor Vehicle In Lieu	\$25,905,882	\$25,905,882
Business Tax	\$10,542,742	\$10,542,742
Franchise Tax	\$4,891,182	\$4,891,182
Hotel Room Tax	\$4,316,754	\$4,316,754
Real Estate Transfer Tax	\$461,682	\$461,682
Card Room Receipts	\$683,262	\$683,262
Charges for Current Services	\$6,966,835	\$6,966,835
Intergovernmental	<u>\$2,282,096</u>	<u>\$2,282,096</u>
Subtotal	\$93,643,829	\$93,643,829
Operating Expenditures		
City Council	\$269,420	\$269,420
Office of the Mayor	\$172,280	\$172,280
City Clerk	\$63,866	\$63,866
Police	\$49,695,712	\$69,385,081
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$11,328,120	\$13,844,120
Public Works	\$2,347,339	\$9,466,828
General City Purpose	\$86,909	\$86,909
Development and Resource Management	\$188,776	\$188,776
Finance	<u>\$1,382,581</u>	<u>\$1,382,581</u>
Subtotal	\$76,554,502	\$112,963,459
Net Impact	\$17,089,327	(\$19,319,630)

Sources: City of Fresno; and Economic & Planning Systems, Inc.

APPENDIX C
General Plan Development Alternative C

Table C-1
Development Program
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Infill		Greenfield	Total	Allocation Assumptions		
	Downtown	Other Infill			Assessment District	Outside City Limits	% Rental
Residential (units)							
Single Family	0	3,693	34,014	37,707	8%	65%	25%
Townhome	2,170	1,936	9,934	14,040	1%	66%	50%
Multifamily	<u>8,681</u>	<u>3,509</u>	<u>15,055</u>	<u>27,245</u>	4%	47%	90%
Subtotal	10,851	9,138	59,003	78,992			
Commercial (sq.ft.)							
Retail	2,600,000	7,290,099	6,972,164	16,862,263	26%	19%	na
Office	5,400,000	5,940,625	9,345,066	20,685,692	5%	31%	na
Industrial	<u>3,100,000</u>	<u>10,186,345</u>	<u>32,111,707</u>	<u>45,398,052</u>	6%	61%	na
Subtotal	11,100,000	23,417,068	48,428,937	82,946,006			

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table C-2
Development Program Detail
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative C

Item	Occupied Uses	New Population	New Employment	Service Pop (1)	Assessed Values (2)			
					Downtown	Other Infill	Greenfield	Total
Residential								
Single Family	35,444	108,814	na	108,814	\$0	\$609,345,000	\$5,612,250,600	\$6,221,595,600
Townhome	13,198	40,518	na	40,518	\$303,828,000	\$271,040,000	\$1,390,782,400	\$1,965,650,400
Multifamily	<u>25,610</u>	<u>78,623</u>	<u>na</u>	<u>78,623</u>	<u>\$881,101,200</u>	<u>\$356,163,500</u>	<u>\$1,528,082,500</u>	<u>\$2,765,347,200</u>
Subtotal	74,252	227,955	0	227,955	\$1,184,929,200	\$1,236,548,500	\$8,531,115,500	\$10,952,593,200
Commercial								
Retail	765,773	na	38,783	19,392	\$520,000,000	\$1,458,019,702	\$1,394,432,848	\$3,372,452,550
Office	1,179,605	na	54,374	27,187	\$1,296,000,000	\$1,425,750,028	\$2,242,815,953	\$4,964,565,981
Industrial	<u>2,112,702</u>	<u>na</u>	<u>60,963</u>	<u>30,482</u>	<u>\$155,000,000</u>	<u>\$509,317,240</u>	<u>\$1,605,585,335</u>	<u>\$2,269,902,576</u>
Subtotal	4,058,081	na	154,120	77,060	\$1,971,000,000	\$3,393,086,970	\$5,242,834,137	\$10,606,921,107
Total	4,132,333	227,955	154,120	305,015	\$3,155,929,200	\$4,629,635,470	\$13,773,949,637	\$21,559,514,307

(1) Calculated by adding residential population and half of non-resident employment.

(2) Based on the historic distribution of ownership versus rental product going forward; this analysis does not consider any assessed value roll exemptions associated with affordable housing given the recent reduction in grant funding and elimination of redevelopment.

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table C-3
Fresno General Fund Property Tax Share Estimate*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative C

Item	FY2010-2011	FY2011-2012	Source
Citywide Assessed Value			
Gross	\$28,034,081,476	\$27,327,298,568	County Auditor Tax Rate Book
Net (1)	\$27,646,156,415	\$26,946,100,044	County Auditor Tax Rate Book
Gross Redevelopment Area Value	\$3,576,281,233	\$3,603,721,187	County Auditor Tax Rate Book
Property Tax	\$276,461,564	\$269,461,000	1% of Net Citywide AV
General Fund Property Tax Share (2)			
Total (3)	\$54,882,284	\$53,492,554	County Auditor Schedule of Levies
With No RDA (4)	\$60,125,515	\$60,586,844	County Auditor Schedule of Levies
Citywide General Fund Capture			
Average	19.9%	19.9%	EPS estimate
Net of RDA	21.7%	22.5%	EPS estimate

*Note: this analysis does not reflect the change in assessed value over time. This change is likely to fluctuate and will vary among different geographic areas within the City based on a range of factors.

(1) Reflects exemptions not subject to property tax (e.g. home owner exemptions).

(2) Net of Triple Flip/Reverse ERAF.

(3) With RDA funds; FY2011-12 estimates are based on the annual change in the citywide assessed value growth between FY2010-11 and FY2011-12.

(4) Net of the tax increment shifted from the City's General Fund to the RDA (above the frozen base) net of the City's General Fund share of pass throughs; FY2011-12 estimates are based on the annual growth in the property value in redevelopment areas between FY2010-11 and FY2011-12.

Sources: Fresno County Auditor's Office; and Economic & Planning Systems, Inc.

Table C-4
Property Tax Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Factor	Existing City Limits	Outside City Limits (1)	Total
Property Tax				
New Assessed Value		\$11,326,382,170	\$10,233,132,137	\$21,559,514,307
Property Tax	1.0%	\$113,263,822	\$102,331,321	\$215,595,143
Fresno's General Fund Share (2)		22.1%	15.2%	
Total Fresno General Fund Share (3)		\$25,049,820	\$8,554,898	\$33,604,718

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

(1) Growth outside the City limits is assumed to be annexed to the City with property tax subject to the existing tax allocation agreement with the County.

(2) Post ERAF; based on the average between FY2010-11 and FY2011-12. The estimate is below the pre-ERAF share estimated at 27.8% based on the TRA breakdowns provided by the County Assessor's office. This factor does not vary by infill or greenfield location as geography-specific information about the General Fund capture within the City is not available. The share outside city limits is based on the tax allocation agreement with Fresno County, #03-001. The County's post-ERAF share of property tax in unincorporated areas around Fresno is estimated to ranges between 35% and 45%.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table C-5
Sales Tax Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Assumptions	Total
SALES TAX GENERATED BY NEW RESIDENTS		
Average Median Income (1)		\$43,124
HH Retail Expenditure (2)	29.7%	\$12,806
New Occupied Households		74,252
Total Retail Expenditure		\$950,864,178
Taxable Expenditures Captured in Fresno	80% of retail expenditures	\$760,691,342
Inside Existing City Limits	81%	\$617,358,937
In Areas to be Annexed (3)	19%	\$143,332,405
Sales Tax from New Residents		
Inside Existing City Limits	1.0% of taxable sales	\$6,173,589
In Areas to be Annexed (4)	0.95%	<u>\$1,105,089</u>
Total Sales Tax From New Residents		\$7,278,678
SALES TAX GENERATED BY NEW EMPLOYEES		
New Employment		154,120
Non-Resident Employment (5)		76,478
Daily Taxable Employee Spending in Fresno (6)	\$10 per employee	\$764,780
Annual Taxable Spending by Employees (7)		\$191,194,993
Net New Taxable Sales (8)	50% of total taxable sales	\$94,875,488
Sales Tax from New Employees	1.0% of taxable sales	\$948,755
Total GF Sales Tax Increase		\$8,227,433

(1) Based on the existing citywide income; from the Census data for the period between 2006 and 2010.

(2) Based on the 2010 Bureau of Labor Statistics average taxable expenditure for households in the Western United States.

(3) Based on existing distribution of retail space between incorporated and unincorporated areas.

(4) Based on the tax allocation agreement with Fresno County, #03-001. The actual General Fund capture will vary based on the timing of sales and the City's overall retail sales tax growth.

(5) Based on the existing citywide allocation between resident and non-resident employees.

(6) EPS assumption.

(7) Reflects 250 work days out of a year

(8) Excludes employees that are Fresno residents to avoid double-counting; based on the 5-year average LED_LEHD data for primary employment and population in Fresno.

Sources: Bureau of Labor Statistics; LED_LEHD; and Economic & Planning Systems, Inc.

Table C-6

Alternative C

Motor Vehicle in Lieu of VLF Estimates*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total
Existing Motor Vehicle in Lieu	\$36,473,000
City of Fresno Citywide Value	\$27,327,298,568
Assessed Value of New Growth	\$21,559,514,307
New Growth as a Share of Existing Base	78.9%
Net Increase in Motor Vehicle in Lieu	\$28,774,896

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table C-7

Alternative C

Real Estate Transfer Tax*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Assumption	Total
Residential For-Sale		
New For-Sale Value		\$6,173,938,800
Average Residential Turnover (1)	7.8% a year	\$481,564,320
Transfer Tax From Residential For-Sale Uses	\$0.55 per \$1,000 value	\$264,860
Other Uses		
Residential Rental Value		\$4,778,654,400
Non-Residential Value		<u>\$10,606,921,107</u>
Subtotal		\$15,385,575,507
Average Commercial Turnover (2)	3.0% a year	\$461,567,265
Transfer Tax From Commercial Uses	\$0.55 per \$1,000 value	\$253,862
Total Real Estate Transfer Tax		\$518,722

*Reflects long-term average in property turnover likely to occur in lumps.

(1) Based on the historic trend for single-family unit turnover in Fresno between 2002 and 2009.

(2) Based on typical turnover trends for investment property; while Fresno-specific data is not available, residential rental and commercial uses typically turn over less frequently than residential for-sale uses.

Sources: Rand California, Department of Finance, and Economic & Planning Systems, Inc.

Table C-8
Proposition 172 Proceeds Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Total
Existing Sales Tax to the City	\$66,393,000
Estimated Increase from New Growth	
Total	\$8,227,433
% Increase	12%
Existing Prop 172 Proceeds	\$2,216,000
Increase in Prop 172 Proceeds	\$274,607

*Note: allocation of prop 172 depends on a more complex sales tax allocation methodology applied by the State based on relative growth in sales tax. This analysis utilizes a simplified approach as a proxy for potential prop 172 proceeds. The actual amount will vary on sales tax growth in other jurisdictions.

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table C-9
Operating Revenues Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Existing Service Level Total	Optimal Service Level Total
Sales Tax	\$8,227,433	\$8,227,433
Prop 172 Sales Tax	\$274,607	\$274,607
Property Tax	\$33,604,718	\$33,604,718
Motor Vehicle In Lieu	\$28,774,896	\$28,774,896
Business Tax	\$12,599,329	\$12,599,329
Franchise Tax	\$5,103,520	\$5,103,520
Hotel Room Tax	\$4,504,154	\$4,504,154
Real Estate Transfer Tax	\$518,722	\$518,722
Card Room Receipts	\$712,924	\$712,924
Charges for Current Services	\$7,269,282	\$7,269,282
Intergovernmental	<u>\$2,381,167</u>	<u>\$2,381,167</u>
Total Revenues	\$103,970,754	\$103,970,754

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table C-10
General Plan Cost Estimate for Fresno General Plan Fiscal Analysis; EPS #20132

Alternative C

Item	Existing Service Level		Optimal Service Level	
	Assumption or factor / Unit	Amount	Assumption or factor / Unit	Amount
<u>Police Department Cost Estimating Factors</u>				
Sworn Officers				
Service Level	1.28 / 1,000 Service Pop.	766.75	1.69 / 1,000 Service Pop. ¹	1,011
Avg. Annual Cost ²	\$118,087 / Sworn Officer	\$90,543,207	Same as Existing	\$119,440,470
Non-Sworn Personnel				
Service Level	0.33 / 1,000 Service Pop.	200	0.70 / 1,000 Service Pop. ¹	420
Avg. Annual Cost ²	\$50,000 / FTE	\$10,000,000	Same as Existing	\$20,987,829
Vehicles & Equipment Cost / Year³	\$5,600 / Sworn Officer	\$4,293,800	Same as Existing	\$5,664,185
Vehicle O&M Cost⁴	\$44.53 / Sworn / City Sq. Mile	\$3,550,850		\$4,684,119
Substations⁵				
# of Stations	26 Sq. Miles / Station	4	21 Sq. Miles / Station	5
O&M cost	\$35,000 / substation	<u>\$120,000</u>	Same as Existing	<u>\$120,000</u>
Variable Cost Subtotal		\$108,507,857		\$150,896,603
<u>Police Budget (Adopted FY2011-12)</u>				
Total		\$143,983,700		\$186,372,446
General Fund		\$130,272,600		\$172,661,346
General Fund as a Share of Total		90%		93%
Estimated Variable Costs				
as % of Total		75%		81%
as % of General Fund		83%		87%
<u>General Plan Build-out Projections</u>				
Increase Service Population		305,015		
Increased City Sq. Miles		40.83		
Increased Personnel Costs				
Sworn	390.5 New FTEs	\$46,107,468	515.1 New FTEs	\$60,822,869
Non-Sworn	101.8 New FTEs	\$5,092,317	213.8 New FTEs	\$10,687,667
Increased Vehicle & Equipment Costs				
		\$2,186,539		\$2,884,382
Increased Vehicle O&M Costs				
		\$709,835		\$936,381
Increased Substation O&M Costs				
	2.0 New Station(s)	<u>\$70,000</u>	2.0 New Station(s)	<u>\$70,000</u>
Net Increase in General Fund Cost				
		\$51,979,620		\$72,516,918
Additional Cost of Providing Optimal Service to Existing Residents		\$0		\$42,388,746

(1) Based on a service standard of 2.00 sworn officers and .83 non-sworn personnel per 1,000 residents, as articulated in the '2025 Public Safety Needs Assessment', prepared by the Police Department in June, 2003. Standards have been translated to service population to account for the impact of employment.

(2) Estimate provided by the Department staff, include benefits and taxes.

(3) Based on cost estimated provided in the '2025 Public Safety Needs Assessment' adjusted for inflation using the CPI. Calculation assumes 2.5 officers per vehicle and an average life cycle of 5.0 years

(4) Based on average vehicle miles traveled (20,000 / year in 2003) and O&M costs from "2025 Public Safety Needs Assessment."

(5) According the Department, the existing number of substations is sub-optimal; a fifth (5th) substation, the Central District Police Station, was closed in January, 2011 as a result of budget cuts.

Sources: Fresno PD and Economic & Planning Systems, Inc.

Table C-11
Fire Service
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Existing Service Level			Optimal Service Level		
	Greenfield	Infill (1)	Total	Greenfield	Infill (1)	Total
Existing Average Cost per Firefighter						
Sworn Firefighters			317.65			
Non-Contracted Sworn Firefighters (3)			254			
Firefighters per 1,000 Service Pop.			0.42			
Fire Department Budget (Adopted FY2011-12 Budget)			\$54,950,500			
General Fund Cost			\$46,144,700			
General Fund as a Share of Total			84%			
Average General Fund Cost per Firefighter (rounded)			\$181,700			\$181,700
New Fire Department Needs						
Fire Stations (3)	4	0	4	4	1	5
Engine Companies (3)	4	3	7	4	5	9
Firefighters per Engine Company (4)	10.1	10.1		13.5	13.5	13.5
New Firefighters Required (rounded)	41	30	71	54	68	122
Variable General Fund Cost						
Variable General Fund Funding Share (5)	90%	70%		90%	70%	
Avg. Variable Cost per Firefighter (rounded)	\$163,500	\$127,200		\$163,500	\$127,200	
Total Variable Cost	\$6,703,500	\$3,816,000	\$10,519,500	\$8,829,000	\$8,649,600	\$17,478,600
Operating Cost per Additional Fire Station (6)	\$125,000	\$125,000		\$125,000	\$125,000	
Total Operating Cost per Additional Fire Station	\$500,000	\$0	\$500,000	\$500,000	\$125,000	\$625,000
Total General Fund Cost Increase	\$7,203,500	\$3,816,000	\$11,019,500	\$9,329,000	\$8,774,600	\$18,103,600
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)			na	\$0	\$10,303,200	\$10,303,200

- (1) Excludes downtown; driven by densification of existing uses and additional calls for service resulting from new growth. Downtown has adequate capacity to support future growth.
- (2) Net of the special district firefighters.
- (3) Provided by the Fire Department based on needs assessment.
- (4) Reflects the City's existing ratio of 3 firefighters per engine company assuming 3 shifts under the exiting service level and 4 firefighters per engine company under the optimal service level. Includes one relief position per 8 firefighters to cover any staff leave.
- (5) Reflects a net out of the fixed fire cost component, including administration. Given existing department expenditure allocation, the fixed cost share is assumed to be lower in infill relative to greenfield locations.
- (6) Estimated by the Fire Department; includes apparatus, equipment, maintenance cost, and utilities.
- (7) Based on the identified existing deficiency of 6 engines by the Fire Department needed to meet its service goals; assumes 13.5 firefighters per engine company.

Sources: Fresno FD and Economic & Planning Systems, Inc.

Table C-12
PARCS Operating Cost Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Assumption / Source	Total
Existing Parks (1)	City GIS Data	944 acres
Park Facility Operational Cost (2)	\$6,000 / acre (EPS estimate)	\$5,662,800
Other Departmental Costs (3)		
Driven by Park Acre Growth	30% EPS estimate	\$1,948,170
Driven by Population Growth	40% EPS estimate	\$2,597,560
Fixed (in real terms)	30% EPS estimate	<u>\$1,948,170</u>
Subtotal		\$6,493,900
Total Department Budget	City's Budget	\$12,156,700
Net General Fund Cost	City's Budget	\$10,779,100
% Share of Total Budget		89%
New Park Area and GP Buildout (4)	General Plan Alternative	1,618 acres
Increase in Park Facility Operational Costs (New Growth Only)		
Existing Service Level	\$6,000 per acre	\$9,708,000
Optimal Service Level	\$8,000 per acre	\$12,944,000
Net Increase in Other PARCS Departmental Cost (New Growth Only) (5)		
Driven by Park Acre Growth		\$3,339,838
Driven by Population Growth		<u>\$1,183,967</u>
Subtotal		\$4,523,805
Total Net New Cost (6)		
Existing Service Level	100% of New Cost	\$14,231,805
Optimal Service Level	Assigned to GF	\$17,467,805
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)		\$1,887,600

(1) Reflect a range of park sizes and orientations from pocket parks and trails to regional scale parks; estimated acres to be refined on forthcoming data from PARCS. Note that trail maintenance has been shifted to public works.

(2) Reflects capital replacement cost; the cost of the City's maintenance for planned and custodial activities with other functions shifted to Public Works.

(3) EPS assumption; includes other departmental functions, including administration and recreation services.

(4) Estimated by Dyett & Bhatia; includes a range of park sizes.

(5) Revised numbers to be provided by the PARCS Department.

(6) Assumes that 100% of new PARCS costs are covered by the General Fund (currently about 89% of costs are covered by the General Fund).

(7) Does not reflect an additional capital replacement funding deficiency.

Sources: Fresno PARCS Department and Economic & Planning Systems, Inc.

Table C-13
Existing Public Works Infrastructure Estimate
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Existing Infrastructure	Source
Citywide Streets (1)		
Lane Miles	3,700 miles	Fresno FY2010-11 Adopted Budget
Road Miles	1,700 miles	Fresno City staff
Parks		
Regional Parks	566 acres	GIS data layer provided by the City staff
Neighborhood Parks	292 acres	GIS data layer provided by the City staff
Other (2)	86 acres	EPS Assumption
Total	944 acres	
Landscaping		
Maintained Square Footage	26,000,000 sq.ft.	Fresno FY2010-11 Adopted Budget
Average Square Footage per Road Mile	15,294 sq.ft.	EPS
Sidewalks, Curbs, and Gutters		
Maintained Linear Feet	3,000 miles	"Building a Better Fresno" Public Works Letter
Average Maintained Miles per Road Mile	1.8 linear ft.	EPS
Street Lights		
Maintained Lights	38,000 lights	"Building a Better Fresno" Public Works Letter
Average Lights per Road Mile	22 lights	EPS
Road Signals		
Maintained Signals	488 signals	Fresno FY2010-11 Adopted Budget
Average Signals per Road Mile	0.29 signals	EPS
Street Trees		
Maintained Trees	172,000 trees	Fresno FY2010-11 Adopted Budget
Trees per Road Mile	101 trees	EPS

(1) Reflect a mix of arterials, collectors, and residential streets.

(2) Include pocket parks and trails; estimated at 10% of regional and neighborhood park area.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table C-14
Public Works Existing Per Unit Cost Estimates and Budget Overview*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Assumption (1)	Existing Cost
Road Maintenance		
Citywide Street Total	3,700 lane miles	
Cost (2)	\$3,600 per lane mile	\$13,986,000
(less) Committed State Funding Sources (3)		<u>(\$13,986,000)</u>
Net General Fund Share		\$0
Other Maintenance Functions		
<u>Park Maintenance</u>		
Parks and Trails	944 acres	
Cost	\$4,000 per acre	\$3,775,000
<u>Landscaping</u>		
Maintained Square Footage	26,000,000 sq.ft.	
Cost	\$0.45	\$11,700,000
<u>Sidewalks, Curbs, and Gutters</u>		
Miles	3,000	
Cost	\$540 per mile	\$1,620,000
<u>Street Sweeping</u>		
Road Miles	1,700	
Cost	\$1,400 per mile	\$2,380,000
<u>Street Lights</u>		
Lights	38,000	
Cost	\$80 per light	\$3,040,000
<u>Road Signals</u>		
Signals	488	
Cost	\$4,500 per signal	\$2,196,000
<u>Street Tree Trimming</u>		
Street Trees	172,000	
Cost	\$4.50 per tree	\$774,000
<u>Other Operating and Maintenance Costs (4)</u>		<u>\$2,406,000</u>
Total		\$41,877,000
(less) Non-GF Operating Revenue Sources		
CFD		(\$4,685,000)
State Funding (5)		(\$4,508,000)
Community Sanitation User Fees		(\$9,954,200)
Other Sources (6)		<u>(\$1,077,600)</u>
Subtotal		(\$34,210,800)
Net General Fund Cost		\$7,666,200
(less) Debt Service		<u>(\$902,300)</u>
Operating Net General Fund Cost		\$6,763,900

* Reflect existing sub-optimal levels of service; does not include parking and facilities management funds.

- (1) Based on the Department's detailed budget by function totals.
- (2) Rounded; reflects patching, overlay, and sealing based on the State Controller's Roads Report.
- (3) Include Measure C, prop 42, and special gas taxes.
- (4) Include the cost of administration and overhead and other miscellaneous items.
- (5) Less of funding sources committed to road maintenance; include Measure C, prop 42, and special gas taxes.
- (6) Include citywide beautification, street tree trimming support, and special project revolving fund.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table C-15
New Public Works Infrastructure Needs
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Units	Source / Estimating Factor (1)	Infrastructure Increase From New Growth
Road Maintenance (2)	lane miles	Dyett & Bhatia	1,029
Park Maintenance	acres	Dyett & Bhatia	1,618
Landscaping	sq.ft.	15,294 per road mile	5,831,142
Sidewalks, Curbs, and Gutters	miles	1.8 per road mile	673
Street Sweeping	road miles	Dyett & Bhatia	381
Street Lights	lights	22.4 per road mile	8,522
Road Signals	signals	0.3 per road mile	109
Street Tree Trimming	trees	101 per road mile	38,575

(1) Non Dyett & Bhatia ratio assumptions are based on the existing citywide average.

(2) Reflect a mix of arterials, collectors, and residential streets.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table C-16
Public Works Cost Estimates From New Growth and the General Fund Cost Share
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Existing Service Level		Optimal Service Level	
	Per Unit	Buildout Total	Per Unit (1)	Buildout Total
Key Operating Expenditures				
Road Maintenance (2)	\$3,600 per lane mile	\$3,704,733	\$7,000 per lane mile	\$7,203,647
Park Maintenance	\$4,000 per acre	\$6,472,000	\$6,000 per acre	\$9,708,000
Landscaping	\$0.45 per sq.ft.	\$2,624,014	\$0.70 per sq.ft.	\$4,081,799
Sidewalks, Curbs, and Gutters	\$540 per mile	\$363,325	\$800 per mile	\$538,259
Street Sweeping	\$1,400 per road mile	\$533,774	\$1,400 per road mile	\$533,774
Street Lights	\$80 per light	\$681,795	\$120 per light	\$1,022,693
Road Signals	\$4,500 per signal	\$492,507	\$7,000 per signal	\$766,122
Street Tree Trimming	\$4.50 per tree	<u>\$173,589</u>	\$40 per tree	<u>\$1,543,010</u>
Total Cost		\$15,045,736		\$25,397,303
(less) Offsetting Non-General Fund Revenues (3)				
CFD Funding (4)		(\$1,024,000)		(\$1,728,000)
State Funding (5)		(\$2,111,000)		(\$2,111,000)
Comm. Sanitation User Fees (6)		(\$5,551,000)		(\$5,551,000)
Other Revenues (7)		<u>(\$549,000)</u>		<u>(\$549,000)</u>
Subtotal		(\$9,235,000)		(\$9,939,000)
Net General Fund Cost Increase				
From New Growth		\$5,810,736		\$15,458,303
<hr/>				
Additional Cost of Providing Optimal Service Standard to Existing Facilities		\$0		\$19,545,800

- (1) EPS assumption based on comparable jurisdictions; reflects an increase in Fresno's existing service level.
- (2) Cost estimate reflects a weighted mix of arterials, collectors, and residential streets.
- (3) Rounded; for simplification the analysis assumes these funds are relatively fungible across operating expense categories although in reality some are restricted.
- (4) Additional special district funding is likely to be imposed on some new development in Fresno; this funding is assumed to cover all of the key Public Works categories shown above.
- (5) Includes Measure C, prop 42, and special gas taxes; based on the growth in retail sales tax relative to the existing base.
- (6) Based on the existing monthly charge of \$6.23 per household.
- (7) Reflect other revenues such as citywide beautification, street tree trimming support, and special project revolving fund; estimated at \$2 per service population based on the existing budget.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table C-17
Operating Expenditures Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Existing Service Level Total	Optimal Service Level Total
City Council	\$281,116	\$281,116
Office of the Mayor	\$179,759	\$179,759
City Clerk	\$66,638	\$66,638
Police	\$51,979,620	\$72,516,918
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$14,231,805	\$17,467,805
Public Works	\$5,810,736	\$15,458,303
General City Purpose	\$90,681	\$90,681
Development and Resource Management	\$196,971	\$196,971
Finance	<u>\$1,442,602</u>	<u>\$1,442,602</u>
Total Operating Expenditures	\$85,299,428	\$125,804,394

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table C-18
Fiscal Impact Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative C

Item	Existing Service Level Total	Optimal Service Level Total
Operating Revenues		
Sales Tax	\$8,227,433	\$8,227,433
Prop 172 Sales Tax	\$274,607	\$274,607
Property Tax	\$33,604,718	\$33,604,718
Motor Vehicle In Lieu	\$28,774,896	\$28,774,896
Business Tax	\$12,599,329	\$12,599,329
Franchise Tax	\$5,103,520	\$5,103,520
Hotel Room Tax	\$4,504,154	\$4,504,154
Real Estate Transfer Tax	\$518,722	\$518,722
Card Room Receipts	\$712,924	\$712,924
Charges for Current Services	\$7,269,282	\$7,269,282
Intergovernmental	\$2,381,167	\$2,381,167
Subtotal	\$103,970,754	\$103,970,754
Operating Expenditures		
City Council	\$281,116	\$281,116
Office of the Mayor	\$179,759	\$179,759
City Clerk	\$66,638	\$66,638
Police	\$51,979,620	\$72,516,918
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$14,231,805	\$17,467,805
Public Works	\$5,810,736	\$15,458,303
General City Purpose	\$90,681	\$90,681
Development and Resource Management	\$196,971	\$196,971
Finance	\$1,442,602	\$1,442,602
Subtotal	\$85,299,428	\$125,804,394
Net Impact	\$18,671,326	(\$21,833,641)

Sources: City of Fresno; and Economic & Planning Systems, Inc.

APPENDIX D
General Plan Development Alternative D

Table D-1
Development Program
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Infill		Greenfield	Total	Allocation Assumptions		
	Downtown	Other Infill			Assessment District	Outside City Limits	% Rental
Residential (units)							
Single Family	0	4,002	28,810	32,812	10%	59%	25%
Townhome	2,170	3,253	10,183	15,607	5%	60%	50%
Multifamily	<u>8,681</u>	<u>7,784</u>	<u>14,783</u>	<u>31,248</u>	5%	41%	90%
Subtotal	10,851	15,040	53,777	79,668			
Commercial (sq.ft.)							
Retail	2,600,000	11,453,077	6,432,373	20,485,450	19%	29%	na
Office	5,400,000	7,518,568	6,953,130	19,871,698	3%	37%	na
Industrial	<u>3,100,000</u>	<u>10,233,113</u>	<u>11,386,313</u>	<u>24,719,425</u>	9%	43%	na
Subtotal	11,100,000	29,204,757	24,771,815	65,076,572			

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table D-2
Development Program Detail
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	Occupied Uses	New Population	New Employment	Service Pop (1)	Assessed Values (2)			
					Downtown	Other Infill	Greenfield	Total
Residential								
Single Family	30,844	94,690	na	94,690	\$0	\$660,350,483	\$4,753,707,134	\$5,414,057,617
Townhome	14,671	45,039	na	45,039	\$303,828,000	\$455,488,565	\$1,425,685,415	\$2,185,001,980
Multifamily	<u>29,373</u>	<u>90,176</u>	<u>na</u>	<u>90,176</u>	<u>\$881,101,200</u>	<u>\$790,113,802</u>	<u>\$1,500,473,728</u>	<u>\$3,171,688,730</u>
Subtotal	74,888	229,905	0	229,905	\$1,184,929,200	\$1,905,952,849	\$7,679,866,278	\$10,770,748,327
Commercial								
Retail	722,590	na	47,117	23,559	\$520,000,000	\$2,290,615,394	\$1,286,474,509	\$4,097,089,903
Office	988,250	na	52,234	26,117	\$1,296,000,000	\$1,804,456,211	\$1,668,751,198	\$4,769,207,409
Industrial	<u>869,179</u>	<u>na</u>	<u>33,195</u>	<u>16,598</u>	<u>\$155,000,000</u>	<u>\$511,655,633</u>	<u>\$569,315,633</u>	<u>\$1,235,971,266</u>
Subtotal	2,580,019	na	132,546	66,273	\$1,971,000,000	\$4,606,727,238	\$3,524,541,340	\$10,102,268,578
Total	2,654,907	229,905	132,546	296,178	\$3,155,929,200	\$6,512,680,087	\$11,204,407,617	\$20,873,016,905

(1) Calculated by adding residential population and half of non-resident employment.

(2) Based on the historic distribution of ownership versus rental product going forward; this analysis does not consider any assessed value roll exemptions associated with affordable housing given the recent reduction in grant funding and elimination of redevelopment.

Sources: Dyett & Bhatia, and Economic & Planning Systems, Inc.

**Table D-3
Fresno General Fund Property Tax Share Estimate*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	FY2010-2011	FY2011-2012	Source
Citywide Assessed Value			
Gross	\$28,034,081,476	\$27,327,298,568	County Auditor Tax Rate Book
Net (1)	\$27,646,156,415	\$26,946,100,044	County Auditor Tax Rate Book
Gross Redevelopment Area Value	\$3,576,281,233	\$3,603,721,187	County Auditor Tax Rate Book
Property Tax	\$276,461,564	\$269,461,000	1% of Net Citywide AV
General Fund Property Tax Share (2)			
Total (3)	\$54,882,284	\$53,492,554	County Auditor Schedule of Levies
With No RDA (4)	\$60,125,515	\$60,586,844	County Auditor Schedule of Levies
Citywide General Fund Capture			
Average	19.9%	19.9%	EPS estimate
Net of RDA (5)	21.7%	22.5%	EPS estimate

*Note: this analysis does not reflect the change in assessed value over time. This change is likely to fluctuate and will vary among different geographic areas within the City based on a range of factors.

(1) Reflects exemptions not subject to property tax (e.g. home owner exemptions).

(2) Net of Triple Flip/Reverse ERAF.

(3) With RDA funds; FY2011-12 estimates are based on the annual change in the citywide assessed value growth between FY2010-11 and FY2011-12.

(4) Net of the tax increment shifted from the City's General Fund to the RDA (above the frozen base) net of the City's General Fund share of pass throughs;

FY2011-12 estimates are based on the annual growth in the property value in redevelopment areas between FY2010-11 and FY2011-12.

(5) RDA staff indicates that the General Fund impact could be less than what is estimated in this analysis based on enforceable obligations. This assumption is subject to further review and input from RDA and City staff.

Sources: Fresno County Auditor's Office; and Economic & Planning Systems, Inc.

Table D-4
Property Tax Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Factor	Existing City Limits	Outside City Limits (1)	Total
Property Tax				
New Assessed Value		\$11,603,561,948	\$9,269,454,956	\$20,873,016,905
Property Tax	1.0%	\$116,035,619	\$92,694,550	\$208,730,169
Fresno's General Fund Share (2)		22.1%	15.2%	
Total Fresno General Fund Share (3)		\$25,662,840	\$7,749,264	\$33,412,105

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

(1) Growth outside the City limits is assumed to be annexed to the City with property tax subject to the existing tax allocation agreement with the County.

(2) Post ERAF; based on the average between FY2010-11 and FY2011-12. The estimate is below the pre-ERAF share estimated at 27.8% based on the TRA breakdowns provided by the County Assessor's office. This factor does not vary by infill or greenfield location as geography-specific information about the General Fund capture within the City is not available. The share outside city limits is based on the tax allocation agreement with Fresno County, #03-001. The County's post-ERAF share of property tax in unincorporated areas around Fresno is estimated to ranges between 35% and 45%.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

**Table D-5
Sales Tax Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	Assumptions	Total
SALES TAX GENERATED BY NEW RESIDENTS		
Average Median Income (1)		\$43,124
HH Retail Expenditure (2)	29.7%	\$12,806
New Occupied Households		74,888
Total Retail Expenditure		\$959,001,437
Taxable Expenditures Captured in Fresno	80% of retail expenditures	\$767,201,150
Inside Existing City Limits	71%	\$545,153,014
In Areas to be Annexed (3)	29%	\$222,048,136
Sales Tax from New Residents		
Inside Existing City Limits	1.0% of taxable sales	\$5,451,530
In Areas to be Annexed (4)	0.95%	<u>\$1,498,925</u>
Total Sales Tax From New Residents		\$6,950,455
SALES TAX GENERATED BY NEW EMPLOYEES		
New Employment		132,546
Non-Resident Employment (5)		65,772
Daily Taxable Employee Spending in Fresno (6)	\$10 per employee	\$657,725
Annual Taxable Spending by Employees (7)		\$164,431,168
Net New Taxable Sales (8)	50% of total taxable sales	\$81,594,643
Sales Tax from New Employees	1.0% of taxable sales	\$815,946
Total GF Sales Tax Increase		\$7,766,402

(1) Based on the existing citywide income; from the Census data for the period between 2006 and 2010.

(2) Based on the 2010 Bureau of Labor Statistics average taxable expenditure for households in the Western United States.

(3) Based on existing distribution of retail space between incorporated and unincorporated areas.

(4) Based on the tax allocation agreement with Fresno County, #03-001. The actual General Fund capture will vary based on the timing of sales and the City's overall retail sales tax growth.

(5) Based on the existing citywide allocation between resident and non-resident employees.

(6) EPS assumption.

(7) Reflects 250 work days out of a year

(8) Excludes employees that are Fresno residents to avoid double-counting; based on the 5-year average LED_LEHD data for primary employment and population in Fresno.

Sources: Bureau of Labor Statistics; LED_LEHD; and Economic & Planning Systems, Inc.

Table D-6

Alternative D

Motor Vehicle in Lieu of VLF Estimates*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Total
Existing Motor Vehicle in Lieu	\$36,473,000
City of Fresno Citywide Value	\$27,327,298,568
Assessed Value of New Growth	\$20,873,016,905
New Growth as a Share of Existing Base	76.4%
Net Increase in Motor Vehicle in Lieu	\$27,858,646

*Note: this analysis does not account for displaced assessed value from new development, which are likely minimal.

Sources: County Assessor's Office, and Economic & Planning Systems, Inc.

Table D-7

Alternative D

Real Estate Transfer Tax*

Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Assumption	Total
Residential For-Sale		
New For-Sale Value		\$5,713,480,647
Average Residential Turnover (1)	7.8% a year	\$445,648,801
Transfer Tax From Residential For-Sale Uses	\$0.55 per \$1,000 value	\$245,107
Other Uses		
Residential Rental Value		\$5,057,267,680
Non-Residential Value		<u>\$10,102,268,578</u>
Subtotal		\$15,159,536,258
Average Commercial Turnover (2)	3.0% a year	\$454,786,088
Transfer Tax From Commercial Uses	\$0.55 per \$1,000 value	\$250,132
Total Real Estate Transfer Tax		\$495,239

*Reflects long-term average in property turnover likely to occur in lumps.

(1) Based on the historic trend for single-family unit turnover in Fresno between 2002 and 2009.

(2) Based on typical turnover trends for investment property; while Fresno-specific data is not available, residential rental and commercial uses typically turn over less frequently than residential for-sale uses.

Sources: Rand California, Department of Finance, and Economic & Planning Systems, Inc.

Table D-8
Proposition 172 Proceeds Estimates*
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Total
Existing Sales Tax to the City	\$66,393,000
Estimated Increase from New Growth	
Total	\$7,766,402
% Increase	12%
Existing Prop 172 Proceeds	\$2,216,000
Increase in Prop 172 Proceeds	\$259,219

*Note: allocation of prop 172 depends on a more complex sales tax allocation methodology applied by the State based on relative growth in sales tax. This analysis utilizes a simplified approach as a proxy for potential prop 172 proceeds. The actual amount will vary on sales tax growth in other jurisdictions.

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table D-9
Operating Revenues Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level Total	Optimal Service Level Total
Sales Tax	\$7,766,402	\$7,766,402
Prop 172 Sales Tax	\$259,219	\$259,219
Property Tax	\$33,412,105	\$33,412,105
Motor Vehicle In Lieu	\$27,858,646	\$27,858,646
Business Tax	\$10,835,652	\$10,835,652
Franchise Tax	\$4,955,659	\$4,955,659
Hotel Room Tax	\$4,373,658	\$4,373,658
Real Estate Transfer Tax	\$495,239	\$495,239
Card Room Receipts	\$692,269	\$692,269
Charges for Current Services	\$7,058,674	\$7,058,674
Intergovernmental	<u>\$2,312,179</u>	<u>\$2,312,179</u>
Total Revenues	\$100,019,703	\$100,019,703

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table D-10
General Plan Cost Estimate for Fresno General Plan Fiscal Analysis; EPS #20132

Alternative D

Item	Existing Service Level		Optimal Service Level	
	Assumption or factor / Unit	Amount	Assumption or factor / Unit	Amount
<u>Police Department Cost Estimating Factors</u>				
Sworn Officers				
Service Level	1.28 / 1,000 Service Pop.	766.75	1.69 / 1,000 Service Pop. ¹	1,011
Avg. Annual Cost ²	\$118,087 / Sworn Officer	\$90,543,207	Same as Existing	\$119,440,470
Non-Sworn Personnel				
Service Level	0.33 / 1,000 Service Pop.	200	0.70 / 1,000 Service Pop. ¹	420
Avg. Annual Cost ²	\$50,000 / FTE	\$10,000,000	Same as Existing	\$20,987,829
Vehicles & Equipment Cost / Year³	\$5,600 / Sworn Officer	\$4,293,800	Same as Existing	\$5,664,185
Vehicle O&M Cost⁴	\$44.53 / Sworn / City Sq. Mile	\$3,550,850		\$4,684,119
Substations⁵				
# of Stations	26 Sq. Miles / Station	4	21 Sq. Miles / Station	5
O&M cost	\$35,000 / substation	<u>\$120,000</u>	Same as Existing	<u>\$120,000</u>
Variable Cost Subtotal		\$108,507,857		\$150,896,603
<u>Police Budget (Adopted FY2011-12)</u>				
Total		\$143,983,700		\$186,372,446
General Fund		\$130,272,600		\$172,661,346
General Fund as a Share of Total		90%		93%
Estimated Variable Costs				
as % of Total		75%		81%
as % of General Fund		83%		87%
<u>General Plan Build-out Projections</u>				
Increase Service Population		296,178		
Increased City Sq. Miles		32.68		
Increased Personnel Costs				
Sworn	379.1 New FTEs	\$44,771,627	500.1 New FTEs	\$59,060,688
Non-Sworn	98.9 New FTEs	\$4,944,780	207.6 New FTEs	\$10,378,020
Increased Vehicle & Equipment Costs				
		\$2,123,190		\$2,800,815
Increased Vehicle O&M Costs				
		\$551,647		\$727,708
Increased Substation O&M Costs				
	1.0 New Station(s)	<u>\$35,000</u>	2.0 New Station(s)	<u>\$70,000</u>
Net Increase in General Fund Cost				
		\$50,303,054		\$70,236,417
Additional Cost of Providing Optimal Service to Existing Residents		\$0		\$42,388,746

(1) Based on a service standard of 2.00 sworn officers and .83 non-sworn personnel per 1,000 residents, as articulated in the '2025 Public Safety Needs Assessment', prepared by the Police Department in June, 2003. Standards have been translated to service population to account for the impact of employment.

(2) Estimate provided by the Department staff, include benefits and taxes.

(3) Based on cost estimated provided in the '2025 Public Safety Needs Assessment' adjusted for inflation using the CPI. Calculation assumes 2.5 officers per vehicle and an average life cycle of 5.0 years

(4) Based on average vehicle miles traveled (20,000 / year in 2003) and O&M costs from "2025 Public Safety Needs Assessment."

(5) According the Department, the existing number of substations is sub-optimal; a fifth (5th) substation, the Central District Police Station, was closed in January, 2011 as a result of budget cuts.

Sources: Fresno PD and Economic & Planning Systems, Inc.

Table D-11
Fire Service
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Item	Existing Service Level			Optimal Service Level		
	Greenfield	Infill (1)	Total	Greenfield	Infill (1)	Total
Existing Average Cost per Firefighter						
Sworn Firefighters			317.65			
Non-Contracted Sworn Firefighters (3)			254			
Firefighters per 1,000 Service Pop.			0.42			
Fire Department Budget (Adopted FY2011-12 Budget)			\$54,950,500			
General Fund Cost			\$46,144,700			
General Fund as a Share of Total			84%			
Average General Fund Cost per Firefighter (rounded)			\$181,700			\$181,700
New Fire Department Needs						
Fire Stations (3)	4	0	4	4	1	5
Engine Companies (3)	4	3	7	4	5	9
Firefighters per Engine Company (4)	10.1	10.1		13.5	13.5	13.5
New Firefighters Required (rounded)	41	30	71	54	68	122
Variable General Fund Cost						
Variable General Fund Funding Share (5)	90%	70%		90%	70%	
Avg. Variable Cost per Firefighter (rounded)	\$163,500	\$127,200		\$163,500	\$127,200	
Total Variable Cost	\$6,703,500	\$3,816,000	\$10,519,500	\$8,829,000	\$8,649,600	\$17,478,600
Operating Cost per Additional Fire Station (6)	\$125,000	\$125,000		\$125,000	\$125,000	
Total Operating Cost per Additional Fire Station	\$500,000	\$0	\$500,000	\$500,000	\$125,000	\$625,000
Total General Fund Cost Increase	\$7,203,500	\$3,816,000	\$11,019,500	\$9,329,000	\$8,774,600	\$18,103,600
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)			na	\$0	\$10,303,200	\$10,303,200

- (1) Excludes downtown; driven by densification of existing uses and additional calls for service resulting from new growth. Downtown has adequate capacity to support future growth.
- (2) Net of the special district firefighters.
- (3) Provided by the Fire Department based on needs assessment.
- (4) Reflects the City's existing ratio of 3 firefighters per engine company assuming 3 shifts under the exiting service level and 4 firefighters per engine company under the optimal service level. Includes one relief position per 8 firefighters to cover any staff leave.
- (5) Reflects a net out of the fixed fire cost component, including administration. Given existing department expenditure allocation, the fixed cost share is assumed to be lower in infill relative to greenfield locations.
- (6) Estimated by the Fire Department; includes apparatus, equipment, maintenance cost, and utilities.
- (7) Based on the identified existing deficiency of 6 engines by the Fire Department needed to meet its service goals; assumes 13.5 firefighters per engine company.

Sources: Fresno FD and Economic & Planning Systems, Inc.

Table D-12
PARCS Operating Cost Estimates
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Assumption / Source	Total
Existing Parks (1)	City GIS Data	944 acres
Park Facility Operational Cost (2)	\$6,000 / acre (EPS estimate)	\$5,662,800
Other Departmental Costs (3)		
Driven by Park Acre Growth	30% EPS estimate	\$1,948,170
Driven by Population Growth	40% EPS estimate	\$2,597,560
Fixed (in real terms)	30% EPS estimate	<u>\$1,948,170</u>
Subtotal		\$6,493,900
Total Department Budget	City's Budget	\$12,156,700
Net General Fund Cost	City's Budget	\$10,779,100
% Share of Total Budget		89%
New Park Area and GP Buildout (4)	General Plan Alternative	1,197 acres
Increase in Park Facility Operational Costs (New Growth Only)		
Existing Service Level	\$6,000 per acre	\$7,182,000
Optimal Service Level	\$8,000 per acre	\$9,576,000
Net Increase in Other PARCS Departmental Cost (New Growth Only) (5)		
Driven by Park Acre Growth		\$2,470,820
Driven by Population Growth		<u>\$1,194,095</u>
Subtotal		\$3,664,915
Total Net New Cost (6)		
Existing Service Level	100% of New Cost	\$10,846,915
Optimal Service Level	Assigned to GF	\$13,240,915
Additional Cost of Providing Optimal Service Standard to Existing Facilities (7)		\$1,887,600

(1) Reflect a range of park sizes and orientations from pocket parks and trails to regional scale parks; estimated acres to be refined on forthcoming data from PARCS. Note that trail maintenance has been shifted to public works.

(2) Reflects capital replacement cost; the cost of the City's maintenance for planned and custodial activities with other functions shifted to Public Works.

(3) EPS assumption; includes other departmental functions, including administration and recreation services.

(4) Estimated by Dyett & Bhatia; includes a range of park sizes.

(5) Revised numbers to be provided by the PARCS Department.

(6) Assumes that 100% of new PARCS costs are covered by the General Fund (currently about 89% of costs are covered by the General Fund).

(7) Does not reflect an additional capital replacement funding deficiency.

Sources: Fresno PARCS Department and Economic & Planning Systems, Inc.

Table D-13
Existing Public Works Infrastructure Estimate
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Infrastructure	Source
Citywide Streets (1)		
Lane Miles	3,700 miles	Fresno FY2010-11 Adopted Budget
Road Miles	1,700 miles	Fresno City staff
Parks		
Regional Parks	566 acres	GIS data layer provided by the City staff
Neighborhood Parks	292 acres	GIS data layer provided by the City staff
Other (2)	86 acres	EPS Assumption
Total	944 acres	
Landscaping		
Maintained Square Footage	26,000,000 sq.ft.	Fresno FY2010-11 Adopted Budget
Average Square Footage per Road Mile	15,294 sq.ft.	EPS
Sidewalks, Curbs, and Gutters		
Maintained Linear Feet	3,000 miles	"Building a Better Fresno" Public Works Letter
Average Maintained Miles per Road Mile	1.8 linear ft.	EPS
Street Lights		
Maintained Lights	38,000 lights	"Building a Better Fresno" Public Works Letter
Average Lights per Road Mile	22 lights	EPS
Road Signals		
Maintained Signals	488 signals	Fresno FY2010-11 Adopted Budget
Average Signals per Road Mile	0.29 signals	EPS
Street Trees		
Maintained Trees	172,000 trees	Fresno FY2010-11 Adopted Budget
Trees per Road Mile	101 trees	EPS

(1) Reflect a mix of arterials, collectors, and residential streets.

(2) Include pocket parks and trails; estimated at 10% of regional and neighborhood park area.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

**Table D-14
Public Works Existing Per Unit Cost Estimates and Budget Overview*
Fresno General Plan Fiscal Impact Analysis; EPS #20132**

Alternative D

Item	Assumption (1)	Existing Cost
Road Maintenance		
Citywide Street Total	3,700 lane miles	
Cost (2)	\$3,600 per lane mile	\$13,986,000
(less) Committed State Funding Sources (3)		<u>(\$13,986,000)</u>
Net General Fund Share		\$0
Other Maintenance Functions		
<u>Park Maintenance</u>		
Parks and Trails	944 acres	
Cost	\$4,000 per acre	\$3,775,000
<u>Landscaping</u>		
Maintained Square Footage	26,000,000 sq.ft.	
Cost	\$0.45	\$11,700,000
<u>Sidewalks, Curbs, and Gutters</u>		
Miles	3,000	
Cost	\$540 per mile	\$1,620,000
<u>Street Sweeping</u>		
Road Miles	1,700	
Cost	\$1,400 per mile	\$2,380,000
<u>Street Lights</u>		
Lights	38,000	
Cost	\$80 per light	\$3,040,000
<u>Road Signals</u>		
Signals	488	
Cost	\$4,500 per signal	\$2,196,000
<u>Street Tree Trimming</u>		
Street Trees	172,000	
Cost	\$4.50 per tree	\$774,000
<u>Other Operating and Maintenance Costs (4)</u>		<u>\$2,406,000</u>
Total		\$41,877,000
(less) Non-GF Operating Revenue Sources		
CFD		(\$4,685,000)
State Funding (5)		(\$4,508,000)
Community Sanitation User Fees		(\$9,954,200)
Other Sources (6)		<u>(\$1,077,600)</u>
Subtotal		(\$34,210,800)
Net General Fund Cost		\$7,666,200
(less) Debt Service		<u>(\$902,300)</u>
Operating Net General Fund Cost		\$6,763,900

* Reflect existing sub-optimal levels of service; does not include parking and facilities management funds.

- (1) Based on the Department's detailed budget by function totals.
- (2) Rounded; reflects patching, overlay, and sealing based on the State Controller's Roads Report.
- (3) Include Measure C, prop 42, and special gas taxes.
- (4) Include the cost of administration and overhead and other miscellaneous items.
- (5) Less of funding sources committed to road maintenance; include Measure C, prop 42, and special gas taxes.
- (6) Include citywide beautification, street tree trimming support, and special project revolving fund.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table D-15
New Public Works Infrastructure Needs
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Units	Source / Estimating Factor (1)	Infrastructure Increase From New Growth
Road Maintenance (2)	lane miles	Dyett & Bhatia	821
Park Maintenance	acres	Dyett & Bhatia	1,197
Landscaping	sq.ft.	15,294 per road mile	4,712,452
Sidewalks, Curbs, and Gutters	miles	1.8 per road mile	544
Street Sweeping	road miles	Dyett & Bhatia	308
Street Lights	lights	22.4 per road mile	6,887
Road Signals	signals	0.3 per road mile	88
Street Tree Trimming	trees	101 per road mile	31,175

(1) Non Dyett & Bhatia ratio assumptions are based on the existing citywide average.

(2) Reflect a mix of arterials, collectors, and residential streets.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table D-16
Public Works Cost Estimates From New Growth and the General Fund Cost Share
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level		Optimal Service Level	
	Per Unit	Buildout Total	Per Unit (1)	Buildout Total
Key Operating Expenditures				
Road Maintenance (2)	\$3,600 per lane mile	\$2,956,980	\$7,000 per lane mile	\$5,749,683
Park Maintenance	\$4,000 per acre	\$4,788,000	\$6,000 per acre	\$7,182,000
Landscaping	\$0.45 per sq.ft.	\$2,120,603	\$0.70 per sq.ft.	\$3,298,716
Sidewalks, Curbs, and Gutters	\$540 per mile	\$293,622	\$800 per mile	\$434,996
Street Sweeping	\$1,400 per road mile	\$431,371	\$1,400 per road mile	\$431,371
Street Lights	\$80 per light	\$550,994	\$120 per light	\$826,492
Road Signals	\$4,500 per signal	\$398,021	\$7,000 per signal	\$619,144
Street Tree Trimming	\$4.50 per tree	<u>\$140,286</u>	\$40 per tree	<u>\$1,246,987</u>
Total Cost		\$11,679,877		\$19,789,388
(less) Offsetting Non-General Fund Revenues (3)				
CFD Funding (4)		(\$901,000)		(\$1,527,000)
State Funding (5)		(\$1,987,000)		(\$1,987,000)
Comm. Sanitation User Fees (6)		(\$5,599,000)		(\$5,599,000)
Other Revenues (7)		<u>(\$533,000)</u>		<u>(\$533,000)</u>
Subtotal		(\$9,020,000)		(\$9,646,000)
Net General Fund Cost Increase				
From New Growth		\$2,659,877		\$10,143,388
<hr/>				
Additional Cost of Providing Optimal Service Standard to Existing Facilities		\$0		\$19,545,800

- (1) EPS assumption based on comparable jurisdictions; reflects an increase in Fresno's existing service level.
- (2) Cost estimate reflects a weighted mix of arterials, collectors, and residential streets.
- (3) Rounded; for simplification the analysis assumes these funds are relatively fungible across operating expense categories although in reality some are restricted.
- (4) Additional special district funding is likely to be imposed on some new development in Fresno; this funding is assumed to cover all of the key Public Works categories shown above.
- (5) Includes Measure C, prop 42, and special gas taxes; based on the growth in retail sales tax relative to the existing base.
- (6) Based on the existing monthly charge of \$6.23 per household.
- (7) Reflect other revenues such as citywide beautification, street tree trimming support, and special project revolving fund; estimated at \$2 per service population based on the existing budget.

Sources: City of Fresno Public Works Department and Economic & Planning Systems, Inc.

Table D-17
Operating Expenditures Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level Total	Optimal Service Level Total
City Council	\$272,972	\$272,972
Office of the Mayor	\$174,551	\$174,551
City Clerk	\$64,707	\$64,707
Police	\$50,303,054	\$70,236,417
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$10,846,915	\$13,240,915
Public Works	\$2,659,877	\$10,143,388
General City Purpose	\$88,054	\$88,054
Development and Resource Management	\$191,264	\$191,264
Finance	<u>\$1,400,807</u>	<u>\$1,400,807</u>
Total Operating Expenditures	\$77,021,701	\$113,916,674

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Table D-18
Fiscal Impact Summary
Fresno General Plan Fiscal Impact Analysis; EPS #20132

Alternative D

Item	Existing Service Level Total	Optimal Service Level Total
Operating Revenues		
Sales Tax	\$7,766,402	\$7,766,402
Prop 172 Sales Tax	\$259,219	\$259,219
Property Tax	\$33,412,105	\$33,412,105
Motor Vehicle In Lieu	\$27,858,646	\$27,858,646
Business Tax	\$10,835,652	\$10,835,652
Franchise Tax	\$4,955,659	\$4,955,659
Hotel Room Tax	\$4,373,658	\$4,373,658
Real Estate Transfer Tax	\$495,239	\$495,239
Card Room Receipts	\$692,269	\$692,269
Charges for Current Services	\$7,058,674	\$7,058,674
Intergovernmental	<u>\$2,312,179</u>	<u>\$2,312,179</u>
Subtotal	\$100,019,703	\$100,019,703
Operating Expenditures		
City Council	\$272,972	\$272,972
Office of the Mayor	\$174,551	\$174,551
City Clerk	\$64,707	\$64,707
Police	\$50,303,054	\$70,236,417
Fire	\$11,019,500	\$18,103,600
Parks & Recreation	\$10,846,915	\$13,240,915
Public Works	\$2,659,877	\$10,143,388
General City Purpose	\$88,054	\$88,054
Development and Resource Management	\$191,264	\$191,264
Finance	<u>\$1,400,807</u>	<u>\$1,400,807</u>
Subtotal	\$77,021,701	\$113,916,674
Net Impact	\$22,998,002	(\$13,896,971)

Sources: City of Fresno; and Economic & Planning Systems, Inc.

Fresno General Plan Rapid Fire Scenarios

Scenarios and Co-benefits Analysis for GP Alternatives

Rev. 16 March 2012

This memo accompanies the delivery of RapidFire scenario analysis of the City of Fresno's General Plan alternatives. Calthorpe Associates is pleased to have performed this analysis for the City free of charge in order to inform decision making and public discussions about the relative impacts of the General Plan alternatives. We believe that Fresno is a critical player in Valley land use dynamics and that a more informed GP process serves Fresno, other cities, and the region in helping to contextualize the fiscal, environmental, and public health impacts of land use policy choices.

In order to produce the General Plan analysis, we translated each General Plan alternative into the RapidFire modeling framework and worked with City staff to ensure that model assumptions were appropriate for the analysis. The RapidFire model, which has been deployed statewide in the Vision California project, and at the regional and county scales in the San Francisco Bay Area, Southern California, Honolulu, and other regions, is used to quickly and efficiently develop scenarios that express the impacts of varying growth and infrastructure patterns on a variety of critical sustainability indicators, including:

- Land consumption
- Infrastructure cost (including capital and operations & maintenance (O&M))
- City/jurisdictional revenues
- Vehicle miles traveled (VMT) and fuel consumption
- Transportation GHG and air pollutant emissions
- Building energy and water consumption and related GHG emissions
- Household costs for transportation and utilities
- Public health (air pollution-related) impacts and costs

The analysis of the Fresno General Plan alternatives highlights the role land use can play in meeting Fresno's fiscal, environmental and public health goals. When comparing GP Alternative A (increased infill and focused growth) to Alternative C (trend growth, less infill, expansion of the SOI), Alternative A illustrates that a more focused land use pattern:

- Saves nearly 10 square miles of land from development.
- Reduces passenger vehicle travel the equivalent of taking 40,000 cars off of Fresno roads for a year.
- Reduces gasoline use by 14.4 million gallons in 2035.
- Saves households an average of \$1,240 a year from reduced auto fuel and utility bills.
- Reduces energy use enough to power over 9,000 homes.
- Saves enough water to serve 7,500 homes.
- Reduces capital and O&M costs for infrastructure by \$162 million to 2035.
- Saves \$13.8 million in health care costs due to reduced air-pollution related illnesses in 2035.

Note that all policies are held constant across all scenarios in order to highlight the impacts of General Plan land use variation on scenario performance. Policies for vehicle efficiency, carbon intensity of the fuel, power generation, and home energy and water efficiency and costs, are set at moderate rates that represent adopted or likely-to-be adopted policies in California and the Central Valley.

Fresno General Plan Update Scenarios - (March 2012) - DISCUSSION DRAFT

15-Mar-12

	Business as Usual (Calthorpe Backcast)	A. Revitalization, Infill, and Transit Corridors within SOI	B. Growth Area Development and Infill within SOI	C. Trend, Expands to SOI	D. Hybrid of A, B, and C
New growth housing unit mix	BAU	A	B	C	D
Single Family Large Lot	70%	15%	16%	31%	24%
Single Family Small Lot	10%	24%	23%	21%	22%
Townhome	7%	20%	19%	15%	17%
Multifamily	12%	41%	42%	33%	38%
New growth housing units					
Single Family Large Lot	55,555	11,845	12,898	24,354	18,910
Single Family Small Lot	7,863	18,650	18,488	16,469	17,104
Townhome	5,860	15,924	14,650	11,892	13,302
Multifamily	9,722	32,581	32,965	26,286	29,685

Fresno General Plan Update Scenarios - (March 2012) - DISCUSSION DRAFT

15-Mar-12

DISCUSSION DRAFT

2035 Annual Results	SCENARIO												ASSUMPTIONS	Rapid Fire calculated baseline		
	Business as Usual (Calthorpe Backcast)	A. Revitalization, Infill, and Transit Corridors within SOI				B. Growth Area Development and Infill within SOI			C. Trend, Expands to SOI			D. Hybrid of A, B, and C				
	Result	Result	Diff from BAU	Diff from Alt C	Result	Diff from BAU	Diff from Alt C	Result	Diff from BAU	Diff from Alt C	Result	Diff from BAU			Diff from Alt C	
SCENARIO	BAU	A			B			C			D			(Same assumptions used for all scenarios)	2005	
End-State Total Population, 2035	734,533	734,533			734,533			734,533			734,533			Growth projections assume 79,000 new units and 125,000 new jobs (by 2035, relative to 2010) for ALL scenarios.	Baseline	
End-State Total Households, 2035	239,763	239,763			239,763			239,763			239,763				454,736	
Total Greenhouse Gas (GHG) Emissions																
Total Emissions (Transportation Combustion and Buildings) (MMT)	2.74 MMT	2.17 MMT	-21%	-17%	2.22 MMT	-19%	-15%	2.62 MMT	-4%	0%	2.23 MMT	-19%	-15%	Transportation GHG emissions include CO ₂ -equivalent (CO ₂ e) from passenger vehicle fuel combustion. Building emissions include CO ₂ e from residential and commercial electricity and natural gas use.	2.4 MMT	
ICE Fuel Combustion Emissions (MMT)	1.40 MMT	0.96 MMT	-32%	-15%	1.01 MMT	-28%	-9%	1.12 MMT	-20%	0%	1.01 MMT	-28%	-10%		1.1 MMT	
Building Emissions (Residential and Commercial)	1.33 MMT	1.21 MMT	-9%	-20%	1.21 MMT	-9%	-20%	1.51 MMT	13%	0%	1.22 MMT	-8%	-19%		1.3 MMT	
Household Costs														Household costs reflect averages for ALL households (including existing households), expressed in 2011 dollars. Specific cost assumptions are further detailed below.		
Fuel and auto, energy, and water costs (2011\$)	\$15,682	\$11,520	-27%	-11%	\$11,997	-23%	-8%	\$13,002	-17%	0%	\$12,007	-23%	-8%			
Household fuel and auto costs (2011\$)	\$11,919	\$8,132	-32%	-15%	\$8,614	-28%	-9%	\$9,513	-20%	0%	\$8,570	-28%	-10%			
Household energy and water costs (2011\$)	\$3,763	\$3,387	-10%	-3%	\$3,383	-10%	-3%	\$3,489	-7%	0%	\$3,437	-9%	-1%			
Land Consumption														Land consumption estimated based on per-capita rates, which vary by Land Development Category and are calibrated to past development patterns.		
Greenfield Land Consumed, Gross (sq mi)	46.6 sq mi	21.7 sq mi	-53%	-31%	25.1 sq mi	-46%	-21%	31.7 sq mi	-32%	0%	25.7 sq mi	-45%	-19%			
Greenfield Land Consumed, Gross (ac)	29,806 ac	13,909 ac	-53%	-31%	16,055 ac	-46%	-21%	20,263 ac	-32%	0%	16,435 ac	-45%	-19%			
Transportation														* All transportation results assume modest improvements in fuel economy (27 mpg by 2035), and LCFS-based emissions (A 10% reduction, or ~17.3 lbs CO ₂ e/gal by 2035).		
VTM (miles)	4.41 B mi	3.01 B mi	-32%	-15%	3.19 B mi	-28%	-9%	3.52 B mi	-20%	0%	3.17 B mi	-28%	-10%		2.3 B mi	
VTM per HH	18,412 mi	12,562 mi	-32%	-15%	13,306 mi	-28%	-9%	14,695 mi	-20%	0%	13,238 mi	-28%	-10%		15,498 mi	
VTM per Capita	6,010 mi	4,100 mi	-32%	-15%	4,343 mi	-28%	-9%	4,797 mi	-20%	0%	4,321 mi	-28%	-10%		5,042 mi	
Fuel Consumed (gal)	178.4 M gal	121.7 M gal	-32%	-15%	128.9 M gal	-28%	-9%	142.4 M gal	-20%	0%	128.3 M gal	-28%	-10%		0.1 B gal	
Fuel Cost (2011\$)	\$1.43 B	\$0.97 B	-32%	-15%	\$1.03 B	-28%	-9%	\$1.14 B	-20%	0%	\$1.03 B	-28%	-10%			
Auto Ownership, Maintenance, and Additional Costs (2011\$)	\$1.43 B	\$0.98 B	-32%	-15%	\$1.03 B	-28%	-9%	\$1.14 B	-20%	0%	\$1.03 B	-28%	-10%	Fuel cost assumed to reach \$8 per gallon by 2035. (2011\$)		
ICE Fuel Combustion Emissions (MMT)	1.40 MMT	0.96 MMT	-32%	-15%	1.01 MMT	-28%	-9%	1.12 MMT	-20%	0%	1.01 MMT	-28%	-10%	Auto ownership and maintenance costs assumed to be \$0.32 per mile (2011\$).		
ICE Fuel Combustion Emissions per Capita (lbs)	4,208 lbs	2,871 lbs	-32%	-15%	3,041 lbs	-28%	-9%	3,358 lbs	-20%	0%	3,025 lbs	-28%	-10%		1 MMT	
Criteria Pollutant Emissions (tons)	5,447 tons	3,717 tons	-32%	-15%	3,937 tons	-28%	-9%	4,347 tons	-20%	0%	3,917 tons	-28%	-10%	Per-mile criteria pollutant emissions rates from EMFAC 2007.	87,578 tons	
Public Health														Note: Express health impacts and costs only as DIFFERENCES between scenarios (e.g., Compared to Scenario C, Scenario A would result in \$13.8 million less in health costs in 2035).		
Annual Health Incidences	7,460	5,090	-32%	-15%	5,391	-28%	-9%	5,954	-20%	0%	5,364	-28%	-10%	Assumptions developed by URS for the Metropolitan Water Conservancy (MWC 2011).		
Annual Health Costs (2011\$)	\$119,085,532	\$81,251,611	-32%	-15%	\$86,061,987	-28%	-9%	\$95,044,721	-20%	0%	\$85,624,000	-28%	-10%			
Building Energy														Residential electricity and natural gas use for new units based on CEC RASS data by residential type, for Fresno's climate zone (Title 24 zone 13). Average energy use for existing units (7,860 kWh/unit and 420 thm/unit) based on normalized monthly usage for the City of Fresno, as reported by PG&E to the COF.		
Residential Electricity Consumed (kWh)	1,778 GWh	1,576 GWh	-11%	-3%	1,576 GWh	-11%	-3%	1,633 GWh	-8%	0%	1,605 GWh	-10%	-2%	Commercial energy use for new and existing buildings based on average energy intensity of all commercial floorspace in Fresno's climate zone (CEC Forecasting Zone 3) - 12.8 kWh/sq ft; 0.27 thm/sq ft. Note that commercial energy use does not comprise all "non-residential" use, as it does not include industrial energy use.		
Residential Natural Gas Consumed (therms)	88,222,640 thm	83,402,521 thm	-5%	-2%	83,354,420 thm	-6%	-2%	84,683,320 thm	-4%	0%	84,044,368 thm	-5%	-1%	Electricity emissions: 0.45 lbs/kWh in 2035 per Sustainable Fresno Division based on input from PG&E. Natural gas emissions: 11.7 lbs/therm state average (no change, since emissions are constant).		
Residential Energy Consumed (Btu)	14.9 tril Btu	13.7 tril Btu	-8%	-2%	13.7 tril Btu	-8%	-2%	14.0 tril Btu	-6%	0%	13.9 tril Btu	-7%	-1%	Electricity cost: \$0.35 in 2035; natural gas cost: \$1.50 per therm by 2035 (2011\$). Per Sustainable Fresno Division, March 2012.		
Commercial Energy Consumed (Btu)	8.8 tril Btu	7.8 tril Btu	-11%	-3%	7.9 tril Btu	-11%	-3%	8.1 tril Btu	-9%	0%	7.8 tril Btu	-11%	-3%			
Total Energy Consumed (Btu)	23.7 tril Btu	21.6 tril Btu	-9%	-2%	21.6 tril Btu	-9%	-2%	22.1 tril Btu	-7%	0%	21.7 tril Btu	-8%	-2%			
Residential Building Emissions (MMT)	0.83 MMT	0.76 MMT	-8%	-2%	0.76 MMT	-8%	-2%	0.78 MMT	-6%	0%	0.77 MMT	-7%	-1%			
Commercial Building Emissions (MMT)	0.50 MMT	0.45 MMT	-11%	-3%	0.45 MMT	-11%	-3%	0.46 MMT	-9%	0%	0.45 MMT	-11%	-3%			
Residential Electricity per HH (kWh)	7,416 kWh	6,583 kWh	-11%	-3%	6,573 kWh	-11%	-3%	6,809 kWh	-8%	0%	6,693 kWh	-10%	-2%			
Residential Natural Gas per HH (therms)	368 thm	348 thm	-5%	-2%	348 thm	-6%	-2%	353 thm	-4%	0%	351 thm	-5%	-1%			
Residential Energy Use per HH (Btu)	98.9 mil Btu	90.0 mil Btu	-9%	-2%	90.0 mil Btu	-9%	-2%	92.2 mil Btu	-7%	0%	90.6 mil Btu	-8%	-2%			
Residential Energy Cost (\$)	\$755 mil	\$678 mil	-10%	-3%	\$677 mil	-10%	-3%	\$698 mil	-7%	0%	\$688 mil	-9%	-2%			
Residential Energy Cost per HH (\$)	\$3,148	\$2,826	-10%	-3%	\$2,822	-10%	-3%	\$2,913	-7%	0%	\$2,868	-9%	-2%			
Water														Water use based on average per-capita indoor water use rates, and outdoor rates based on Fresno's evapotranspiration zone and assumptions about lot size and irrigated area.		
Water Consumed (AF)	103,438 AF	93,261 AF	-10%	-3%	93,501 AF	-10%	-3%	96,249 AF	-7%	0%	94,912 AF	-8%	-1%			
Water Cost (\$)	\$147 mil	\$135 mil	-9%	-3%	\$135 mil	-9%	-3%	\$138 mil	-6%	0%	\$136 mil	-8%	-1%			
Water Consumed per HH (gal)	140,578 gal	126,747 gal	-10%	-3%	127,074 gal	-10%	-3%	130,808 gal	-7%	0%	128,991 gal	-8%	-1%			
Residential Water Cost per HH (\$)	\$615	\$562	-9%	-3%	\$561	-9%	-3%	\$576	-6%	0%	\$569	-8%	-1%	Water cost: \$1,500 per acre-foot (2011\$), per Sustainable Fresno Division.		
Water Consumed for new households only (AF)	39,303 AF	29,127 AF	-26%	-9%	29,367 AF	-25%	-9%	32,115 AF	-18%	0%	30,778 AF	-22%	-4%			
Water use per new HH (gal)	139,483 gal	103,367 gal	-26%	-9%	104,221 gal	-25%	-9%	113,971 gal	-18%	0%	109,227 gal	-22%	-4%			
Water cost per new HH (2011\$)	\$51,267,900	\$38,437,223	-25%	-8%	\$38,306,989	-25%	-9%	\$41,890,831	-18%	0%	\$40,146,823	-22%	-4%			
Water cost per new HH (2011\$)	\$558	\$419	-25%	-8%	\$417	-25%	-9%	\$456	-18%	0%	\$437	-22%	-4%			
Infrastructure (Cumulative results to 2035)														Infrastructure costs are one-time costs that include the construction of streets, parks, water, and wastewater infrastructure. Operations and maintenance costs are ongoing costs that are incurred annually to maintain that infrastructure. Costs vary by dwelling unit type. Totals reflect cumulative costs to 2035.		
Cumulative Infrastructure Cost (2011\$)	\$1.64 B	\$1.27 B	-23%	-10%	\$1.33 B	-19%	-6%	\$1.41 B	-14%	0%	\$1.35 B	-18%	-4%			
Cumulative Operations & Maintenance Cost (2011\$)	\$0.36 B	\$0.30 B	-16%	-6%	\$0.31 B	-15%	-5%	\$0.32 B	-10%	0%	\$0.31 B	-13%	-3%			
Cumulative Revenues (2011\$)	\$4.76 B	\$4.62 B	-3%	2%	\$4.48 B	-6%	-1%	\$4.51 B	-5%		\$4.60 B	-3%	2%			

Fresno General Plan Update Scenarios - (March 2012) - DISCUSSION DRAFT

15-Mar-12

DISCUSSION DRAFT

2035 Annual Results

SCENARIO	Business as Usual (Calthorpe Backcast)	A. Revitalization, Infill, and Transit Corridors within SOI			B. Growth Area Development and Infill within SOI			C. Trend, Expands to SOI			D. Hybrid of A, B, and C		
	Result	Result	Diff from BAU	Diff from Alt C	Result	Diff from BAU	Diff from Alt C	Result	Diff from BAU	Diff from Alt C	Result	Diff from BAU	Diff from Alt C
SCENARIO	BAU	A			B			C			D		
End-State Total Population, 2035	734,533	734,533			734,533			734,533			734,533		
End-State Total Households, 2035	239,763	239,763			239,763			239,763			239,763		
Total Greenhouse Gas (GHG) Emissions													
Total Emissions (Transportation Combustion and Buildings) (MMT)	2.74 MMT	2.17 MMT	-0.57 MMT	-0.46 MMT	2.22 MMT	-0.51 MMT	-0.40 MMT	2.62 MMT	-0.11 MMT	0.00 MMT	2.23 MMT	-0.51 MMT	-0.40 MMT
ICE Fuel Combustion Emissions (MMT)	1.40 MMT	0.96 MMT	-0.45 MMT	-0.16 MMT	1.01 MMT	-0.39 MMT	-0.11 MMT	1.12 MMT	-0.28 MMT	0.00 MMT	1.01 MMT	-0.39 MMT	-0.11 MMT
Building Emissions (Residential and Commercial)	1.33 MMT	1.21 MMT	-0.12 MMT	-0.29 MMT	1.21 MMT	-0.12 MMT	-0.29 MMT	1.51 MMT	0.17 MMT	0.00 MMT	1.22 MMT	-0.11 MMT	-0.29 MMT
Household Costs													
Fuel and auto, energy, and water costs (2011\$)	\$15,682	\$11,520	-\$4,162	-\$1,482	\$11,997	-\$3,685	-\$1,005	\$13,002	-\$2,680	\$0	\$12,007	-\$3,675	-\$995
Household fuel and auto costs (2011\$)	\$11,919	\$8,132	-\$3,787	-\$1,381	\$8,614	-\$3,305	-\$899	\$9,513	-\$2,406	\$0	\$8,570	-\$3,349	-\$943
Household energy and water costs (2011\$)	\$3,763	\$3,387	-\$375	-\$102	\$3,383	-\$380	-\$106	\$3,489	-\$274	\$0	\$3,437	-\$326	-\$52
Land Consumption													
Greenfield Land Consumed, Gross (sq mi)	46.6 sq mi	21.7 sq mi	-24.8 sq mi	-9.9 sq mi	25.1 sq mi	-21.5 sq mi	-6.6 sq mi	31.7 sq mi	-14.9 sq mi	0.0 sq mi	25.7 sq mi	-20.9 sq mi	-6.0 sq mi
Greenfield Land Consumed, Gross (ac)	29,806 ac	13,909 ac	-15,897 ac	-6,354 ac	16,055 ac	-13,751 ac	-4,207 ac	20,263 ac	-9,544 ac	0 ac	16,435 ac	-13,372 ac	-3,828 ac
Transportation													
VMT (miles)	4.41 B mi	3.01 B mi	-1.40 B mi	-0.51 B mi	3.19 B mi	-1.22 B mi	-0.33 B mi	3.52 B mi	-0.89 B mi	0.00 B mi	3.17 B mi	-1.24 B mi	-0.35 B mi
VMT per HH	18,412 mi	12,562 mi	-5,849 mi	-2,133 mi	13,306 mi	-5,106 mi	-1,389 mi	14,695 mi	-3,717 mi	0 mi	13,238 mi	-5,173 mi	-1,457 mi
VMT per Capita	6,010 mi	4,100 mi	-1,909 mi	-696 mi	4,343 mi	-1,667 mi	-453 mi	4,797 mi	-1,213 mi	0 mi	4,321 mi	-1,689 mi	-475 mi
Fuel Consumed (gal)	178.4 M gal	121.7 M gal	-56.7 M gal	-20.7 M gal	128.9 M gal	-49.5 M gal	-13.5 M gal	142.4 M gal	-36.0 M gal	0.0 M gal	128.3 M gal	-50.1 M gal	-14.1 M gal
Fuel Cost (2011\$)	\$1.43 B	\$0.97 B	-\$454 M	-\$165 M	\$1.03 B	-\$396 M	-\$108 M	\$1.14 B	-\$288 M	\$0 M	\$1.03 B	-\$401 M	-\$113 M
Auto Ownership, Maintenance, and Additional Costs (2011\$)	\$1.43 B	\$0.98 B	-\$454 M	-\$166 M	\$1.03 B	-\$397 M	-\$108 M	\$1.14 B	-\$289 M	\$0 M	\$1.03 B	-\$402 M	-\$113 M
ICE Fuel Combustion Emissions (MMT)	1.40 MMT	0.96 MMT	-0.45 MMT	-0.16 MMT	1.01 MMT	-0.39 MMT	-0.11 MMT	1.12 MMT	-0.28 MMT	0.00 MMT	1.01 MMT	-0.39 MMT	-0.11 MMT
ICE Fuel Combustion Emissions per Capita (lbs)	4,208 lbs	2,871 lbs	-1,337 lbs	-487 lbs	3,041 lbs	-1,167 lbs	-317 lbs	3,358 lbs	-849 lbs	0 lbs	3,025 lbs	-1,182 lbs	-333 lbs
Criteria Pollutant Emissions (tons)	5,447 tons	3,717 tons	-1,731 tons	-631 tons	3,937 tons	-1,511 tons	-411 tons	4,347 tons	-1,100 tons	0 tons	3,917 tons	-1,531 tons	-431 tons
Public Health													
Annual Health Incidences	7,460	5,090	-2,370	-864	5,391	-2,069	-563	5,954	-1,506	0	5,364	-2,096	-590
Annual Health Costs (2011\$)	\$119,085,532	\$81,251,611	-\$37,833,920	-\$13,793,110	\$86,061,987	-\$33,023,544	-\$8,982,734	\$95,044,721	-\$24,040,810	\$0	\$85,624,000	-\$33,461,532	-\$9,420,721
Building Energy													
Residential Electricity Consumed (kWh)	1,778 GWh	1,578 GWh	-200 GWh	-54 GWh	1,576 GWh	-202 GWh	-57 GWh	1,633 GWh	-146 GWh	0 GWh	1,605 GWh	-174 GWh	-28 GWh
Residential Natural Gas Consumed (therms)	88,222,640 thm	83,402,521 thm	-4,820,118 thm	-1,280,799 thm	83,354,420 thm	-4,868,220 thm	-1,328,900 thm	84,683,320 thm	-3,539,319 thm	0 thm	84,044,368 thm	-4,178,272 thm	-638,952 thm
Residential Energy Consumed (Btu)	14.9 tril Btu	13.7 tril Btu	-1,164 bil Btu	-313 bil Btu	13.7 tril Btu	-1,177 bil Btu	-326 bil Btu	14.0 tril Btu	-853 bil Btu	0.0 tril Btu	13.9 tril Btu	-1,010 bil Btu	-159 bil Btu
Commercial Energy Consumed (Btu)	8.8 tril Btu	7.8 tril Btu	-973 bil Btu	-219 bil Btu	7.9 tril Btu	-963 bil Btu	-210 bil Btu	8.1 tril Btu	-753 bil Btu	0.0 tril Btu	7.8 tril Btu	-974 bil Btu	-221 bil Btu
Total Energy Consumed (Btu)	23.7 tril Btu	21.6 tril Btu	-2,136 bil Btu	-532 bil Btu	21.6 tril Btu	-2,140 bil Btu	-536 bil Btu	22.1 tril Btu	-1,604 bil Btu	0.0 tril Btu	21.7 tril Btu	-1,985 bil Btu	-381 bil Btu
Residential Building Emissions (MMT)	0.83 MMT	0.76 MMT	-0.07 MMT	-0.02 MMT	0.76 MMT	-0.07 MMT	-0.02 MMT	0.78 MMT	-0.05 MMT	0.00 MMT	0.77 MMT	-0.06 MMT	-0.01 MMT
Commercial Building Emissions (MMT)	0.50 MMT	0.45 MMT	-0.06 MMT	-0.01 MMT	0.45 MMT	-0.06 MMT	-0.01 MMT	0.46 MMT	-0.04 MMT	0.00 MMT	0.45 MMT	-0.06 MMT	-0.01 MMT
Residential Electricity per HH (kWh)	7,416 kWh	6,583 kWh	-833 kWh	-226 kWh	6,573 kWh	-844 kWh	-236 kWh	6,809 kWh	-607 kWh	0 kWh	6,693 kWh	-724 kWh	-117 kWh
Residential Natural Gas per HH (therms)	368 thm	348 thm	-20 thm	-5 thm	348 thm	-20 thm	-6 thm	353 thm	-15 thm	0 thm	351 thm	-17 thm	-3 thm
Residential Energy Use per HH (Btu)	98.9 mil Btu	90.0 mil Btu	-8.9 mil Btu	-2.2 mil Btu	90.0 mil Btu	-8.9 mil Btu	-2.2 mil Btu	92.2 mil Btu	-6.7 mil Btu	0.0 mil Btu	90.6 mil Btu	-8.3 mil Btu	-1.6 mil Btu
Residential Energy Cost (\$)	\$755 mil	\$678 mil	-\$77 mil	-\$21 mil	\$677 mil	-\$78 mil	-\$22 mil	\$698 mil	-\$56 mil	\$0 mil	\$688 mil	-\$67 mil	-\$11 mil
Residential Energy Cost per HH (\$)	\$3,148	\$2,826	-\$322	-\$87	\$2,822	-\$326	-\$91	\$2,913	-\$235	\$0	\$2,868	-\$279	-\$45
Water													
Water Consumed (AF)	103,438 AF	93,261 AF	-10,177 AF	-2,988 AF	93,501 AF	-9,936 AF	-2,747 AF	96,249 AF	-7,189 AF	AF	94,912 AF	-8,526 AF	-1,337 AF
Water Cost (\$)	\$147 mil	\$135 mil	-\$12.8 mil	-\$3.5 mil	\$135 mil	-\$13.0 mil	-\$3.6 mil	\$138 mil	-\$9.4 mil	\$0.0 mil	\$136 mil	-\$11.1 mil	-\$1.7 mil
Water Consumed per HH (gal)	140,578 gal	126,747 gal	-13,831 gal	-4,061 gal	127,074 gal	-13,504 gal	-3,734 gal	130,808 gal	-9,770 gal	0 gal	128,991 gal	-11,587 gal	-1,817 gal
Residential Water Cost per HH (\$)	\$615	\$562	-\$54	-\$14	\$561	-\$54	-\$15	\$576	-\$39	\$0	\$569	-\$46	-\$7
Water Consumed for new households only (AF)	39,303 AF	29,127 AF	-10,177 AF	-2,988 AF	29,367 AF	-9,936 AF	-2,747 AF	32,115 AF	-7,189 AF	AF	30,778 AF	-8,526 AF	-1,337 AF
Water use per new HH (gal)	139,483 gal	103,367 gal	-36,117 gal	-10,605 gal	104,221 gal	-35,262 gal	-9,750 gal	113,971 gal	-25,512 gal	gal	109,227 gal	-30,257 gal	-4,745 gal
Water cost for new HH (2011\$)	\$51,267,900	\$38,437,223	-\$12,830,677	-\$3,453,608	\$38,306,989	-\$12,960,911	-\$3,583,842	\$41,890,831	-\$9,377,069	\$0	\$40,146,823	-\$11,121,077	-\$1,744,008
Water cost per new HH (2011\$)	\$558	\$419	-\$140	-\$38	\$417	-\$141	-\$39	\$456	-\$102	\$0	\$437	-\$121	-\$19
Infrastructure (Cumulative results to 2035)													
Cumulative Infrastructure Cost (2011\$)	\$1.64 B	\$1.27 B	-\$375 M	-\$143 M	\$1.33 B	-\$312 M	-\$80 M	\$1.41 B	-\$233 M	\$0 M	\$1.35 B	-\$296 M	-\$63 M
Cumulative Operations & Maintenance Cost (2011\$)	\$0.36 B	\$0.30 B	-\$57 M	-\$20 M	\$0.31 B	-\$54 M	-\$17 M	\$0.32 B	-\$37 M	\$0 M	\$0.31 B	-\$48 M	-\$11 M
Cumulative Revenues (\$)	\$4.76 B	\$4.62 B	-\$140 M	-\$109 M	\$4.48 B	-\$275 M	-\$27 M	\$4.51 B	-\$248 M	\$0 M	\$4.60 B	-\$158 M	-\$90 M

EQUIVALENCIES Alt A compared to Alt C
(Same assumptions used for all scenarios)
GREENHOUSE GAS EMISSIONS
Reduces total annual GHGs by the same amount sequestered by 185,000 acres of trees -- or 11.7 million tree seedlings grown for 10 years.
HOUSEHOLD COSTS
\$1,480 savings per household, per year in auto and utility costs.
LAND CONSUMPTION
Nearly 10 square miles of land saved.
TRANSPORTATION
Over 40,000 cars off Fresno's roads.
21 million gallons less fuel consumed in 2035 -- over 2,400 tanker trucks' worth of gas, or over a million barrels of oil.
HEALTH IMPACTS
\$13.8 million less in healthcare spending for air pollution-related illnesses in 2035.
ENERGY
Enough energy saved annually to power over 9,000 homes.
WATER
Enough water saved annually to serve over 7,500 homes.
Over 10,000 gallons saved per new household.
INFRASTRUCTURE COSTS
\$162 million less in local spending to build, operate, and maintain infrastructure by 2035.

EQUIVALENCIES Alt A compared to BAU
(Same assumptions used for all scenarios)
GREENHOUSE GAS EMISSIONS
Reduces annual total GHGs by the same amount sequestered by 230,000 acres of trees -- or 14.5 million tree seedlings grown for 10 years.
HOUSEHOLD COSTS
\$4,160 savings per household, per year in auto and utility costs.
LAND CONSUMPTION
Nearly 25 square miles of land saved.
TRANSPORTATION
Over 114,000 cars off Fresno's roads.
57 million gallons less fuel consumed in 2035 -- over 6,600 tanker trucks' worth of gas, or over 2.8 million barrels of oil.
HEALTH IMPACTS
\$37.8 million less in healthcare spending for air pollution-related illnesses in 2035.
ENERGY
Enough energy saved annually to power over 37,000 homes.
WATER
Enough water saved annually to serve over 26,000 homes.
Over 36,000 gallons saved per new household.
INFRASTRUCTURE COSTS
\$432 million less in local spending to build, operate, and maintain infrastructure by 2035.

Fresno General Plan Conceptual Alternatives – Preliminary Draft for Discussion Purposes

Summary Comparison of Three Evaluations: GP Alternatives Report for GP Citizens Committee, EPS Fiscal Impact Analysis, and Rapid Fire Scenarios

	Alternative A	Alternative B	Alternative C	Alternative D
GP Alternatives Report for GP Citizens Committee¹				
<i>City Building Qualitative Evaluation by Dyett & Bhatia/ MW Steele Group of Implications of Alternatives Versus Vision and Guiding Principles – Comparison Ranking</i>	1	3	4	2
<i>Capacity Efficiency (Urban Density Ratio = Employment+ Households/ divided by Gross Area Used)</i>	High	Low	Low	Moderate
Mobility, Transportation and Air Quality – Fehr& Peers				
• VMT Implications of Transportation GHG Emissions and Air Quality	Low	Moderate	High	Moderate
• Trip Length	Low	Moderate	High	Moderate
• Arterial Traffic Volume	Highest	Moderate	Low	Moderate
• Arterial Travel Time	Moderate	Low	Low	Moderate
• Freeway Traffic Volume	Moderate	Low	Moderate	High
• Freeway Travel Time	Moderate	Low	Low	High
Economic Planning Systems Fiscal Impact Analysis of Concept Alternatives- Revenues Over Costs and Projected Impacts on the General Fund²				
<i>Net Impact as % of Revenues Using Existing (Sub-Optimal) Service Levels</i>	+25%	+18%	+18%	+23%
<i>Net Impact as % of Revenues Using Optimal Service Levels</i>	-10%	-21%	-21%	-14%
Rapid Fire Scenarios & Co-Benefits Analysis³ vs. Baseline				
<i>Total GHG Emissions – Transportation and Buildings - Millions of Metric Tons</i>	81%	83%	98%	83%
<i>Household Fuel and Auto, Energy and Water Costs</i>	74%	77%	83%	77%
<i>Land Consumption</i>	47%	54%	68%	56%
<i>Transportation – Vehicle Miles Traveled</i>	69%	72%	80%	72%
<i>Public Health – Annual Incidences and Costs</i>	68%	72%	80%	72%
<i>Building Energy –Electricity and Natural Gas - Residential and Commercial</i>	89%	89%	92%	90%
<i>Water Consumed for New Households</i>	74%	75%	82%	78%
Infrastructure (Cumulative to 2035)				
• Cumulative Infrastructure (In 2011 dollars)	77%	81%	86%	82%
• Cumulative Operations and Maintenance (In 2011 dollars)	84%	85%	90%	87%

¹ GP Alternatives Report prepared by Dyett & Bhatia/ MW Steele Group and City Long Range Staff.

² EPS Fiscal Analysis Report indicates existing sub-optimal public service levels and standards are fiscally sustainable but have negative implications for quality-of-life and infrastructure maintenance. The estimated added annual cost of providing optimal service levels for all alternatives would be an additional \$74 million to existing residents and \$14 million to new residents (based on development in Alt. D), not counting an additional capital replacement funding deficiency. Pages 9-17, Key Findings and Policy Considerations. There are numerous fiscal policy implications of growth and development generally and related to the alternatives.

³ Rapid Fire Model Assessment prepared by Calthorpe Associates. Planning area totals with percent performance figures are versus constant of 100% for 'business as usual' backcast trend calculated for Fresno area. Assumptions, actual measures and dollar implications are contained in March 16, 2012 report, plus estimated savings by measured category calculated for comparison between Alt A vs. Alt C.