

**CITY OF SANTA MARIA AND  
COUNTY OF SANTA BARBARA  
RICHARDS RANCH FISCAL IMPACT STUDY  
ADMINISTRATIVE REVIEW DRAFT  
JULY 24, 2025**



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# Executive Summary

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This report identifies the estimated fiscal and economic impacts of the Richards Ranch Project on the City of Santa Maria and the County of Santa Barbara.

## Background and Study Objectives

The project proponent, MD3 Investments, proposes to construct a mixed-use project on the border of the City of Santa Maria in the unincorporated community of Orcutt. The project proponent and the County have proposed annexing the project into the City of Santa Maria. The Santa Barbara County Local Agency Formation Commission requires that a proposed annexation consider the fiscal impacts of an annexation to ensure that municipal services can be provided to the project. A fiscal impact study considers the costs and revenues to the City and County associated with the project, especially tax revenues and services such as public protection.

The project proponent had a prior fiscal impact study prepared by the Natelson Dale Group, Inc. This analysis relies heavily upon data from that study, but Willdan has made its own judgments regarding methodology and assumptions and has modified the analysis accordingly. The analysis assumes that the project will be annexed into the City of Santa Maria, which has implications (most notably, services are provided by the City of Santa Maria, tax and fee revenues accrue to the City, and the municipal property tax allocation is shared between the City and the County). As part of the evaluation process, the City and the County have engaged Willdan Financial Services to evaluate the Natelson report and prepare an independent fiscal impact analysis.

## Summary of Results

Following is a summary of the analysis, also included below in Table 1, explained in further detail in the body of the report.

- The projected impact to the City of Santa Maria general fund is a fiscal surplus of \$93,000 annually.
- The projected impact to the County of Santa Barbara general fund is a fiscal surplus of \$276,000 annually.
- Additionally, the report calculates the rate of property tax sharing at which the City and County would have an estimated fiscal impact of approximately zero. For the City this figure is 30 percent, and for the County 33 percent.<sup>1</sup>

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<sup>1</sup> Consistent with the Natelson report, the Willdan analysis assumes that the City receives fifty percent of the fire district revenue and twenty-five percent of general fund property tax revenue generated by the project, for an overall share of approximately thirty-eight (38.4) percent. This calculation is explained in further detail in Table 19.

**Table 1**  
**Summary of Results**  
**Richards Ranch Fiscal Impact Analysis**

Item	Amount
City Net Fiscal Surplus (at 25/50% share, 38% overall)	\$ 92,989
City "breakeven" property tax share	30%
County Net Fiscal Impact (at 75/50% share, 62% overall)	\$ 275,823
County "breakeven" property tax share	33%

Willdan Financial Services, 2025

# 1. Introduction

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MD3 Investments has proposed construction of a mixed residential and commercial project in Orcutt, an unincorporated community adjacent to the City of Santa Maria. The City and County are considering annexation of the project into the City. The City and County have engaged Willdan to prepare a report that estimates the fiscal impacts of the project after annexation, building on a prior report prepared by the Natelson Dale Group, Inc., for the project proponent. The proposed project will consist of 484 multi-family rental and single-family for-sale residential units and 195,000 square feet of commercial development, including a retail center and mini storage. Tables 2 and 3, on the following pages, detail the residential and commercial elements of the project, and estimate the assessed value (based on sales price) and expected residents and employees for the project.

In Table 2, Willdan has increased the estimated residents in each development type to more closely match the average household size of 3.7 in Santa Maria. Willdan has also reduced the estimated monthly rent and townhome sales price based on its evaluation of the Santa Maria market.

**Table 2**  
**Residential Project Description**  
**Richards Ranch Fiscal Impact Analysis**

Type	Units	Value/DU	Total Value	HH Size	Tot Residents
Apartments					
1-BR	120	410,032	49,203,819	1.5	180
2-BR	176	503,221	88,566,875	2.5	440
3-BR	<u>88</u>	<u>615,048</u>	<u>54,124,201</u>	<u>3.5</u>	<u>308</u>
Total/Mean	384	499,726	191,894,895	2.42	928
Townhomes	<u>100</u>	<u>600,000</u>	<u>60,000,000</u>	<u>3.75</u>	<u>375</u>
Grand Total/Mean	484	520,444	251,894,895	2.69	1303

Sources: Willdan Financial Services, Inc.; The Natelson Dale Group, Inc.

Willdan Financial Services, 2025

Table 3 provides detail regarding the commercial component of the project, including 94,000 square feet of commercial strip center and a 101,000 square foot mini storage facility.

**Table 3**  
**Commercial Project Description**  
**Richards Ranch Fiscal Impact Analysis**

Type	Sq. Feet	Employees/ 1K sf	Employees	AV/sf	Assessed Value
Commercial Strip Center	93,863	2	188	410	38,483,830
Mini Storage	<u>101,265</u>	<u>N/A</u>	<u>3</u>	<u>150</u>	<u>15,189,750</u>
Total/Mean	195,128		191		53,673,580

Source: The Natelson Dale Group, Inc.

Willdan Financial Services, 2025

## 2. Methodology

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Willdan has prepared a model based in broad terms on the analysis prepared by Natelson. In broad terms, the fiscal analysis uses two basis methods of estimating revenues and expenditures. For most categories the model assumes that revenues and expenditures will increase in proportion to the project, by using the existing per capita figures for the City and County and applying the expected new residents and employees in the project to estimate the impact on each item. For certain items Willdan uses a “case study” approach, in which the details of the project are used to estimate certain items. For example, Willdan uses estimated taxable sales to project sales tax revenue and expected assessed value to estimate property tax revenue.

# 3. Fiscal Impacts

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## Revenues

Table 4 provides a more detailed summary of the expected revenues and expenditures expected from the project for the City of Santa Maria. As shown in Table 4, the major revenue sources are taxes, including Measure U, and the major expenditure categories are public safety. Willdan has adjusted these from the Natelson methodology. The most notable change in Table 4 is the exclusion from the analysis of the County Measure A revenue, which is administered separately used primarily for capital projects (and therefore not a general fund revenue to the City and not generally available to fund services). As shown in Table 4, Willdan projects a surplus of \$93,000 annually for the City.

**Table 4**  
**City Net Fiscal Impacts (annual recurring)**  
**Richards Ranch Fiscal Impact Analysis**

Fund	Amount
<b>General Fund</b>	
Property Tax	\$ 368,217
Property Tax In Lieu of VLF	288,926
Sales and Use Tax	186,435
Public Safety Tax	641
Franchises	41,380
Business Licenses	2,602
Property Transfer Tax	11,467
Licenses, Permits & Fees	1,310
Revenue from Other Agencies	2,326
Recreation Programs	1,850
Recreation Income	2,964
Aquatics	2,697
Other Misc.	713
Measure U Transaction and Use Tax	<u>\$ 164,260</u>
<i>Total General Fund Revenue</i>	\$ 1,075,787
<b>Other Revenues</b>	
County Measure A	N/A
State Gas Tax	<u>51,503</u>
<b>Total Other Revenues</b>	<b><u>\$ 51,503</u></b>
<b>Total Revenues</b>	<b>\$ 1,127,290</b>
<b>Expenditures</b>	
Police	\$ 552,015
Fire	243,617
Public Works	31,980
Recreation and Parks	141,087
Community Development	16,108
General Government	<u>\$ 49,493</u>
<i>Total Expenditures</i>	<u>\$ 1,034,301</u>
<b>Net</b>	<b>\$ 92,989</b>

Sources: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

Table 5 details the estimated revenues and expenditures from the project for the County of Santa Barbara. Although the analysis assumes annexation (and therefor provision of primary services by the City of Santa Maria), there are still County expenditures that reflect County services provided to all residents within the County (as opposed to certain County services, such as public protection, that are provided primarily to residents of unincorporated areas). As shown in Table 5, Willdan projects a surplus to the County of \$276,000 annually, primarily from the retention of significant property tax revenues and the public safety sales tax.

**Table 5**  
**County Net Fiscal Impacts (annual recurring)**  
**Richards Ranch Fiscal Impact Analysis**

<b>Fund</b>	<b>Amount</b>
<b>General Fund</b>	
Property Tax	\$ 588,439
Property Tax In Lieu of VLF	205,683
Property Transfer Tax	11,467
Fines, Forfeitures & Penalties	11,265
Use of Money and Property	7,619
Intergovernmental Revenue State	704
Intergovernmental Revenue Federal	-
Public Safety Sales Tax	<u>\$ 80,077</u>
<i>Total General Fund Revenue</i>	<b>\$ 905,253</b>
<b>Expenditures</b>	
Policy and Executive	\$ 32,434
Public Safety	324,151
Health and Human Services	109,469
Community Resources and Public Facilities	84,259
General Government and Support Services	75,636
General County Programs	<u>\$ 3,481</u>
<i>Total Expenditures</i>	<b><u>\$ 629,430</u></b>
 Net	 <b>\$ 275,823</b>

Sources: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

## Project Demographics

Table 6 details the estimated residents and employees for the project. The model uses two different measures of population for the purposes of estimating fiscal impacts. The first, residents, is simply the number of residents living in the new units. This figure is used to estimate revenues that are allocated by population, such as gas tax, and for services that are primarily for residents, such as parks and recreation (for the City) or health and human services (for the County). As second measure, “service population,” is the sum of residents and 50 percent of the estimated new employees. This measure is used for proportional estimates for revenues and expenditures that are expected to be impacted by both new residents and new businesses, such as police and fire protection. Willdan has increased the resident estimate from the Natelson report but the employee estimate remains unchanged.

**Table 6**  
**Project Population**  
**Richards Ranch Fiscal Impact Analysis**

<b>Item</b>	<b>Amount</b>
Residents	1,303
Empoyees	191
Employee Weighting Factor	50%
Total Service Population	1,398

Sources: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

## Santa Maria Revenue Projections

Table 7 below details the revenue calculations for the City of Santa Maria. The table summarizes the City budget and provides an estimation methodology where appropriate. In many cases the model assumes proportional growth in revenue, using the current ratio of revenue to population in the City to estimate the additional revenue from new development. In some case the methodology is “case study” in which case the calculation is provided on a subsequent table.

**Table 7**  
**City of Santa Maria Revenue Calculation**  
**Richards Ranch Fiscal Impact Analysis**

Item	Revenue	Non-Recurring	Not Projected	Recurring Projected	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
<b>Taxes</b>										
Property Secured	\$ 14,304,503	\$ -	\$ -	\$ 14,304,503	Case Study	N/A	N/A	N/A	N/A	368,217
Property Unsecured	506,424	-	506,424	-	Not Projected	N/A	N/A	N/A	N/A	N/A
In Lieu of VLF	10,884,750	-	-	10,884,750	Case Study	N/A	N/A	N/A	N/A	288,926
Sales & Use	31,793,709	-	-	31,793,709	Case Study	N/A	N/A	N/A	N/A	186,435
Sales & Use - Safety	394,157	-	-	394,157	Case Study	N/A	N/A	N/A	N/A	641
Franchises	4,979,094	-	-	4,979,094	Per Service Population	134,608	36.99	1,398	80%	41,380
Transient Occupancy	4,273,426	-	4,273,426	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Business License	818,500	-	-	818,500	Per Employee	48,000	17.05	191	80%	2,602
Property Transfer	310,896	-	-	310,896	Case Study	N/A	N/A	N/A	N/A	11,467
<b>Subtotal Taxes</b>	<b>\$ 68,265,459</b>	<b>\$ -</b>	<b>\$ 4,779,850</b>	<b>\$ 63,485,609</b>						<b>\$ 899,668</b>
<b>Licenses, Permits &amp; Fees</b>										
Construction Permits	\$ 3,070,974	\$ -	\$ 3,070,974	\$ -	Not Projected	N/A	N/A	N/A	N/A	N/A
Taxi & Mobile Home Fees	24,700	-	-	24,700	Not Projected	N/A	N/A	N/A	N/A	N/A
Criminal Fines & Penalties	157,660	-	-	157,660	Per Service Population	134,608	1.17	1,398	80%	1,310
<b>Subtotal</b>	<b>\$ 3,253,334</b>	<b>\$ -</b>	<b>\$ 3,070,974</b>	<b>\$ 182,360</b>						<b>1,310</b>
<b>Revenue from Use of Money and Property</b>										
Interest Earned	\$ 2,285,796	\$ -	\$ 2,285,796	\$ -	Not Projected	N/A	N/A	N/A	N/A	N/A
Rental Income	673,717	-	673,717	-	Not Projected	N/A	N/A	N/A	N/A	N/A
<b>Subtotal</b>	<b>\$ 2,959,513</b>	<b>\$ -</b>	<b>\$ 2,959,513</b>	<b>\$ -</b>						<b>\$ -</b>
<b>Revenue from Other Agencies</b>										
Motor Vehicle License Fees	\$ 112,660	\$ -	\$ -	\$ 112,660	Per Capita	110,608	1.02	1,303	1	1,062
Homeowners' Tax Relief	50,416	-	-	50,416	Per Capita	110,608	0.46	1,303	1	475
Property Tax In Lieu	94,900	-	-	94,900	Per Service Population	134,608	0.71	1,398	1	789
Mandated Costs	43,401	-	43,401	-	Not Projected	N/A	N/A	N/A	N/A	N/A
P.O.S.T.	43,773	-	43,773	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Other Subventions	141,336	-	-	141,336	Not Projected	N/A	N/A	N/A	N/A	N/A
<b>Subtotal</b>	<b>\$ 486,486</b>	<b>\$ -</b>	<b>\$ 87,174</b>	<b>\$ 399,312</b>						<b>\$ 2,326</b>
<b>Charges for Service</b>										
Recreation Programs	\$ 196,260	\$ -	\$ -	\$ 196,260	Per Capita	110,608	1.77	1,303	1	1,850
Recreation Income	314,478	-	-	314,478	Per Capita	110,608	2.84	1,303	1	2,964
Aquatics	286,200	-	-	286,200	Per Capita	110,608	2.59	1,303	1	2,697
Zoning & Subdivision Fees	690,950	690,950	-	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Law Enforcement	979,921	-	979,921	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Fire Services	1,686,005	-	1,686,005	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Engineering Reimbursements	677,699	-	677,699	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Comm. Dev. Reimbursements	312,400	-	312,400	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Weed Abatement	-	-	-	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Services Rendered Other Agencies	1,085	-	1,085	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Eng. Plan Check & Inspections	853,981	853,981	-	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Impacted Soils	100,000	-	100,000	-	Not Projected	N/A	N/A	N/A	N/A	N/A
<b>Subtotal</b>	<b>\$ 6,098,979</b>	<b>\$1,544,931</b>	<b>\$ 3,757,110</b>	<b>\$ 796,938</b>						<b>\$ 7,511</b>
<b>Other Revenue</b>										
Prior Year & Damage Recovery	\$ 3,000	\$ -	\$ 3,000	\$ -	Not Projected	N/A	N/A	N/A	N/A	N/A
Sale of Real Property	4,250	-	4,250	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Sale of Maps, Plans and Other	134,660	-	134,660	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Other Misc. Revenue	85,746	-	-	85,746	Per Service Population	134,608	0.64	1,398	1	713
Operating Transfers In	4,627,624	-	4,627,624	-	Not Projected	N/A	N/A	N/A	N/A	N/A
Cost Allocation Transfers	4,917,037	-	4,917,037	-	Not Projected	N/A	N/A	N/A	N/A	N/A
<b>Subtotal</b>	<b>\$ 9,772,317</b>	<b>\$ -</b>	<b>\$ 9,686,571</b>	<b>\$ 85,746</b>						<b>\$ 713</b>
<b>Measure U</b>										
Measure U Tax	\$ 26,715,000	\$ -	\$ -	26,715,000	Case Study	N/A	N/A	N/A	N/A	164,260
Interest Income	171,354	-	171,354	-	Not Projected	N/A	N/A	N/A	N/A	N/A
<b>Subtotal</b>	<b>\$ 26,886,354</b>	<b>\$ -</b>	<b>\$ 171,354</b>	<b>\$ 26,715,000</b>						<b>164,260</b>
<b>Total General Fund</b>	<b>\$117,722,442</b>	<b>\$1,544,931</b>	<b>\$ 24,512,546</b>	<b>\$ 91,664,965</b>						<b>\$ 1,075,787</b>
<b>Other Fund Revenues</b>										
County Measure A Sales Tax	7,456,129	-	7,456,129	-	Not Estimated	N/A	N/A	N/A	N/A	N/A
State Gas Tax	5,464,920	-	-	5,464,920	Per Capita	110,608	49.41	1,303	80%	51,503
<b>Total Other Fund Revenues</b>										<b>\$ 51,503</b>
<b>Grand Total Revenues</b>										<b>\$ 1,127,290</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

## Santa Maria Expenditures

Table 8 estimates the expenditures by the City of Santa Maria. For each expenditure item the model calculates the future expenditures from the current ratio of costs on a per capita or per service population basis.

**Table 8**  
**City of Santa Maria Expenditure Calculation**  
**Richards Ranch Fiscal Impact Analysis**

Item	Expenditures	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
<b>Public Safety</b>							
Police	\$ 53,137,621	Per Service Population	134,608	395	1,398	100%	552,015
Fire	23,450,833	Per Service Population	134,608	174	1,398	100%	243,617
<b>Subtotal Public Safety</b>	<b>\$ 76,588,454</b>						<b>\$ 795,632</b>
Public Works	\$ 3,848,022	Per Service Population	134,608	29	1,398	80%	31,980
Recreation & Parks	14,970,631	Per Capita	110,608	135	1,303	80%	141,087
Community Development	1,938,203	Per Service Population	134,608	14.40	1,398	80%	\$ 16,108
<b>Subtotal</b>	<b>20,756,856</b>						<b>\$ 189,175</b>
<b>General Government</b>							
Mayor & Council	\$ 210,816	Per Service Population	134,608	1.57	1,398	25%	548
City Attorney	1,816,868	Per Service Population	134,608	13.50	1,398	25%	4,719
City Manager	13,045,242	Per Service Population	134,608	96.91	1,398	25%	33,880
Finance	3,984,369	Per Service Population	134,608	29.60	1,398	25%	10,348
<b>Subtotal General Government</b>	<b>\$ 19,057,295</b>						<b>\$ 49,494</b>
<b>Grand Total Expenditures</b>	<b>\$ 116,402,605</b>						<b>\$ 1,034,301</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

## County of Santa Barbara Revenues

Table 9 below details the revenue calculations for the County of Santa Barbara. The table summarizes the County budget and provides an estimation methodology where appropriate. In many cases the model assumes proportional growth in revenue, using the current ratio of revenue to population in the County to estimate the additional revenue from new development. In some case the methodology is “case study” in which case the calculation is provided on a subsequent table.

**Table 9**  
**County of Santa Barbara Revenue Calculation**  
**Richards Ranch Fiscal Impact Analysis**

Item	Revenue	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
Property Tax	\$ 333,963,000	Case Study	N/A	N/A	N/A	N/A	805,589
Licenses, Permits and Franchises	3,597,600	N/A (unincorporated only)	N/A	N/A	N/A	N/A	N/A
Fines, Forfeitures & Penalties	\$ 5,554,000	Per Service Population	551,543	10.07	1,398	80.00%	11,265
Use of Money and Property	3,756,500	Per Service Population	551,543	6.81	1,398	80.00%	7,619
<i>Intergovernmental Revenue-State</i>							
Motor Vehicle In Lieve In Excess	\$ 300,000	Per Capita	444,500	0.67	1,303	80%	704
Homeowners' Tax Relief	685,000	Not Estimated	N/A	N/A	N/A	N/A	N/A
Stat Off Hwy Mtr. Veh LF	<u>1,000</u>	Not Estimated	N/A	N/A	N/A	N/A	<u>N/A</u>
Subtotal	\$ 986,000						\$ 704
Intergovernmental Revenue-Federal	2,159,300	Not Estimated	N/A	N/A	N/A	N/A	N/A
Charges for Services	21,972,700	Not Projected	N/A	N/A	N/A	N/A	N/A
Misc Revenue	<u>95,000</u>	Not Estimated	N/A	N/A	N/A	N/A	<u>N/A</u>
<b>Total General Fund Revenue</b>	<b>372,084,100</b>						<b>825,176</b>
Prop 172 - Public Safety Sales Tax	<u>48,831,700</u>	Case Study	N/A	N/A	N/A	N/A	<u>80,077</u>
<b>Total Revenues</b>	<b>420,915,800</b>						<b>905,253</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

### County of Santa Barbara Expenditures

Table 10 estimates the expenditures for the County of Santa Barbara. For each expenditure item the model calculates the future expenditures from the current ratio of costs on a per capita or per service population basis.

**Table 10**  
**County of Santa Barbara Expenditure Calculation**  
 Richards Ranch Fiscal Impact Analysis

Item	Expenditures	Operating Revenues	Recurring Revenue	Methodology/Units of Measure	Unit Amount	Revenue Factor	Projected Units	Percent Variable	Amount
<b>Policy &amp; Executive</b>									
Board of Supervisors	\$ 4,142,600	\$ -	\$ 4,142,600	Per Service Population	551,543	7.51	1,398	50%	5,252
County Executive Office	62,815,700	53,620,700	9,195,000	Per Service Population	551,543	16.67	1,398	50%	11,656
County Counsel	12,614,200	366,600	12,247,600	Per Service Population	551,543	22.21	1,398	50%	15,526
<b>Subtotal General Government</b>	<b>\$ 79,572,500</b>	<b>\$ 53,987,300</b>	<b>\$ 25,585,200</b>						<b>\$ 32,434</b>
<b>Public Safety</b>									
District Attorney	\$ 34,344,300	\$ 13,224,100	\$ 21,120,200	Per Capita	444,500	47.51	1,303	50%	30,956
Probation	70,195,300	44,969,700	25,225,600	Per Capita	444,500	56.75	1,303	50%	36,973
Public Defender	20,289,300	557,200	19,732,100	Per Capita	444,500	44.39	1,303	25%	14,461
Court Special Services	12,916,000	5,289,300	7,626,700	Per Capita	444,500	17.16	1,303	25%	5,589
Fire	120,928,100	44,103,500	76,824,600	Per Service Population	551,543	139.29	1,398	50%	97,389
Sheriff (non custody ops)	109,045,400	49,665,600	59,379,800	Not Estimated	N/A	N/A	N/A	N/A	N/A
Sheriff (custody ops)	90,894,900	22,471,000	68,423,900	Per Service Population	551,543	124.06	1,398	80%	138,784
<b>Subtotal Public Safety</b>	<b>\$ 458,613,300</b>	<b>\$ 180,280,400</b>	<b>\$ 278,332,900</b>						<b>\$ 324,151</b>
<b>Health &amp; Human Services</b>									
Public Health	\$ 102,583,200	\$ 87,758,600	\$ 14,824,600	Per Capita	444,500	33.35	1,303	100%	43,457
Behavioral Wellness	175,660,900	171,167,600	4,493,300	Per Capita	444,500	10.11	1,303	100%	13,172
Social Services	222,738,400	205,562,700	17,175,700	Per Capita	444,500	38.64	1,303	100%	50,349
Child Support Services	11,272,000	11,272,000	-	Per Capita	444,500	-	1,303	100%	-
First 5, Children & Families	3,723,900	2,873,600	850,300	Per Capita	444,500	1.91	1,303	100%	2,493
<b>Subtotal Health &amp; Human Services</b>	<b>\$ 515,978,400</b>	<b>\$ 478,634,500</b>	<b>\$ 37,343,900</b>						<b>\$ 109,469</b>
<b>Community Resources &amp; Public Facilities</b>									
Agricultural Commissioner/W&M	\$ 7,912,800	\$ 5,804,400	\$ 2,108,400	Not Estimated	N/A	N/A	N/A	N/A	N/A
Community Services	74,837,200	41,925,000	32,912,200	Per Service Population	551,543	59.67	1,398	50%	41,722
Planning & Development	29,853,200	22,524,600	7,328,600	Per Service Population	551,543	13.29	1,398	50%	9,290
Public Works	173,327,200	147,100,900	26,226,300	Per Service Population	551,543	47.55	1,398	50%	33,247
<b>Subtotal Community Resources &amp; P</b>	<b>\$ 285,930,400</b>	<b>\$ 217,354,900</b>	<b>\$ 68,575,500</b>						<b>\$ 84,259</b>
<b>General Government &amp; Sport Services</b>									
Auditor-Controller	\$ 10,674,500	\$ 1,407,000	\$ 9,267,500	Per Service Population	551,543	16.80	1,398	50%	11,748
Clerk-Recorder-Assessor	21,695,100	7,042,600	14,652,500	Per Service Population	551,543	26.57	1,398	50%	18,575
Debt Service	1,246,900	1,384,900	-	Not Estimated	N/A	N/A	N/A	N/A	N/A
General Services	49,964,100	29,303,300	20,660,800	Per Service Population	551,543	37.46	1,398	50%	26,191
Human Resources	10,572,600	2,598,300	7,974,300	Per Service Population	551,543	14.46	1,398	50%	10,109
Information Technology	28,240,200	27,232,100	1,008,100	Per Service Population	551,543	1.83	1,398	50%	1,278
Treasurer-Tax Collector	9,579,200	3,477,800	6,101,400	Per Service Population	551,543	11.06	1,398	50%	7,735
<b>Subtotal General Government</b>	<b>\$ 131,972,600</b>	<b>\$ 72,446,000</b>	<b>\$ 59,664,600</b>						<b>\$ 75,636</b>
<b>General County Programs</b>									
General County Programs	11,090,700	8,345,100	2,745,600	Per Service Population	551,543	4.98	1,398	50%	3,481
<b>Subtotal General Government</b>	<b>\$ 11,090,700</b>	<b>\$ 8,345,100</b>	<b>\$ 2,745,600</b>						<b>\$ 3,481</b>
<b>Total Expenditures</b>	<b>\$ 1,483,157,900</b>	<b>\$1,011,048,200</b>	<b>\$ 472,247,700</b>						<b>\$ 629,430</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

## Sales Tax Revenues

Willdan has estimated the sales tax revenue that could be generated by the project, detailed in Table 11. For this analysis Willdan has calculated only the revenue from the commercial center. The Natelson analysis estimated both this revenue and the new taxable sales generated by new residents. Willdan believes this approach is too aggressive, as new stores do not themselves necessarily generate new sales and to any new sales to the City would come in significant part from the new residents. As a result, Willdan's approach to sales tax in mixed-use projects is to calculate both the on-site sales and the resident-generated sales and use the higher figure in its analysis, but not both.

**Table 11**  
**Onsite Taxable Sales**  
**Richards Ranch Fiscal Impact Analysis**

Land Use	Square Feet	Sales/SF	Total Sales	% Taxable (1)	Taxable Sales
Commercial Center	93,863	250	23,465,750	70.00%	16,426,025
Mini Storage	101,265	0	0	0	0
Total	195,128		23,465,750		16,426,025

(1) Not all establishments will sell goods, and not all goods sold will be taxable.

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

Table 12 calculates the revenue resulting from the onsite sales, both directly from the City's one percent share of sales tax collections and an allocation of countywide pools.

**Table 12**  
**Estimated Sales Tax Revenue**  
**Richards Ranch Fiscal Impact Analysis**

Item	Total
Total Taxable Sales	\$ 16,426,025
Local Sales Tax Rate	1.0%
Sales Tax Revenue	\$ 164,260
On-Site Sales Tax Revenue as a Share of Total Sales & Use Tax (1)	86.5%
Estimated Sales Tax Revenue Allocation Generated by Base Sales Tax	\$ 22,175
<b>Total Revenue</b>	<b>\$ 186,435</b>

(1) According to HdL and Natelson, 12-15% of a local jurisdiction's total sales and use tax revenue are derived from their share of countywide pools.

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

The City of Santa Maria also has a local tax measure, Measure U, that collects an additional one percent of local taxable sales. Table 13 calculates the Measure U revenue generated by the project.

**Table 13**  
**Estimated Measure U Sales Tax Revenue**  
**Richards Ranch Fiscal Impact Analysis**

Item	Total
Total On-Site Taxable Sales	\$ 16,426,025
Total Resident Santa Maria Taxable Expenditures	<u>-</u>
Total Taxable Sales	\$ 16,426,025
Measure U Sales Tax Rate	1.0%
<b>Total Measure U Sales Tax Revenue</b>	<b>\$ 164,260</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

Table 14 calculates the 0.5% public safety tax collected and the allocation between the County and the City.

**Table 14**  
**Estimated Public Safety Sales Tax Revenue**  
**Richards Ranch Fiscal Impact Analysis**

Item	Total
Total On-Site Taxable Sales	\$ 16,426,025
Total Resident Santa Maria Taxable Expenditures	<u>-</u>
Total Taxable Sales	\$ 16,426,025
Public Safety Sales Tax Rate	0.5%
Total Public Safety Sales Tax Revenue	\$ 82,130
<u>County Revenue</u>	
County Share of Public Safety Tax	97.5%
<b>County Public Safety Tax Revenue</b>	<b>\$ 80,077</b>
<u>City Revenue</u>	
City Share of Public Safety Tax	0.8%
<b>City Public Safety Tax Revenue</b>	<b>\$ 641</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

## Property Tax Revenues

The most significant source of revenue from the development of the project is property tax revenue, which is calculated in the following tables. Table 15 details the allocation of the basis ad valorem tax of one percent of assessed value for the proposed project parcel, tax rate area 080-041. The two allocations relevant to the analysis are the Santa Barbara County General Fund, 0001, and the SB County Fire Protection District, 2280. As shown in Table 15, the analysis assumes that twenty-five percent of the general fund tax and fifty percent of the fire district tax will be allocated to the City, with the remainder retained by the County.

**Table 15**  
**Property Tax Allocation Factors**  
**Richards Ranch Fiscal Impact Analysis**

District Name	TRA 080-041 (1)	Post Annexation City Allocation (2)	County Share Post Annexation
0001 Santa Barbara County General Fund	0.144139	25%	0.10810425
2140 CSA5	0.006563		
2280 SB County Fire Protection District	0.168935	50%	0.08446750
2400 SB County Flood Cntrl/Wtr Cnsv	0.002668		
2510 Orcutt Flood Zn 3	0.005465		
2670 North County Lighting District	0.008701		
3050 Santa Barbara County Wtr Agency	0.003431		
3210 Santa Maria Public Airport Dist	0.011144		
3320 Santa Maria Cemetary Dist	0.005800		
4160 SB Mosquito/Vector Dist	0.000186		
4500 Cachuma Resource Cnsv Dist	0.000479		
7401 Orcutt Union Elem Dist General	0.235767		
8301 Santa Maria Jt HS Dist General	0.195338		
9401 Allen Hancock CC Dist General	0.051965		
9801 County School Svc Fund	0.035912		
9802 ERAF	<u>0.123508</u>		
Total (3)	1.000001		0.19257175

(1) Tax Rate Area

(2) Analysis assumes that 25 percent of GF revenue and 50 percent of fire revenue go to City.

(3) Figures from Natelson and should add up to exactly 1. Willdan has not had the opportunity to reconcile this number given the compressed time frame of the analysis. The difference is *de minimus*.

Source: The Natelson Group, Inc.; Santa Barbara County Auditor-Controller's Office

Willdan Financial Services, 2025

Table 16 calculates the property tax revenues for the project for the City and County based on the assessed value from Tables 2 and 3 and the allocation factors in Table 15.

**Table 16**  
**Estimated Property Tax Revenue**  
**Richards Ranch Fiscal Impact Analysis**

Item	Amount
Estimated Project Assessed Value	\$ 305,568,475
Base Ad Valorem Tax	1.00%
Base Ad Valorem Revenue	\$ 3,055,685
<b>City General Fund Revenue, Post Annexation</b>	
City General Fund Post ERAF Share of AV Tax	3.6%
Total City Property Tax Post Annexation	\$ 110,111
<b>City Fire District Revenue, Post Annexation</b>	
City Fire District Post ERAF Share	8.45%
City Fire District Property Tax Post Annexation	\$ 258,106
<b>County General Fund Revenue, Post Annexation</b>	
County General Fund Post ERAF Share of AV Tax	10.8%
Total County Property Tax Post Annexation	\$ 330,333
<b>County Fire District Revenue, Post Annexation</b>	
County Fire District Post ERAF Share of AV Tax	8.45%
County Fire District Property Tax Post Annexation	\$ 258,106

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

In addition to the property tax factors, each jurisdiction receives additional revenue in lieu of vehicle license fee (VLF) revenue. This amount is calculated as a proportion of incremental additional assessed value applied to the previous year's VLF revenue. Table 17 calculates the incremental additional VLF swap revenue resulting from the development of the project for the City and the County.

**Table 17**  
**Estimated Vehicle License Fee (VLF)/Property Tax Revenue**  
**Richards Ranch Fiscal Impact Analysis**

Item	Amount
<u><i>Santa Barbara County</i></u>	
County VLF Swap Revenue (2024)	\$ 74,128,000
County AV, FY 2023-24	\$ 110,126,900,000
Project Value	\$ 305,568,475
Percentage Increase over Base AV	0.28%
Incremental Additional VLF Swap Revenue	\$ 205,683
<u><i>City of Santa Maria</i></u>	
City VLF Swap Revenue (2024)	\$ 10,884,750
City AV, FY 2023-24	\$ 11,511,734,000
Project Value	\$ 305,568,475
Percentage Increase over Base AV	2.65%
Incremental Additional VLF Swap Revenue	\$ 288,926

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

The City and County collect transfer tax upon the sale of real estate, \$1.10 per \$1,000 of valuation, divided equally. The fiscal model assumes that for sale residential units will be sold every seven years, and the commercial properties (including rental apartments) every twenty years. Table 18 calculates the average annual revenue that would be received from these transactions.

**Table 18**  
**Estimated Property Transfer Tax Revenue**  
**Richards Ranch Fiscal Impact Analysis**

Item	Residential (TH)	Residential (APT)	Commercial	Total
Estimated Property Value	\$ 60,000,000	\$ 191,894,895	\$ 53,673,580	\$ 305,568,475
Mean holding period (years)	7	20	20	
Tax Rate (1)	0.055%	0.055%	0.055%	
Annual Revenue	\$ 4,714	\$ 5,277	\$ 1,476	\$ 11,467

(1) The City and County Share a transfer tax of \$1.10 per \$1,000 of valuation.

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025

Integral to the projection of the fiscal impacts of the project to the City and County is an assumption regarding the allocation of the property tax generated by the project. Consistent with the Natelson study, this analysis assumes a split between the City and County of 25%/75% for the general fund revenue and 50% each for the fire district revenue, for an overall allocation of 38%/62%. These calculations are included in Table 16, above. Additionally, Willdan has estimated the minimum property tax revenue needed for each municipality to be fiscally neutral (a net impact of approximately \$0, or “breakeven”). Table 19 calculates the minimum property tax allocation for the City and County to achieve breakeven. As shown in Table 19, City must receive at least 30 percent of the property tax revenue to remain fiscally neutral, and the County must receive at least 33 percent of the property tax revenue to remain fiscally neutral.

**Table 19**  
**Property Tax "Breakeven" Analysis**  
**Richards Ranch Fiscal Impact Analysis**

Item	Amount
Estimated Project Assessed Value	\$ 305,568,475
Base Ad Valorem Tax	1.00%
Base Ad Valorem Revenue	\$ 3,055,685
GF Allocation TRA 080-041 Revenue	14.41% \$ 440,443
Fire District Allocation TRA 080-041 Revenue	16.89% \$ 516,212
Total Combined GF and FD Allocation TRA 080-041 Revenue	31.31% \$ 956,655
<b>City Breakeven Estimate</b>	
<b>City General Fund Revenue, Post Annexation</b>	
City General Fund Post ERAF Share of AV Tax	4.32%
Total City Property Tax Post Annexation	\$ 132,133
<b>City Fire District Revenue, Post Annexation</b>	
City Fire District Post ERAF Share	5.07%
City Fire District Property Tax Post Annexation	\$ 154,864
<b>Resulting City Fiscal Impact</b>	<b>\$ 11,769</b>
<b>Percentage Allocation of Project Property Tax Revenue</b>	<b>30%</b>
<b>County Breakeven Estimate</b>	
<b>County General Fund Revenue, Post Annexation</b>	
County General Fund Post ERAF Share of AV Tax	4.76%
Total County Property Tax Post Annexation	\$ 145,346
<b>County Fire District Revenue, Post Annexation</b>	
County Fire District Post ERAF Share of AV Tax	5.57%
County Fire District Property Tax Post Annexation	\$ 170,350
<b>Resulting County Fiscal Impact</b>	<b>\$ 3,081</b>
<b>Percentage Allocation of Project Property Tax Revenue</b>	<b>33%</b>

Source: The Natelson Dale Group, Inc.; Willdan Financial Services

Willdan Financial Services, 2025