

Summit View Homes Fiscal Impact Analysis City of Lompoc

Prepared for:

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EXECUTIVE SUMMARY

This report presents an update to the February 1, 2013 *Summit View Homes Fiscal Impact Analysis* prepared by Stanley R. Hoffman Associates and approved by Lompoc City Council. This updated report reflects the most current budget information from the City of Lompoc, and updated housing value estimates from the developer, West Coast Housing Partners, LLC.

Fiscal impacts are projected for the Summit View Homes Vesting Tentative Map (LOM 594) to the City of Lompoc upon annexation of the area to the City. The City of Lompoc is located in the western portion of Santa Barbara County along Highway 1, approximately 15 miles west of Highway 101 and eight miles east of the Pacific Ocean, as shown in Figure 1. The Summit View Homes project site is located in the unincorporated area of Santa Barbara County, north of Lompoc on a parcel contiguous to the City's Urban Limit Line (ULL) and Sphere of Influence.

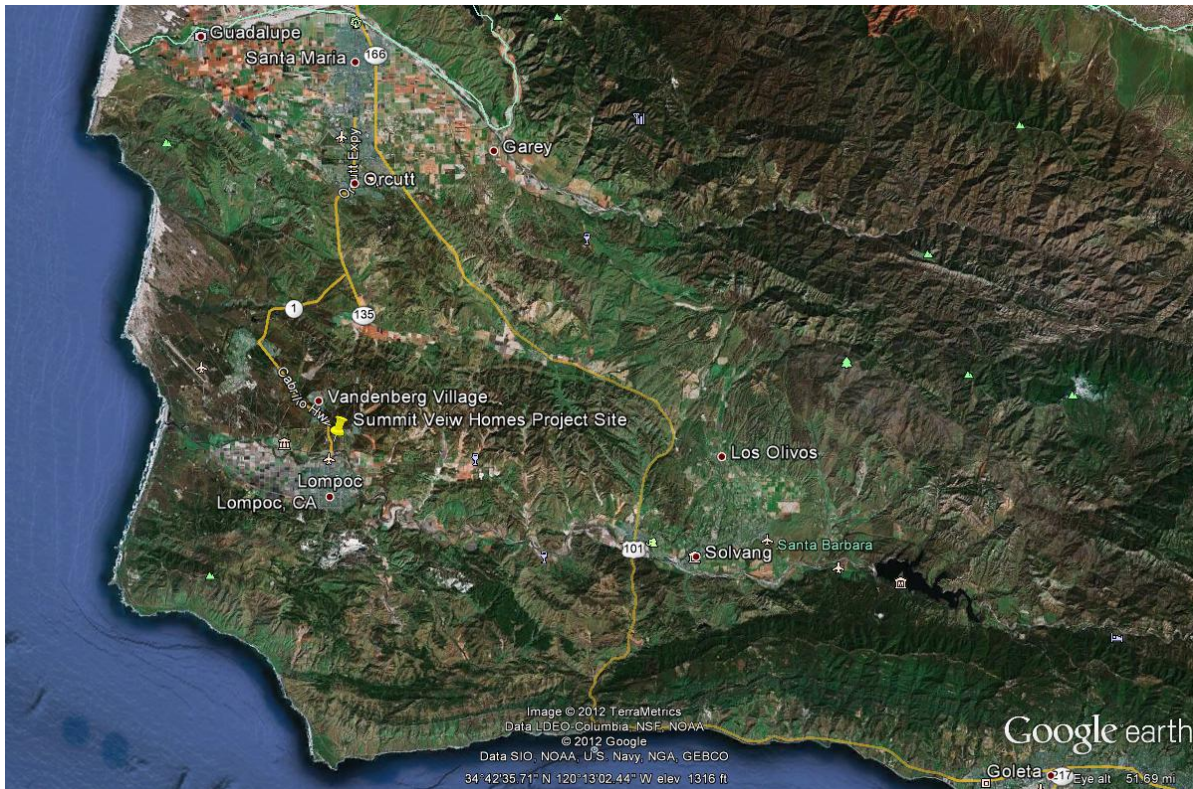
The project site (referred to as Expansion Area D – Wye Residential Area) has been identified for possible annexation as part of the City of Lompoc 2030 General Plan. And, in anticipation of the possible annexation of additional properties, the City has proposed the adoption of Policy 4.6, which states that the City shall not approve an annexation unless it can demonstrate “that the annexation proposal would result in a positive relationship between city facility and service costs and the revenues generated subsequent to annexation”.

Fiscal impacts of the Summit View Homes project are projected for day one of annexation without any development on the project site and for buildout of the project's residential units, parks and open space. Based on information from the City, public road segments that border the project on Purisima Road and Harris Grade Road will be annexed along with the project. These off-site public roads are assumed to be maintained by the City. Recurring fiscal impacts are projected for the City's General Fund and the City Special Gas Tax Fund in constant 2014 dollars, with no adjustment for future inflation.

Project Description

The Summit View Homes project includes about 10.05 acres and is proposed for development of 44 residential units and natural open space after buildout. Homes are planned to range in size from 1,870 square feet to 2,860 square feet. Population is estimated at 127 after buildout based on the assumption of 2.88 persons per household from the City's General Plan Update.

Figure 1
Regional Location
Summit View Homes



Projected Fiscal Impacts to City General Fund

Panel A of Table 1 summarizes the projected annual fiscal impacts to the City General Fund and the projected annual recurring revenues to the City Gas Tax Fund for the Summit View Homes project are presented in Panel B of Table 1.

Day One. As shown in Panel A of Table 1, projected recurring revenues of \$2,030 are projected to the City General Fund upon Day One of the annexation of the Summit View Homes vacant project site with no project related improvements. The projected revenues upon annexation include property tax. The City becomes responsible for maintenance of the segments of Purisima Road and Harris Grade Road bordering the project upon annexation. Based on discussion with the Assistant Public Works Director/City Engineer, road maintenance costs would be minimal until development occurs on the project site.

Table 1
Summary of Projected Recurring Fiscal Impacts ¹
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Category	Day One ²	Buildout
A. General Fund		
Recurring Revenues	\$2,030	\$91,320
Recurring Costs	<u>0</u>	<u>86,200</u>
Net Recurring Surplus	\$2,030	\$5,120
Revenue/Cost Ratio	n/a	1.06
B. City Special Gas Tax Fund		
Recurring State gasoline tax	\$0	\$190

Note: 1. Projecting recurring impacts are rounded to the nearest tenth.

2. Day One assumes the project is annexed into the City before any development occurs on the project site. Property tax revenues are projected based on the existing land valuation of the project site upon annexation. Based on discussion with City public works' staff, street maintenance costs are minimal on Day One of annexation.

Source: Stanley R. Hoffman Associates, Inc.

Buildout. A recurring surplus of about \$5,120 is projected to the City General Fund after buildout of the entire Summit View Homes land uses. This projected surplus after buildout is based on recurring revenues of \$91,320 and recurring costs of \$86,200, at a revenue-to-cost ratio of 1.06.

Property tax, property tax in lieu of vehicle license fees, administrative service charges and transfers from other funds represent about eighty percent of the total projected recurring revenues for the project after buildout. On the cost side, police protection, street maintenance, fire protection and general government account for about eighty percent of the projected recurring costs to the General Fund after buildout.

Projected State Gasoline Tax to City Special Gas Tax Fund

As shown in Panel B of Table 1, recurring state gasoline taxes are projected at \$190 for the Summit View Homes project after buildout. The state gasoline revenues projected for the Special Gas Tax Fund are net of the projected transfers to the City General Fund from the Special Gas Tax Fund.

CHAPTER 1 INTRODUCTION

This report presents the fiscal impact analysis of the proposed Summit View Homes Vesting Tentative Map (LOM 594), a proposed residential project located north of the City of Lompoc in the County of Santa Barbara. Fiscal impacts are projected assuming annexation of the project to the City.

The project site (referred to as Expansion Area D – Wye Residential Area) has been identified for possible annexation as part of the City of Lompoc 2030 General Plan. And, in anticipation of the possible annexation of additional properties, the City has proposed the adoption of Policy 4.6, which states that the City shall not approve an annexation unless it can demonstrate “that the annexation proposal would result in a positive relationship between city facility and service costs and the revenues generated subsequent to annexation”.

1.1 Introduction

Although the Summit View Homes property is currently located within the unincorporated area of Santa Barbara County, it is located within the sphere of influence planning area of the City of Lompoc, as defined in the City’s General Plan. The project site is located at the northeast corner of the intersection of Harris Grade Road and Purisima Road, as shown in Figure 1-1.

Recurring fiscal impacts are projected to the City for the provision of municipal services such as police protection, fire protection, public works maintenance, building and safety, planning, community services and general government services to the Summit View Homes project. Recurring revenues and costs are projected to the City’s General Fund and recurring State gasoline tax is projected to the City’s Special Gas Tax Fund.

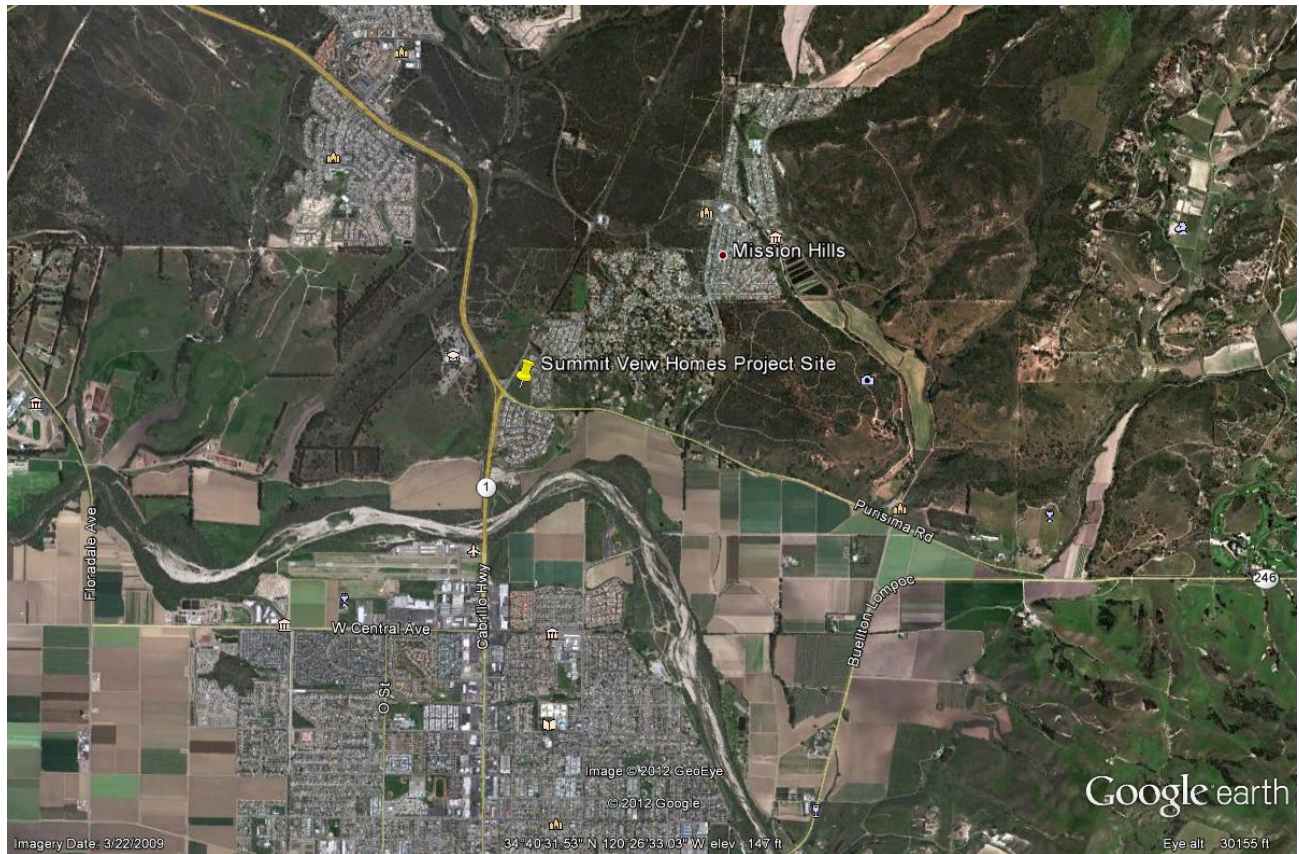
After annexation, Santa Barbara County will continue to provide Countywide services, which are provided to all residents of the County, whether they live in cities or in unincorporated areas. The projected fiscal impacts to the County for provision of these countywide services upon annexation are not projected as part of this analysis.

1.2 Approach

The fiscal analysis is based on data and assumptions from the following sources:

- Budget data is from the *City of Lompoc, Biennial Budget Fiscal Years 2013-2015*.

**Figure 1-1
Vicinity Location
Summit View Homes**



- Revenue and cost factors are based on the City Budget revenues and expenditures and the January 1, 2014 City population estimate from the California Department of Finance (DOF) *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, May 2014.
- The City employment estimate is based on the Santa Barbara County Association of Governments (SBCAG), *Regional Growth Forecast, 2010-2040*, Adopted December 2012.
- Project land uses, valuation and infrastructure improvement information are from the project developer, West Coast Housing Partners, LLC.
- Existing valuation is based on the *2013-2014 Secured Tax Statement* for the assessor parcel number (APN) for the project site from the County of Santa Barbara Assessor website.
- Tax Rate Area information is from the Santa Barbara County Auditor Controller website.
- Cost and revenue factors are projected in constant 2014 dollars, with no adjustment for possible future inflation

1.3 Organization of the Report

Chapter 2 presents the land uses, population, assessed valuation and off-site taxable sales for the proposed Summit View Homes project. Projected recurring fiscal impacts to the City General Fund and the recurring revenues to the City Special Gas Tax Fund for the Summit View Homes project are described in Chapter 3. Chapter 4 discusses the revenue and cost assumptions used for the fiscal analysis. Appendix A includes the supporting market tables for the development description. Supporting tables for the fiscal assumptions are contained in Appendix B. Appendix C lists the project contacts and references used in the preparation of this study.

CHAPTER 2 DEVELOPMENT DESCRIPTION

This chapter provides the project description for the proposed Summit View Homes development. The proposed land use information is presented for the project after buildout.

2.1 Project Site

The Summit View Homes project site is located at the northeast corner of the intersection of Harris Grade Road and Purisima Road. The Burton Ranch Project is approved for 476 homes west of the Summit View Homes project site. The project site is bordered by Garden Gate Lane to the north, Harris Grade Road to the west, existing residential development to the south and east and Purisima Road to the south. As shown in Figure 2-1, the entrance to the Summit View Homes project is from Garden Gate Lane on the northern boundary of the project site. An existing emergency access road off Purisima Road at the southeast corner of the project site will be improved to serve the project and will be privately maintained.

2.2 Proposed Land Uses

As shown in Panel A of Table 2-1, the proposed Summit View Homes project includes 10.05 acres of residential lots, open space and private streets.

Units and Population

As shown in Panel B of Table 1, the project proposes 44 residential units on 7.04 acres with three product types: 1) 16 Plan 1 units averaging 1,870 square feet, 2) 12 Plan 2 units averaging 2,400 square feet, and 3) 16 Plan 3 units averaging 2,860 square feet. Population is estimated at 127 after buildout based on the City's General Plan Update average household size of 2.88.

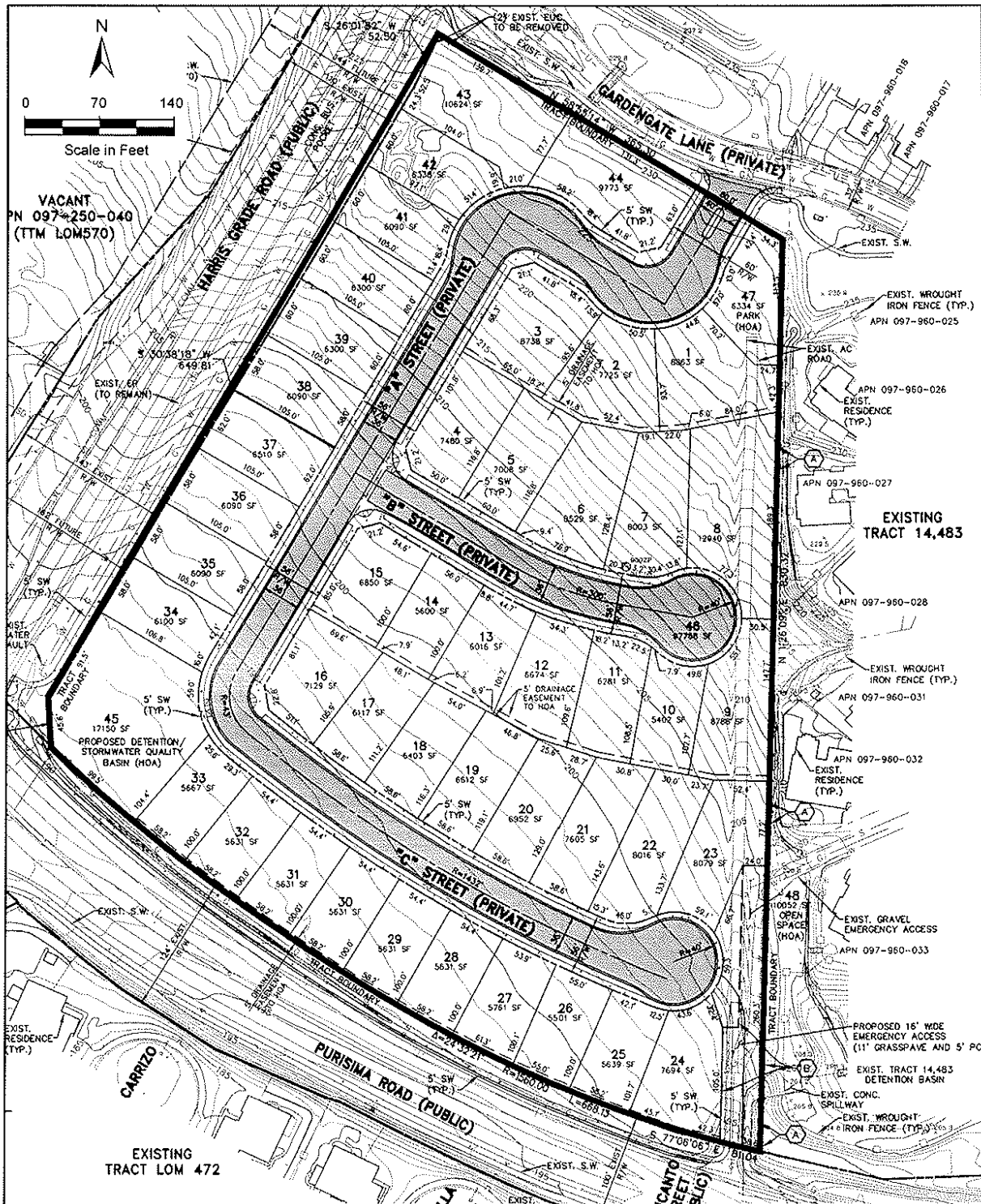
Open Space

The proposed Summit View Homes project includes open space lots totaling 0.77 acres. One of the lots would serve as a detention basin at the southwest corner of the project. A privately maintained park is planned for the northeast corner of the project.

Off-Site Roads and Drainage

The proposed project includes 2.24 acres of on-site privately maintained streets. Based on information from the City and the project engineer, public road segments that border the project on Purisima Road and Harris Grade Road will be annexed along with the project. These off-site public roads are assumed to be maintained by the City.

**Figure 2-1
Vesting Tentative Map
Summit View Homes**



Drawing Source: Penfield & Smith, July 2012.

Table 2-1
Development Description After Buildout
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Category	Amount
A. PROJECT ACRES	
Residential Lot Acres	7.04
Open Space Acres	0.77
Private Street Acres ¹	<u>2.24</u>
Total Project Acres	10.05
B. UNITS AND POPULATION	
Plan 1 (average 1,870 square feet)	16
Plan 2 (average 2,400 square feet)	12
Plan 3 (average 2,860 square feet)	<u>16</u>
Total Residential Units	44
<u>Population (@ 2.88 per unit) ²</u>	127
C. OFF-SITE ROAD WIDENING AND DRAINAGE IMPROVEMENTS ³	
<u>Road Widening Lineal Feet</u>	
Purisima Road	822
Harris Grade Road	<u>713</u>
Total Road Lineal Feet	1,535
<u>Road Widening Lineal Miles</u>	
Purisima Road	0.16
Harris Grade Road	<u>0.14</u>
Total Lineal Miles	0.30
<u>Total Lane Miles (@ 4 Lanes)</u>	1.20

Note: 1. Street acres include internal streets that will be maintained through a homeowners association.
2. Population for the Summit View Homes project is projected at the City average of 2.88 per unit, based on the City's General Plan Update.
3. Off-site road and drainage improvements to Purisima Road and Harris Grade Road along the the perimeter of the project site are assumed to be maintained by the City upon annexation of the project to the City.

Sources: Stanley R. Hoffman Associates, Inc.
West Coast Housing Partners, LLC
Penfield & Smith, Inc.

As shown in Panel C of Table 2-1, the road segments bordering the project total an estimated 1,535 lineal feet (about 0.30 lineal miles). Based on discussion with the City Assistant Public Works Director/City Engineer, the existing road segments bordering the project site average 4 lanes, resulting in an estimated 1.20 lane miles.

2.3 Assessed Valuation and Property Tax

Based on discussion with the City Finance Director, when preparing previous fiscal analyses for the City and recent annexations, the City General Fund will receive only the current allocation to the County Fire Department upon annexation of the Summit View Homes project. The City General Fund will not receive any allocation from the County General Fund. As shown in Appendix Table B-3, the City will receive 14.06 percent of the basic one percent property tax levy upon annexation of Summit View Homes.

Day One

As shown in Panel A of Table 2-2, upon day one of the annexation of the Summit View Homes vacant project site, the City will receive an estimated \$2,030 of property tax. The projected property tax is based on the project site's Fiscal Year 2013-2014 assessed valuation of \$1,443,132, as shown in Table 2-3, and the City receiving 14.06 percent of the basic one percent property tax levy of \$14,431.

Buildout

As shown in Panel B of Table 2-2, total new residential valuation is estimated at \$17,160,000 after buildout of the proposed 44 units. Based on the prices by product type provided by the developer in Appendix Table A-1, the 2014 estimated average value per unit is \$390,000.

After buildout of the proposed project, recurring property tax to the City General Fund is projected at \$24,130. This projection is based on the estimated total valuation of \$17,160,000 for the project and the City receiving 14.06 percent of the basic one percent property tax levy of \$171,600.

2.4 Off-Site Sales and Use Tax

The Summit View Homes project will generate taxable sales from purchases made by future residents of the project within the City of Lompoc. The City receives one percent of the taxable sales of most goods occurring within City limits. In addition to sales tax revenue, the City receives revenues from use tax, estimated at 13.4 percent of sales tax. As shown in Table 2-4, annual sales and use tax is projected at about \$7,800 from the estimated residential retail purchasing power of the future Summit View Homes residents after buildout.

Table 2-2
Assessed Valuation and Projected Property Tax
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Category	Buildout Amount
A. PROJECTED PROPERTY TAX TO THE CITY ON DAY ONE OF ANNEXATION	
Valuation upon Annexation ¹	\$1,443,132
<i>times</i>	
Basic 1% Property Tax Levy	1%
<i>equals</i>	
One Percent Property Tax	\$14,431
<i>times</i>	
City of Lompoc Property Tax Allocation upon Annexation of Project	14.06%
<i>equals</i>	
Projected Property Tax to City General Fund	\$2,030
B. PROJECTED PROPERTY TAX TO THE CITY AFTER BUILDOUT	
New Residential Units	44
<i>times</i>	
Average Value per Unit ²	\$390,000
<i>equals</i>	
Valuation after Buildout	\$17,160,000
<i>times</i>	
Basic 1% Property Tax Levy	1%
<i>equals</i>	
One Percent Property Tax	\$171,600
<i>times</i>	
City of Lompoc Property Tax Allocation upon Annexation of Project	14.06%
<i>equals</i>	
Projected Property Tax to City General Fund	\$24,130

Note: 1. Existing valuation is presented in Table 2-3.

2. New valuation for the Summit View Homes is projected at an average value of \$390,000 per unit, based information provided by the project applicant, as shown in Appendix Table A-1.

Sources: Stanley R. Hoffman Associates, Inc.
West Coast Housing Partners, LLC
Penfield & Smith, Inc.

Table 2-3
Estimated Existing Assessed Valuation
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Parcel Number	Total Assessed Valuation	Tax Rate Area
097-250-034	\$1,443,132	72-040

Sources: Stanley R. Hoffman Associates, Inc.
Santa Barbara County Assessor, 2013-2014 Secured Tax Statement

Table 2-4
Estimated Annual Off-Site Sales and Use Tax by Project Residents After Buildout
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Category	Buildout Amount
<u>Estimated New Residential Valuation</u>	\$17,160,000
<u>Estimated Annual Household Income</u> @ 25% of Valuation	\$4,290,000
<u>Estimated Annual Household Retail Taxable Purchases</u> Purchases @ 32% of Household Income	\$1,372,800
<u>Estimated Annual Off-site Taxable Sales Captured</u> @ 50% of Total Household Retail Purchases	\$686,400
<u>Estimated Annual Off-Site Sales and Use Tax</u> ¹	
Sales Tax @ 1.0% of Taxable Sales	\$6,900
Use Tax @ 13.4% of Sales Tax	<u>\$900</u>
Estimated Annual Off-Site Sales and Use Tax	\$7,800

Note: 1. Estimated annual off-site sales and use tax is rounded to the nearest 100.

Source: Stanley R. Hoffman Associates Inc.

Off-site retail sales and use tax from taxable purchases made by future Summit View Homes residents is projected based on the resident's estimated household income and estimated taxable retail purchases made in the City. The retail taxable household purchase estimate is based on the following assumptions:

- Household income is estimated at 25 percent of average housing value.
- The fiscal analysis estimates the Summit View Homes residents will generate total taxable retail purchases at 32 percent of household income based on U. S. Bureau of Labor Statistics, *Consumer Expenditure Survey* data.
- The fiscal analysis assumes the City could capture an estimated 50 percent of the total taxable retail purchases made by the residents of the Summit View Homes project. At the 50 percent capture, taxable retail purchases are estimated at about \$5,400 per capita for the project. As shown in Appendix Table A-2, data from the State Board of Equalization for 2012 estimated the average taxable sales for Lompoc at \$6,984 per capita.
- Appendix Table A-2 also presents retail taxable sales generated by the cities surrounding Lompoc in 2012. Per capita retail taxable sales in Lompoc represented about 67 percent of the total retail per capita taxable sales of the other surrounding cities, including Lompoc.

CHAPTER 3 FISCAL IMPACTS

This chapter describes the fiscal analysis of the Summit View Homes. Fiscal impacts are first presented to the City of Lompoc's General Fund followed by the projected recurring revenues to the City's Special Gas Tax Fund. Fiscal impacts are shown in constant 2014 dollars with no adjustment for possible future inflation of either revenues or costs.

3.1 City General Fund

Fiscal impacts of the Summit View Homes project are projected for day one of annexation without any development on the project site and for buildout of the project's residential units, parks and open space. Based on information from the City, public road segments that border the project on Purisima Road and Harris Grade Road will be annexed along with the project. These off-site public roads are assumed to be maintained by the City.

Day One

As shown in Panel A of Table 3-1, projected recurring revenues of \$2,030 are projected to the City General Fund upon day one of the annexation of the vacant project site with no project related improvements. The projected revenues upon annexation include property tax. The City becomes responsible for maintenance of the segments of Purisima Road and Harris Grade Road bordering the project upon annexation. Based on discussion with the Assistant Public Works Director/City Engineer, road maintenance costs would be minimal until development occurs on the project site.

Buildout

A recurring surplus of about \$5,120 is projected to the City General Fund after buildout of the entire Summit View Homes land uses. This projected surplus after buildout is based on recurring revenues of \$91,320 and recurring costs of \$86,200, at a revenue-to-cost ratio of 1.06.

As shown in Table 3-1, about eighty percent of the total projected recurring revenues after buildout of the Summit View Homes project are comprised of property tax (\$24,130), property tax in lieu of vehicle license fees (\$22,510), administrative service charges/internal services (\$14,750) and transfers from other funds (\$11,760).

Police protection (\$25,230), street maintenance (\$22,800), fire protection (\$10,960) and general government (\$9,240) are the largest projected recurring costs, accounting for about eighty percent of total projected recurring costs for the Summit View Homes project after buildout.

Table 3-1
Detailed Projected Recurring Fiscal Impacts ¹
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Recurring Revenue or Cost Category	Day One ²	Buildout	Percent of Buildout
A. GENERAL FUND			
<u>Annual Recurring Revenues</u>			
Property tax	\$2,030	\$24,130	26.4%
Property tax in lieu of vehicle license fee (VLF) ³	0	22,510	24.6%
Property tax in lieu of sales tax ⁴	0	1,950	2.1%
Off-Site retail sales and use tax	0	5,850	6.4%
Public safety sales tax	0	310	0.3%
Franchise tax and franchise penalties	0	990	1.1%
Property transfer tax - turnover	0	380	0.4%
Motor vehicle license fees	0	70	0.1%
Permits, fine, forfeits and penalties	0	50	0.1%
Current services charges	0	5,130	5.6%
Administrative service charges/internal services	0	14,750	16.2%
Miscellaneous revenues	0	760	0.8%
Transfer from Special Gas Tax Fund ⁵	0	2,680	2.9%
Transfers from other funds	0	11,760	12.9%
Total Recurring Revenues	\$2,030	\$91,320	100.0%
<u>Annual Recurring Costs</u>			
Police services	\$0	\$25,230	29.3%
Fire services	0	10,960	12.7%
Code enforcement	0	140	0.2%
Facilities services and maintenance	0	2,190	2.5%
Planning	0	900	1.0%
Engineering	0	2,610	3.0%
Building inspection	0	220	0.3%
Street maintenance ⁶	0	22,800	26.5%
Urban forestry	0	3,160	3.7%
Recreation	0	1,320	1.5%
Parks ⁷	0	4,680	5.4%
Transfer to Dick Wees Community and Senior Center	0	190	0.2%
Transfer to Traffic Offender Fund	0	140	0.2%
Transfer to Aquatic Center Fund	0	620	0.7%
Transfer to Fleet Fund	0	540	0.6%
Transfer to Library	0	1,170	1.4%
Museum	0	90	0.1%
General government	0	9,240	10.7%
Total Recurring Costs	\$0	\$86,200	100.0%
<u>Net Annual Surplus</u>	\$2,030	\$5,120	
<u>Revenue/Cost Ratio</u>	n/a	1.06	
B. SPECIAL GAS TAX FUND			
State gasoline tax ⁶	\$0	\$190	

Note: 1. Projected recurring impacts are rounded to the nearest tenth.

2. Day One assumes the project is annexed into the City before any development occurs on the Project site. Property tax revenues to the City General Fund upon annexation are projected based on the existing land valuation of the project site.
3. The State has lowered the VLF rate, which reduces the amount of VLF received by cities. However, the State provides property tax revenues to offset reduced VLF. The property tax in lieu of VLF changes according to the City's change in assessed valuation.
4. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and used it as security for the State's "Economic Recovery Bonds". The State has replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF revenues.
5. State gasoline taxes are earmarked for transportation related expenditures, including those transferred to the General Fund. The projected Special Gas Tax Fund state gasoline tax is net of the gasoline tax transferred to the City General Fund.
6. Internal project streets and perimeter landscaping are assumed to be maintained by a homeowners association. City street maintenance costs, including drainage and sidewalk maintenance, are projected for the off-site roads on the perimeter of the project site. Based on discussion with City public works' staff, street maintenance costs are assumed to be minimal on Day One.
7. Park maintenance costs for the on-site park are not projected as a General Fund cost and are assumed to be maintained through a homeowners association. However, park costs are projected for the impact of the Project residents on existing City parks.

Source: Stanley R. Hoffman Associates, Inc.

3.2 City Special Gas Tax Fund

As also shown in Table 3-1, recurring state gasoline taxes are projected at \$190 for the Summit View Homes after buildout. The state gasoline revenues projected for the Special Gas Tax Fund (at \$1.50 per capita) are net of the projected gas tax transfers projected to the City General Fund (at \$21.12 per capita).

CHAPTER 4 FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the City of Lompoc fiscal analysis for Summit View Homes. The general City demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs. Based on discussion with City administrative staff, the adopted revenues and costs as presented in the *City of Lompoc, Biennial Budget Fiscal Years 2013 - 2015* are evenly divided between the two fiscal years (FY 2013-2014 and FY 2014-2015) to estimate Fiscal Year 2013-2014 revenues and costs.

4.1 General Assumptions

Fiscal impacts that are not based on valuation or taxable sales are generally projected based on a per capita, per employee or per service population basis. Some fiscal impacts are projected based on other factors, such as per lane mile, based on the available data. General fund revenue and cost factors are estimated by dividing the FY 2013-2014 budget categories by the City's resident population, employment or total service population where appropriate. Table 4-1 provides the City's general assumptions for this fiscal analysis.

Population

As shown in Table 4-1, the State Department of Finance (DOF) estimates the City of Lompoc's January 1, 2014 total population at 43,314. This total City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvended gas taxes. Household population is estimated at 39,551 and group quarter's population at 3,763.

Housing Units

DOF estimates 14,594 total housing units for the City of Lompoc for January 1, 2014. DOF estimates that 13,519 units are occupied and 1,075 units are vacant.

Persons per Household

The DOF 2014 average persons per household for Lompoc are estimated at 2.93 based on dividing the household population estimate of 39,551 by the 13,519 estimated occupied units. However, for the proposed project, population is projected at the General Plan Update factor of 2.88 persons per household.

Table 4-1
City Population, Housing and Employment Assumptions
Summit View Homes Fiscal Analysis, City of Lompoc

Assumption	Description
	<u>Population and Housing</u> ¹
39,551	Household population
<u>3,763</u>	Group quarters population
43,314	Total resident population
13,519	Occupied housing units
<u>1,075</u>	Vacant housing units
14,594	Total housing units
2.93	Persons per occupied housing unit (household)
	<u>Employment</u> ²
11,059	Total Employment ²
5,530	Employment at 50% ³
	<u>Estimated Service Population</u> ³
43,314	Total Resident Population
<i>plus</i>	
5,530	Employment at 50% ³
<i>equals</i>	
48,844	Estimated Total Service Population

- Note: 1. Population and housing estimates are from DOF for January 1, 2014.
2. The 2014 total City employment estimate is an interpolation of the 2010 and 2020 employment from the Santa Barbara County Association of Governments *Regional Growth Forecast* for the City.
3. The estimated employment of 11,059 was weighted by 50% based on the assumption that workers spend about half the time in the City as residents, and require less frequent use of City public services.
4. For fiscal factors that are based on population and employment, an estimated service population factor is utilized. The service population represents the total population plus 50% of the employment.

Sources: Stanley R. Hoffman Associates, Inc.
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, California, May 2014
Santa Barbara Council of Governments, *Regional Growth Forecast 2010-2040*, Adopted December 2012

Employment

The total City employment for 2014 is estimated at 11,059 based on an interpolation of the 2010 and 2020 employment estimates from the Santa Barbara County Association of Governments (SBCAG), *Regional Growth Forecast 2010-2040*, Adopted December 2012. This estimate is used to calculate fiscal factors based on employment, such as business license tax revenues.

Service Population

Several revenues and costs are impacted by both population and employment growth, such as franchise taxes and police costs. Therefore, these fiscal factors are estimated by allocating total budgeted revenues or costs to both population and employment. For these revenues and costs, the City employment estimate was weighted at 50 percent to account for workers spending about half the time of a resident in the City and therefore requiring less frequent use of City public services by employment versus population. As shown in Table 4-1, an estimated service population of 48,844 is used to calculate the fiscal factors that apply to both population and employment. This service population estimate includes the resident population of 43,314 and the estimated weighted employment of 5,530 (50 percent of the employment estimate of 11,059).

4.2 Revenue Assumptions

The General Fund and Special Gas Tax Fund revenue factors used in preparing the fiscal analysis for the Summit View Homes project are presented in Table 4-2. The detailed revenues in the City of Lompoc *Biennial Budget, Fiscal Years 2013-2015* do not include revenues for each of the 2013-2014 and 2014-2015 fiscal years. Based on discussion with the Lompoc's City Administrator, the proposed FY 2013-2015 revenues are evenly divided between Fiscal Years 2013-2014 and 2014-2015, as shown in Appendix Table B-1. The estimated FY 2013-2014 recurring revenues and revenue factors for each of the revenue categories in the General Fund are presented in Table 4-2. These factors are based on the estimated City's Fiscal Year (FY) 2013-14 General Fund Adopted revenues shown in Appendix Table B-1 and the City's population, employment and service population estimates presented in Table 4-1.

General Fund

Property Taxes - General Fund. Property tax revenues are projected based on the City's estimated share of the one percent property tax levy of the estimated assessed valuation for the proposed development in the Summit View Homes project. The City's share of the one percent property tax is based on the allocation rate for the tax rate area (TRA) in which the development is located.

Table 4-2
General Fund and Gas Tax Fund Recurring Revenue Factors
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Revenue Source	Fiscal Year 2013-2014	Projection Basis ¹	Revenue Projection Factor
GENERAL FUND			
<u>Property taxes</u>	\$3,475,509	Valuation	14.06% General Fund allocation of basic 1% levy
<u>Property tax in Lieu of VLF ²</u>	\$3,071,587	Case Study	\$1,312 per \$1,000,000 of assessed value
<u>Property tax In lieu of sales tax ³</u>	\$1,068,593	Case Study	25% of projected sales and use tax 13.4% Use tax (at 13.4% of sales tax)
<u>Sales and use tax</u>	\$3,100,166	Case Study	75% of projected sales and use tax 13.4% use tax (at 13.4% of sales tax)
<u>Public safety sales tax</u>	\$105,446	Population = 43,314	\$2.43 per capita
<u>Franchise tax and franchise penalties</u>	\$380,265	Service Population = 48,844	\$7.79 per service population
<u>Business license tax, penalties and fees</u>	\$367,422	Not Projected	\$33.22 per employee
<u>Property transfer tax</u>	\$54,347	Valuation and Turnover	\$0.55 per \$1,000 of turnover assessed valuation 4% estimated turnover rate
<u>Motor vehicle license fees</u>	\$24,966	Population = 43,314	\$0.58 per capita
<u>Permits, fines, forfeits and penalties</u>			
Recurring permits	\$3,157	Service Population = 48,844	\$0.06 per service population
Criminal code violations	\$14,079	Population = 43,314	\$0.33 per capita
<u>Current services charges</u>	\$1,973,823	Service Population = 48,844	\$40.41 per service population
<u>Administrative service charges/internal services</u>			
Administrative service charges - library	\$68,151	Population = 43,314	\$1.57 per capita
Other Administrative charges/internal services	\$5,594,346	Service Population = 48,844	\$114.53 per service population
<u>Miscellaneous revenue</u>			
Miscellaneous revenue	\$228,833	Service Population = 48,844	\$4.68 per service population
POST grant	\$57,875	Population = 43,314	\$1.34 per capita
<u>Interest earned on investments</u>	\$12,942	Percent of recurring revenues	n/a not projected
<u>Transfers from other funds:</u>			
Transfer from Transient Occupancy Fund	\$1,316,283	Not Projected	Not Projected
Transfer from Gas Tax Fund	\$914,790	Population = 43,314	\$21.12 per capita
Transfer from State COPS Grant/Fund 38	\$100,000	Not Projected	Not Projected
Transfers from other funds	\$4,522,457	Service Population = 48,844	\$92.59 per service population
SPECIAL GAS TAX FUND RECURRING REVENUES			
State gasoline taxes	\$979,978	Population = 43,314	\$22.62 per capita
<i>minus</i>			
Transfer to General Fund	\$914,790	Population = 43,314	\$21.12 per capita
<i>equals</i>			
Net Special Gas Tax Fund Revenues	\$65,188	Population = 43,314	\$1.50 per capita

Note: 1. For revenue factors that are based on population and employment, the estimated City of Lompoc service population, as shown in Table 4-1, is used to calculate the revenue factor. Service population is estimated at 48,844, which is the total City population estimate of 43,314 plus 5,530 (50 percent of the employment estimate of 11,059).

2. The State has lowered the VLF rate, which reduces the amount of VLF received by counties. However, the State provides property tax revenue to offset the reduced VLF. The property tax in lieu of VLF changes based on the change in the assessed valuation for the City. The change in the VLF per assessed valuation is presented in Appendix Table B-4.

3. The State reduced the local sales tax allocation by 25% on July 1 2004, and used it as security for the State's "Economic Recovery Bonds". The State has replace the 25% reduction of sales tax with a dollar-for-dollar allocation of property tax from County ERAF funds.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015*

Appendix Table B-2 presents the property tax allocations to the funds for the tax rate area (TRA) in which the project is located. Based on discussion with the City Finance Director when preparing previous fiscal analyses for the City and recent annexations, the City General Fund will receive only the current allocation to the County Fire Department upon annexation of the Summit View Homes project. The City General Fund will not receive any allocation from the County General Fund. As shown in Appendix Table B-3, the City will receive about 14.06 percent of the basic one percent property tax levy upon annexation of Summit View Homes.

Property Tax In Lieu of Vehicle License Tax. As part of the State's 2004-2005 budget agreement, the State began to allocate property tax revenues to cities and counties to offset the State reduction of motor vehicle license fees (VLF). These VLF property tax revenues would have gone to schools through the Educational Revenue Augmentation Fund (ERAF). In turn, the State General Fund backfills schools for their lost ERAF money. The VLF amount received is calculated by the State and grows with the change in gross assessed valuation of taxable property in the jurisdiction from the prior year. As shown in Appendix Table B-4, the property tax in lieu of VLF in the City is projected to increase at \$1,312 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in property tax in lieu of VLF in the City over the period from fiscal year 2004-2005 to fiscal year 2013-2014.

Property Tax in Lieu of State Sales Tax. As of July 1, 2004, the State has reduced the local one percent sales tax allocation by 25 percent, and replaced this with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the Property Tax in Lieu of State Sales Tax is projected based on 25 percent of the estimated sales and use tax generated.

Sales and Use Tax. The City receives one percent of the taxable sales of most goods occurring within City limits. In addition to sales tax revenue, the City receives revenues from use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Use tax revenues to Lompoc are estimated at an additional 13.4 percent of point-of-sale sales tax, as shown in Appendix Table B-5. Calendar Year 2013 sales tax data provided by Hinderliter de Llamas and Associates (HdL) estimates that \$476,290 of total sales and use tax were made from levies designated as use tax and the remaining \$3,565,745 of the sales and use tax was point-of-sale, sales

tax. Therefore, use tax revenues to the City of Lompoc are estimated at an additional 13.4 percent of point-of-sale, sales tax.

Public Safety Sales Tax. These revenues are projected at \$2.43 per capita based on FY 2013-2014 revenues of \$105,446 and the City's population estimate of 43,314, as shown in Table 4-2.

Franchise Tax and Franchise Penalties. Based on FY 2013-2014 estimated franchise tax revenues of \$380,265 and the City's estimated service population of 48,844, franchise tax revenues are projected at \$7.79 per service population, as shown in Table 4-2.

Business License Tax, Penalties and Fees. These revenues are projected at \$33.22 per employee based on FY 2013-2014 estimated revenues of \$367,422 and the City's employment estimate of 11,059. Business license tax is not projected, because there are no on-site employment uses in the Summit View Homes project.

Property Transfer Tax. Sales of real property are taxed by Santa Barbara County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value.

Based on data from the U.S. Census Bureau, 2008-2012 American Community Survey, residential development in Lompoc is estimated to change ownership at an average rate of about 4.0 percent per year (Appendix Table B-6). This assumption is based on the most recent U.S. Census data provided for the year period from 2000 through 2012.

Motor Vehicle License Fees. These revenues are subvended from the State and are projected at \$0.58 per capita based on estimated FY 2013-2014 recurring revenues of \$24,966 and the City's population estimate of 43,314, as shown in Table 4-2.

Permits, Fines, Forfeits and Penalties. The following revenues are included in this category.

Recurring Permits. These revenues are projected at \$0.06 per service population based on estimated FY 2013-2014 revenues of \$3,157 and the City service population estimate of 48,844.

Criminal Code Violations. These revenues are projected at \$0.33 per capita based on FY 2013-2014 revenues of \$14,079 and the City population estimate of 43,314.

Current Service Charges. These recurring revenues include support services for water, wastewater, sewer, police and fire. Current service charges are projected at \$40.41 per service population based on FY 2013-2014 revenues of \$1,973,823 and the City's estimated service population of 48,844.

Administrative Service Charges/Internal Services. As shown in Table 4-2, the following revenues are included in this category.

Administrative Service Charges - Library. These revenues are projected at \$1.57 per capita based on estimated FY 2013-2014 revenues of \$68,151 and the City population estimate of 43,314.

Other Administrative Charges/Internal Services. Based on FY 2013-2014 revenues of \$5,594,346 and the City service population estimate of 48,844, these revenues are projected at \$114.53 per service population.

Miscellaneous Revenue. The following revenues are included in this category.

Miscellaneous Revenue. As shown in Table 4-2, these revenues are projected at \$4.68 per service population based on FY 2013-2014 revenues of \$228,833 and the City's service population estimate of 48,844.

POST Grant Revenue. These revenues include State reimbursements from Police Officers Standard Training (P.O.S.T.). POST revenues are projected at \$1.34 per capita based on FY 2013-2014 estimated revenues of \$57,875 and the City's population estimate of 43,314.

Interest Earned on Investments. These revenues are estimated at \$12,942 in the FY 2013-2014 budget. The fiscal analysis does not project interest earned on investments because they represent a very small share of the General Fund's non-interest recurring revenues of \$28.71 million.

Transfers from Other Funds. The following revenues are included in this category.

Transfer From Transient Occupancy Fund. These revenues are not projected because there is no lodging associated with the Summit View Homes project.

Transfer From Gas Tax Fund. These revenues include State gasoline taxes which are earmarked for road related expenditures. Transfers from the Gas Tax Fund to the General Fund are projected at \$21.12 per capita based on FY 2013-2014 revenues of \$914,970 and the City's population estimate of 43,314, as shown in Table 4-2.

Transfers From State COPS Grant/Fund 38. These transfers are not projected because of the uncertainty of this grant as a recurring revenue.

Transfers From Other Funds. Based on FY 2013-2014 revenues of \$4,522,457 and the City's service population estimate of 48,844, these revenues are projected at \$92.59 per service population. These revenues include transfers to the General Fund from the Economic Uncertainty Fund, Local STP Fund, Measure D, Transportation Fund, Measure A Road Repair, Electric Fund, Insurance Retirement Fund and the Traffic Safety Fund.

Special Gas Tax Fund

State Gasoline Tax. State gasoline tax revenues to the Special Gas Tax Fund are projected at \$979,978 or about \$22.62 per capita. However, when the \$914,970 transfer to the General Fund is subtracted, net State gasoline revenues for the Special Gas Tax Fund are \$65,188. Based on these

net revenues of \$65,188 and the City's population estimated of 43,314, State gasoline tax to the Special Gas Tax Fund is projected at \$1.50 per capita.

4.3 Cost Assumptions

The detailed adopted costs in the City of Lompoc *Biennial Budget, Fiscal Years 2013-2015* do not include costs for each of the 2013-2014 and 2014-2015 fiscal years. Based on discussion with the City Administrator and previous fiscal analyses prepared for the City, the adopted Fiscal Year (FY) 2013-2015 costs are evenly divided between fiscal years 2013-2014 and 2014-2015, as shown in Appendix Table B-7. The estimated FY 2013-2014 net recurring costs and cost factors for each of the cost categories in the General Fund are presented in Table 4-3. As with revenue factors, cost factors become assumptions for the fiscal analysis, and are used to project recurring costs generated by the population for the Summit View Homes project.

General Government

General government costs include administration and support of the departmental functions. These are generalized citywide services and can't be directly linked to a specific department or project. General government costs for Lompoc include City Council; City Administrator; City Attorney; City Clerk; Human Resources/Safety; Management Services; City Treasurer; Economic Development and Tourism; and Non-Departmental expenses. General Fund contributions to the library and museum are removed from non-departmental costs and are considered direct departmental costs in the fiscal analysis.

As shown in Panel A of Table 4-4, general government costs are estimated at \$5,561,119 and direct departmental costs (or non-general government) are estimated at \$23,147,239. As shown in Panel B of Table 4-4, the average general government costs are projected at about 24.0 percent of direct non-general government costs. General government costs for the Summit View Homes project are projected at 50 percent of the average cost, or at the marginal rate of 12.0 percent of direct costs. A marginal rate is used because a high proportion of the overhead costs are not assumed to change significantly with the project's new growth.

Police

As shown in Table 4-3, annual police costs are projected \$198.65 per service population based on the estimated FY 2013-2014 Budget police costs of \$9,703,007 and the City's service population estimate of 48,844.

Table 4-3
General Fund Recurring Cost Factors
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Cost Category	Fiscal Year 2013-2014		Projection Basis ¹	Cost Projection Factor
	Net Cost	Adjusted Net Cost		
General government ²	\$5,561,119		Case Study	24.0% average share General Government costs are of non-general government 12.0% marginal rate at 50% of average rate
Police	\$9,703,007		Service Population = 48,844	\$198.65 per service population
Fire	\$4,216,367		Service Population = 48,844	\$86.32 per service population
Code Enforcement	\$54,863		Service Population = 48,844	\$1.12 per service population
Facilities services and maintenance	\$843,075		Service Population = 48,844	\$17.26 per service population
Planning ³	\$695,595	\$346,968	Service Population = 48,844	\$7.10 per service population
Engineering	\$1,004,765		Service Population = 48,844	\$20.57 per service population
Building inspection ⁴	\$478,170	\$85,343	Service Population = 48,844	\$1.75 per service population
Street Maintenance ⁵	\$1,929,520		Case Study	\$19,000 per lane mile
Urban Forestry	\$1,215,586		Service Population = 48,844	\$24.89 per service population
Recreation	\$449,017		Population = 43,314	\$10.37 per capita
Parks	\$1,594,865		Population = 43,314	\$36.82 per capita
<u>Transfers To Other Funds:</u>				
Dick Wees Community and Senior Center	\$65,000		Population = 43,314	\$1.50 per capita
Traffic Offender Fund	\$53,055		Service Population = 48,844	\$1.09 per service population
Aquatic Center Fund	\$210,000		Population = 43,314	\$4.85 per capita
Fleet Fund	\$207,150		Service Population = 48,844	\$4.24 per service population
<u>Library</u>	\$398,207		Population = 43,314	\$9.19 per capita
<u>Museum</u>	\$29,000		Population = 43,314	\$0.67 per capita

- Note: 1. For cost factors that are based on population and employment, the estimated City of Lompoc service population, as shown in Table 4-1, is used to calculate the cost factor. Service population is estimated at 48,314, which is the total City population estimate of 43,314 plus 5,530 (50 percent of the employment estimate of 11,059).
2. The calculation of general government overhead is presented in Table 4-4.
3. Planning costs of \$695,595 are adjusted by estimated one-time plan check revenues which are not projected in the fiscal analysis, as shown in Appendix Table B-8.
4. Building inspections costs of \$478,170 are adjusted by estimated City Budget revenues for one-time building and other one time permits, as shown in Appendix Table B-8.
5. Street maintenance costs are estimated at \$19,000 per lane mile based on discussion with City public works' staff.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015*

Table 4-4
Calculation of General Government Overhead Rate
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

A. ESTIMATED FISCAL YEAR 2013-2014 ¹

General Fund Expenditures	Estimated One Year: Fiscal Year 2013-2014 ¹		
	Total Net Costs	Net General Government	Net Non-General Government
<u>General Government</u>			
City Council	\$132,976	\$132,976	
City Administrator	408,256	408,256	
City Attorney	542,770	542,770	
City Clerk	189,649	189,649	
Human Resources/Safety	575,559	575,559	
Management Services	2,231,557	2,231,557	
City Treasurer	1,136,408	1,136,408	
Economic Development and Tourism	252,364	252,364	
Non-Departmental ²	91,581	91,581	
<u>Non-General Government</u>			
Police Department	\$9,703,007		\$9,703,007
Fire Department	4,216,367		4,216,367
Code Enforcement	54,863		54,863
Facilities Services and Maintenance	843,075		843,075
Planning	695,595		695,595
Engineering	1,004,765		1,004,765
Building Inspection	478,170		478,170
Street Maintenance	1,929,520		1,929,520
Urban Forestry	1,215,586		1,215,586
Recreation	449,017		449,017
Parks	1,594,865		1,594,865
Transfer to Dick DeWees Community & Senior Center	65,000		65,000
Transfer to Traffic Offender Fund	53,055		53,055
Transfer to Aquatic Center Operations & Maintenance	210,000		210,000
Transfer to Fleet Fund	207,150		207,150
Library	398,207		398,207
Museum	29,000		29,000
GRAND TOTAL GENERAL FUND	\$28,708,358	\$5,561,119	\$23,147,239

B. CALCULATION OF GENERAL GOVERNMENT COSTS

Net General Government Costs		\$5,561,119
	<i>divided by</i>	
Net Non-General Government Costs		\$23,147,239
	<i>equals</i>	
General Government as a percent of Direct General Fund		24.0%
General Government Overhead at a Marginal Rate of 50 Percent ³		12.0%

Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015* does not include the costs for each of the fiscal years in the two-year period. The two-year costs are presented in Appendix Table B-7. Based on discussion with the City Administrator and the previous fiscal analyses prepared for the City, the proposed costs for Fiscal Years 2013-2015 are evenly divided between fiscal year 2013-2014 and fiscal year 2014-2015. The estimated fiscal year 2013-2014 are presented in this table.

2. Library costs and museum costs are treated as departmental costs in the fiscal analysis and are removed from the total non-departmental costs.

3. General government overhead costs will not increase on a one-for-one basis as a result of the Summit View Homes project. The fiscal analysis assumes general government overhead costs increase at an estimated marginal rate of 50 percent of the estimated current general government overhead rate.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015*

Fire

As shown in Table 4-3, based on the City's FY 2013-2014 fire budget of \$4,216,367 and the estimated City service population of 48,844, annual fire protection costs are projected at \$86.32 per service population.

Code Enforcement

As shown in Table 4-3, code enforcement costs are estimated at \$1.12 per service population based on FY 2013-2014 costs of \$54,863 and the City service population estimate of 48,844.

Facilities Services and Maintenance

These costs are estimated at \$17.26 per service population based on FY 2013-2014 facilities services and maintenance costs of \$843,075 and the City service population estimate of 48,844.

Planning

Based on FY 2013-2014 net planning costs of \$346,968 and the City service population estimate of 48,844, planning costs are estimated at \$7.10 per service population. As shown in Panel A of Appendix Table B-8, the total General Fund planning costs of \$695,595 are partially offset by one-time plan check fees of \$348,628.

Engineering

As shown in Table 4-3, engineering costs are estimated at \$20.57 per service population based on FY 2013-2014 engineering costs of \$1,004,765 and the City service population estimate of 48,844.

Building Inspection

Based on FY 2013-2014 net building inspection costs of \$85,343 and the City service population estimate of 48,844, these costs are estimated at \$1.75 per service population. As shown in Panel B of Appendix Table B-8, the total General Fund building inspection costs of \$478,170 are partially offset by building and other one-time permit revenues of \$392,828.

Street Maintenance

Street maintenance costs for the public road segments that border the project on Purisima Road and Harris Grade Road that will be annexed along with the project are projected at \$19,000 per lane mile based on discussion with the City Engineer. This cost factor represents the current average street maintenance expenditures per City lane mile. The City Engineer estimates that road maintenance costs would be minimal until development occurs on the project site and adjacent road and drainage improvements are made.

Urban Forestry

Annual costs for citywide urban forestry (tree and citywide landscaping) are estimated at \$24.89 per service population based on annual FY 2013-2014 urban forestry costs of \$1,215,586 and the City's service population estimate of 48,844, as shown in Table 4-3.

Recreation

Recreation costs are estimated at \$10.37 per capita based on FY 2013-2014 recreation costs of \$449,017 and the City population estimate of 43,314.

Parks

Park costs are not projected for the Summit View Homes on-site park which will be maintained by a homeowners association. The impact of the future residents of the Summit View Home project on other City parks is projected at \$36.82 per capita based on the FY 2013-2014 park budget of \$1,594,865 and the City's population estimate of 43,314.

Transfers to Other Funds

As shown in Table 4-3, the following costs are included in this category:

Dick Wees Community and Senior Center. Based on the FY 2013-2014 transfers of \$65,000 and the City's estimated population of 43,314, these costs are projected at \$1.50 per capita.

Traffic Offender Fund. These transfers from the General Fund represent partial funding of expenses for one motorcycle officer. These transfers are projected at \$1.09 per service population based on the FY 2013-2014 transfer amount of \$53,055 and the City's service population estimate of 48,844, as shown in Table 4-3.

Aquatics Center Fund. Based on FY 2013-2014 transfers of \$210,000 and the City's population estimate of 43,314, these costs are projected at \$4.85 per capita.

Fleet Fund. These transfers are projected at \$4.24 per service population based on the FY 2013-2014 transfer amount of 207,150 and the City's service population estimate of 48,844, as shown in Table 4-3.

Library

Library costs to the General Fund are estimated at \$9.19 per capita based on the General Fund FY 2013-2014 contribution of \$398,207 to the Lompoc Public Library System and the City population estimate of 43,314.

Museum

Based on the General Fund FY 2013-2014 contribution of \$29,000 to the Museum Association for operation of the City Museum and the City's estimated population of 43,314, these costs are projected at \$0.67 per capita.

**APPENDIX A
SUPPORTING MARKET ASSUMPTIONS TABLES**

**Table A-1
Estimated Average Value per Unit
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)**

Plan Number	Unit Size (Square Feet)	Total Units	Average Price	Total Valuation
1	1,870	16	\$360,000	\$5,760,000
2	2,400	12	\$390,000	\$4,680,000
3	2,860	<u>16</u>	\$420,000	<u>\$6,720,000</u>
		44		\$17,160,000

Average Value per Unit

\$390,000

Note: 1. The average value per unit is based on information from West Coast Housing Partners.

Sources: Stanley R. Hoffman Associates, Inc.
West Coast Housing Partners, LLC, June 2014

Table A-2
Estimated 2012 Taxable Retail Sales per Capita
Summit View Homes Fiscal Analysis, City of Lompoc

A. Taxable Retail Sales Breakdown: 2012 (In thousands of dollars)

Retail Category	Lompoc	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
Motor Vehicle and Parts Dealers	\$52,748	n/a	n/a	\$260,194	na	\$312,941
Home Furnishings and Appliance Stores	7,038	n/a	n/a	42,048	na	49,086
Bldg. Matrl. and Garden Equip. and Supplies	n/a	n/a	n/a	128,821	na	128,821
Food and Beverage Stores	46,504	n/a	n/a	84,180	na	130,684
Gasoline Stations	49,936	n/a	n/a	155,712	na	205,647
Clothing and Clothing Accessories Stores	11,907	n/a	n/a	46,175	na	58,082
General Merchandise Stores	n/a	n/a	n/a	225,947	na	225,947
Food Services and Drinking Places	40,923	n/a	n/a	130,818	na	171,740
Other Retail Group	<u>89,387</u>	<u>n/a</u>	<u>n/a</u>	<u>77,322</u>	<u>na</u>	<u>166,709</u>
Total Taxable Retail Sales	\$298,441	\$128,336	\$13,991	\$1,151,216	\$75,343	\$1,667,327

B. 2013 Population

	Lompoc	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
January 1, 2013 Population	42,730	4,863	7,100	100,306	5,292	160,291

C. Per Capita Taxable Retail Sales Breakdown

Retail Category	Lompoc	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
Motor Vehicle and Parts Dealers	\$1,234	n/a	n/a	\$2,594	n/a	n/a
Home Furnishings and Appliance Stores	165	n/a	n/a	419	n/a	n/a
Bldg. Matrl. and Garden Equip. and Supplies	n/a	n/a	n/a	1,284	n/a	n/a
Food and Beverage Stores	1,088	n/a	n/a	839	n/a	n/a
Gasoline Stations	1,169	n/a	n/a	1,552	n/a	n/a
Clothing and Clothing Accessories Stores	279	n/a	n/a	460	n/a	n/a
General Merchandise Stores	n/a	n/a	n/a	2,253	n/a	n/a
Food Services and Drinking Places	958	n/a	n/a	1,304	n/a	n/a
Other Retail Group	<u>2,092</u>	<u>n/a</u>	<u>n/a</u>	<u>771</u>	<u>n/a</u>	<u>n/a</u>
Total Taxable Retail Sales per Capita	\$6,984	\$26,390	\$1,971	\$11,477	\$14,237	\$10,402

D. Relative Strength of Retail Taxable Sales in Lompoc

Total Retail	Lompoc's Per Capita Retail Taxable Sales Share of:				
	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
Total	0.26	3.54	0.61	0.49	0.67

Sources: Stanley R. Hoffman Associates, Inc.

California State Board of Equalization, *Taxable Sales in California (Sales and Use Tax), During 2012*State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011 -2013, Sacramento, California, May 2013*

APPENDIX B SUPPORTING FISCAL TABLES

**Table B-1
General Fund Adopted Revenues
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)**

Revenue Category	Adopted Biennial Budget		Allocation of Estimated One Year Revenues: 2013-2014			
	Proposed Two Years: 2013-2015 ¹	Estimated One Year 2013-2014 ¹	One-Time Permits, Fees and Grants	Transfers In	Recurring Revenues	Total FY 2013-2014 Revenues
Taxes						
Property Taxes	\$6,951,018	\$3,475,509			\$3,475,509	\$3,475,509
Property Tax - In Lieu of VLF	6,143,174	3,071,587			3,071,587	3,071,587
Property Tax in Lieu of Sales Tax	2,137,185	1,068,593			1,068,593	1,068,593
Sales & Use Taxes	6,200,332	3,100,166			3,100,166	3,100,166
Public Safety Sales Tax	210,891	105,446			105,446	105,446
Franchise Tax	735,102	367,551			367,551	367,551
Business License Tax	653,494	326,747			326,747	326,747
Property Transfer Tax	108,694	54,347			54,347	54,347
<i>Subtotal</i>	\$23,139,890	\$11,569,945			\$11,569,945	\$11,569,945
Licenses and Permits						
Building and Other One-Time Permits	\$561,682	\$280,841	\$280,841		\$0	\$280,841
Recurring Permits	6,314	3,157			3,157	3,157
<i>Subtotal</i>	\$567,996	\$283,998	\$280,841		\$3,157	\$283,998
Fines, Forfeits & Penalties						
Business Tax Penalties	\$13,594	\$6,797			\$6,797	\$6,797
Franchise Penalties	25,428	12,714			12,714	12,714
Criminal Code Violations	28,158	14,079			14,079	14,079
<i>Subtotal</i>	\$67,180	\$33,590			\$33,590	\$33,590
Investment & Property Revenues						
Interest Income	\$25,884	\$12,942			\$12,942	\$12,942
Other Investment & Property Revenues	245,223	122,612	122,612		0	122,612
<i>Subtotal</i>	\$271,107	\$135,554	\$122,612		\$12,942	\$135,554
Revenues from Other Agencies						
Motor Vehicle License Fees	\$49,932	\$24,966			\$24,966	\$24,966
POST Grant	115,750	\$57,875	0		57,875	57,875
Other Non-Recurring Revenues	2,353,734	1,176,867	\$1,176,867		0	1,176,867
<i>Subtotal</i>	\$2,519,416	\$1,259,708	\$1,176,867		\$82,841	\$1,259,708
Current Service Charges						
Recurring Charges and Fees	\$13,255	\$6,628			\$6,628	\$6,628
Business Tax Application & Renewal Fees	67,755	33,878			33,878	33,878
Water, Wastewater, Sewer Support Services	3,167,614	1,583,807			1,583,807	1,583,807
General Plan and Plan Checking Fees	697,255	348,628	348,628		0	348,628
Building Permits and One-Time Fees	223,973	111,987	111,987		0	111,987
Police Services	614,968	307,484			307,484	307,484
Parking Lot Maintenance Reimbursement	480	240	240		0	240
Fire Services	151,808	75,904			75,904	75,904
<i>Subtotal</i>	\$4,937,108	\$2,468,554	\$460,854		\$2,007,700	\$2,468,554
Charges/Internal Services						
Administrative Service Charges	\$10,682,498	\$5,341,249			\$5,341,249	\$5,341,249
Administrative Service Charge - Library	136,302	68,151			68,151	68,151
Internal Services	506,194	253,097			253,097	253,097
<i>Subtotal</i>	\$11,324,994	\$5,662,497	\$0		\$5,662,497	\$5,662,497
Other Revenue						
Miscellaneous Revenue	\$457,666	\$228,833			\$228,833	\$228,833
Proceeds from Lease Purchase	414,299	207,150	207,150		0	207,150
Contributions to Police and Fire	10,000	5,000	5,000		0	5,000
Reimbursement from OPEB Trust	0	0	0		0	0
<i>Subtotal</i>	\$881,965	\$440,983	\$212,150		\$228,833	\$440,983
Transfers from Other Funds						
From Economic Uncertainty Fund	\$5,000	\$2,500		\$2,500	\$0	\$2,500
From Local STP Fund	344,000	172,000		172,000	0	172,000
From Transportation Improvement Fund	0	0		0	0	0
From Measure D	504,435	252,218		252,218	0	252,218
From Gas Tax Fund	1,829,580	914,790		914,790	0	914,790
From Transportation	1,661,856	830,928		830,928	0	830,928
From Measure A Road Repair and Transport	1,895,565	947,783		947,783	0	947,783
From State COPS Grant/Fund 38	200,000	100,000		100,000	0	100,000
From 1 Time Money	275,038	137,519		137,519	0	137,519
From Electric Fund	4,024,266	2,012,133		2,012,133	0	2,012,133
From Insurance Fund	0	0		0	0	0
From Insurance Retire Payouts	148,754	74,377		74,377	0	74,377
From Traffic Safety Fund	186,000	93,000		93,000	0	93,000
From Transient Occupancy Fund	2,632,565	1,316,283		1,316,283	0	1,316,283
<i>Subtotal</i>	\$13,707,059	\$6,853,530	\$0	\$6,853,530	\$0	\$6,853,530
TOTAL GENERAL FUND	\$57,416,715	\$28,708,358	\$2,253,323	\$6,853,530	\$19,601,505	\$28,708,358

Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015* does not include the revenues for each of the fiscal years in the two-year period. Based on discussion with the City Administrator and the previous fiscal analyses prepared for the City, the adopted revenues for Fiscal Years 2013-2015 are evenly divided between Fiscal Year 2013-2014 and Fiscal Year 2014-2015.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015*

Table B-2
Property Tax Allocation Rates: TRA 72-040
Summit View Homes Fiscal Analysis, City of Lompoc

Fund	TRA 72-040
County General Fund	0.2347
County Service Area Number 32	0.0000
Santa Barbara County Fire Protection District	0.1406
Santa Barbara County Flood Control/Water Cons. District MT	0.0032
Lompoc Valley Flood Zone 2	0.0101
Santa Barbara County Water Agency	0.0041
Lompoc Cemetery District	0.0079
Lompoc Hospital District	0.0197
Santa Barbara Coastal Vector Control District	0.0002
Cachuma Resource Conservation District	0.0009
Santa Ynez River Water Conservation District - General	0.0032
Lompoc Unified School District - General	0.3449
A Hancock Joint Community College District - General	0.0621
County School Service Fund	0.0430
Educational Revenue Augmentation Fund (ERAF)	<u>0.1254</u>
	1.0000

Sources: Stanley R. Hoffman Associates, Inc.
Santa Barbara County Auditor Controller, *Allocated Property Tax, 2012-13, TRA 72-040*

Table B-3
Property Tax Allocation Rates Prior To and Upon Annexation
Summit View Homes Fiscal Analysis, City of Lompoc

Property Tax Recipient	Tax Rate Area Allocations ¹		
	Prior to Annexation	Upon Annexation ²	
	Santa Barbara County	Santa Barbara County	City of Lompoc
County Fire Protection District	0.1406	0.0000	0.1406

Note: 1. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
2. Based on the recent property tax agreements between the City and the County, it is assumed that the City General Fund will receive the entire estimated current allocation of 14.06 percent to the County Fire Protection District upon annexation of the proposed project to the City.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, Finance Department

Table B-4
Estimated Property Tax in Lieu of Vehicle License Fees (VLF) Factor
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Category	Fiscal Year		Change
	2004-2005	2013-2014	
A. Nominal Dollars			
In Lieu Property Tax - Vehicle License Fee (VLF)	\$2,401,588	\$3,071,587	\$669,999
Assessed Valuation (AV)	\$1,829,902,153	\$2,340,411,288	\$510,509,135
VLF Increase divided by AV			0.001312
VLF Increase per \$1,000,000 increase in AV			\$1,312
B. Consumer Price Index (January 2005 and 2013)			
	195.40	239.86	1.23
C. In Constant 2012 Dollars			
In Lieu Property Tax - VLF	\$2,947,992	\$3,071,587	\$123,595
Assessed Valuation (AV)	\$2,246,237,670	\$2,340,411,288	\$94,173,618
VLF Increase divided by AV			0.001312
VLF Increase per \$1,000,000 increase in AV			\$1,312

Sources: Stanley R. Hoffman Associates, Inc.

State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section 97.70©1(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005*

State Controller's Office, *Cities Annual Report*, April 23, 2014

Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, Annual CPI*, June 2014

Table B-5
Calculation of Use Tax Factor
Summit View Homes Fiscal Analysis, City of Lompoc

City of Lompoc	Amount
<u>Use Tax</u>	
County Pool	\$474,056
State Pool	<u>2,234</u>
Total Use Tax	\$476,290
	<i>divided by</i>
<u>Point-of Sale Sales Tax</u>	\$3,565,745
	<i>equals</i>
<u>Use Tax Rate</u> ¹	13.4%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Source: The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2013*

Table B-6
Estimated Annual Residential Turnover
Summit View Homes Fiscal Analysis, City of Lompoc

City of Lompoc	Owner Occupied Housing Units	Percent of Total
A. Year Moved In		
Moved in 2010 to 2012	377	6.0%
Moved in 2000 to 2009	<u>2,291</u>	<u>36.4%</u>
Subtotal 2000 to 2012	2,668	42.4%
Moved in 1990 to 1999	1,421	22.6%
Moved in 1980 to 1989	963	15.3%
Moved in 1970 to 1979	636	10.1%
Moved in 1969 or earlier	<u>607</u>	<u>9.6%</u>
Total Occupied Units	6,295	100.0%
B. Annual Turnover Rate, 2000-2012		
Year Moved in 2000 to 2012 Occupied Units	2,668	
<i>divided by</i>		
Number of Years	12	
<i>equals</i>		
Number of Turnover Units per Year	222	
<i>divided by</i>		
Total Occupied Units	6,295	
<i>equals</i>		
Annual Turnover Rate, 2000-2012	4%	

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2008-2012 American Community Survey (ACS), 5-Year Estimates

Table B-7
General Fund Adopted Expenditures
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

A. ESTIMATED FISCAL YEAR 2013-2014 ¹

General Fund Expenditures	Estimated One Year: Fiscal Year 2013-2014 ¹		
	Total Net Costs	Net General Government	Net Non-General Government
<u>General Government</u>			
City Council	\$132,976	\$132,976	
City Administrator	408,256	408,256	
City Attorney	542,770	542,770	
City Clerk	189,649	189,649	
Human Resources/Safety Management Services	575,559	575,559	
City Treasurer	2,231,557	2,231,557	
Economic Development and Tourism	1,136,408	1,136,408	
Non-Departmental ²	252,364	252,364	
	91,581	91,581	
<u>Non-General Government</u>			
Police Department	\$9,703,007		\$9,703,007
Fire Department	4,216,367		4,216,367
Code Enforcement	54,863		54,863
Facilities Services and Maintenance	843,075		843,075
Planning	695,595		695,595
Engineering	1,004,765		1,004,765
Building Inspection	478,170		478,170
Street Maintenance	1,929,520		1,929,520
Urban Forestry	1,215,586		1,215,586
Recreation	449,017		449,017
Parks	1,594,865		1,594,865
Transfer to Dick DeWees Community & Senior Center	65,000		65,000
Transfer to Traffic Offender Fund	53,055		53,055
Transfer to Aquatic Center Operations & Maintenance	210,000		210,000
Transfer to Fleet Fund	207,150		207,150
Library	398,207		398,207
Museum	29,000		29,000
GRAND TOTAL GENERAL FUND	\$28,708,358	\$5,561,119	\$23,147,239

B. CALCULATION OF GENERAL GOVERNMENT COSTS

Net General Government Costs		\$5,561,119
	<i>divided by</i>	
Net Non-General Government Costs		\$23,147,239
	<i>equals</i>	
General Government as a percent of Direct General Fund		24.0%
General Government Overhead at a Marginal Rate of 50 Percent ³		12.0%

Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015* does not include the costs for each of the fiscal years in the two-year period. The two-year costs are presented in Appendix Table B-7. Based on discussion with the City Administrator and the previous fiscal analyses prepared for the City, the adopted net costs for Fiscal Years 2013-2015 are evenly divided between fiscal year 2013-2014 and fiscal year 2014-2015. The estimated fiscal year 2013-2014 net costs are presented in this table.

2. Library costs and museum costs are treated as departmental costs in the fiscal analysis and are removed from the total non-departmental costs.

3. General government overhead costs will not increase on a one-for-one basis as a result of the Summit View Homes project. The fiscal analysis assumes general government overhead costs increase at an estimated marginal rate of 50 percent of the estimated current general government overhead rate.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015*

Table B-8
General Fund Net Planning and Building Inspection Cost Factors ¹
Summit View Homes Fiscal Analysis, City of Lompoc
(In Constant 2014 Dollars)

Category	Amount
A. NET PLANNING COSTS	
Total General Fund Planning Costs	\$695,595
Plan Check Fees	<i>minus</i> \$348,628
Recurring General Fund Net Planning Costs	<i>equals</i> \$346,968
Service Population	<i>divided by</i> 48,844
Net Recurring Planning Cost Factor per Service Population	<i>equals</i> \$7.10
B. NET BUILDING INSPECTION COSTS	
Total General Fund Building Inspection Costs	\$478,170
Building and Other One-Time Permits	<i>minus</i> \$392,828
Recurring General Fund Net Building Inspection Costs	<i>equals</i> \$85,343
Service Population	<i>divided by</i> 48,844
Net Recurring Building Inspection Cost Factor per Service Population	<i>equals</i> \$1.75

Note: 1. Costs are net costs, and assume that fees from building and planning will offset a portion of costs.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Fiscal Years 2013-2015*

APPENDIX C PROJECT REFERENCES

City of Lompoc

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Stephen Orosz, Principal, 805-680-1586

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