

bae urban economics

Fiscal Impact Analysis

General Plan Update
Alternatives Analysis

City of Brentwood

Submitted to:
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October 9, 2013

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October 9, 2013

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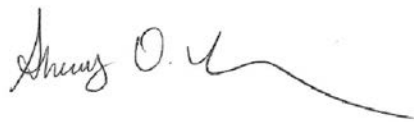
Dear Ben and Beth:

Attached, please find the revised fiscal impact analysis for the City of Brentwood General Plan Update. We have incorporated revisions in response to the comments provided by City staff on the draft analysis. Please don't hesitate to contact us if you have any questions.

Sincerely,



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Principal



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Executive Summary

To assist with the evaluation of land use alternatives for the Brentwood General Plan Update, BAE prepared a fiscal impact model to estimate the net impact to the Brentwood General Plan Update from buildout of the existing General Plan and buildout of each of two General Plan land use alternatives under consideration, known as Alternative 1 and Alternative 2. Each of these three alternatives would allow for development of varying amounts and mixtures of new residential and non-residential land uses within the existing Brentwood City limits, and also to a certain extent on territory within a Planning Area surrounding the City, where land would be annexed to the City prior to development.

Fiscal impact analysis is a tool to project the long-range cost and revenue implications of new development that would be permitted under a given alternative, so that the City can understand the implications of a given land use program for the City's long-term fiscal health. Because of the long-term nature of the fiscal projections, and due to the fact that there is potential for changes in many of the cost and revenue projection variables embedded in the fiscal model that cannot be foreseen at this time, the results of the fiscal impact analysis should be interpreted with caution. In addition, due to the varying quantities of different land uses envisioned within the different land use alternatives, it can be expected that the time frame for actual buildout of the potential new development under the different alternatives would vary significantly.

Given the above considerations, it is recommended that the fiscal impact results be interpreted as a high level indicator of the general trend in fiscal conditions that could be expected under a given alternative, and that more emphasis be placed on the general relationship between project cost and revenue increases in a given alternative, and the differences in outcomes among the three alternatives, rather than on specific projected dollar amounts. Used in this way, the results of the fiscal impact analysis, along with the results of other types of alternatives analysis (e.g., traffic, environmental, etc.), will be a useful tool to select and refine a preferred General Plan land use alternative to formally adopt as part of the General Plan Update.

Table ES-1, below, summarizes the fiscal impact analysis results for the three land use alternatives. As shown in the table, the fiscal impact model projects that buildout of any of the three alternatives would be fiscally beneficial to the City, with net increases in General Fund revenues exceeding net increases in General Fund expenditures in all three alternatives. In addition, within each alternative, the fiscal model projects net fiscal surpluses for the new development that would occur within the existing City limits as well as for new development that would occur on Planning Area lands currently outside the City, which would be annexed and then developed.

Table ES-1: Net Annual General Fund Impacts Comparison

<u>Existing General Plan Buildout</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Revenues	\$21,246,552	\$16,248,874	\$37,495,426
Costs	\$19,501,591	\$15,654,350	\$35,155,940
NET GENERAL FUND IMPACTS	\$1,744,962	\$594,524	\$2,339,486
<u>Alternative 1 Buildout</u>			
Revenues	\$19,272,991	\$21,538,398	\$40,811,390
Costs	\$16,173,755	\$17,970,274	\$34,144,029
NET GENERAL FUND IMPACTS	\$3,099,237	\$3,568,124	\$6,667,361
<u>Alternative 2 Buildout</u>			
Revenues	\$21,159,823	\$14,739,277	\$35,899,101
Costs	\$18,847,326	\$13,023,541	\$31,870,866
NET GENERAL FUND IMPACTS	\$2,312,498	\$1,715,737	\$4,028,235

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Introduction

This report presents the findings of the fiscal impact analysis of the three General Plan Update land use alternatives. This analysis projects the operating revenues and costs that would accrue to the City of Brentwood General Fund as a result of new potential development under the existing General Plan land use alternative and potential development under General Plan Update Alternatives 1 and 2. The analysis focuses on the General Fund, which receives the majority of the City's discretionary revenues and funds critical public services, such as law enforcement, parks, and community services.

The objective of this report is to provide General Plan update participants, including the public, the consultant team, City staff, and City policymakers with a common understanding of how the various General Plan land use alternatives would impact the City's discretionary budget. This is critical given a desire to ensure that the City maintains a fiscally sustainable budget as the community grows, while personnel costs continue to outpace revenue appreciation factors in the short-term (e.g., inflation, property appreciation rates).

The remainder of the report presents the land use alternatives, general methodologies for projecting revenues and costs, followed by detailed revenue and cost projections, and net fiscal balances for each of the three General Plan land use alternatives.

Methodology

The major objective of any fiscal impact analysis is the determination of changes in public revenues and costs associated with new development. This study examines the potential impact that the potential new development under the three General Plan land use alternatives would have on revenues and expenditures accruing to the City's General Fund.

This analysis focuses on impacts to the City's General Fund, which represents the portion of the City's budget that finances the ongoing provision of basic services, such as police, parks and recreation, and streets. To pay for these services, the City's General Fund is dependent on discretionary revenue sources such as property taxes, sales taxes, transient occupancy taxes, and various other local taxes, as well as from Community Facilities Districts (CFDs).

Within this report, except as otherwise noted in the text, the annual ongoing fiscal impact of the land use alternatives is described in terms of constant 2013 dollars, focused on the potential impacts of new development that is distinguished as being located within the existing City limits or new development that would occur in areas that would be added to the City's planning area under a given alternative.

The cost and revenue projections are tied to the point in time when the land use alternatives would be fully built out and would have achieved stabilized operations. It is important to note that there may be shifts in expenditures and revenues before the City reaches buildout, due to the service demands of ongoing development. For example, Community Development functions, such as Planning and Building, could require increases in staffing to handle development review and inspections during the buildout period, which could decline once the City reaches buildout. It is important to note that the cost projections reflect net General Fund expenditure increases. Actual departmental budgets may increase more substantially than indicated, due to increased expenditures which are offset by program revenues. For example, staffing increases for recreation that are funded by recreation user fees would not be reflected in the cost projections, nor would the off-setting parks user fees be reflected in revenue projections. Thus, the expenditure projections should not be interpreted as actual departmental budget forecasts, or indicative of overall staffing levels.

In addition, it should be noted that the fiscal impact analysis is structured to project the net impacts of new development only. The analysis does not project changes in costs or revenues over time associated strictly with provision of services to the City's existing base of development. For example, to the extent that pension costs for employees who strictly serve existing residents and businesses increase, due to changes in the City's required contributions to the CalPERS retirement system, this will not be reflected in the fiscal analysis.

Average Revenues and Costs

In many cases, discretionary revenues, as well as the cost of providing municipal services, increase proportionately with the number of residents and/or employees. As an example, when the resident and daytime populations increase, there is a need to hire additional public safety and other government employees. Likewise, when there are more local residents and employees, the City will collect more traffic fines and franchise fees. In these cases, costs and revenues are projected on an average "service population" basis.

Service Population

Accepted practice in fiscal impact analysis is to define the service population as 100 percent of residents residing within a jurisdiction plus 50 percent of employees. Calculating service population in this manner is intended to reflect the fact that local employment contributes to a jurisdiction's daytime population, thereby increasing demands for governmental services. Nonetheless residential population is generally considered to generate a larger share of demand for services; thus the discount factor for employees relative to residents when calculating service population. Table 1 shows the City of Brentwood's 2013 service population.

Table 1: City of Brentwood Service Population, 2013

Service Population	2013
Population	53,278
Employment	12,362
Service Population (a)	59,459

Note:

(a) Service population equals the resident population plus one-half the employment population

Sources: City of Brentwood; California State Department of Finance; BAE, 2013.

Marginal Revenues and Costs

While a fiscal impact methodology based on service population is an important and useful means for estimating increased revenues and costs, in some instances other approaches are more appropriate, such as estimation of the increase in revenues or costs directly attributable to a project. For example, property tax revenues are estimated on a marginal basis using the value of new construction in conjunction with the City's allocations of the one percent ad valorem property tax. Detailed marginal revenue and cost methodologies are provided in each of the relevant sections below.

General Plan Update Land Use Alternatives

This analysis considers the fiscal impacts of three General Plan Update land use alternatives:

- Existing General Plan
- Alternative 1
- Alternative 2

De Novo Planning Group provided development projections at the parcel level based on local desire for additional uses, local floor area ratios, and local zoning and use requirements. Although this analysis assumes that development would fully build out under the three alternatives, real estate development is subject to market conditions that will likely fluctuate over the General Plan horizon. It is possible that development could take longer to occur and stabilize than this analysis anticipates and/or demand for uses could change, resulting in developers' desiring a change in the mix of allowable uses.

Existing General Plan

Under the first land use alternative, the existing General Plan, the City would see a population increase of more than 65,000 new residents and 38,600 new employees, of which nearly 36,000 residents and 20,000 employees would be absorbed into the existing City boundaries. The remaining 28,000 new residents and 17,000 new employees would be located on land that the City would annex from Contra Costa County, referred to in this report as the "planning area." Table 2a shows the potential land uses under the existing General Plan.

Table 2a: Buildout Development Program, Existing General Plan

Land Use, Units/Sq.Ft.	City	Planning Area	Total
Single Family Detached Units			
Ranchettes	51	419	470
Low Density	3,306	2,959	6,265
Single-Family Attached	781	0	781
Multifamily Units	9,817	7,287	17,104
Commercial Sq. Ft.	3,046,081	574,422	3,620,503
Office Sq. Ft.	2,969,225	1,813,443	4,782,668
Industrial Sq. Ft.	2,452,513	7,289,251	9,741,764
Hotel Sq. Ft.	28,260	0	28,260
Church Sq. Ft.	154,759	0	154,759
Other Sq. Ft. (a)	445,116	0	445,116
New Population (b)	City	Planning Area	Total
Single Family Detached Units	10,794	10,862	21,656
Single Family Attached	1,781	0	1,781
Multifamily Units	23,369	17,346	40,715
Total	35,944	28,208	64,151
New Employment (c)	City	Planning Area	Total
Commercial	6,413	1,209	7,622
Office	8,484	5,181	13,665
Industrial	3,633	10,799	14,432
Hotel	33	0	33
Church	155	0	155
Other	937	0	937
Total	19,655	17,189	36,844
Net New Service Population (d)	45,771	36,803	82,573

Notes:

(a) Includes civic and other institutional uses.

(b) Average Residents per Unit

Single-family detached	3.22
Single-family attached	2.28
Multifamily units	2.38

(c) Commercial Employment Densities (Sq.Ft. per worker)

Commercial	475
Office	350
Industrial	675
Hotel	850
Church	1,000
Other	475

(d) Service population equals the resident population plus 1/2 employment.

Sources: De Novo Planning Group; US Census American Community Survey; BAE, 2013.

This alternative includes 24,620 new housing units and 18.8 million square feet of non-residential space to be developed through General Plan buildout. It should be noted that BAE has not conducted a market analysis to determine the likely timeframe for buildout of the alternative land use plans; thus, it should be acknowledged that buildout under any of the alternatives may extend beyond a typical General Plan time horizon of 20 to 30 years.

Alternative 1

Under Alternative 1, the City would see a population increase of more than 41,200 new residents and 81,900 new employees, of which nearly 24,200 residents and 28,600 employees would be absorbed into the existing City boundaries. The remaining 17,000 new residents and 53,300 new employees would be located on land that the City would annex from Contra Costa County. Table 2b on the following page shows the potential land uses under General Plan land use Alternative 2.

Table 2b: Buildout Development Program, Alternative 1

Land Use, Units/Sq.Ft.	City	Planning Area	Total
Single Family Detached Units			
Ranchettes	38	621	659
Low Density	3,351	4,274	7,625
Single-Family Attached	1,174	0	1,174
Multifamily Units	4,468	543	5,011
Commercial Sq. Ft.	4,998,722	4,187,220	9,185,942
Office Sq. Ft.	4,379,544	7,075,746	11,455,291
Industrial Sq. Ft.	3,038,395	16,345,388	19,383,783
Hotel Sq. Ft.	28,260	0	28,260
Church Sq. Ft.	154,759	0	154,759
Other Sq. Ft. (a)	398,507	46,540	445,046
New Population (b)	City	Planning Area	Total
Single Family Detached Units	10,897	15,739	26,637
Single Family Attached	2,677	0	2,677
Multifamily Units	10,636	1,293	11,928
Total	24,210	17,032	41,242
New Employment (c)	City	Planning Area	Total
Commercial	10,524	8,815	19,339
Office	12,513	20,216	32,729
Industrial	4,501	24,215	28,717
Hotel	33	0	33
Church	155	0	155
Other	839	98	937
Total	28,565	53,345	81,910
Net New Service Population (d)	38,492	43,705	82,197

Notes:

(a) Includes civic and other institutional uses.

(b) Average Residents per Unit

Single-family detached 3.22

Single-family attached 2.28

Multifamily units 2.38

(c) Commercial Employment Densities (Sq.Ft. per worker)

Commercial 475

Office 350

Industrial 675

Hotel 850

Church 1,000

Other 475

(d) Service population equals the resident population plus 1/2 employment.

Sources: De Novo Planning Group; US Census American Community Survey; BAE, 2013.

This alternative includes 14,500 new housing units and 40.6 million square feet of non-residential space to be developed through General Plan buildout, with the majority of new office and industrial development allocated in the planning area. Given the particularly large quantity of non-residential development potential in Alternative 1, it is likely that General Plan buildout would not occur within a typical 20 to 30 year General Plan time horizon, and that

Alternative 1 would require more time to fully build out than either of the other two alternatives that have roughly half of the non-residential development capacity as this alternative.

Alternative 2

Under Alternative 2, the City would see a population increase of more than 53,800 new residents and 42,900 new employees, of which nearly 32,900 residents and 23,100 employees would be absorbed into the existing City boundaries. The remaining 21,000 new residents and 19,800 new employees would be located on land that the City would annex from Contra Costa County. Table 2c on the following page shows the potential land uses under General Plan land use Alternative 2.

This alternative includes 19,600 new housing units and 20.1 million square feet of non-residential space to be developed through General Plan buildout, with the majority of new industrial development allocated in the planning area.

Table 2c: Buildout Development Program, Alternative 2

<u>Land Use, Units/Sq.Ft.</u>	<u>City</u>	<u>Planning Area</u>	<u>Total</u>
Single Family Detached Units			
Ranchettes	51	543	594
Low Density	3,814	4,386	8,200
Single-Family Attached	1,487	0	1,487
Multifamily Units	7,164	2,145	9,309
Commercial Sq. Ft.	3,954,576	1,911,459	5,866,034
Office Sq. Ft.	3,775,269	3,031,447	6,806,715
Industrial Sq. Ft.	2,316,789	4,799,159	7,115,948
Hotel Sq. Ft.	28,260	0	28,260
Church Sq. Ft.	154,759	0	154,759
Other Sq. Ft. (a)	166,174	3,590	169,763
<u>New Population (b)</u>	<u>City</u>	<u>Planning Area</u>	<u>Total</u>
Single Family Detached Units	12,428	15,849	28,276
Single Family Attached	3,391	0	3,391
Multifamily Units	17,053	5,106	22,159
Total	32,872	20,955	53,826
<u>New Employment (c)</u>	<u>City</u>	<u>Planning Area</u>	<u>Total</u>
Commercial	8,325	4,024	12,350
Office	10,786	8,661	19,448
Industrial	3,432	7,110	10,542
Hotel	33	0	33
Church	155	0	155
Other	350	8	357
Total	23,082	19,803	42,885
Net New Service Population (d)	44,413	30,856	75,269

Notes:

(a) Includes civic and other institutional uses.

(b) Average Residents per Unit

Single-family detached 3.22

Single-family attached 2.28

Multifamily units 2.38

(c) Commercial Employment Densities (Sq.Ft. per worker)

Commercial 475

Office 350

Industrial 675

Hotel 850

Church 1,000

Other 475

(d) Service population equals the resident population plus 1/2 employment.

Sources: De Novo Planning Group; US Census American Community Survey; BAE, 2013.

Projected General Fund Revenues

The City receives General Fund revenues from a variety of sources. The largest sources include property taxes, property taxes in-lieu of vehicle license fees (ILVLF), sales taxes, and transfers from Community Facilities Districts (CFDs). Other General Fund revenue sources include Parks and Recreation Administration property taxes, property transfer taxes, transient occupancy taxes (TOT), business license fees, and “other” revenues. This section of the report presents the anticipated revenues resulting from development under the three General Plan land use alternatives and the methodologies and assumptions by which they are derived.

Property Taxes

Property tax revenues typically represent the largest single source of discretionary revenues that the General Fund receives, making the recent decrease in home values devastating for California cities. Since the passage of Proposition 13 in 1978, property owners pay an ad-valorem property tax equal to one percent of the assessed value of their properties. The assessed value is either the sale price of the property, or the prior assessed value plus the value of any new improvements, for property for which ownership has not changed. Thus, properties are reassessed when they are sold or improved, or in the case of the economic downturn, when property owners request a reassessment. Otherwise, the increase in assessed value is statutorily capped at two percent per year.

In order to project property tax revenues from new development, this analysis estimates the net new assessed value of development using current market data, and uses parcel-level GIS mapping data to apply the value of land and/or improvements to the specific Tax Rate Areas (TRAs) where development is proposed.¹

Assessed Values

New development will increase the assessed value of each parcel on which development occurs. Thus, in order to project property tax revenues, the analysis first determines the assessed value of new development using market data for residential and commercial uses. Market data from loopnet.com and CBRE, commercial real estate databases; as well as Zillow.com, newhomesource.com, and DataQuick, private residential market databases, provided the basis for estimating the assessed values of new commercial and residential development.

Because land within the City is currently generating property tax revenues, this analysis excludes the existing land value from assessed value calculations. This provides a net assessed value to project the incremental property tax revenues that the City could expect under each land use alternative. Likewise, the analysis excludes the existing land values for potential planning area development, as those values would not be available to increase the City’s property tax base.² Table 3 shows the incremental assessed value for the proposed uses under the General Plan land use alternatives.

¹ From De Novo Planning Group.

² When the planning area property is annexed to the City, it is assumed that the existing property tax base will remain with the County, and the City will only receive new property tax revenues from the increase in assessed value that occurs after annexation.

Table 3: Land Use Values

Land Use	Value per Unit/Sq.Ft./Room
Residential Uses, per Units (a)	
Ranchettes	\$781,600
Low Density	\$437,300
Single-Family Attached per Unit	\$263,000
Multifamily per Unit	\$100,000
Non-Residential Uses, per Sq. Ft. (a)	
Commercial per Sq. Ft.	\$125
Office per Sq. Ft.	\$125
Industrial per Sq. Ft.	\$65
Hotel per Room	\$80,000
Church per Sq. Ft.	N/A
Other per Sq. Ft.	\$125

Note:

(a) Excludes land value.

Sources: Loopnet; Data Quick; newhomesource.com; Zillow; BAE, 2013.

Residential Units

Assessed value is projected on a per sale price basis for single-family residential units, excluding land values of approximately \$150,000 per acre. Assessed value for multifamily residential units is based on the value of improvements, or the construction value, in order to exclude current land values (\$501,000 per acre).

Non-Residential Development

As with multifamily units, assessed values non-residential development, are based solely on the value of improvements. In order to provide a conservative estimate of property tax revenues, this analysis does not assume that non-residentially zoned land would be sold before development. Thus, assessed values exclude the associated land value (\$501,000 per acre), which currently generates property tax revenues to the City.

The analysis also assumes that church properties would not be subject to property taxes due to the entities' eligibility for a property tax exemption for charitable uses.

Affordable Housing Units

The City of Brentwood has an affordable housing ordinance (Ordinance No. 874) that requires "developers of residential units of five or more lots or dwelling units designed and intended for residential occupancy" to make at least 10 percent of total units affordable to very low-, low-, or moderate income households. Developments located within Redevelopment Project Areas, must designate an additional five percent of all units as affordable.³ However, since developers can pay an in-lieu fee rather than construct the affordable units, De Novo Planning Group indicates that only 1.5 percent of total units will be affordable, with 0.5 percent affordable to very low-income households and one percent affordable to low-income households.

³ Although Redevelopment in California no longer exists, Redevelopment Project Areas retain their zoning and affordable housing requirements until the Project Areas sunset.

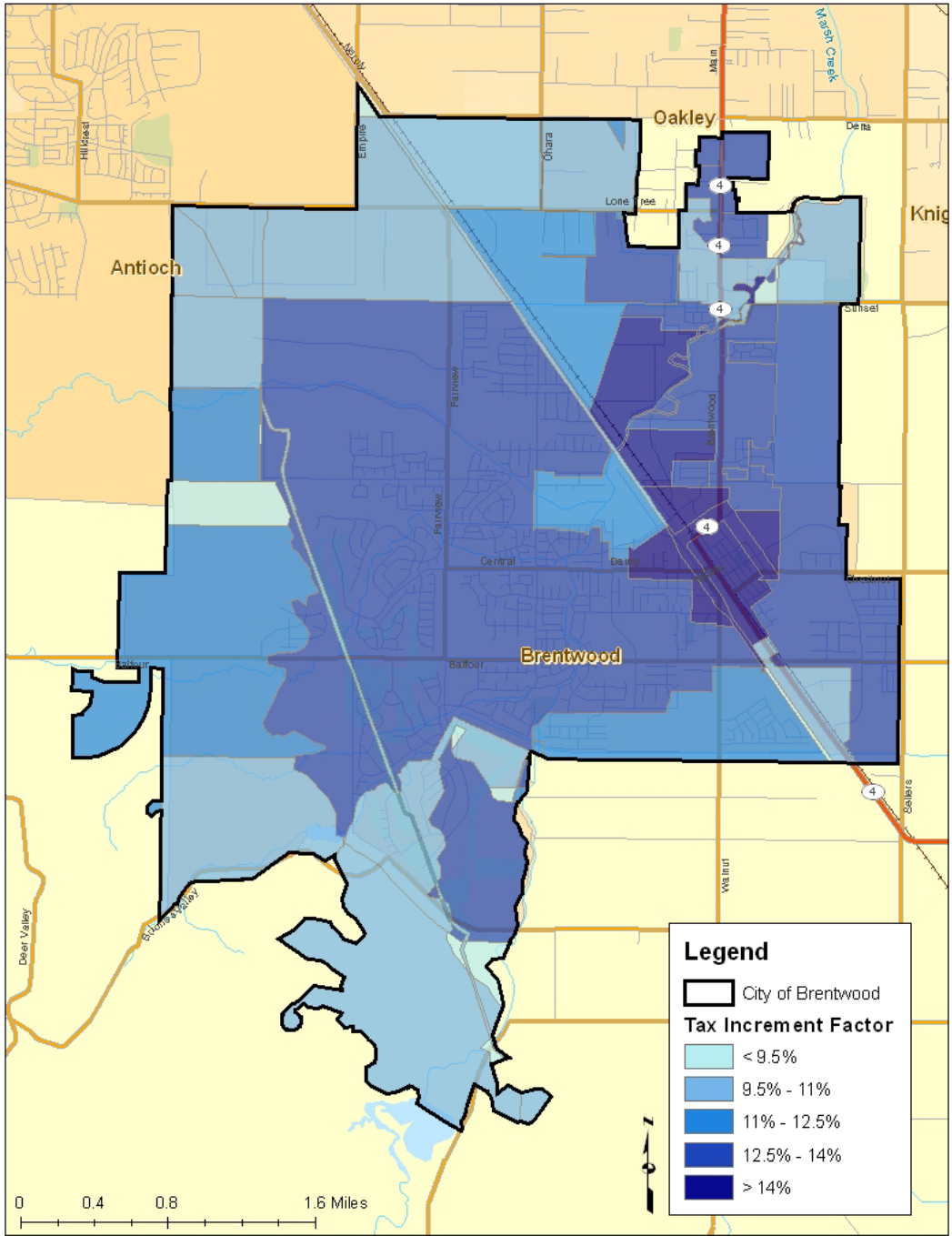
Affordable housing units are subject to property taxes under two conditions; for those units that are privately owned by homeowner occupants, the units are assessed at their affordable sale prices. Affordable multifamily developments are assessed at a value reflecting their restricted rents, if the property owner is a for-profit developer. Units owned by housing agencies or non-profit housing developers are not subject to property taxes.

Although for-sale residential units would be subject to property taxes at their below-market sale prices, these units represent less than one percent of total potential housing units, and thus, a very small magnitude of potential property tax revenues. Likewise, because it is not possible to know which entities will own the affordable rental units, this analysis conservatively assumes that all affordable rental units will be owned by entities not subject to property tax revenues. Thus, in order to provide a conservative estimate of property tax revenues, this analysis assumes the City will not receive any property tax revenues from affordable units built within the City limits or the annexed planning area.

Tax Rate Areas (TRAs)

For those developments that are subject to property taxes, the City receives a share of the one percent ad-valorem property taxes based on the applicable tax increment allocation factor within the Tax Rate Area (TRA) in which the development is located. Depending on the TRA in which the property is located, the County Auditor-Controller allocates to the City of Brentwood between 9.1 percent and 21.4 percent of the one percent ad valorem property tax. Figure 1 on the following page shows the map of the City of Brentwood's TRAs by General Fund allocation rate, and Appendix A lists the City of Brentwood's individual TRAs and their General Fund allocation rates.

Figure 1: Map of the City of Brentwood's Tax Rate Areas, by General Fund Allocation Rate



The City will also collect property tax revenues from development that occurs on annexed land, subject to the same rules of taxability as described above. This analysis assumes that the City would receive 9.52 percent of the one percent ad valorem for all development on annexed land. This follows the agreement that the City and County made at the time of the Vineyards annexation. It should be noted that because no formal revenue sharing agreement exists between the City and County, actual property tax revenues from development on annexation land could be higher or lower than projected.

Projected Property Tax Revenues

The following tables show the projected property tax revenues that the General Fund would receive from development under the three General Plan Update land use alternatives. If development does not occur within the General Plan horizon, the City could receive reduced revenues. In addition, the amount of revenues accruing to the City from new development in the planning area could vary based on the revenue sharing agreement(s) executed by the City and County when annexations occur.

Existing General Plan

As Table 4a shows, building out all land uses under the existing General Plan would generate approximately \$7.2 million in new General Fund property tax revenues. Because more development would occur within the City’s existing limits and the City retains a larger portion of the one percent ad valorem property tax within its existing limits, the majority of these revenues (\$4.2 million) come from new development within the existing City limits. Development within the planning area could contribute an additional \$2.9 million.

Table 4a: Property Tax Revenues, Existing General Plan Buildout

New Property Tax Revenues	City Buildout	Planning Area	Total
New Assessed Value Residential (a), (b)	\$2,672,678,400	\$2,350,161,100	\$5,022,839,500
New Assessed Value Non-Residential (c)	\$972,561,515	\$772,284,387	\$1,744,845,902
Total New Property Tax Revenues (d)	\$4,242,771	\$2,948,084 (e)	\$7,190,855

Notes:

- (a) Assumes single-family units are for sale and multifamily units are for rent; and excludes land values.
- (b) Assumes 0.5 percent of multifamily units are affordable at to very low -income households. Also, assumes one percent of total low density single-family homes, tow nhomes, multifamily units are also affordable to low -income households. In total 1.5 percent of units are affordable.
- (c) Assumes land will not change hands before development and therefore excludes increased land values.
- (d) Based on proposed development locations by parcel and TRA. See Appendix A for list of TRAs and their General Fund tax allocation factors.
- (e) Based on the City receiving 9.52 percent of the one percent ad valorem after negotiating a revenue share w ith the County.

Sources: De Novo Planning group ; Contra Costa County Auditor-Controller; Loopnet; Data Quick; new homesource.com; Zillow ; BAE, 2013.

Alternative 1

As Table 4b on the following page shows, building out all land uses under the Alternative 1 would generate approximately \$8.9 million in new General Fund property tax revenues. Because significantly more development would occur within the planning area, the majority of these revenues (\$4.6 million) come from new development that occurs after annexation. Development within the existing City limits could contribute an additional \$4.2 million.

Table 4b: Property Tax Revenues, Alternative 1

<u>New Property Tax Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Assessed Value Residential (a), (b)	\$2,250,655,100	\$2,408,693,800	\$4,659,348,900
New Assessed Value Non-Residential (c)	\$1,396,601,480	\$2,476,138,419	\$3,872,739,900
Total New Property Tax Revenues (d)	\$4,233,619	\$4,629,413 (e)	\$8,863,032

Notes:

- (a) Assumes single-family units are for sale and multifamily units are for rent; and excludes land values.
- (b) Assumes 0.5 percent of multifamily units are affordable at to very low-income households.
Also, assumes one percent of total low density single-family homes, townhomes, multifamily units are also affordable to low-income households. In total 1.5 percent of units are affordable.
- (c) Assumes land will not change hands before development and therefore excludes increased land values.
- (d) Based on proposed development locations by parcel and TRA. See Appendix A for list of TRAs and their General Fund tax allocation factors.
- (e) Based on the City receiving 9.52 percent of the one percent ad valorem after negotiating a revenue share with the County.

Sources: De Novo Planning Group ; Contra Costa County Auditor-Controller; Loopnet; Data Quick; newhomesource.com; Zillow ; BAE, 2013.

Alternative 2

As Table 4c shows, building out all land uses under Alternative 2 would generate approximately \$7.8 million in new General Fund property tax revenues. Because more development would occur within the City’s existing limits and the City retains a larger portion of the one percent ad valorem property tax within its existing limits, the majority of these revenues (\$4.5 million) come from new development within the existing City limits. Development within the planning area could contribute an additional \$3.3 million.

Table 4c: Property Tax Revenues, Alternative 2

<u>New Property Tax Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Assessed Value Residential (a), (b)	\$2,804,504,800	\$2,538,706,600	\$5,343,211,400
New Assessed Value Non-Residential (c)	\$1,118,675,115	\$930,257,183	\$2,048,932,298
Total New Property Tax Revenues (d)	\$4,521,914	\$3,279,257 (e)	\$7,801,171

Notes:

- (a) Assumes single-family units are for sale and multifamily units are for rent; and excludes land values.
- (b) Assumes 0.5 percent of multifamily units are affordable at to very low-income households.
Also, assumes one percent of total low density single-family homes, townhomes, multifamily units are also affordable to low-income households. In total 1.5 percent of units are affordable.
- (c) Assumes land will not change hands before development and therefore excludes increased land values.
- (d) Based on proposed development locations by parcel and TRA. See Appendix A for list of TRAs and their General Fund tax allocation factors.
- (e) Based on the City receiving 9.52 percent of the one percent ad valorem after negotiating a revenue share with the County.

Sources: De Novo Planning group ; Contra Costa County Auditor-Controller; Loopnet; Data Quick; newhomesource.com; Zillow; BAE, 2013.

Parks and Recreation Administration Property Taxes

In addition to the General Fund’s share of the one percent ad valorem property tax, the City receives an additional share for Parks and Recreation Administration. Depending on the TRA, the City will receive between 0.1 percent and 6.5 percent of the one percent ad-valorem

property tax. Appendix A lists the TRAs with their Parks and Recreation Administration allocation rates.

As with the General Fund property taxes, the City will also collect Parks and Recreation Administration property tax revenues from development that occurs on annexed land. This analysis assumes that the City would receive 0.66 percent of the one percent ad valorem property taxes, which also follows the agreement that the City and County made at the time of the Vineyards annexation. Again, because no formal revenue sharing agreement exists between the City and County, actual property tax revenues from development on annexation land could be higher or lower than projected.

Calculations for these revenues follow those for the General Fund property tax revenues:

- Calculate the appropriate assessed value of new development⁴,
- Map new development to correct TRA using parcel-level data from De Novo Planning Group
- Apply assessed value to TRA allocations for Parks and Recreation Administration property taxes

The following tables show the projected Parks and Recreation Administration property tax revenues that would accrue to the City under the three General Plan Update land use alternatives. If all land uses do not fully build out, the City could anticipate receiving reduced revenues. In addition, the amount of revenues accruing to the City from new development in the planning area could vary based on the revenue sharing agreement(s) negotiated between the City and County.

Existing General Plan Alternative

As Table 5a on the following page shows, the City could anticipate receiving \$1.0 million in new Parks and Recreation Administration property tax revenues from potential new development under the existing General Plan. As with General Fund's allocation of property taxes, because more development would occur within the City's existing limits and the City receives a higher share of the one percent ad valorem property taxes within its existing limits than it would for development that occurs in the planning area, most of the new revenues (\$828,000) would come from new development that occurs within the existing City limits. Development in the planning area could contribute an additional \$204,000.

⁴ Excludes value of land in the City that currently generates property taxes.

Table 5a: Parks and Recreation Property Tax Revenues, Existing General Plan Buildout

New Parks and Recreation Property Tax Revenues	City Buildout	Planning Area	Total
New Assessed Value Residential (a), (b)	\$2,672,678,400	\$2,350,161,100	\$5,022,839,500
New Assessed Value Non-Residential (c)	\$972,561,515	\$772,284,387	\$1,744,845,902
Total New Property Tax Revenues (d)	\$827,948	\$204,384	\$1,032,332

Notes:

- (a) Assumes single-family units are for sale and multifamily units are for rent; and excludes land values.
- (b) Assumes 0.5 percent of multifamily units are affordable at to very low -income households. Also, assumes one percent of total low density single-family homes, townhomes, multifamily units are also affordable to low -income households. In total 1.5 percent of units are affordable.
- (c) Assumes land will not change hands before development and therefore excludes increased land values.
- (d) Based on proposed development locations by parcel and TRA. See Appendix A for list of TRAs and their General Fund tax allocation factors.
- (e) Based on the City receiving 0.66 percent of the one percent ad valorem after negotiating a revenue share with the County.

Sources: De Novo Planning group ; Contra Costa County Auditor-Controller; Loopnet; Data Quick; new homesource.com; Zillow ; BAE, 2013.

Alternative 1

As Table 5b shows, the City could anticipate receiving \$1.1 million in new Parks and Recreation Administration property tax revenues from potential new development under the existing General Plan. Although significantly more development would occur outside of the City’s existing limits, because the City would receive a higher allocation of property taxes from development within the City’ existing limits, most of the new revenues (\$804,000) would come from new development that occurs within the existing City limits. Development in the planning area could contribute an additional \$321,000.

Table 5b: Parks and Recreation Property Tax Revenues, Alternative 1

New Parks and Recreation Property Tax Revenues	City Buildout	Planning Area	Total
New Assessed Value Residential (a), (b)	\$2,250,655,100	\$2,408,693,800	\$4,659,348,900
New Assessed Value Non-Residential (c)	\$1,396,601,480	\$2,476,138,419	\$3,872,739,900
Total New Property Tax Revenues (d)	\$803,577	\$320,947	\$1,124,523

Notes:

- (a) Assumes single-family units are for sale and multifamily units are for rent; and excludes land values.
- (b) Assumes 0.5 percent of multifamily units are affordable at to very low -income households. Also, assumes one percent of total low density single-family homes, townhomes, multifamily units are also affordable to low -income households. In total 1.5 percent of units are affordable.
- (c) Assumes land will not change hands before development and therefore excludes increased land values.
- (d) Based on proposed development locations by parcel and TRA. See Appendix A for list of TRAs and their General Fund tax allocation factors.
- (e) Based on the City receiving 0.66 percent of the one percent ad valorem after negotiating a revenue share with the County.

Sources: De Novo Planning group ; Contra Costa County Auditor-Controller; Loopnet; Data Quick; new homesource.com; Zillow ; BAE, 2013.

Alternative 2

As Table 5c shows, the City could anticipate receiving \$1.1 million in new Parks and Recreation Administration property tax revenues from potential new development under Alternative 2. As with General Fund’s allocation of property taxes, because more development would occur within the City’s existing limits and the City receives a higher share of the one

percent ad valorem property taxes within its existing limits than it would for development that occurs in the planning area, most of the new revenues (\$867,000) would come from new development that occurs within the existing City limits. Development in the planning area could contribute an additional \$227,000.

Table 5c: Parks and Recreation Property Tax Revenues, Alternative 2

New Parks and Recreation Property Tax Revenues	City Buildout	Planning Area	Total
New Assessed Value Residential (a), (b)	\$2,804,504,800	\$2,538,706,600	\$5,343,211,400
New Assessed Value Non-Residential (c)	\$1,118,675,115	\$930,257,183	\$2,048,932,298
Total New Property Tax Revenues (d)	\$867,236	\$227,343	\$1,094,580

Notes:

- (a) Assumes single-family units are for sale and multifamily units are for rent; and excludes land values.
- (b) Assumes 0.5 percent of multifamily units are affordable at to very low -income households. Also, assumes one percent of total low density single-family homes, tow nhomes, multifamily units are also affordable to low -income households. In total 1.5 percent of units are affordable.
- (c) Assumes land w ill not change hands before development and therefore excludes increased land values.
- (d) Based on proposed development locations by parcel and TRA. See Appendix A for list of TRAs and their General Fund tax allocation factors.
- (e) Based on the City receiving 0.66 percent of the one percent ad valorem after negotiating a revenue share w ith the County.

Sources: De Novo Planning group ; Contra Costa County Auditor-Controller; Loopnet; Data Quick; new homesource.com; Zillow ; BAE, 2013.

Property Transfer Taxes

When properties are sold, the City receives Property Transfer Tax revenues equal to \$0.55 per \$1,000 of assessed value, or \$0.00055 per dollar of assessed value. Because the City receives this revenue when property changes ownership, the assessed value calculations include land as well as improvements for both residential and non-residential properties. Long term trends show that single-family residential owners tend to sell their units about every seven years, while commercial property owners, including multifamily owners, sell their properties about every 20 years. In order to project the annual property transfer taxes that would accrue to the City’s General Fund under each land use alternative, this analysis assumes that one-seventh of all single-family units and one-twentieth of all multifamily and non-residential properties sell each year.

It is standard practice for the City to receive all property transfer tax revenues from annexed land. Since the City and County do not currently have a formal revenue sharing agreement in place, the analysis assumes that the City would receive all property transfer tax revenues from the sale of development in the annexed planning area. However, if the City and County agree to share this revenue, the City would receive less than projected in the tables below.

Existing General Plan

As Table 6a shows, the City could anticipate potential annual property tax transfer revenues of approximately \$424,000 under the existing General Plan land use alternative. Because the analysis assumes that church properties and affordable units would not change ownership over the General Plan horizon, they are excluded from this analysis. However, commercial land, which currently sells for approximately \$501,000 per acre, has been included in the multifamily and non-residential developments’ assessed values; and, residential land, which currently sells for approximately \$150,000 per acre, has been included in the single-family residential developments’ assessed values.

Table 6a: Property Transfer Tax Revenues, Existing General Plan Buildout

Assumptions	2013/14 Budget		
Transfer Tax Rate per \$1 of Assessed Value	\$0.00055		
Holding Period for Residential Units, Years	7		
Holding Period for Commercial Development, Years	20		
New Property Transfer Tax Revenues	City Buildout	Planning Area	Total
Assessed Value Single-Family Residential (a)	\$1,876,709,650	\$1,830,781,600	\$3,707,491,250
Transfer Tax Revenue, Residential	\$147,456	\$143,847	\$291,303
Assessed Value MF and Non-Residential (b), (c)	\$2,729,262,857	\$2,107,333,479	\$4,836,596,337
Transfer Tax Revenue, MF and Non-Residential	\$75,055	\$57,952	\$133,006
Total New Property Transfer Tax Revenues	\$222,510	\$201,799	\$424,309

Notes:

(a) Includes the value of land and improvements

	City Buildout	Planning Area	Total	DU/Acre
Value of residential land per unit				
Single Family Detached Value per Unit				
Ranchettes	\$150,000	\$150,000	\$150,000	1
Low Density	\$50,000	\$50,000	\$50,000	3
Single-Family Attached Value per unit	\$18,750	\$18,750	\$18,750	8

(b) Includes the value of land and improvements

	City Buildout	Planning Area	Total	DU/Acre
Value of commercial land per acre	\$501,000	\$501,000	\$501,000	
Total Commercial Acres, net of dedicated land	492	428	920	N/A
Total Multifamily Acres, excluding affordable housing.	1,055	783	1,837	22

(c) Multifamily rental units are considered commercial since they do not turn over with the same frequency as single-family units.

Sources: City of Brentwood; DataQuick; De Novo Planning Group; New HomeSource.com; BAE; 2013.

Alternative 1

As Table 6b on the following page shows, the City could anticipate potential annual property tax transfer revenues of approximately \$512,000 under General Plan land use Alternative 1. As under the existing General Plan land use alternative, this analysis assumes churches and affordable units would not change ownership; and, includes land values for potential development.

Table 6b: Property Transfer Tax Revenues, Alternative 1

<u>Assumptions</u>	<u>2013/14 Budget</u>		
Transfer Tax Rate per \$1 of Assessed Value	\$0.00055		
Holding Period for Residential Units, Years	7		
Holding Period for Commercial Development, Years	20		
<u>New Property Transfer Tax Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Assessed Value Single-Family Residential (a)	\$1,997,221,975	\$2,659,106,800	\$4,656,328,775
Transfer Tax Revenue, Residential	\$156,925	\$208,930	\$365,854
Assessed Value MF and Non-Residential (b), (c)	\$2,343,198,757	\$2,959,695,866	\$5,302,894,622
Transfer Tax Revenue, MF and Non-Residential	\$64,438	\$81,392	\$145,830
Total New Property Transfer Tax Revenues	\$221,363	\$290,321	\$511,684

Notes:

(a) Includes the value of land and improvements

Value of residential land per unit	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>	<u>DU/Acre</u>
Single Family Detached Value per Unit				
Ranchettes	\$150,000	\$150,000	\$150,000	1
Low Density	\$50,000	\$50,000	\$50,000	3
Single-Family Attached Value per unit	\$18,750	\$18,750	\$18,750	8

(b) Includes the value of land and improvements

Value of commercial land per acre	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>	<u>DU/Acre</u>
Total Commercial Acres, net of dedicated land	518	800	1318	N/A
Total Multifamily Acres, excluding affordable housing.	479	57	537	22

(c) Multifamily rental units are considered commercial since they do not turn over with the same frequency as single-family units.

Sources: City of Brentwood; DataQuick; De Novo Planning Group; New HomeSource.com; BAE; 2013.

Alternative 2

As Table 6c on the following page shows, the City could anticipate potential annual property tax transfer revenues of approximately \$494,000 under General Plan land use Alternative 2. As under the other land use alternatives, this analysis assumes churches and affordable units would not change ownership; and, includes land values for potential development.

Table 6c: Property Transfer Tax Revenues, Alternative 2

<u>Assumptions</u>	<u>2013/14 Budget</u>		
Transfer Tax Rate per \$1 of Assessed Value	\$0.00055		
Holding Period for Residential Units, Years	7		
Holding Period for Commercial Development, Years	20		
<u>New Property Transfer Tax Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Assessed Value Single-Family Residential (a)	\$2,322,850,238	\$2,640,963,600	\$4,963,813,838
Transfer Tax Revenue, Residential	\$182,510	\$207,504	\$390,014
Assessed Value MF and Non-Residential (b), (c)	\$2,417,313,781	\$1,364,509,709	\$3,781,823,490
Transfer Tax Revenue, MF and Non-Residential	\$66,476	\$37,524	\$104,000
Total New Property Transfer Tax Revenues	\$248,986	\$245,028	\$494,014

Notes:

(a) Includes the value of land and improvements

Value of residential land per unit	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>	<u>DU/Acre</u>
Single Family Detached Value per Unit				
Ranchettes	\$150,000	\$150,000	\$150,000	1
Low Density	\$50,000	\$50,000	\$50,000	3
Single-Family Attached Value per unit	\$18,750	\$18,750	\$18,750	8

(b) Includes the value of land and improvements

Value of commercial land per acre	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>	<u>DU/Acre</u>
Total Commercial Acres, net of dedicated land	414	245	660	N/A
Total Multifamily Acres, excluding affordable housing.	769	230	999	22

(c) Multifamily rental units are considered commercial since they do not turn over with the same frequency as single-family units.

Sources: City of Brentwood; DataQuick; De Novo Planning Group; New HomeSource.com; BAE; 2013.

Property Taxes In-Lieu of VLF (ILVLF)

Beginning in Fiscal Year 2005/06, the State ceased to provide “backfill” funds to counties and cities in the form of Motor Vehicle In-Lieu Fees (VLF) as it had through Fiscal Year 2004/05. As a result of the complicated financial restructuring enacted as part of the State’s budget balancing process, counties and cities now receive revenues from the State in the form of what is known as property tax in-lieu of vehicle license fees, or ILVLF. This State-funded revenue source is tied to a city’s total assessed valuation. In Fiscal Year 2005/06, former VLF revenues were swapped for ILVLF revenues, which set the local jurisdiction’s ILVLF “base.” The base increases each year thereafter in proportion to the increase in total assessed valuation within the jurisdiction. For example, if total assessed valuation increases by five percent from one year to the next, the ILVLF base and resulting revenues would increase by five percent.

In order to calculate the incremental increase in ILVLF revenues that would result from new development under the General Plan alternatives, the analysis first determines the total assessed value within the City, and the City’s current ILVLF revenues. The analysis then determines the percentage by which full development under each alternative would increase the City’s assessed valuation, and applies the percentage increase to the current ILVLF revenues, generating incremental ILVLF revenues.

It should be noted that a City’s ILVLF base will not increase by annexation alone. The assessed value of all existing development within the annexation area would not be credited to

the City. Only the incremental assessed value from new development that occurs *after* annexation can increase the City's base ILVLF revenues. This analysis assumes that all new development proposed in the planning area occurs after annexation. If development precedes annexation, the City would not receive additional ILVLF revenues from that development.

Existing General Plan

As Table 7a shows, under the existing General Plan alternative, potential new development would generate a 112 percent increase the City's total assessed value. Applied as a percentage increase to the City's ILVLF revenues for Fiscal Year 2013/14, this would result in new ILVLF revenues of approximately \$3.0 million.

Table 7a: ILVLF Revenues, Existing General Plan Buildout

<u>Assumptions</u>	<u>2013/14 Budget</u>		
Base Citywide Assessed Value	\$6,057,709,080		
Property Tax In Lieu of VLF Revenues	\$2,726,018		
<u>New ILVLF Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Assessed Value from New Development (a)	\$3,645,239,915	\$3,122,445,487	\$6,767,685,402
Percentage Increase from Base	60%	52%	112%
New ILVLF Revenues	\$1,640,387	\$1,405,126	\$3,045,513

Note:

(a) Excludes base assessed value for land already within the City, and for land outside the City that would be annexed. Assumes that City property tax base only increases as new construction occurs.

Sources: City of Brentwood; BAE, 2013.

Alternative 1

As Table 7b on the following page shows, under Alternative 1, potential new development would generate a 141 percent increase the City's total assessed value. Applied as a percentage increase to the City's ILVLF revenues for Fiscal Year 2013/14, this would result in new ILVLF revenues of approximately \$3.8 million.

Table 7b: ILVLF Revenues, Alternative 1

<u>Assumptions</u>	<u>2013/14 Budget</u>		
Base Citywide Assessed Value	\$6,057,709,080		
Property Tax In Lieu of VLF Revenues	\$2,726,018		
<u>New ILVLF Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Assessed Value from New Development (a)	\$3,647,256,580	\$4,884,832,219	\$8,532,088,800
Percentage Increase from Base	60%	81%	141%
New ILVLF Revenues	\$1,641,295	\$2,198,214	\$3,839,509

Note:

(a) Excludes base assessed value for land already within the City, and for land outside the City that would be annexed. Assumes that City property tax base only increases as new construction occurs.

Sources: City of Brentwood; BAE, 2013.

Alternative 2

As Table 7c shows, under Alternative 2, potential new development would generate a 122 percent increase the City's total assessed value. Applied as a percentage increase to the

City's ILVLF revenues for Fiscal Year 2013/14, this would result in new ILVLF revenues of approximately \$3.3 million.

Table 7c: ILVLF Revenues, Alternative 2

<u>Assumptions</u>	<u>2013/14 Budget</u>		
Base Citywide Assessed Value	\$6,057,709,080		
Property Tax In Lieu of VLF Revenues	\$2,726,018		
<u>New ILVLF Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Assessed Value from New Development (a)	\$3,923,179,915	\$3,468,963,783	\$7,392,143,698
Percentage Increase from Base	65%	57%	122%
New ILVLF Revenues	\$1,765,463	\$1,561,062	\$3,326,524

Note:

(a) Excludes base assessed value for land already within the City, and for land outside the City that would be annexed. Assumes that City property tax base only increases as new construction occurs.

Sources: City of Brentwood; BAE, 2013.

Sales Tax

Along with property taxes, sales tax revenues are typically one of the top two General Fund revenue sources for California cities. Sales tax revenues come from three sources: residents' taxable retail purchases, employees' taxable retail purchases, and business-to-business transactions involving taxable goods. Cities receive the vast majority of their sales tax revenue allocations for taxable sales that occur within their own jurisdiction, but they also receive a smaller portion of their sales tax revenue allocations from sales taxes that are pooled at the County level.

Under California law, cities are eligible to receive up to one percent of all taxable sales as sales tax revenues. According to the State Board of Equalization, the City of Brentwood receives 0.975 percent of taxable sales in the form of sales tax revenues. However, commercial development on previously annexed land, as well as land in the planning area that will be annexed in the future, would be subject to revenue sharing agreement(s) made between the City and County.

Although there is no formal existing revenue sharing agreement between the City and County, this analysis assumes that the City would receive 0.55 percent of the available one percent of total taxable sales, as it does for new development in the Vineyards. Since some potential development in the existing City limits is already subject to this agreement, in order to provide a conservative estimate of sales tax revenues this analysis assumes that all new development would be subject to the revenue sharing agreement. Thus, the City would receive 0.55 percent of the available one percent of total taxable sales.

To the extent that development occurs in areas not subject to the revenue sharing agreement, the City could realize additional sales tax revenues. Similarly, if the City and County agree to a different sales tax revenue split, the City could anticipate receiving more or less sales tax revenues than this analysis projects.

Taxable Sales

In order to project sales tax revenues, it is necessary to estimate the taxable sales from new development. Taxable sales for potential development under the General Plan land use alternatives can either be calculated based on an average of taxable sales per commercial square foot, or using taxable sales estimates per resident and employee. Because not all retail sales are taxable in California⁵ and it is not possible to know the types of commercial uses that will locate in new Brentwood development,⁶ this analysis uses taxable sales per resident and per employee to project new sales tax revenues associated with General Plan land use alternatives. In addition, this provides a more conservative estimate of sales tax revenues than an average taxable sales per square foot calculation would provide.

Resident-Generated Sales Tax Revenues

As Table 8 on the following page shows, taxable retail sales in Brentwood were approximately \$436.9 million. This translates into approximately \$8,400 per resident, excluding estimated taxable retail expenditures made by local employees or taxable non-retail expenditures. The analysis uses this per capita factor to project sales tax revenues that would accrue to the City from new residents under the three General Plan land use alternatives.

During the same year, statewide per capita taxable retail sales were approximately \$10,000. To the extent that the City could add a diverse range of new retail to capture more sales from neighboring communities, it could increase the per capita taxable retail sales and capture more sales tax revenues than this analysis projects.

Table 8: Sales Tax Revenue Assumptions

Assumptions	2013
Taxable Sales, Resident Generated	
Taxable Retail Sales, Residents, 2011 (a), (b)	\$436,855,637
Population, 2011	52,030
Taxable Retail Sales per Capita	\$8,396
Taxable Sales, Employment Generated	
Taxable Retail Sales, Employees (c)	\$23,178,750
Taxable Sales, Business to Business (Non-Retail Outlets) (b)	\$56,140,694
Total Taxable Sales, Employment Generated	\$79,319,444
Employment	12,362
Taxable Sales per Employee	\$6,416

Notes:

- (a) Equals total taxable retail sales, less the amount spent by employees.
- (b) Based on 2011 taxable sales, increased to 2013 dollars using the CPI.
- (c) Based on average daily employee taxable sales expenditures of \$7.50.

Sources: California State Board of Equalization, 2011; Department of Finance; City of Brentwood; BAE, 2013.

Employment-Generated Sales Tax Revenues

As Table 8 also shows, local employment also generates taxable sales through employee retail purchases and non-retail taxable sales. On average, employees can be expected to spend

⁵ Groceries and pharmacy purchases are non-taxable.

⁶ Including whether office or industrial users will generate business-to-business sales tax revenues or the amount they could generate.

approximately \$7.50 per day near their places of business. In addition, Brentwood businesses registered approximately \$56.2 million on taxable non-retail (i.e., business-to-business) sales. In total, local taxable sales associated with employees and businesses were equal to approximately \$6,400 either directly (retail sales) or indirectly (non-retail sales).

The analysis uses this per employee expenditure factor to project sales tax revenues that would accrue to the City from new employees under the three General Plan land use alternatives. To the extent that the City can attract a disproportionate amount of businesses that generate taxable business-to-business sales, the City could generate more sales tax revenues than this analysis projects.

Sales Tax Revenue Projections

Multiplying taxable sales per resident and employee by the number of new residents and employees, and applying the City’s share of the one percent sales tax provides estimates for potential sales tax revenues. The following tables show the projected sales tax revenues for each land use alternative.

Existing General Plan

Under the existing General Plan land use alternative, the City could anticipate approximately \$4.3 million in new sales tax revenues. Because more development would occur within the existing City limits, the majority of revenues would come from new development that would occur within the existing City limits. Table 9a shows the projected sales tax revenues that would accrue to the City’s General Fund under the existing General Plan alternative.

Table 9a: Sales Tax Revenues, Existing General Plan Buildout

Projected Revenues from New Development	City Buildout	Planning Area	Total
New Residents	35,944	28,208	64,151
New Taxable Retail Sales	\$301,790,286	\$236,839,234	\$538,629,520
New Employees	19,655	17,189	36,844
Total Taxable Sales, Employment Generated	\$126,112,564	\$110,294,350	\$236,406,914
<i>SUBTOTAL: New Taxable Sales</i>	<i>\$427,902,850</i>	<i>\$347,133,584</i>	<i>\$775,036,434</i>
City’s share of one percent sales tax (a)	0.55	0.55	
Total Sales Tax Revenues	\$2,353,466	\$1,909,235	\$4,262,700

Note:

(a) Local jurisdictions are eligible to receive up to one percent of total taxable sales in sales tax revenues. New commercial development, some of which is located in previously annexed land, is subject to a revenue sharing agreement with the County, where the City receives 0.55 percent of the available one percent sales tax.

Sources: California State Board of Equalization; Department of Finance; City of Brentwood; BAE, 2013.

Alternative 1

As Table 9b shows, under Alternative 1, the City could anticipate approximately \$4.8 million in new sales tax revenues. Because more development would occur within the planning area, the majority of revenues would come from new development that would occur within the annexed planning area.

Table 9b: Sales Tax Revenues, Alternative 1

<u>Projected Revenues from New Development</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	24,210	17,032	41,242
New Taxable Retail Sales	\$203,269,987	\$143,004,957	\$346,274,943
New Employees	28,565	53,345	81,910
Total Taxable Sales, Employment Generated	\$183,283,617	\$342,282,361	\$525,565,978
<i>SUBTOTAL: New Taxable Sales</i>	<i>\$386,553,604</i>	<i>\$485,287,317</i>	<i>\$871,840,921</i>
City's share of one percent sales tax (a)	0.55	0.55	
Total Sales Tax Revenues	\$2,126,045	\$2,669,080	\$4,795,125

Note:

(a) Local jurisdictions are eligible to receive up to one percent of total taxable sales in sales tax revenues.

New commercial development, some of which is located in previously annexed land, is subject to a revenue sharing agreement with the County, where the City receives 0.55 percent of the available one percent sales tax.

Sources: California State Board of Equalization; Department of Finance; City of Brentwood; BAE, 2013.

Alternative 2

As Table 9c on the following page shows, under Alternative 1, the City could anticipate approximately \$4.0 million in new sales tax revenues. Because more development would occur within the existing City limits, the majority of revenues would come from new development that would occur within the existing City.

Table 9c: Sales Tax Revenues, Alternative 2

<u>Projected Revenues from New Development</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	32,872	20,955	53,826
New Taxable Retail Sales	\$275,996,792	\$175,941,330	\$451,938,122
New Employees	23,082	19,803	42,885
Total Taxable Sales, Employment Generated	\$148,103,362	\$127,062,674	\$275,166,036
<i>SUBTOTAL: New Taxable Sales</i>	<i>\$424,100,154</i>	<i>\$303,004,003</i>	<i>\$727,104,157</i>
City's share of one percent sales tax (a)	0.55	0.55	
Total Sales Tax Revenues	\$2,332,551	\$1,666,522	\$3,999,073

Note:

(a) Local jurisdictions are eligible to receive up to one percent of total taxable sales in sales tax revenues.

New commercial development, some of which is located in previously annexed land, is subject to a revenue sharing agreement with the County, where the City receives 0.55 percent of the available one percent sales tax.

Sources: California State Board of Equalization; Department of Finance; City of Brentwood; BAE, 2013.

Transient Occupancy Taxes

The City collects Transient Occupancy Taxes (TOT), or lodging "room taxes", when visitors stay in local hotels for stays of less than 30 days. Specifically, the City receives 10 percent of all

room revenues in the form of TOT. All three land use alternatives project a single hotel of the same size to be built in the existing City limits.

As Table 10 on the following page shows, the hotel would have approximately 70 rooms and could charge an average daily rate (ADR) of \$105. Multiplying the ADR by the number of occupied room nights and applying the local TOT rate would result in new City TOT revenues of approximately \$188,000. Since there are no additional hotels projected for the planning area, the City would not need to negotiate a revenue sharing agreement with the County to cover new lodging development.

Table 10: Transient Occupancy Tax Revenues, All Alternatives

Hotel Development Assumptions		2013	
Square Feet		28,260	
Number of Rooms		70	
Occupancy Rate		70%	
Average Daily Rate (ADR)		\$105	
Number of Occupied Room Nights		17,885	

Projected Revenues from New Development	City Buildout	Planning Area	Total
Annual Hotel Revenues	\$1,877,925	\$0	\$1,877,925
TOT Rate	10%	10%	10%
Total Business License Receipts	\$187,793	\$0	\$187,793

Sources: Hotels.com; City of Brentwood; De Novo Planning; BAE, 2013.

Business License Fees

The City receives business license fees from all businesses operating within its jurisdiction. Currently the City charges business license fees based on the total gross receipts per business. However, since it is not possible to know the number of establishments or gross receipts of businesses operating within the new development, this analysis uses a per employee average revenue factor to project new business license fee revenues.

Business License Fees per Employee

As Table 11 shows, in Fiscal Year 2013/14, the City estimates that it will receive approximately \$529,000 in business license fee revenues, which translates into approximately \$43 per employee. This analysis assumes that new non-residential development will average the same business license fees per employee. To the extent that the City can attract more productive businesses, it could anticipate receiving more business license fees than this analysis projects.

Table 11: Business License Fee Assumptions

Assumptions	2013/14 Budget
Business License Fee Revenues	\$528,575
Employment, 2013	12,362
Average Business License Fees per Employee	\$42.76

Sources: City of Brentwood; BAE, 2013.

Business License Fee Projections

Multiplying the per employee business license fee by the number of new employees under each General Plan land use alternative provides the basis for projecting new business license fee revenues. The following tables show the projected business license fee revenues for each land use alternative.

Existing General Plan

As Table 12a shows, under the existing General Plan land use alternative, new non-residential development would generate approximately \$1.6 million in new business license fee revenues. Because potential development would add more new employment in the existing City, the majority of new business license fees would come from development within the existing City limits.

Table 12a: Business License Fee Revenues, Existing General Plan Buildout

Projected Revenues from New Development	City Buildout	Planning Area	Total
Business License Revenues Per Employee	\$42.76	\$42.76	\$42.76
New Employment	19,655	17,189	36,844
Total Business License Receipts	\$840,399	\$734,988	\$1,575,387

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

As Table 12b shows, under Alternative 1, new non-residential development would generate approximately \$3.5 million in new business license fee revenues. Because potential development would add more new employment in the planning area, the majority of new business license fees would come from development that occurs after annexation.

Table 12b: Business License Fee Revenues, Alternative 1

Projected Revenues from New Development	City Buildout	Planning Area	Total
Business License Fee Revenue Per Employee	\$42.76	\$42.76	\$42.76
New Employment	28,565	53,345	81,910
Total Business License Receipts	\$1,221,379	\$2,280,927	\$3,502,307

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

As Table 12c shows, under Alternative 2, new non-residential development would generate approximately \$1.8 million in new business license fee revenues. Because potential development would add more new employment in the existing City, the majority of new business license fees would come from development within the existing City limits.

Table 12c: Business License Fee Revenues, Alternative 2

Projected Revenues from New Development	City Buildout	Planning Area	Total
Business License Revenues Per Employee	\$42.76	\$42.76	\$42.76
New Employment	23,082	19,803	42,885
Total Business License Receipts	\$986,943	\$846,730	\$1,833,673

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Gas Taxes and Other Revenues

The City receives a variety of other revenues that include other taxes and fines, charges for current services and other revenue. These revenues are relatively small individually, but combined represent more than ten percent of the City's General Fund budget. In addition, these revenues are all expected to increase with new development. Thus, this analysis estimates the additional "other" revenues that would accrue to the General Fund under each General Plan land use alternative.

In order to project these additional revenues, the fiscal model calculates the existing Gas Tax revenues on an average per capita basis, because the State allocates these revenues to the City based on the resident population. All of the "Other" revenues are summed and an average per service population figure is calculated, because these revenues will generally increase as the City's population and employment base increases.

As Table 13 shows, the City estimates that it will receive approximately \$1.5 million in Gas Taxes and \$2.5 million in "Other" revenues in Fiscal Year 2013/14, which translate into approximately \$28.61 per capita and \$35.05 per service population, respectively. The fiscal model uses these average revenue factors to project Gas Taxes and "Other" revenues under each of the General Plan land use alternatives.

Table 13: Other General Fund Revenue Assumptions

<u>Assumptions</u>	<u>2013/14 Budget</u>
Gas Tax	\$1,496,865
Other Taxes and Fines	
Franchise Fees	\$1,348,630
Fines and Forfeitures	\$111,934
Charges for Current Services	
Business License Filing Fee	\$34,500
Reimbursement of Services	\$189,564
Other Revenue	
Late Charges	\$27,039
Other Income	\$105,000
Business License Other Revenue	\$497
Citations (a)	\$110,250
NPDES Citations	\$801
Capital Project Management Reimbursement (b)	\$100,000
Passport Revenue	\$15,465
Passport Photos	\$7,056
<i>Total Other Revenues</i>	<u>\$2,050,736</u>
Service Population, 2013	
Population	52,326
Employment	12,362
<i>Service Population (c)</i>	<i>58,507</i>
Gas Tax Revenues Per Capita	\$28.61
Other Revenues per Service Population	\$35.05

Notes:

- (a) Citations for not maintaining property expected to decrease by half as the residential market recovers and foreclosures decrease.
- (b) Capital Project Management Reimbursements expected to decrease as capital projects stabilize.
- (c) Service population equals the resident population plus one-half the employment population.

Sources: City of Brentwood; BAE, 2013.

Gas Tax and Other Revenue Projections

Multiplying the Gas Tax and “Other” revenue factors by the new residents and new service populations, respectively, for each land use alternative provides the new Gas Tax and “Other” revenue projections. The following tables show the new Gas Tax and “Other” revenues that the City could anticipate under each land use alternative.

Existing General Plan

As Table 14a shows, under the existing General Plan land use alternative the City could anticipate increased Gas Tax revenues of approximately \$1.8 million and increased “Other” revenues of approximately \$2.9 million. Because more development occurs within the City’s existing boundaries, more revenues accrue to the General Fund from development that would occur within the existing City limits than from new development that would occur within the planning area.

Table 14a: Gas Tax and Other General Fund Revenues, Existing General Plan Buildout

<u>Projected Revenues from New Development</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	35,944	28,208	64,151
New Employment	19,655	17,189	36,844
Net New Service Population	45,771	36,803	82,573
Gas Tax Revenues Per Capita	\$28.61	\$28.61	\$28.61
Net New Gas Tax Revenues	\$1,028,220	\$806,928	\$1,835,148
Other Revenues per Service Population	\$35.05	\$35.05	\$35.05
Net New Other Revenues	\$1,604,323	\$1,289,971	\$2,894,293

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

As Table 14b shows, under Alternative 1 the City could anticipate increased Gas Tax revenues of about \$1.2 million per year and increased “Other” revenues of about \$2.9 million per year. Roughly equal amounts of new revenues are generated within the existing City limits and in the planning area.

Table 14b: Gas Tax and Other General Fund Revenues, Alternative 1

<u>Projected Revenues from New Development</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	24,210	17,032	41,242
New Employment	28,565	53,345	81,910
Net New Service Population	38,492	43,705	82,197
Gas Tax Revenues Per Capita	\$28.61	\$28.61	\$28.61
Net New Gas Tax Revenues	\$692,555	\$487,228	\$1,179,783
Other Revenues per Service Population	\$35.05	\$35.05	\$35.05
Net New Other Revenues	\$1,349,193	\$1,531,893	\$2,881,086

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

As Table 14c on the following page shows, under the existing General Plan land use alternative the City could anticipate increased Gas Tax revenues of approximately \$1.5 million and increased “Other” revenues of about \$2.6 million per year. Because more development occurs within the City’s existing boundaries, more revenues accrue to the General Fund from development that would occur within the existing City limits than from new development that would occur within the planning area.

Table 14c: Gas Tax and Other General Fund Revenues, Alternative 2

Projected Revenues from New Development	City Buildout	Planning Area	Total
New Residents	32,872	20,955	53,826
New Employment	23,082	19,803	42,885
Net New Service Population	44,413	30,856	75,269
Gas Tax Revenues Per Capita	\$28.61	\$28.61	\$28.61
Net New Gas Tax Revenues	\$940,340	\$599,444	\$1,539,785
Other Revenues per Service Population	\$35.05	\$35.05	\$35.05
Net New Other Revenues	\$1,556,710	\$1,081,545	\$2,638,255

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Community Facilities District (CFD) Revenues

Community Facilities Districts (CFDs), or Mello-Roos Districts, allow local jurisdictions to collect additional special taxes from property owners to provide community facilities and public services under the 1982 Community Facilities Act. Although CFD revenues do not automatically accrue to the General Fund, and therefore are typically not included in fiscal impact analyses, the City of Brentwood currently transfers approximately 92 percent of CFD funds to the General Fund to pay for public safety services. In addition, City staff indicates that all new development that occurs under the General Plan land use alternatives would be subject to one of two Community Facilities Districts, District #4 or #5. CFD revenues will increase with new development and it is assumed that increases in CFD revenue associated with new development will primarily be transferred into the General Fund to pay for public services. Table 15 shows the levy rates for new development in CFD #s 4 and 5.

Table 15: Community Facilities District (CFD) Revenue Assumptions

Assumptions, CFD #s 4 and 5 (a)	Levied Rate FY2013/14	Share to General Fund (b), (c)
Per Single-Family Home	\$731.39	\$689.26
Per Condominium	\$548.54	\$516.95
Per Multifamily Unit	\$365.70	\$344.63
Per Commercial, Industrial or Institutional Acre	\$4,737.10	\$4,464.24

Notes:

- (a) Levy rates are the same for CFD #s 4 and 5.
- (b) Total share of funds allocated to the General Fund 94.24%
- (c) All General Fund allocated funds support Public Safety services.

Sources: City of Brentwood; BAE, 2013.

It should be noted that if the City issues additional bonds to finance construction of new public facilities, some of the CFD revenues projected for the General Fund could be used to pay down the debt and therefore would be unavailable to supplement the General Fund. In that case, the City would need to use other General Fund revenues to pay for the share of public services currently funded through the CFDs.

CFD Revenue Projections

Multiplying the CFD levy rates by the number of new residential units and non-residential acres provides the new CFD revenue projections. The following tables show the new CFD revenue projections that the City could anticipate under each General Plan land use alternative.

Existing General Plan

As Table 16a shows, under the existing General Plan land use alternative the City could anticipate new General Fund CFD revenues of approximately \$15.0 million. Because more development occurs within the City’s existing boundaries, more revenues accrue to the General Fund from development that would occur within the existing City limits than from development that would occur in the planning area. City staff indicates the new development in the City’s existing boundaries as well as the planning area would be subject to CFD assessments.

Table 16a: Community Facilities District Revenues, Existing General Fund Buildout

Projected General Fund Revenues from New Development	City Buildout	Planning Area	Total
Number of Single-Family Units	3,357	3,378	6,735
Number of Condominium Units (a)	781	0	781
Number of Multifamily Units	9,817	7,287	17,104
Commercial, Industrial or Institutional Acres (b)	492	428	920
Total CFD Revenues to the General Fund	\$8,298,735	\$6,748,361	\$15,047,096

Notes:

- (a) Represents single-family attached units.
- (b) Based on 0.75 percent of total commercial acreage as undedicated. Assumes 40 percent of mixed-use parcels developed as non-residential. Does not include public facilities space.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

As Table 16b on the following page shows, under the existing General Plan land use alternative the City could anticipate new General Fund CFD revenues of approximately \$13.9 million. Because more development occurs within the planning area, more revenues accrue to the General Fund from development that would occur after annexation than from new development that would occur within the existing City limits.

Table 16b: Community Facilities District Revenues, Alternative 1

Projected General Fund Revenues from New Development	City Buildout	Planning Area	Total
Number of Single-Family Units	3,389	4,895	8,284
Number of Condominium Units (a)	1,174	0	1,174
Number of Multifamily Units	4,468	543	5,011
Commercial, Industrial or Institutional Acres (b)	518	800	1,318
Total CFD Revenues to the General Fund	\$6,796,173	\$7,130,375	\$13,926,548

Notes:

- (a) Represents single-family attached units.
- (b) Based on 0.75 percent of total commercial acreage as undedicated. Assumes 40 percent of mixed-use parcels developed as non-residential. Does not include public facilities space.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

As Table 16c shows, under the existing General Plan land use alternative the City could anticipate new General Fund CFD revenues of approximately \$13.0 million. Because more development occurs within the City’s existing boundaries, more revenues accrue to the General Fund from development that would occur within the existing City limits than from development that would occur in the planning area.

Table 16c: Community Facilities District Revenues, Alternative 2

Projected General Fund Revenues from New Development	City Buildout	Planning Area	Total
Number of Single-Family Units	3,865	4,929	8,794
Number of Condominium Units (a)	1,487	0	1,487
Number of Multifamily Units	7,164	2,145	9,309
Commercial, Industrial or Institutional Acres (b)	414	245	660
Total CFD Revenues to the General Fund	\$7,751,889	\$5,232,345	\$12,984,234

Notes:

(a) Represents single-family attached units.

(b) Based on 0.75 percent of total commercial acreage as undedicated. Assumes 40 percent of mixed-use parcels developed as non-residential. Does not include public facilities space.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Projected General Fund Costs

This fiscal impact analysis utilizes average cost multipliers derived from the City of Brentwood's current budget to project increased General Fund costs for public services as a result of buildout of the three General Plan land use alternatives. Like the revenue projections, the service cost projections separate the impacts from new development that would occur within the existing City limits from the impacts from new development that would occur within the areas that are currently within the City's planning area, but not within the City limits. All cost projections are for the point in time that development within the two areas would reach buildout, but are expressed in terms of 2013 dollars.

BAE collaborated with staff from the City Finance Department to develop the service cost model, following the structure of the current City budget. Within the City budget, City services are grouped as follows:

- Legislation
- City Administration
- City Attorney
- Finance, Community Services, and Non-Departmental
- Police
- Community Development
- Public Works
- Parks and Recreation

The service cost portion of the fiscal model reflects these functions, and is structured to project the increased net General Fund costs for each of these functions. The net General Fund cost for each function is the total expenditures for the function, less any program revenues or transfers of funds in from other sources (e.g., user fees/charges for services, state grants, reimbursements, etc.). The net General Fund cost thus provides an indicator of the City's costs for the different services which must be funded using the revenues from general purpose discretionary sources, such as property taxes, sales taxes, and others projected in the Revenues section of this report.

Base Year Expenditures

Based on consultation with City Finance Department staff, it was determined that the City of Brentwood fiscal year 2012-2013 actual expenditures for services would be a more accurate representation of "current" service costs than the 2013-2014 budgeted expenditures. This is because the City typically realizes a modest savings each year (about six to seven percent of total budgeted expenditures) compared to the budget figures. However, the City's current cost structure does not represent the City's anticipated long-term cost structure, which would influence the City's fiscal health at the time the General Plan land use alternatives would likely reach buildout. Even without any growth, the City anticipates certain costs will increase relative to current costs. For example, the City anticipates that personnel costs will increase significantly in the coming years in response to required changes in accounting procedures that are intended to provide a more accurate portrayal of the current-year costs being incurred in the form of post-employment benefits that current employees are earning each year, even though those benefits will not be paid out until their retirement. To better reflect the anticipated costs for future years, City Finance staff provided BAE with adjustments to the

current personnel costs that reflect this more complete accounting for “Other Post-Employment Benefits” or, OPEB. In addition, the City anticipates increased costs over the long-term for pension costs, and for Internal Services in the form of building replacement costs.

As mentioned previously, current expenditures for certain services are partially offset by various “program revenues” which can include charges to users of the services, reimbursements from various sources, etc. The 2013-2014 budget figures for the different cost offsets are applied to the 2012-2013 expenditures to identify the portion of current expenditures which are funded by the various general purpose revenues projected in the Revenues section of this report. While some program revenues or transfers in from other funds can be expected to continue over time and increase to keep pace with increasing service costs due to new development, other offsetting revenues could be expected to remain fixed, phase out over time, or grow more slowly than expenses, meaning that other General Fund revenues would need to fill gaps moving forward. To reflect the anticipated conditions over the long term, Finance Department staff provided adjustment factors for current revenues.

Variability of Service Costs and Offsetting Revenues

As the City of Brentwood grows over time, service costs and offsetting revenues can be expected to grow; however, these costs and offsetting revenues may not necessarily increase in a linear fashion in response to growth, because some portion of existing service costs are essentially “fixed” and will remain fairly stable, regardless of how much development occurs within the City, while a portion of current costs will be “variable” and will increase as the City grows. Net General Fund expenditures for certain functions are reduced by varying amounts by offsetting revenues; however, some of these offsets will not increase in a linear fashion for various reasons. In order to account for the potential for service costs and offsetting revenues to vary to greater or lesser extents as the City grows, the fiscal model incorporates factors provided by the Finance Department to reflect the portion of current expenditures and offsetting revenues that are expected to vary over time. Discussion of key assumptions about the variability of key cost and revenue offsets for specific services is provided in the sections below which discuss the Net General Fund Variable costs for each category of City services.

Current Net Variable General Fund Costs for Services

The following sub-sections provide brief explanations of the calculations of net General Fund variable service costs for each function. The net General Fund variable service costs provide the basis to calculate a current City cost per service population, which is then used to project increased City costs associated with new development that can be expected if buildout occurs according to the development potential associated with each of the General Plan land use alternatives. All of the calculations and assumptions leading up to an estimate of the current net variable cost per service population are shown in a series of tables, included as Appendices B-1 to B-8.

Legislative Costs

The Legislative function accounts for the costs associated with the City Council. Typically, the City Council function is a mostly fixed cost, as City Councils do not typically expand their membership or take on new duties as a city grows; thus, as shown at the top of Appendix B-1, only about eight percent of current Legislative costs are assumed to be variable as the City

grows. The Legislative function is not associated with any transfers in or program revenues; thus, the 8.1 percent variable cost translates to \$34,882 in net general fund variable costs, or about \$0.59 per new resident.

Legislative Cost Projections

Tables 17a-17c contain the Legislative cost projections for the three alternatives. The projected increases in service population are multiplied by the current net General Fund variable costs, to arrive at the projected increase in Legislative costs at buildout of each scenario.

Existing General Plan

As shown in Table 17a, the City could expect increased Legislative costs of \$48,000 per year at buildout, with a greater portion of the costs associated with buildout of the existing City limits than with buildout of the planning area.

Table 17a: Legislative Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$0.59	\$0.59	\$0.59
Net Increase in Legislative Costs	\$26,851	\$21,590	\$48,442

Note:

(a) See Appendix B-1.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

Legislative cost increases in Alternative 1 would increase by about \$48,000 per year by the time the City reaches buildout, under Alternative 1. Table 17b shows that more of the costs would be generated by new development in the planning area than in the existing City limits.

Table 17b: Legislative Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$0.59	\$0.59	\$0.59
Net Increase in Legislative Costs	\$22,581	\$25,639	\$48,221

Note:

(a) See Appendix B-1.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

Under Alternative 2, Legislative costs would increase by approximately \$44,000 per year at buildout, with the majority of costs associated with new development within the existing City limits.

Table 17c: Legislative Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$0.59	\$0.59	\$0.59
Net Increase in Legislative Costs	\$26,055	\$18,102	\$44,156

Note:

(a) See Appendix B-1.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

City Administration Costs

City Administration includes the City Manager's office, the City Clerk, and Human Resources. Total adjusted costs for current services are estimated at just under \$2 million per year, of which just over 16 percent is estimated to be variable as the City grows. The City Administration group receives overhead reimbursements from other departments amounting to just under \$1.1 million per year. Because this is reimbursement for actual costs incurred in supporting other departments, the reimbursements will only go up in proportion to the increases in service costs. Thus, overhead reimbursements are assumed to have the same variability as expenditures. Overhead reimbursements for other departments are handled in the same manner throughout this analysis. In addition to overhead reimbursements, the City Administration group also receives some program revenues in the form of Successor Agency Administration Fee; however, this revenue source, which compensates the City for handling the wind-down of the City's former Redevelopment Agency, will not increase over time, so it is assumed to have zero variability as the City grows. Overall, the net variable General Fund costs for City Administration are approximately \$137,000, or about \$2.30 per new service population. The calculations are summarized in Appendix B-2.

City Administration Cost Projections

The projections of increased City Administration costs associated with buildout of the three alternatives are shown in Tables 18a to 18c. The projected increase in service population is multiplied by the current net General Fund variable costs for City Administration functions, in order to project the increased General Fund costs.

Existing General Plan

Buildout of the existing General Plan would bring increased City Administration costs estimated at about \$190,000 per year, as shown on Table 18a.

Table 18a: City Administration Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$2.30	\$2.30	\$2.30
Net Increase in City Admin. Costs	\$105,210	\$84,595	\$189,804

Note:

(a) See Appendix B-2.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

Increased City Administration costs are just slightly lower under Alternative 1 than those projected for buildout under the existing General Plan. The cost projections for Alternative 1 are shown in Table 18b.

Table 18b: City Administration Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$2.30	\$2.30	\$2.30
Net Increase in City Admin. Costs	\$88,479	\$100,460	\$188,938

Note:

(a) See Appendix B-2.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

With an increase in service population that is somewhat lower than the increases under the existing General Plan and under Alternative 1, Alternative 2 would generate a slightly reduced increase in City Administration costs, as shown on Table 18c.

Table 18c: City Administration Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$2.30	\$2.30	\$2.30
Net Increase in City Admin. Costs	\$102,087	\$70,927	\$173,014

Note:

(a) See Appendix B-2.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

City Attorney Costs

Total adjusted current costs for the City Attorney's office are \$938,000. Approximately five percent of the City Attorney's office costs are assumed to be variable as the City grows, with

Overhead Reimbursements variable to the same degree. As a result, net variable General Fund costs moving forward are estimated at \$17,215, or \$0.29 per new service population. The current cost calculations for the City Attorney’s office are shown in Appendix B-3.

City Attorney Cost Projections

The cost projections for increased City Attorney costs are shown in Table 19a through 19c. The increase in service population under each of the General Plan land use alternatives drives the cost projections.

Existing General Plan

The calculations in Table 19a show that at buildout of the existing General Plan, the City could expect that annual City Attorney costs would increase by about \$24,000.

Table 19a: City Attorney Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$0.29	\$0.29	\$0.29
Net Increase in City Attorney Costs	\$13,252	\$10,655	\$23,907

Note:

(a) See Appendix B-3.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

Projected increases in City Attorney costs are comparable to the costs projected under the existing General Plan buildout alternative; however, they are different in that more costs would be associated with new development in the planning area versus new development in the existing City limits. This cost distribution is shown in Table 19b.

Table 19b: City Attorney Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$0.29	\$0.29	\$0.29
Net Increase in City Attorney Costs	\$11,144	\$12,654	\$23,798

Note:

(a) See Appendix B-3.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

Due to the slightly larger increase in service population under Alternative 2 as compared to the other land use alternatives, projected increases in City Attorney costs are slightly higher also. As shown in Table 19c, the City Attorney costs are projected to rise by about \$22,000 per year, at buildout of this alternative.

Table 19c: City Attorney Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$0.29	\$0.29	\$0.29
Net Increase in City Attorney Costs	\$12,859	\$8,934	\$21,792

Note:

(a) See Appendix B-3.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Finance, Community Services, and Non-Departmental Costs

After adjusting for anticipated cost increases, total expenditures for Finance, Community Services (e.g., library, animal control), and Non-Departmental is just under \$3 million. Just under 25 percent of the adjusted expenditures are considered variable with new development. Current expenditures for Finance, Community Services, and Non-Departmental are offset by a number of revenue sources, most of which are not likely to increase as new development occurs. Current, net General Fund variable costs are estimated at \$322,219, which translates to \$5.51 per new service population. Appendix B-4 shows these budget data and calculations.

Finance, Community Services, and Non-Departmental Cost Projections

Projected increases in costs for Finance, Community Services, and Non-Departmental are detailed in Tables 20a through 20c. Cost increases are the result of multiplying the increase in service population estimated for each of the alternatives by the current cost per service population from Appendix B-4.

Existing General Plan

Table 20a contains the Finance, Community Services, and Non-Departmental cost projections for the scenario involving buildout under the existing General Plan. As shown in the table, total costs could be expected to increase by about \$584,000 per year, by buildout

Table 20a: Fin., Comm. Svcs., and Non-Dept. Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$7.08	\$7.08	\$7.08
Net Increase in Fin., Com. Svc. & Non-Dept. Costs	\$323,928	\$260,457	\$584,385

Note:

(a) See Appendix B-4.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

With an increase in service population that is similar to that estimated for buildout of the existing General Plan, Alternative 1 would generate a similar increase in costs for Finance, Community Services, and Non-Departmental. At buildout, the annual increase would be about \$582,000 per year.

Table 20b: Finance, Comm. Svcs., and Non-Dept. Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$7.08	\$7.08	\$7.08
Net Increase in Fin., Com. Svc. & Non-Dept. Costs	\$272,414	\$309,303	\$581,718

Note:

(a) See Appendix B-4.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

Due to the smaller increase in service population, Alternative 2 would generate the smallest increase in Finance, Community Services, and Non-Departmental costs, among the three alternatives. By buildout, the increased costs would amount to about \$533,000 per year.

Table 20c: Finance, Comm. Svcs., and Non-Dept. Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$7.08	\$7.08	\$7.08
Net Increase in Fin., Com. Svc. & Non-Dept. Costs	\$314,314	\$218,374	\$532,688

Note:

(a) See Appendix B-4.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Police Costs

Police represents the largest group in the City budget, from the standpoint of annual expenditures. In response to a pending General Plan policy update that would call for the City to increase its Police services standard, from approximately 1.16 sworn officers per 1,000 population to approximately 1.6 sworn officers per 1,000, 2013/2014 base Police service costs have been adjusted upward to reflect the costs of this increased level of staffing. After making adjustments to reflect the full cost of current Police services on a long-term basis and the increased Police staffing ratio, the total Police expenditures are \$18.3 million. Unlike other General Fund departments, all components of Police Department expenditures are considered to be 100% variable with new development, with the exception of Internal Services, which is assumed to be 75% variable. This means that the City expects 97.5 percent of adjusted current Police expenditures to increase proportionate to the increase in development within the City. The City expects Overhead Reimbursements to increase in line with departmental expenditure increases, and Abandoned Vehicle fees and current services charges are also likely to increase proportionate to the increase in the City's service

population. As shown in Appendix B-5, the net General Fund variable costs for Police services are estimated at \$20.5 million, or about \$346 per service population.⁷

Police Cost Projections

With an adjusted net variable General Fund cost of \$346 per service population, Police services represent the single largest component of these cost projections. Tables 21 a through 21c detail the cost increases, which the result of multiplying each alternative’s estimated increase in service population by the estimated net General Fund variable cost. It should be noted again that the Police cost projections do not include the cost to bring the City’s existing base of residential and non-residential development up to the pending 1.6 officers per 1,000 residents service standard.

Existing General Plan

The fiscal model projects that buildout of the existing General Plan would lead to increases in Police expenditures equal to approximately \$28.5 million per year.

Table 21a: Police Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$345.56	\$345.56	\$345.56
Net Increase in Police Costs	\$15,816,765	\$12,717,619	\$28,534,385

Note:

(a) See Appendix B-5.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

With only a slightly reduced service population compared to the existing General Plan buildout scenario, Alternative 1 would likely generate a comparable increase in Police Service costs. As shown in Table 21b, the net annual increase in Police service costs under this alternative would be approximately \$28.4 million per year, by buildout.

⁷ The City currently budgets for \$106,646 in revenues from Proposition 172 public safety sales tax allocations, which would be an offset to current Police costs, but are not currently reflected in Appendix B-5. Given the relatively small magnitude of this revenue source, the impact on the Police service cost projections is minimal and will tend to create a more conservative estimate of net fiscal balance in all three alternatives.

Table 21b: Police Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$345.56	\$345.56	\$345.56
Net Increase in Police Costs	\$13,301,477	\$15,102,696	\$28,404,173

Note:

(a) See Appendix B-5.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

Although slightly lower than the other two alternatives, due to a slightly lower increase in the service population, Alternative still would generate substantial increases in Police service costs by the time it reaches buildout. As shown on Table 21c, Police service costs could be expected to rise by about \$26.0 million per year.

Table 21c: Police Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$345.56	\$345.56	\$345.56
Net Increase in Police Costs	\$15,347,355	\$10,662,784	\$26,010,139

Note:

(a) See Appendix B-5.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Community Development Costs

Community Development budget information and cost and revenue variability assumptions are shown in Appendix B-6. This group includes Planning, Building, and Economic Development functions. As shown, the adjusted service expenditures are \$4.1 million per year, of which approximately 16.8 percent are estimated to be variable with new development within the City. Within the Community Development Department, only Planning and Building collect revenues for current services, because these user charges are not to exceed costs for service delivery, the revenues from these sources are assumed to track variable expenditures for these functions. Revenues from Agriculture Interfund Services are not assumed to vary as new development occurs. Based on the various adjustments and assumptions, net General Fund variable costs for Community Development are estimated at \$399,000 per year, or \$6.71 per new service population.

Community Development Cost Projections

Tables 22a through 22c present the Community Development cost projections for the three alternatives at buildout.

Existing General Plan

As shown on Table 22a, buildout of the existing General Plan would generate increased Community Development costs of approximately \$554,000 per year.

Table 22a: Community Development Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$6.71	\$6.71	\$6.71
Net Increase in Comm. Dev. Costs	\$307,312	\$247,097	\$554,409

Note:

(a) See Appendix B-6.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

Buildout of Alternative 1 would generate increased annual Community Development service costs that are comparable to the costs that would be expected under buildout of the existing General Plan. These costs are detailed on Table 22b.

Table 22b: Community Development Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$6.71	\$6.71	\$6.71
Net Increase in Comm. Dev. Costs	\$258,441	\$293,438	\$551,879

Note:

(a) See Appendix B-6.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

Under Alternative 2, the projected increases in Community Development costs are somewhat less than those projected for Alternative 1 and the existing General Plan. As shown on Table 22c, the annual increase by buildout is projected to be \$505,000.

Table 22c: Community Development Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$6.71	\$6.71	\$6.71
Net Increase in Comm. Dev. Costs	\$298,191	\$207,173	\$505,364

Note:

(a) See Appendix B-6.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Public Works Costs

The Public Works Department includes Street Maintenance and Engineering. Adjusted current service costs for Public Works is about \$5.6 million per year. In addition, an additional \$298,000 per year (adjusted) is transferred out for expenditures on roadway projects. Approximately 49.6 percent of the total Public Works outlay is assumed to be variable with new development. In addition to overhead reimbursements, the Public Works Department receives substantial operating support in the form of Gas Tax revenues. These revenues are allocated to the City on a per capita basis, and are budgeted at approximately \$1.5 million in the current fiscal year. Gas Tax revenues are not shown as an offset against Public Works costs in Appendix B-7, however, because Gas Taxes are projected along with other revenues, based on the increased population expected under each land use alternative, they are excluded from the cost offsets in Appendix B-7. Public Works charges for services are assumed to increase in line with the Department's variable service expenditures, and Successor Agency Bond Administration Fees will not increase with new development. Net General Fund variable costs are \$2.0 million per year, or \$33.97 per service population.

Public Works Cost Projections

Public Works cost projections are the product of the increased service population multiplied by the net General Fund variable cost per service population. These costs are projected for each alternative on Tables 23a through 23c.

Existing General Plan

Buildout of the existing General Plan would generate increased Public Works costs of approximately \$2.8 million per year, as shown on Table 23a.

Table 23a: Public Works Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	45,771	36,803	82,573
Current Net General Fund Variable Costs (a)	\$33.97	\$33.97	\$33.97
Net Increase in Public Works Costs	\$1,555,066	\$1,250,365	\$2,805,431

Note:

(a) See Appendix B-7.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

Alternative 1 would generate an increase in Public Works costs that is similar to the increase projected for buildout of the existing General Plan. As shown on Table 23b, the annual increase at buildout under this alternative would be approximately \$2.8 million.

Table 23b: Public Works Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	38,492	43,705	82,197
Current Net General Fund Variable Costs (a)	\$33.97	\$33.97	\$33.97
Net Increase in Public Works Costs	\$1,307,769	\$1,484,860	\$2,792,629

Note:

(a) See Appendix B-7.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

Based on its slightly smaller service population, Alternative 2 would also generate a somewhat reduced cost increase for Public Works services, compared to the other two alternatives. As shown on Table 23c, the projected annual Public Works cost increase at buildout of Alternative 2 would be \$2.6 million.

Table 23c: Community Development Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Service Population	44,413	30,856	75,269
Current Net General Fund Variable Costs (a)	\$33.97	\$33.97	\$33.97
Net Increase in Public Works Costs	\$1,508,915	\$1,048,339	\$2,557,254

Note:

(a) See Appendix B-7.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Parks and Recreation Costs

Total adjusted costs for the City's current Parks and Recreation Functions are \$5.2 million. Additional parks-related expenditures in the form of transfers out bring the total outlay for Parks and Recreation services to \$6.6 million, of which, just under 59 percent is assumed to be variable with new development. In addition to overhead reimbursements, the City of Brentwood collects a range of revenues that help to offset the General Fund's cost of providing Park and Recreation services. Somewhat unique is the fact that the City receives a dedicated share of the ad-valorem property taxes to support the Parks and Recreation functions. Rather than show this as an offset to costs in Appendix B-8, the increased Parks Administration property taxes are calculated as a distinct revenue source based on the increase in assessed valuation associated with each land use alternative. The City collects a number of other user fees from participants in its programs and facility users. These revenues are assumed to increase in rough proportion to the increase in the City's population. The current net General Fund variable costs for Parks and Recreation total to approximately \$2.0 million, or \$37.65 per capita. Note that these calculations consider only the City's residents, and not employees, as residents are typically the primary generators of Parks and Recreation services demand.

Parks and Recreation Cost Projections

Projected cost increases for Parks and Recreation services under each of the three land use alternatives are detailed on Tables 24a through 24c. Because residents are the primary drivers of demand for Park and Recreation services, Tables 24a, 24b, and 24c multiply the projected increase in population for each alternative by the current average net General Fund variable cost per capita, to estimate the increased costs for these services.

Existing General Plan

The net increase in Parks and Recreation services associated with buildout of the existing General Plan would be approximately \$2.4 million per year, as shown on Table 24a.

Table 24a: Parks and Recreation Costs, Existing General Plan Buildout

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	35,944	28,208	64,151
Current Net General Fund Variable Costs (a)	\$37.65	\$37.65	\$37.65
Net Increase in Parks and Rec. Costs	\$1,353,207	\$1,061,971	\$2,415,178

Note:

(a) See Appendix B-8.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 1

Unlike other services, where cost increases were projected based on the increased service population, and the cost increase for Alternative 1 was comparable to the cost increase for the buildout under the existing General Plan update, the projected increase for Parks and Recreation costs under Alternative 1 is significantly below the increase projected for the existing General Plan. This is because Alternative 1 has a substantially lower increase in residents than the existing General Plan buildout. As shown on Table 24b, the annual increase in Parks and Recreation service costs for Alternative 1 would be approximately \$1.6 million per year, by buildout.

Table 24b: Parks and Recreation Costs, Alternative 1

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	24,210	17,032	41,242
Current Net General Fund Variable Costs (a)	\$37.65	\$37.65	\$37.65
Net Increase in Parks and Rec. Costs	\$911,449	\$641,224	\$1,552,673

Note:

(a) See Appendix B-8.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Alternative 2

With a projected increase in residents that is intermediate to the high estimate for buildout under the existing General Plan, and the lower estimate for buildout of Alternative 1, Alternative 2 would generate increased Parks and Recreation expenditures that would fall

between the increases projected for the other two alternatives. As shown on Table 24c, the projected annual increase at buildout of Alternative 2 would be approximately \$2.0 million per year.

Table 24c: Parks and Recreation Costs, Alternative 2

	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
New Residents	32,872	20,955	53,826
Current Net General Fund Variable Costs (a)	\$37.65	\$37.65	\$37.65
Net Increase in Parks and Rec. Costs	\$1,237,551	\$788,909	\$2,026,459

Note:

(a) See Appendix B-8.

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Projected Net Fiscal Impacts

Tables 25 a, 25b, and 25c summarize the fiscal impact analysis results for the three land use alternatives. As shown in the tables, the fiscal impact model projects that buildout of any of the three alternatives would be fiscally beneficial to the City, with net increases in General Fund revenues exceeding net increases in General Fund expenditures in all three alternatives. In addition, within each alternative, the fiscal model projects net fiscal surpluses for the new development that would occur within the existing City limits as well as for new development that would occur on Planning Area lands currently outside the City, which would be annexed and then developed.

For all alternatives, the projected fiscal surpluses can be attributed to several factors including:

- Expectations of significant potential for the City to realize economies of scale in extending services as the City grows, particularly in General Government functions, such as Legislative, City Administration, City Attorney, Finance, Non-Departmental, and Community Development.
- High levels of cost recovery through charges for services and program revenues for certain services that will expand as the City grows, including Community Development, Parks and Recreation, and Public Works.
- A diverse revenue base, including substantial revenues to supplement the General Fund due to the City's policy of requiring new development to annex into one of the City's existing Community Facilities Districts and pay a special tax on an ongoing basis to help fund services.

Although the projected fiscal surpluses for each of the alternatives are fairly large, it should be noted that in projecting revenue increases for the different alternatives, BAE leaned towards conservative assumptions.⁸ For example, the retail sales tax projection methodology conservatively projects new revenues only based on the increase in local demand that could be attributed to new local residents and employees, as opposed to the total sales potential associated with potential new retail floor area. In addition, BAE assumed that all new development within the City limits would be subject to property tax and sales tax revenue sharing provisions. Thus, to the extent that some new development within the City will not be subject to revenue sharing agreements, the City's share of new revenues would tend to be under-stated. Nevertheless, readers should understand that the fiscal model does assume fairly high levels of cost recovery and fairly low rates of service cost variability as the City grows, for a number of departments, albeit most of these are departments whose contributions to the overall General Fund expenditures are fairly modest.

In each alternative, the vast majority of projected cost increases are associated with the need to expand the City's Police Department as the City grows. Among all the General Fund budget groups analyzed, Police currently accounts for the largest share of expenditures. In addition, Police is the single department in which the expectation is that most cost components will be

⁸ It should be noted that due to the manner in which business license fee revenues are projected, the projections for all three alternatives may somewhat overstate business license fee revenues. The potential over-statement is largest under Alternative 1, which incorporates the greatest amount of new employment-generating land uses, which drives the projections of business license fee revenues.

100 percent variable as the City grows (i.e., costs will increase nearly in direct proportion to the City's growth). The nature of Police services is such that the City collects relatively little in the way of offsetting revenues; thus, Police services are most dependent upon support from the General Fund's general purpose revenues, such as property tax, sales tax, and sales tax in-lieu of vehicle license fees. The City has implemented a policy to require that new development annex into one of the City's Community Facilities Districts, which levy an additional special tax in residential and non-residential properties. Almost all of the CFD special tax proceeds generated by new development are assumed to be allocated to the General Fund to support Police services.

Among the alternatives, the projections for Alternative 1 indicate the greatest potential for fiscal surpluses. This is due in large part to the fact that this alternative incorporates the largest amount of non-residential development, and the smallest amount of residential development of all three alternatives. Had BAE used a more aggressive methodology to project increases in sales tax revenues driven directly by the increased taxable sales that could be accommodated if all of the planned retail space were developed and occupied, the fiscal surpluses for this alternative would have been more pronounced. Successfully developing such a large amount of retail space in Alternative 1 without a commensurate increase in the population and employment base to provide demand to support it, is uncertain; thus, our more conservative methodology to project increased sales tax revenues is tied to the increase in retail demand created by new residents and new employees. The total quantities of new office and industrial development that could be developed under Alternative 1 are also quite high, relative to the other alternatives. Buildout of Alternative 1's non-residential development potential would have to be tied to a very aggressive and effective economic development program and may nevertheless require an absorption period that would extend well beyond the General Plan time horizon, and well beyond the time that would be expected for buildout of the other two alternatives.

Table 25a: Net Annual General Fund Impacts, Exsiting General Plan Buildout

<u>Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Property Taxes	\$4,242,771	\$2,948,084	\$7,190,855
Parks and Recreation Admin Property Taxes	\$827,948	\$204,384	\$1,032,332
Property Transfer Taxes	\$222,510	\$201,799	\$424,309
ILVLF	\$1,640,387	\$1,405,126	\$3,045,513
Sales Tax	\$2,353,466	\$1,909,235	\$4,262,700
TOT	\$187,793	\$0	\$187,793
Business License Fees	\$840,399	\$734,988	\$1,575,387
Gas Tax Revenues	\$1,028,220	\$806,928	\$1,835,148
Other Revenues	\$1,604,323	\$1,289,971	\$2,894,293
Sub-Total, General Fund Revenues	\$12,947,817	\$9,500,513	\$22,448,330
CFD Revenues Transferred to General Fund	\$8,298,735	\$6,748,361	\$15,047,096
SUB-TOTAL ALL REVENUES	\$21,246,552	\$16,248,874	\$37,495,426
<u>Costs</u>			
Legislative	\$26,851	\$21,590	\$48,442
City Administration	\$105,210	\$84,595	\$189,804
City Attorney	\$13,252	\$10,655	\$23,907
Finance, Comm. Svc., and Non-Dept.	\$323,928	\$260,457	\$584,385
Police	\$15,816,765	\$12,717,619	\$28,534,385
Community Development	\$307,312	\$247,097	\$554,409
Public Works	\$1,555,066	\$1,250,365	\$2,805,431
Parks and Recreation	\$1,353,207	\$1,061,971	\$2,415,178
SUBTOTAL - COSTS	\$19,501,591	\$15,654,350	\$35,155,940
NET ANNUAL GENERAL FUND IMPACT	\$1,744,962	\$594,524	\$2,339,486

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Table 25b: Net Annual General Fund Impacts, Alternative 1

<u>Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Property Taxes	\$4,233,619	\$4,629,413	\$8,863,032
Parks and Recreation Admin Property Taxes	\$803,577	\$320,947	\$1,124,523
Property Transfer Taxes	\$221,363	\$290,321	\$511,684
ILVLF	\$1,641,295	\$2,198,214	\$3,839,509
Sales Tax	\$2,126,045	\$2,669,080	\$4,795,125
TOT	\$187,793	\$0	\$187,793
Business License Fees	\$1,221,379	\$2,280,927	\$3,502,307
Gas Tax Revenues	\$692,555	\$487,228	\$1,179,783
Other Revenues	\$1,349,193	\$1,531,893	\$2,881,086
Sub-Total, General Fund Revenues	\$12,476,818	\$14,408,023	\$26,884,842
CFD Revenues Transferred to General Fund	\$6,796,173	\$7,130,375	\$13,926,548
SUB-TOTAL ALL REVENUES	\$19,272,991	\$21,538,398	\$40,811,390
<u>Costs</u>			
Legislative	\$22,581	\$25,639	\$48,221
City Administration	\$88,479	\$100,460	\$188,938
City Attorney	\$11,144	\$12,654	\$23,798
Finance, Comm. Svc., and Non-Dept.	\$272,414	\$309,303	\$581,718
Police	\$13,301,477	\$15,102,696	\$28,404,173
Community Development	\$258,441	\$293,438	\$551,879
Public Works	\$1,307,769	\$1,484,860	\$2,792,629
Parks and Recreation	\$911,449	\$641,224	\$1,552,673
SUBTOTAL - COSTS	\$16,173,755	\$17,970,274	\$34,144,029
NET ANNUAL GENERAL FUND IMPACT	\$3,099,237	\$3,568,124	\$6,667,361

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Table 25c: Net Annual General Fund Impacts, Alternative 2

<u>Revenues</u>	<u>City Buildout</u>	<u>Planning Area</u>	<u>Total</u>
Property Taxes	\$4,521,914	\$3,279,257	\$7,801,171
Parks and Recreation Admin Property Taxes	\$867,236	\$227,343	\$1,094,580
Property Transfer Taxes	\$248,986	\$245,028	\$494,014
ILVLF	\$1,765,463	\$1,561,062	\$3,326,524
Sales Tax	\$2,332,551	\$1,666,522	\$3,999,073
TOT	\$187,793	\$0	\$187,793
Business License Fees	\$986,943	\$846,730	\$1,833,673
Gas Tax Revenues	\$940,340	\$599,444	\$1,539,785
Other Revenues	\$1,556,710	\$1,081,545	\$2,638,255
Sub-Total, General Fund Revenues	\$13,407,935	\$9,506,932	\$22,914,867
CFD Revenues Transferred to General Fund	\$7,751,889	\$5,232,345	\$12,984,234
SUB-TOTAL ALL REVENUES	\$21,159,823	\$14,739,277	\$35,899,101
<u>Costs</u>			
Legislative	\$26,055	\$18,102	\$44,156
City Administration	\$102,087	\$70,927	\$173,014
City Attorney	\$12,859	\$8,934	\$21,792
Finance, Comm. Svc., and Non-Dept.	\$314,314	\$218,374	\$532,688
Police	\$15,347,355	\$10,662,784	\$26,010,139
Community Development	\$298,191	\$207,173	\$505,364
Public Works	\$1,508,915	\$1,048,339	\$2,557,254
<u>Parks and Recreation</u>	<u>\$1,237,551</u>	<u>\$788,909</u>	<u>\$2,026,459</u>
SUBTOTAL - COSTS	\$18,847,326	\$13,023,541	\$31,870,866
NET ANNUAL GENERAL FUND IMPACT	\$2,312,498	\$1,715,737	\$4,028,235

Sources: City of Brentwood; De Novo Planning Group; BAE, 2013.

Appendix A: Tax Rate Areas (TRAs) and Allocation Rates

Appendix A: TRA Allocation Rates, City of Brentwood

Tax Rate Area (TRA) within the City of Brentwood	TRA General Fund Allocation Rates (a)	TRA Parks and Rec Allocation Rates
10001	13.38022%	3.10942%
10003	17.51841%	3.23960%
10010	13.04929%	0.78995%
10011	16.28841%	3.02289%
10013	12.86554%	3.64869%
10017	10.70163%	3.88670%
10019	9.10907%	1.12176%
10021	11.48274%	4.21875%
10031	13.25044%	2.27588%
10034	21.38469%	2.72859%
10041	11.47117%	4.21875%
10043	11.33315%	3.88947%
10046	11.51197%	1.03375%
10049	9.14899%	0.26577%
10054	10.89086%	1.40681%
10057	12.69828%	0.77705%
10066	10.91933%	1.68315%
10082	7.81230%	0.62521%
10084	10.02376%	1.19330%
10088	9.88416%	1.15917%
10090	10.40939%	1.40326%
10091	9.69992%	1.04147%
10093	9.65094%	1.20796%
10094	9.84149%	0.69231%
10096	9.42597%	1.16594%
10097	13.25044%	2.27588%
10098	10.40939%	1.40326%
10099	13.04929%	0.78995%
10100	13.25344%	0.81344%
10101	12.40051%	3.72725%
10102	10.33720%	0.23110%
10103	9.52871%	4.22078%
10106	14.13780%	5.07694%
10107	15.70093%	6.51912%
10109	13.38029%	3.10912%
10110	10.05432%	1.19914%
10111	9.10907%	1.12176%
10112	9.05375%	1.48098%
10113	9.96000%	0.23575%
10114	9.52203%	0.65777%
10115	9.70061%	0.43506%
10116	9.52222%	0.40399%
10117	10.07227%	0.09752%

Note:

(a) The increment factor determines the City of Brentwood's portion of property taxes collected within a particular TRA. For example, in TRA 10001, 13.3 percent of 1% County property taxes collected are remitted to the City of Brentwood. The increment pertains only to the General Fund's share of the 1 percent ad valorem, and does reflect additional revenues that accrue to the City through CFDs and through the separate share that the Parks Dept. receives

Source: Contra Costa County Auditor - Controller's Office; BAE, 2013

Appendix B: Adjusted General Fund
Service Costs

Appendix B-1: Legislative Costs

Expenditures	Actual (a)	Adjustment for Future Costs	Adjusted Budget	% of Outlays	% Variable
Personnel	\$244,645	21.73%	\$297,806	68.9%	0%
Supplies & Services	\$42,048	0%	\$42,048	9.7%	50%
Internal Services	\$65,148	\$27,236	\$92,384	21.4%	15%
Capital Outlay	\$0	0%	\$0	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$351,841</i>		<i>\$432,238</i>		
Transfers Out					
- none -		0%	\$0	0.0%	100%
<i>Sub-Total Transfers Out</i>	<i>\$0</i>		<i>\$0</i>		
TOTAL OUTLAY			\$432,238	100.0%	8.1%
Revenues/Offsets	Actual (a)	Adjustment for Future Costs	Adjusted Budget	% of Offsets	% Variable
Transfers In					
- none -		0%	\$0	#DIV/0!	8.1%
<i>Sub-Total Transfers In</i>	<i>\$0</i>		<i>\$0</i>		
Program Revenues					
- none -		0%	\$0	#DIV/0!	100%
Sub-Total Program Revenues	\$0		\$0		
TOTAL OFFSETTING REVENUES			\$0	#DIV/0!	#DIV/0!
VARIABLE GENERAL FUND COSTS			\$34,882		
VARIABLE GENERAL OFFSETTING REVENUES			\$0		
NET GENERAL FUND VARIABLE COSTS			\$34,882		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$0.59		

Note:

(a) Expenditures are actuals from 2012-2013. These figures provide a closer indication of 2013/2014 expenditures because the City typically realizes cost savings from budgeted figures during the course of the year.

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Appendix B-2: City Administration Costs

Expenditures	Actual	Adjustment for Future Costs	Adjusted Budget	% of Outlays	% Variable
Personnel	\$1,466,388	\$67,333	\$1,533,722	79.5%	15%
Supplies & Services	\$137,648	0%	\$137,648	7.1%	25%
Internal Services	\$202,290	\$56,313	\$258,602	13.4%	20%
Capital Outlay	\$0	0%	\$0	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$1,806,326</i>		<i>\$1,929,972</i>		
Transfers Out					
- none -		0%	\$0	0.0%	100%
<i>Sub-Total Transfers Out</i>	<i>\$0</i>		<i>\$0</i>		
TOTAL OUTLAY			\$1,929,972	100.0%	16.4%
Revenues/Offsets	Actual (a)	Adjustment for Future Costs	Adjusted Budget	% of Offsets	% Variable
Transfers In					
Overhead Reimbursements (a)	\$1,095,743	0%	\$1,095,743	97.8%	16.4%
<i>Sub-Total Transfers In</i>	<i>\$1,095,743</i>		<i>\$1,095,743</i>		
Program Revenues/Charges for Services					
Successor Agency Administration Fee	\$25,000	0%	\$25,000	2.2%	0%
Sub-Total Program Revenues	\$25,000		\$25,000		
TOTAL OFFSETTING REVENUES			\$1,120,743	100.0%	16%
VARIABLE GENERAL FUND COSTS			\$316,191		
VARIABLE GENERAL OFFSETTING REVENUES			\$179,517		
NET GENERAL FUND VARIABLE COSTS			\$136,673		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$2.30		

Note:

(a) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Appendix B-3: City Attorney Costs

Expenditures	Actual	Adjustment for Future Costs	Adjusted Budget	% of Outlays	% Variable
Personnel	\$697,871	4.57%	\$729,764	77.8%	0%
Supplies & Services	\$88,454	0%	\$88,454	9.4%	25%
Internal Services	\$90,213	\$29,327	\$119,539	12.7%	15%
Capital Outlay	\$0	0%	\$0	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$876,538</i>		<i>\$937,757</i>		
Transfers Out					
- none -		0%	\$0	0.0%	100%
<i>Sub-Total Transfers Out</i>	<i>\$0</i>		<i>\$0</i>		
TOTAL OUTLAY			\$937,757	100.0%	4.3%
Revenues/Offsets	Actual (a)	Adjustment for Future Costs	Adjusted Budget	% of Offsets	% Variable
Transfers In					
Overhead Reimbursements (a)	\$534,619	0%	\$534,619	100.0%	4.3%
<i>Sub-Total Transfers In</i>	<i>\$534,619</i>		<i>\$534,619</i>		
Program Revenues					
- none -		0%	\$0	0.0%	100%
Sub-Total Program Revenues	\$0		\$0		
TOTAL OFFSETTING REVENUES			\$534,619	100.0%	4%
VARIABLE GENERAL FUND COSTS			\$40,044		
VARIABLE GENERAL OFFSETTING REVENUES			\$22,829		
NET GENERAL FUND VARIABLE COSTS			\$17,215		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$0.29		

 Note:

(a) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Appendix B-4: Finance, Community Services, and Non-Departmental Costs

<u>Expenditures</u>	<u>Actual</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Outlays</u>	<u>% Variable</u>
Personnel	\$1,312,667	0.86%	\$1,323,956	44.7%	15%
Supplies & Services	\$1,169,480	0%	\$1,169,480	39.5%	55%
Internal Services	\$313,493	\$155,836	\$469,328	15.8%	25%
Capital Outlay	\$0	0%	\$0	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$2,795,640</i>		<i>\$2,962,765</i>		
Transfers Out					
- none -		0%	\$0	0.0%	100%
<i>Sub-Total Transfers Out</i>	<i>\$0</i>		<i>\$0</i>		
TOTAL OUTLAY			\$2,962,765	100.0%	32.4%
<u>Revenues/Offsets</u>	<u>Actual (a)</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Offsets % of Offsets</u>	<u>% Variable</u>
Transfers In					
Overhead Reimbursements (a)	\$1,647,476	0%	\$1,647,476	81.9%	32.4%
<i>Sub-Total Transfers In</i>	<i>\$1,647,476</i>		<i>\$1,647,476</i>		
Program Revenues/Charges for Services					
Successor Agency Admin Fee	\$225,000	0%	\$225,000	11.2%	0%
Bond Debt Service Interfund Services	\$180,000	-50%	\$90,000	4.5%	0%
Agriculture Interfund Services	\$5,000	0%	\$5,000	0.2%	100%
Fire Services	\$42,000	0%	\$42,000	2.1%	0%
Successor Agency Bond Administration	\$1,455	0%	\$1,455	0.1%	0%
Sub-Total Program Revenues	\$453,455		\$363,455		
TOTAL OFFSETTING REVENUES			\$2,010,931	100.0%	27%
VARIABLE GENERAL FUND COSTS			\$959,140		
VARIABLE GENERAL OFFSETTING REVENUES			\$538,340		
NET GENERAL FUND VARIABLE COSTS			\$420,800		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$7.08		

Note:

(a) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Appendix B-5: Police Costs

<u>Expenditures</u>	<u>Actual</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Outlays</u>	<u>% Variable</u>
Personnel	\$12,483,005	38.00%	\$17,226,547	77.6%	100%
Supplies & Services	\$2,105,644	29%	\$2,716,281	12.2%	100%
Internal Services	\$1,803,968	\$449,754	\$2,253,721	10.2%	75%
Capital Outlay	\$818	0%	\$818	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$16,393,435</i>		<i>\$22,197,368</i>		
Transfers Out					
- none -		0%	\$0	0.0%	100%
<i>Sub-Total Transfers Out</i>	<i>\$0</i>		<i>\$0</i>		
TOTAL OUTLAY			\$22,197,368	100.0%	97.5%
Revenues/Offsets	Actual (a)	Adjustment for Future Costs	Adjusted Budget	% of Offsets	% Variable
Transfers In (a)					
Overhead Reimbursements (a)	\$775,216	0%	\$775,216	70.0%	97.5%
Abandoned Vehicle	\$90,400	0%	\$90,400	8.2%	100.0%
<i>Sub-Total Transfers In</i>	<i>\$865,616</i>		<i>\$865,616</i>		
Program Revenues					
Current Services - Police	\$241,138	0%	\$241,138	21.8%	100%
Sub-Total Program Revenues	\$241,138		\$241,138		
TOTAL OFFSETTING REVENUES			\$1,106,754	100.0%	98.2%
VARIABLE GENERAL FUND COSTS			\$21,633,937		
VARIABLE GENERAL OFFSETTING REVENUES			\$1,087,077		
NET GENERAL FUND VARIABLE COSTS			\$20,546,860		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$345.56		

Notes:

(a) Does not include approximately \$3.4 million in offsetting revenues transferred in from CFDs #2-5, for public safety services. Offset is not shown in order to project full cost of police services. New CFD revenues will be shown as an offset to projected increases in police costs.

(b) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Table B-6: Community Development Costs

<u>Expenditures</u>	<u>Actual</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Outlays</u>	<u>% Variable</u>
Personnel	\$2,724,815	13.47%	\$3,091,848	74.7%	15%
Supplies & Services	\$315,078	32%	\$415,903	10.0%	25%
Internal Services	\$481,728	\$150,432	\$632,160	15.3%	20%
Capital Outlay	\$0	0%	\$0	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$3,521,621</i>		<i>\$4,139,911</i>		
Transfers Out					
- none -		0%	\$0	0.0%	100%
<i>Sub-Total Transfers Out</i>	<i>\$0</i>		<i>\$0</i>		
TOTAL OUTLAY			\$4,139,911	100.0%	16.8%
<u>Revenues/Offsets</u>	<u>Actual (a)</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Offsets</u>	<u>% Variable</u>
Transfers In					
Overhead Reimbursements (a)	\$499,358	0%	\$499,358	28.1%	16.8%
<i>Sub-Total Transfers In</i>	<i>\$499,358</i>		<i>\$499,358</i>		
Program Revenues/Charges for Services					
Current Services - Planning	\$185,322	0%	\$185,322	10.4%	16.8%
Current Services - Building	\$1,074,431	0%	\$1,074,431	60.4%	16.8%
Agriculture Interfund Services	\$20,000	0%	\$20,000	1.1%	0%
Sub-Total Program Revenues	\$1,259,753		\$1,279,753		
TOTAL OFFSETTING REVENUES			\$1,779,111	100.0%	17%
VARIABLE GENERAL FUND COSTS			\$694,185		
VARIABLE GENERAL OFFSETTING REVENUES			\$294,970		
NET GENERAL FUND VARIABLE COSTS			\$399,215		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$6.71		

Note:

(a) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Appendix B-7: Public Works Costs

<u>Expenditures</u>	<u>Actual</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Outlays</u>	<u>% Variable</u>
Personnel	\$3,326,910	\$409,954	\$3,736,864	63.6%	33%
Supplies & Services	\$864,779	0%	\$864,779	14.7%	75%
Internal Services	\$847,905	\$128,745	\$976,650	16.6%	75%
Capital Outlay	\$0	0%	\$0	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$5,039,594</i>		<i>\$5,578,293</i>		
Transfers Out					
Roadway Projects	\$198,483	50%	\$297,725	5.1%	100%
<i>Sub-Total Transfers Out</i>	<i>\$198,483</i>		<i>\$297,725</i>		
TOTAL OUTLAY			\$5,876,018	100.0%	49.6%
<u>Revenues/Offsets</u>	<u>Actual (a)</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Offsets</u>	<u>% Variable</u>
Transfers In					
Overhead Reimbursements (a)	\$307,787	0%	\$307,787	17.1%	49.6%
Gas Tax (b)	n.a.	0%	n.a.	n.a.	n.a.
<i>Sub-Total Transfers In</i>	<i>\$307,787</i>		<i>\$307,787</i>		
Program Revenues/Charges for Services					
Public Works	\$1,491,856	0%	\$1,491,856	82.8%	49.6%
Successor Agency Bond Administration Fee	\$1,455	0%	\$1,455	0.1%	0%
Sub-Total Program Revenues	\$1,493,311		\$1,493,311		
TOTAL OFFSETTING REVENUES			\$1,801,098	100.0%	50%
VARIABLE GENERAL FUND COSTS			\$2,911,961		
VARIABLE GENERAL OFFSETTING REVENUES			\$891,844		
NET GENERAL FUND VARIABLE COSTS			\$2,020,117		
Current Service Population			59,459		
CURRENT NET VARIABLE COST PER SERVICE POPULATION			\$33.97		

Note:

(a) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

(b) The City offsets approximately \$1.5 million in current street maintenance costs using Gas Tax revenues. Gas taxes

Sources: City of Brentwood Budget 2013-2014; City of Brentwood Finance Department, 2013; BAE, 2013.

Appendix B-8: Parks and Recreation Costs

<u>Expenditures</u>	<u>Actual</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Outlays</u>	<u>% Variable</u>
Personnel	\$2,567,496	4.97%	\$2,695,101	40.8%	40%
Supplies & Services	\$1,386,289	0%	\$1,386,289	21.0%	78%
Internal Services	\$815,500	\$258,279	\$1,073,779	16.3%	25%
Capital Outlay	\$425	0%	\$425	0.0%	100%
<i>Sub-Total Expenditures</i>	<i>\$4,769,710</i>		<i>\$5,155,594</i>		
Transfers Out					
Park Maintenance	\$747,000	0%	\$747,000	11.3%	100%
Parks Projects	\$50,000	0%	\$50,000	0.8%	100%
Parks Replacements	\$500,000	30%	\$650,000	9.8%	100%
<i>Sub-Total Transfers Out</i>	<i>\$1,297,000</i>		<i>\$1,447,000</i>		
TOTAL OUTLAY			\$6,602,594	100.0%	58.7%
Revenues/Offsets					
<u>Revenues/Offsets</u>	<u>Actual (a)</u>	<u>Adjustment for Future Costs</u>	<u>Adjusted Budget</u>	<u>% of Offsets</u>	<u>% Variable</u>
Transfers In					
Overhead Reimbursements (a)	\$462,708	0%	\$462,708	22.5%	58.7%
<i>Sub-Total Transfers In</i>	<i>\$462,708</i>		<i>\$462,708</i>		
Program Revenues					
Administration (b)	n.a.	n.a.	n.a.	n.a.	n.a.
City Pool	\$241,820	0%	\$241,820	11.7%	100%
Community Center	\$57,750	0%	\$57,750	2.8%	100%
Senior Program	\$30,650	0%	\$30,650	1.5%	100%
Senior Activity Center	\$38,250	0%	\$38,250	1.9%	100%
Sports	\$396,739	0%	\$396,739	19.3%	100%
Programs	\$418,762	0%	\$418,762	20.3%	100%
Maintenance Reimbursement	\$413,855	0%	\$413,855	20.1%	100%
Sub-Total Program Revenues	\$1,597,826		\$1,597,826		
TOTAL OFFSETTING REVENUES			\$2,060,534	100.0%	91%
VARIABLE GENERAL FUND COSTS			\$3,875,215		
VARIABLE GENERAL OFFSETTING REVENUES			\$1,869,400		
NET GENERAL FUND VARIABLE COSTS			\$2,005,815		
Current Population			53,278		
CURRENT NET VARIABLE COST PER CAPITA			\$37.65		

Notes:

(a) Overhead Reimbursement includes: Water, Wastewater, Solid Waste, Bypass Authority, Facility Fee Funds, Assessment District LLDs, and Housing Enterprise Interfund Services, and Internal Service Reimbursement.

(b) The City of Brentwood receives Parks Administration revenues in the form of a dedicated share of the ad-valorem property tax, which is allocated to the City. This revenue item is not shown here, as it is projected as a revenue based on the increase in assessed valuation associated with each land use alternative.