

Bailey Avenue Annexation Fiscal Impact Analysis City of Lompoc

Prepared for:

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CONTENTS

TABLES	ii
FIGURES	ii
EXECUTIVE SUMMARY	iii
CHAPTER 1 INTRODUCTION	1
1.1 Introduction	1
1.2 Approach.....	2
1.3 Organization of the Report.....	3
CHAPTER 2 DEVELOPMENT DESCRIPTIONS	4
2.1 Bailey Property.....	4
2.2 Bodger Property.....	10
2.3 Total Bailey Avenue Annexation.....	16
CHAPTER 3 FISCAL IMPACTS	23
3.1 Bailey Property.....	23
3.2 Bodger Property.....	25
3.3 Total Bailey Avenue Annexation.....	27
CHAPTER 4 FISCAL ASSUMPTIONS	30
4.1 General Assumptions.....	30
4.2 Revenue Assumptions	32
4.3 Cost Assumptions	37
APPENDIX A SUPPORTING MARKET ASSUMPTIONS TABLES.....	42
APPENDIX B SUPPORTING FISCAL TABLES.....	44
APPENDIX C PROJECT REFERENCES.....	51

TABLES

1	Development Summary after Buildout	v
2	Summary of Projected Recurring Fiscal Impacts.....	vii
2-1	Development Description after Buildout: Bailey Property.....	6
2-2	Assessed Valuation and Projected Property Tax: Bailey Property	8
2-3	Estimated Existing Assessed Valuation: Bailey Property.....	9
2-4	Estimated Annual Off-Site Sales and Use Tax by Project Residents: Bailey Property	10
2-5	Development Description after Buildout: Bodger Property.....	13
2-6	Assessed Valuation and Projected Property Tax: Bodger Property	14
2-7	Estimated Existing Assessed Valuation: Bodger Property.....	15
2-8	Estimated Annual Off-Site Sales and Use Tax by Project Residents: Bodger Property	17
2-9	Development Description after Buildout: Total Annexation.....	18
2-10	Assessed Valuation and Projected Property Tax: Total Annexation	20
2-11	Estimated Existing Assessed Valuation: Total Annexation	21
2-12	Estimated Annual Off-Site Sales and Use Tax by Project Residents: Total Annexation	22
3-1	Detailed Projected Recurring Fiscal Impacts: Bailey Property	24
3-2	Detailed Projected Recurring Fiscal Impacts: Bodger Property	26
3-3	Detailed Projected Recurring Fiscal Impacts: Total Annexation.....	28
4-1	City Population, Housing and Employment Assumptions.....	31
4-2	General Fund and Gas Tax Fund Recurring Revenue Factors	33
4-3	General Fund Recurring Cost Factors.....	38
4-4	Calculation of General Government Overhead Rate.....	39
A-1	Estimated Average Value per Residential Park Square Foot.....	42
A-2	Estimated 2014 Taxable Retail Sales per Capita	43
B-1	General Fund Adopted Revenues	44
B-2	Estimated Property Tax in Lieu of Vehicle License Fees (VLF) Factor	46
B-3	Calculation of Use Tax Factor.....	46
B-4	Estimated Annual Residential Turnover.....	47
B-5	General Fund Adopted Expenditures.....	48
B-6	General Fund Adopted Non-Departmental Expenditures.....	49
B-7	General Fund Net Planning and Building Inspection Cost Factors.....	50

FIGURES

1	Regional Location, Bailey Avenue Annexation	iv
1-1	Vicinity Location of Property Sites, Bailey Avenue Annexation	2
2-1	Bailey Property Site.....	5
2-2	Bodger Property Site	11

EXECUTIVE SUMMARY

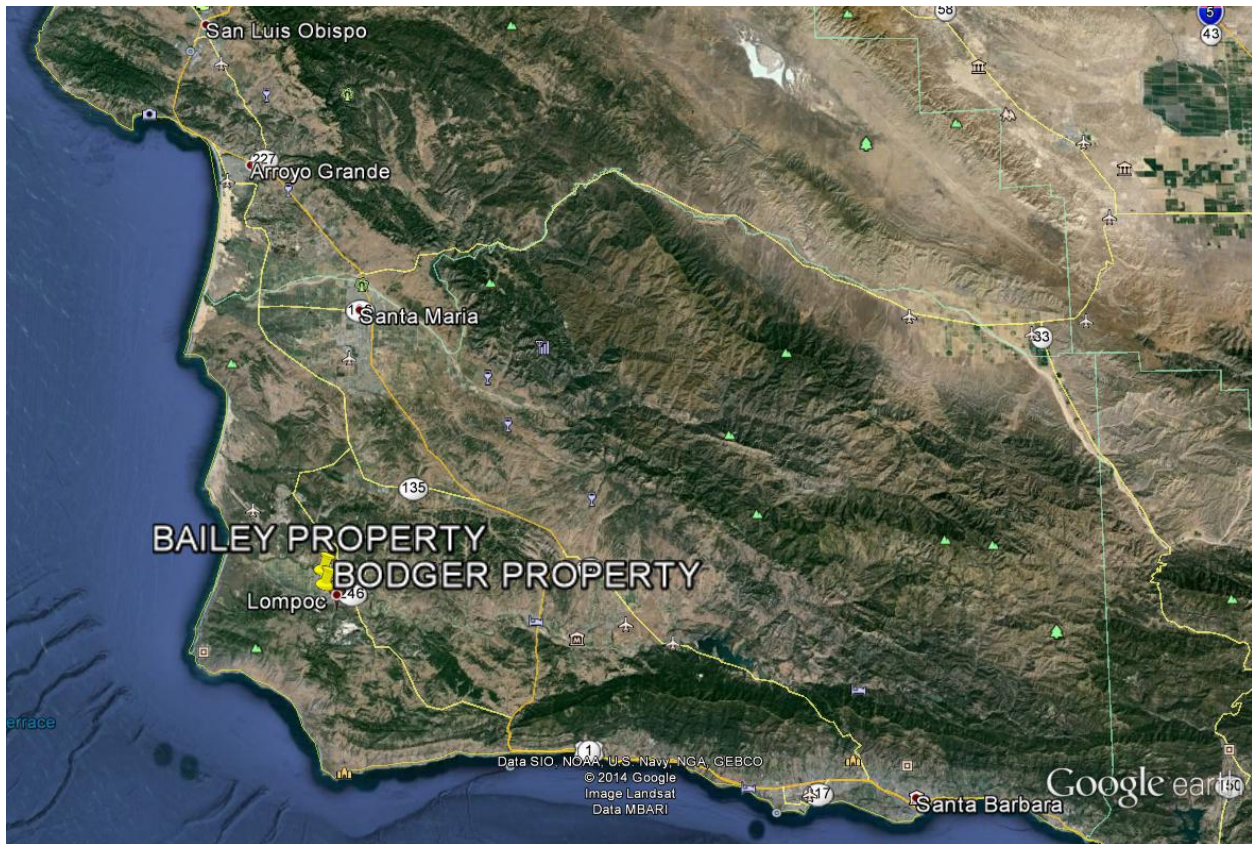
This report presents the fiscal impact analysis of the proposed Bailey Avenue Annexation to the City of Lompoc. The Bailey Avenue Annexation includes the Bailey Property and the Bodger Property. The City of Lompoc is located in the western portion of Santa Barbara County along Highway 1, approximately 15 miles west of Highway 101 and eight miles east of the Pacific Ocean, as shown in Figure 1. The Bailey Avenue Annexation property sites are located in the unincorporated area of Santa Barbara County, west of Lompoc on parcels contiguous to the City Limit/Sphere of Influence boundary and inside the City's Urban Limit Line (ULL).

The property sites are located in Expansion Area A of the City of Lompoc 2030 General Plan and have been identified for possible annexation. And, in anticipation of the possible annexation of additional properties, the City has adopted Policy 4.6 of the General Plan's Land Use Element, 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 two Bailey Avenue Annexation properties are projected for Day One of annexation and for theoretical buildout potential of each project site allowed under current land use designations and typical subdivision configurations. The terms "proposed development", "proposed project" or "proposed land use" refers to the theoretical buildout potential under current land use designations. Specific land use plans have not been proposed for either project site. Recurring fiscal impacts are projected for the City's General Fund and the City's Special Gas Tax Fund in constant 2017 dollars, with no adjustment for future inflation.

Pursuant to City Policy 4.6 of the General Plan's Land Use Element, the fiscal analysis demonstrates that the annexation would promote orderly development commensurate with available resources and result in a positive fiscal relationship between costs for City facilities and services and the revenues generated subsequent to the annexation. Further, the annexation substantially addresses the City needs for new or expanded parks, open space areas and related public facilities by its conceptual plans for local public parks, open space corridors and system of trails that will encourage an active lifestyle. The proposed projects will positively impact public health through good community design and location of park and recreation resources; additionally, the fiscal

Figure 1
Regional Location
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc



analysis projects that an adequate revenue stream will be provided for the ongoing maintenance of parks, open space and other amenities provided in the annexed area.

Project Description

The two projects in the Bailey Avenue Annexation are estimated to include a total of about 148.35 acres after buildout, as shown in Table 1. The acres of improvements to perimeter roads and streets are included in the total 148.35 acres. Total proposed development of both projects after buildout includes a total of 469 residential units; natural open space/agricultural buffers on each property, a new public bike path on each property site, a new Western Avenue on each project site and widening of some off-site streets on the perimeter of each property. Population is estimated at 1,360 after buildout of both projects based on the assumption of 2.9 persons per household from the City's General Plan Housing Element.

Table 1
Development Summary after Buildout ¹
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

Category	Bailey Property	Bodger Property	Total Annexation
<u>A. Project Acres ²</u>			
Residential Acres	32.05	86.20	118.25
Open Space/Agriculture Buffer Acres	4.21	9.70	13.91
Internal Roads and Streets	<u>3.18</u>	<u>2.49</u>	<u>5.67</u>
Subtotal Project Site Acres	39.44	98.39	137.83
Perimeter Roads and Streets	<u>1.20</u>	<u>9.32</u>	<u>10.52</u>
Total Project Acres	40.64	107.71	148.35
<u>B. Residential Units and Population</u>			
Very Low and Low Density Units (Please see Figure 2-1 and Figure 2-2)	87	382	469
Population (@ 2.9 per unit) ³	252	1,108	1,360

Note: 1. Specific land use plans are not proposed for either project site. Project descriptions are based on the theoretical buildout of current land use designations and typical subdivision configurations.

2. Project acres include internal streets that will be maintained through a property owners' association. The open space/ agriculture buffers and the on-site public bike path will be privately maintained. The new Western Avenue on each project site and widened off-site roads along the perimeter of each project site are assumed to be maintained by the City upon annexation to the City.

3. Population for the Bailey Avenue Annexation projects is projected at 2.9 persons per household, as used in the City General Plan Housing Element.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC

Bailey Property. The Bailey Property site includes 39.44 acres. A specific land use plan is not proposed for the Bailey Property site. The fiscal analysis is based on the maximum allowable development allowed per existing land use designation and typical subdivision properties. As shown in Table 1, about 32.05 acres are planned for residential units. About 4.21 acres of open space, an agriculture buffer and a bike path available to the public are proposed for the property site. Internal streets and roads occupy an estimated 3.18 acres. With about 1.20 acres of improvements to the project site perimeter roads, total acres for the Bailey Property are estimated at 40.64 acres

As also shown in Table 1, based on the 87 residential units planned for the Bailey Property and an assumption of 2.9 persons per unit, population for the Bailey Property project is estimated at 252 after buildout of all units.

Bodger Property. A specific land use plan is not proposed for the Bodger Property site. The fiscal analysis is based on the maximum allowable development allowed per existing land use designation and typical subdivision properties. The Bodger Property site includes 98.39 acres, with 86.20 of these acres planned for residential units, as shown in Table 1. Open space, an agriculture buffer and a bike path available for public use are proposed for 9.70 acres of the project site. Internal streets and roads are estimated at 2.49 acres. About 9.32 acres are estimated for improvements to adjacent project site road and streets, resulting in total acres of 107.71 for the Bodger Property.

The buildout population for the Bodger Property is estimated at 1,108, based on the 382 planned units and an assumption of 2.9 persons per unit.

Projected Fiscal Impacts to City's General Fund

Table 2 summarizes the projected annual fiscal impacts to the City's General Fund for the Bailey Avenue Annexation after buildout. Projected impacts are shown separately for buildout of the Bailey Property, the Bodger Property and the total annexation of both properties. As shown in Table 2, the recurring annual revenues generated for the proposed annexation are projected to cover annual service costs as required by adopted Policy 4.6 of the General Plan's Land Use Element.

Bailey Property. Projected impacts are shown separately for Day One of the annexation and for buildout of the Bailey Property.

Day One. As shown in Panel A of Table 2, projected recurring revenues of \$2,730 are projected to the City's General Fund upon Day One of the annexation of the Bailey Property vacant project site with no project related improvements. The projected revenue upon annexation includes only property tax. The City becomes responsible for maintenance of the segment of West North Avenue bordering the project upon annexation. Road maintenance costs are assumed to be minimal until development occurs on the project site.

Buildout. A recurring deficit of about \$1,620 is projected to the City's General Fund after buildout of the entire Bailey Property land uses. This projected deficit after buildout is based on recurring revenues of \$170,780 and recurring costs of \$172,400, at a revenue-to-cost ratio of 0.99 to the General Fund after buildout.

Table 2
Summary of Projected Recurring Fiscal Impacts ¹
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bailey Property		Bodger Property		Total Annexation	
	Day One ²	Buildout	Day One ²	Buildout	Day One ²	Buildout
A. General Fund						
Recurring Revenues	\$2,730	\$170,780	\$4,510	\$756,020	\$7,240	\$926,800
Recurring Costs	\$0	\$172,400	\$0	\$705,760	\$0	\$878,160
Net Recurring Surplus	\$2,730	(\$1,620)	\$4,510	\$50,260	\$7,240	\$48,640
Revenue/Cost Ratio	n/a	0.99	n/a	1.07	n/a	1.06
B. City Special Gas Tax Fund						
Recurring State gasoline tax	\$0	\$5,120	\$0	\$22,510	\$0	\$27,630

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 sites. 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.

Property tax, property tax in lieu of vehicle license fees, off-site sales and use tax and administrative service charges represent the largest projected recurring revenues for the Bailey Property after buildout. On the cost side, police protection, fire protection, street maintenance and general government account for the largest projected recurring costs to the General Fund after buildout of the Bailey Property.

Bodger Property. Projected impacts are shown separately for Day One of the annexation and for buildout of the Bodger Property.

Day One. Upon Day One of the annexation of the Bodger Property, recurring revenues of \$4,510 are projected to the City's General Fund, as shown in Panel A of Table 1. The projected revenue upon annexation includes only property tax. The City becomes responsible for maintenance of the segments of South V Street and West Olive Avenue bordering the project upon annexation. Road maintenance costs would be minimal until development occurs on the project site.

Buildout. A recurring surplus of about \$50,260 is projected to the City's General Fund after buildout of the Bodger Property land uses. This projected surplus after buildout is based on recurring revenues of \$756,020 and recurring costs of \$705,760, at a revenue-to-cost ratio of 1.07. Property tax, property tax in lieu of vehicle license fees, off-site sales and use tax and administrative service charges represent the largest recurring revenues for the Bodger Property after buildout. Police protection, fire protection, street maintenance and general government account for largest projected recurring costs to the General Fund after buildout of the project.

Total Bailey Avenue Annexation. Projected impacts for the total annexation are shown separately for Day One of the annexation and for buildout of the total annexation.

Day One. As shown in Panel A of Table 2, projected recurring revenues of \$7,240 are projected to the City's General Fund upon Day One of the annexation of both Bailey Avenue Annexation project sites with no project related improvements. The projected revenue upon annexation includes only property tax.

Buildout. A recurring surplus of about \$48,640 is projected to the City's General Fund after buildout of the two project sites in the Bailey Avenue Annexation. This projected surplus after buildout is based on recurring revenues of \$926,800 and recurring costs of \$878,160, at a revenue-to-cost ratio of 1.06.

Projected State Gasoline Tax to City's Special Gas Tax Fund

As shown in Panel B of Table 2, recurring state gasoline taxes are projected at \$5,110 for the Bailey Property, about \$22,470 for the Bodger Property and \$27,580 for the total Bailey Avenue Annexation after buildout. State gasoline revenues for the Special Gas Tax Fund are projected at \$20.32 per capita. While, state gasoline revenues are projected to increase based on the incremental population growth from the Bailey Avenue Annexation, no increase in state gasoline revenues are projected for the General Fund. Based on discussion with City finance staff, the General Fund receives a fixed amount of \$390,000 annually from the Gas Tax Fund.

CHAPTER 1 INTRODUCTION

This report presents the fiscal impact analysis of the two proposed Bailey Avenue Annexation properties located west of the City of Lompoc in the County of Santa Barbara. The Bailey Avenue Annexation includes the Bailey Property and the Bodger Property. Fiscal impacts are projected assuming annexation of the properties into the City.

The property sites are located in Expansion Area A of the City of Lompoc 2030 General Plan and have been identified for possible annexation. And, in anticipation of the possible annexation of additional properties, the City has adopted Policy 4.6 of the General Plan's Land Use Element, 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".

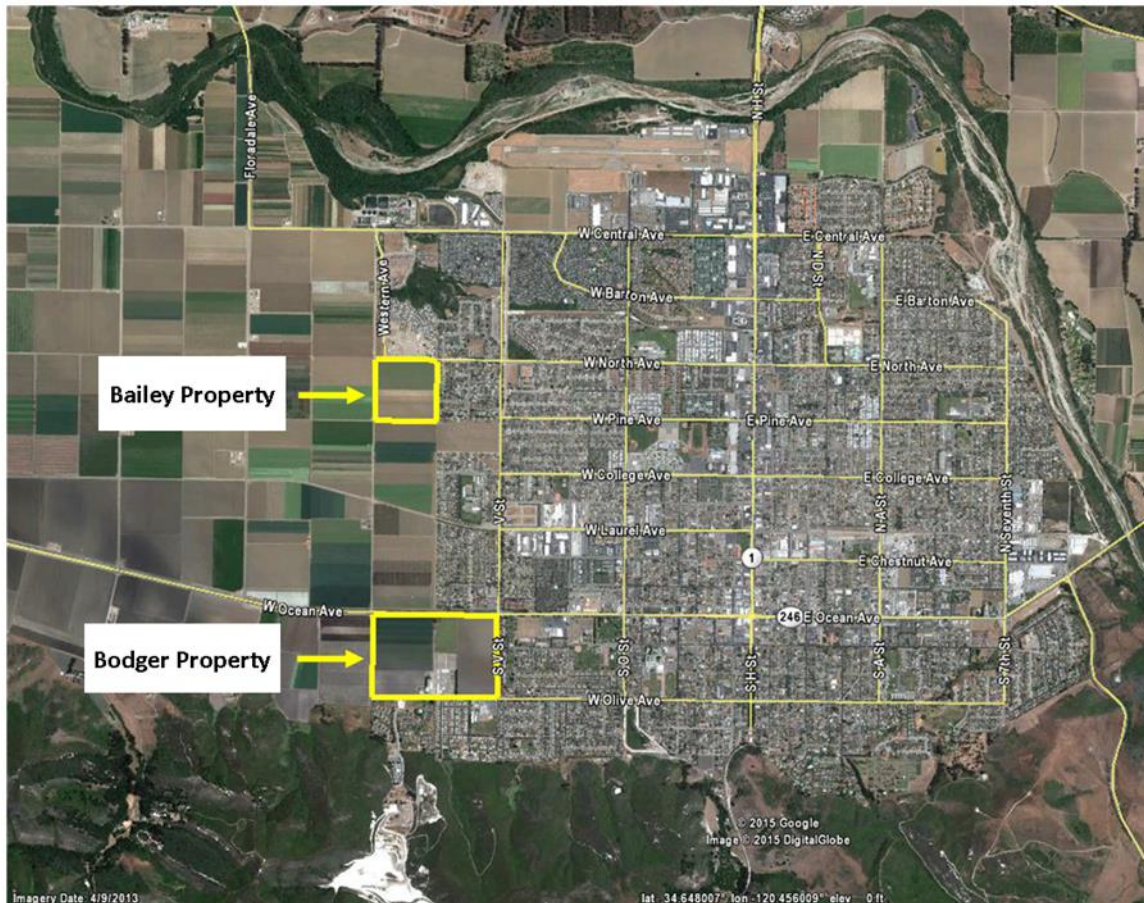
1.1 Introduction

Although the Bailey Avenue Annexation properties are currently located within the unincorporated area of Santa Barbara County, they are located within the urban limit line of the City of Lompoc, as defined in the City's General Plan. The Bailey Property site is located south of West North Avenue between the western City boundary and Bailey Avenue. The Bodger Property site is located at the southwest intersection of West Ocean Avenue and South V Street. Figure 1-1 shows the general location of the property sites.

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 Bailey Avenue Annexation projects. 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.

Figure 1-1
Vicinity Location of Property Sites
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc



Sources: Stanley R. Hoffman Associates, Inc.
 Thomas E. Figg, Consulting Services

1.2 Approach

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

- Budget data is from the *City of Lompoc, Adopted Budget Fiscal Years 2015-2017*.
- Revenue and cost factors are based on the City's Budget revenues and expenditures for Fiscal Year 2016-2017, the 2017 City population estimate, the 2017 City employment estimate and discussions with City staff.
- The January 1, 2017 population estimate is from the California Department of Finance (DOF) *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2017*, May 2017.

- The 2017 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, Harridge Development Group, LLC, and the project engineer, Penfield & Smith, Inc.
- Specific land use plans have not been proposed for either project site.
- The theoretical buildout potential of each project site is based on the maximum allowed development under current land use designations and typical subdivision configurations.
- The terms “proposed development”, “proposed project” or “proposed land use” refers to the theoretical buildout potential under current land use designations.
- *Conceptual Review Meeting for Bailey Avenue*, Lucille Breese, Planning Manager, City of Lompoc, dated November 4, 2014
- Existing valuation is based on the *2016-2017 Secured Tax Statement* for the assessor parcel numbers (APNs) for the project sites from the County of Santa Barbara Assessor’s website.
- Tax Rate Area information is from the Santa Barbara County Auditor Controller’s website.
- Cost and revenue factors are projected in constant 2017 dollars, with no adjustment for possible future inflation.

1.3 Organization of the Report

Chapter 2 presents the land uses, population, assessed valuation and estimated off-site taxable sales for the Bailey Property, the Bodger Property and the total Bailey Avenue Annexation. Projected recurring fiscal impacts to the City’s General Fund and the recurring gas tax revenues to the City’s Special Gas Tax Fund for each of the two properties and for the total Bailey Avenue Annexation 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 DESCRIPTIONS

This chapter provides the project description for the proposed Bailey Avenue Annexation projects after buildout. The development description for the Bailey Property is first presented, followed by the development description for the Bodger Property, and then the total Bailey Avenue Annexation, or the sum of the two separate properties.

2.1 Bailey Property

Project Site

The Bailey Property site is located at the southeast corner of the intersection of West North Avenue and Bailey Avenue, as shown in Figure 2-1. The project site is bordered by West North Avenue to the north, Bailey Avenue to the west, existing residential development to the east and existing agriculture to the south. Access to the Bailey Property will be from West North Avenue on the northern boundary, from the new extended Western Avenue on the west and from Rose Avenue which will be extended on the east side of the project site.

Proposed Land Uses

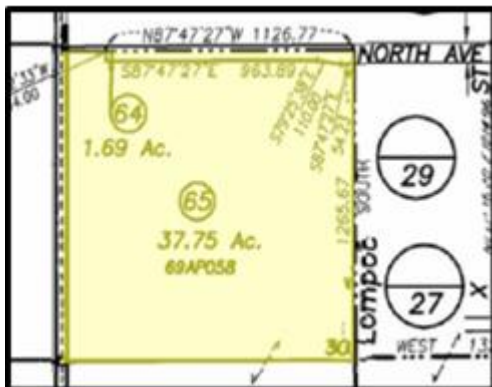
A specific land use plan is not proposed for the Bailey Property site. The fiscal analysis is based on the maximum allowable development allowed per existing land use designations and typical subdivision properties. The terms “proposed development”, “proposed project” or “proposed land use” refer to the theoretical buildout potential under current land use designations.

As shown in Panel A of Table 2-1, the Bailey Property site includes 39.44 acres of proposed residential, open space/agriculture buffer, a public bike path and internal roads and streets. With the estimated 1.20 acres of improved perimeter streets and roads, total acres for the Bailey Project are estimated at 40.64.

Units and Population. As shown in Panel B of Table 2-1, the Bailey Property proposes 87 residential units on 32.05 acres. Population is estimated at 252 after buildout based on the City’s General Plan Housing Element average household size of 2.9.

Open Space/Agriculture Buffer. The proposed Bailey Property includes 4.21 acres of open space/agriculture buffer and a bike path available for public use. These uses are assumed to be privately maintained.

Figure 2-1
Bailey Property Site
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc



- Notes:**
1. The entire Bailey Avenue Site is designated as Very Low Density Residential.
 2. The maximum number of allowed residential units (87) reflects a computation that includes acreage encompassing North Avenue (according to the parcel map data appearing to the left) and corresponds to the number utilized in the Initial Study Evaluation for the annexation proposal.

Sources: Stanley R. Hoffman Associates, Inc.
 Thomas E. Figg, Consulting Services

Table 2-1
Development Description after Buildout: Bailey Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

Category	Bailey Property Buildout
A. PROJECT ACRES ²	
Residential Acres	32.05
Open Space/Agriculture Buffer Acres	4.21
Internal Roads and Streets	<u>3.18</u>
Subtotal Project Site Acres	39.44
Perimeter Roads and Streets	<u>1.20</u>
Total Project Acres	40.64
B. RESIDENTIAL UNITS AND POPULATION	
Low Density Units (Please see Figure 2-1)	87
Population (@ 2.9 per unit) ³	252
C. OFF-SITE ROAD WIDENING IMPROVEMENTS ⁴	
<u>Road Lineal Feet</u>	
West North Avenue - One Travel Lane with On-Street Bike Lane	1,100
New Western Avenue - Two Travel Lanes	1,300
Rose Street - One Travel Lane	<u>320</u>
Total Road Lineal Feet	2,720
<u>Road Lineal Miles</u>	
West North Avenue - One Travel Lane with On-Street Bike Lane	0.21
New Western Avenue - Two Travel Lanes	0.25
Rose Street - One Travel Lane	<u>0.06</u>
Total Lineal Miles	0.52
<u>Total Road Lane Miles</u>	
West North Avenue - One Travel Lane with On-Street Bike Lane	0.32
New Western Avenue - Two Travel Lanes	0.50
Rose Street - One Travel Lane	<u>0.06</u>
Total Lane Miles	0.88

Note: 1. A specific land use plan is not proposed for the Bailey Property project site. The project description is based on the theoretical buildout of current land use designations and typical subdivision configurations.

2. Project acres include internal streets that will be maintained through a property owners' association. The acres designated as open space/agriculture buffers and the new bike path along the buffers are assumed to be privately maintained. The new bike path will be available to the public. The lane miles associated with the perimeter roads and streets are presented in Panel C of this table.

3. Population for the Bailey Avenue Annexation projects is projected at the City average of 2.9 per unit, based on the City's General Plan Housing Element.

4. The new Western Avenue on the project site and widened off-site roads along the perimeter of the project site are assumed to be maintained by the City upon annexation to the City. The on-street bike path on West North Avenue is assumed at an additional 50 percent of a lane for maintenance purposes.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
Penfield & Smith, Inc.
City of Lompoc, Assistant Public Works Director

Road Improvements. While the on-site in-tract streets will be maintained by a property owners' association, the Bailey Property includes an estimated 0.88 lane miles that will be maintained by the City after annexation, as shown in Panel C of Table 2-1. These publicly maintained roads include the new on-site Western Avenue and the widened segments that border the project on West North Avenue and the extended Rose Street.

Assessed Valuation, Property Tax and Property Tax in Lieu Vehicle License Fees (VLF)

As provided by the City's Management Services Director, the City is assumed to receive 16.60 percent of the basic one percent property tax levy upon annexation. This assumption represents the citywide property tax allocation based on a simple average of all City tax rate areas.

Day One. As shown in Panel A of Table 2-2, upon Day One of the annexation of the Bailey Property site, the City will receive an estimated \$2,730 of property tax. The projected property tax is based on the project site's Fiscal Year 2016-2017 assessed valuation of \$1,645,000, as shown in Table 2-3, and the City receiving 16.60 percent of the basic one percent property tax levy of \$16,450.

Buildout. As shown in Panel B of Table 2-2, total new residential valuation is estimated at \$40,020,000 after buildout of the proposed 87 units, based on the average value per unit of \$460,000. The average value of \$460,000 per unit is based on the average price per square foot for sales of units constructed over the 2012 through 2014 time period in Lompoc and the sale price of these units when sold in 2016, as shown in Appendix Table A-1.

As shown in Panel C of Table 2-2, recurring property tax to the City's General Fund is projected at \$66,430 for the Bailey Property after buildout. This projection is based on the estimated total residential valuation of \$40,020,000 and the City receiving 16.60 percent of the basic one percent property tax levy of \$400,200.

Property tax in lieu vehicle license fees (VLF) to the City's General Fund for the Bailey Property after buildout is projected at \$50,270, as shown in Panel D of Table 2-2. Per State law, property tax in lieu VLF for annexations is projected based on the increase in assessed valuation for the new development after annexation. Therefore the projected property tax in lieu VLF for the Bailey Property is based on the net new valuation of \$38,375,000 (total new valuation of \$40,020,000 minus existing valuation of \$1,645,000) times the VLF factor of \$1,310 per million dollars. The factor for the increase in property tax in lieu VLF is presented in Appendix Table B-2.

Table 2-2
Assessed Valuation and Projected Property Tax: Bailey Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bailey Property Buildout
A. PROJECTED PROPERTY TAX TO THE CITY ON DAY ONE OF ANNEXATION	
Valuation upon Annexation ¹	\$1,645,000
	<i>times</i>
Basic 1% Property Tax Levy	1%
	<i>equals</i>
One Percent Property Tax	\$16,450
	<i>times</i>
City of Lompoc Property Tax Allocation upon Annexation of Project	16.60%
	<i>equals</i>
Projected Property Tax to City General Fund on Day One	\$2,730
B. PROJECTED VALUATION AFTER BUILDOUT	
New Residential Units	87
	<i>times</i>
Average Value per Unit ²	\$460,000
	<i>equals</i>
New Residential Valuation after Buildout	\$40,020,000
C. PROJECTED PROPERTY TAX TO THE CITY AFTER BUILDOUT	
New Residential Valuation after Buildout	\$40,020,000
	<i>times</i>
Basic 1% Property Tax Levy	1%
	<i>equals</i>
One Percent Property Tax	\$400,200
	<i>times</i>
City of Lompoc Property Tax Allocation upon Annexation of Project	16.60%
	<i>equals</i>
Projected Property Tax to City General Fund after Buildout	\$66,430
C. PROJECTED PROPERTY TAX IN LIEU VEHICLE LICENSE FEES (VLF)	
Total New Valuation after Buildout	\$40,020,000
	<i>minus</i>
Existing Valuation	\$1,645,000
	<i>equals</i>
Total Net New Valuation after Buildout	\$38,375,000
	<i>divided by</i>
One Million	\$1,000,000
	<i>equals</i>
Total Net New Valuation after Buildout in Millions	\$38.38
	<i>times</i>
Property Tax in Lieu VLF per \$1,000,000 Assessed Valuation	\$1,310
	<i>equals</i>
Projected Property Tax in Lieu VLF to City General Fund after Buildout	\$50,270

Note: 1. Existing valuation for the Bailey Property is presented in Table 2-3.

2. Valuation for the proposed new homes is projected at an average value of \$460,000 per unit, based on information from the project developer and realtor.com, as shown in Appendix Table A-1.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
www.realtor.com, February 2017

Table 2-3
Estimated Existing Assessed Valuation: Bailey Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Tax Rate Area	Assessor Parcel Number	Bailey Property 2016-2017 Assessed Valuation			
		Land	Improvements	Personal	Total
72-017	093-070-064	\$0	\$0	\$0	\$0
72-017	093-070-065	1,645,000	0	0	1,645,000
Total Bailey Property		\$1,645,000	\$0	\$0	\$1,645,000

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
Santa Barbara County Assessor, 2016-2017 Secured Tax Statement and Parcel Maps

Off-Site Sales and Use Tax

The Bailey Property 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 15.5 percent of sales tax. As shown in Table 2-4, annual sales and use tax is projected at about \$18,500 from the estimated residential retail purchasing power of the future Bailey Property residents after buildout.

Off-site retail sales and use tax from taxable purchases made by future Bailey Property 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 Bailey Property 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 Bailey Property project. At the 50 percent capture, taxable retail purchases are estimated at about \$6,400 per capita for the project. As shown in Appendix Table A-2, data from the State Board of Equalization for 2014 estimated the average taxable sales per capita for Lompoc at \$7,295, which includes some taxable sales from visitors to the city.
- Appendix Table A-2 also presents retail taxable sales generated by the cities surrounding Lompoc in 2014. Per capita retail taxable sales in Lompoc represented about 65 percent of the total average retail per capita taxable sales of Lompoc and the other surrounding cities.

Table 2-4
Estimated Annual Off-Site Sales and Use Tax by Project Residents: Bailey Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bailey Property Buildout
<u>Estimated New Residential Valuation</u>	\$40,020,000
<u>Estimated Annual Household Income</u> @ 25% of Valuation	\$10,005,000
<u>Estimated Annual Household Retail Taxable Purchases</u> Purchases @ 32% of Household Income	\$3,201,600
<u>Estimated Annual Off-site Taxable Sales Captured</u> @ 50% of Total Household Retail Purchases	\$1,600,800
<u>Estimated Annual Off-Site Sales and Use Tax ¹</u>	
Sales Tax @ 1.0% of Taxable Sales	\$16,000
Use Tax @ 15.5% of Sales Tax	<u>\$2,500</u>
Estimated Annual Off-Site Sales and Use Tax	\$18,500

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

Source: Stanley R. Hoffman Associates Inc.

2.2 Bodger Property

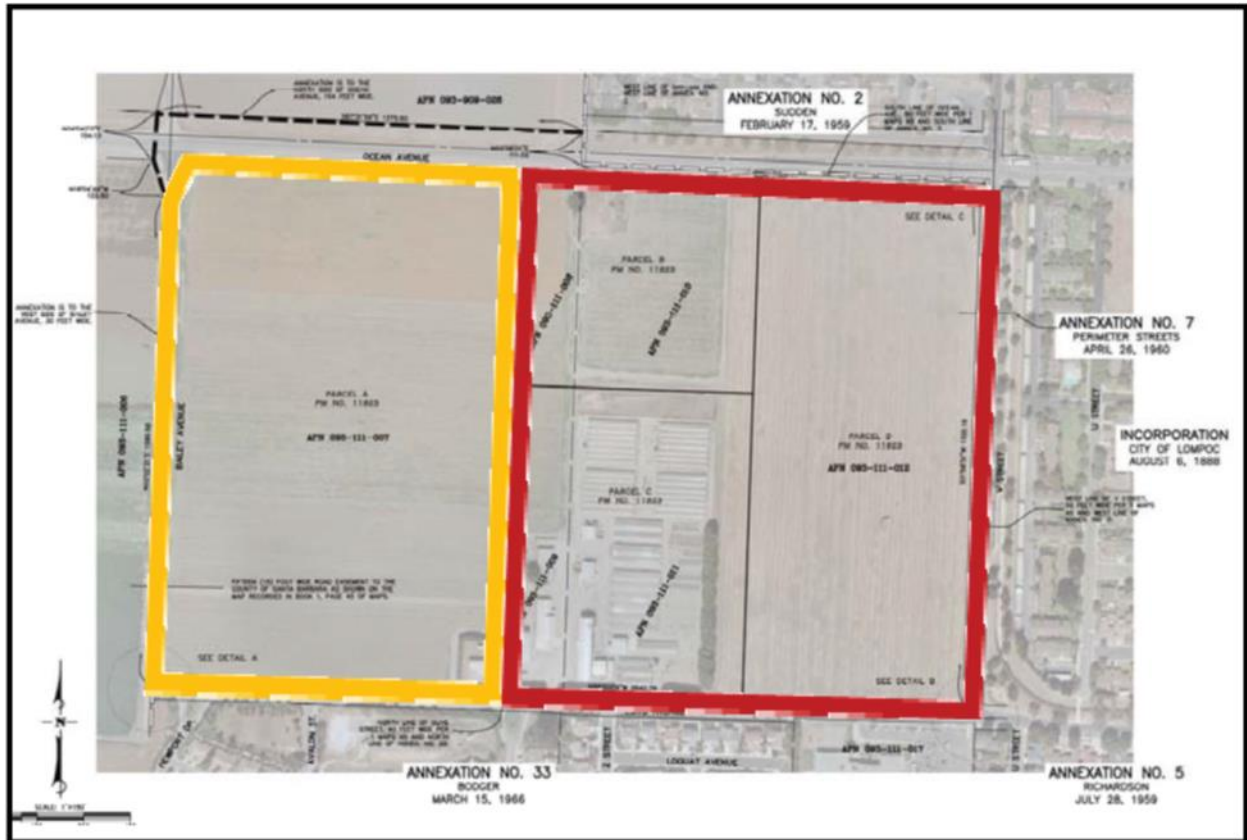
Project Site

The Bodger Property site is located at the southeast corner of the intersection of West Ocean Avenue and South Bailey Avenue, as shown in Figure 2-2. The project site is bordered by West Ocean Avenue to the north, South Bailey Avenue to the west, South V Street to the east and West Olive Avenue to the south. Access to the Bodger Property will be from West Ocean Avenue on the northern boundary, from the new extended Western Avenue on the west, from South V Street on the east and two entrances from West Olive Avenue on the south side of the project site.

Proposed Land Uses

A specific land use plan is not proposed for the Bodger Property site. The fiscal analysis is based on the maximum allowable development allowed per existing land use designations and typical subdivision properties. The terms “proposed development”, “proposed project” or “proposed land

Figure 2-2
Bodger Property Site
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc



EXISTING LAND USE			
CATEGORY	GROSS ACRES*	DESIGNATION	ALLOWED USES
General Plan Land Use			
	56.87	Very Low Density Residential (VLDR)	Single Family
	41.52	Low Density Residential (LDR)	Single Family
Zone Designation			
	56.87	Residential-Agricultural District. (RA)	Single Family & Ag.
	41.52	Residential-Agricultural District. (RA)	Single Family & Ag.
Residential Density			
VLDR	56.87		2.2 du/acre
LDR	41.52		6.2 du/acre
Max. Development Potential			382 dwellings

Note:
 1. The maximum number of allowed residential units displayed in the table (382 dwellings) corresponds to the number utilized in the Initial Study Evaluation for the annexation proposal.

Sources: Stanley R. Hoffman Associates, Inc.
 Thomas E. Figg, Consulting Services

use” refers to the theoretical buildout potential of the Bailey Property under current land use designations.

As shown in Panel A of Table 2-5, the Bodger Property site includes 98.39 acres of residential, open space/agriculture buffer, a public bike path and internal roads and streets. When the estimated 9.32 acres of improved perimeter streets and roads are included, total acres for the Bodger Project are estimated at 107.71.

Units and Population. The Bodger Property proposes 382 residential units on 86.20 acres, as shown in Panel B of Table 2-5. Population is estimated at 1,108 after buildout based on the City’s General Plan Housing Element average household size of 2.9.

Open Space/Agriculture Buffer. The proposed Bodger Property includes 9.70 acres of open space/agriculture buffer and a bike path available for public use. These uses are assumed to be privately maintained.

Road Improvements. The Bodger Property includes an estimated 1.47 lane miles that will be maintained by the City after annexation, as shown in Panel C of Table 2-5. These publicly maintained roads by the City include the widened segments that border the project on South V Street and West Olive Avenue. The widened segment of West Ocean Avenue on the northern perimeter of the property will be maintained by Caltrans. The on-site in-tract streets will be maintained by a property owners’ association.

Assessed Valuation, Property Tax and Property Tax in Lieu Vehicle License Fees (VLF)

As provided by the City’s Management Services Director, the City is assumed to receive 16.60 percent of the basic one percent property tax levy upon annexation. This assumption represents the citywide property tax allocation based on a simple average of all City tax rate areas.

Day One. As shown in Panel A of Table 2-6, upon Day One of the annexation of the Bodger Property site, the City will receive an estimated \$4,510 of property tax. The projected property tax is based on the project site’s Fiscal Year 2016-2017 assessed valuation of \$2,714,990, as shown in Table 2-7, and the City receiving 16.60 percent of the basic one percent property tax levy of \$27,150.

Table 2-5
Development Description after Buildout: Bodger Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

Category	Bodger Property Buildout
A. PROJECT ACRES ²	
Residential Acres	86.20
Open Space/Agriculture Buffer Acres	9.70
Internal Roads and Streets	<u>2.49</u>
Subtotal Project Site Acres	98.39
Adjacent Roads and Streets	<u>9.32</u>
Total Project Acres	107.71
B. RESIDENTIAL UNITS AND POPULATION	
Very Low and Low Density Units (Please see Figure 2-2)	382
Population (@ 2.9 per unit) ³	1,108
C. OFF-SITE ROAD WIDENING IMPROVEMENTS ⁴	
<u>Road Widening Lineal Feet</u>	
New Western Avenue - Two Travel Lanes	1,700
South V Street - One Travel Lane	1,700
West Olive Avenue - One Travel Lane	<u>2,700</u>
Total Road Lineal Feet	6,100
<u>Road Lineal Miles</u>	
New Western Avenue - Two Travel Lanes	0.32
South V Street - One Travel Lane	0.32
West Olive Avenue - One Travel Lane	<u>0.51</u>
Total Lineal Miles	1.15
<u>Total Road Lane Miles</u>	
New Western Avenue - Two Travel Lanes	0.64
South V Street - One Travel Lane	0.32
West Olive Avenue - One Travel Lane	<u>0.51</u>
Total Lane Miles	1.47

- Note: 1. A specific land use plan is not proposed for the Bodger Property project site. The project description is based on the theoretical buildout of current land use designations and typical subdivision configurations.
2. Project acres include internal streets that will be maintained through a property owners' association. The acres designated as open space/agriculture buffers and the new bike path along the buffers are assumed to be privately maintained. The new bike path will be available to the public. The lane miles associated with the perimeter roads and streets are presented in Panel C of this table.
3. Population for the Bailey Avenue Annexation projects is projected at the City average of 2.9 per unit, based on the City's General Plan Housing Element.
4. The new Western Avenue on the project site and widened off-site roads along the perimeter of the project site are assumed to be maintained by the City upon annexation to the City. The on-street bike path on West North Avenue is assumed at an additional 50 percent of a lane for maintenance purposes.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
Penfield & Smith, Inc.
City of Lompoc, Assistant Public Works Director

Table 2-6
Assessed Valuation and Projected Property Tax: Bodger Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bodger Property Buildout
A. PROJECTED PROPERTY TAX TO THE CITY ON DAY ONE OF ANNEXATION	
Valuation upon Annexation ¹	\$2,714,990
Basic 1% Property Tax Levy	1%
One Percent Property Tax	\$27,150
City of Lompoc Property Tax Allocation upon Annexation of Project	16.60%
Projected Property Tax to City General Fund on Day One	\$4,510
B. PROJECTED VALUATION AFTER BUILDOUT	
New Residential Units	382
Average Value per Unit ²	\$460,000
New Residential Valuation after Buildout	\$175,720,000
C. PROJECTED PROPERTY TAX TO THE CITY AFTER BUILDOUT	
New Residential Valuation after Buildout	\$175,720,000
Basic 1% Property Tax Levy	1%
One Percent Property Tax	\$1,757,200
City of Lompoc Property Tax Allocation upon Annexation of Project	16.60%
Projected Property Tax to City General Fund after Buildout	\$291,700
D. PROJECTED PROPERTY TAX IN LIEU VEHICLE LICENSE FEES (VLF)	
Total New Valuation after Buildout	\$175,720,000
Existing Valuation	\$2,714,990
Total Net New Valuation after Buildout	\$173,005,010
One Million	\$1,000,000
Total Net New Valuation after Buildout in Millions	\$173.01
Property Tax in Lieu VLF per \$1,000,000 Assessed Valuation	\$1,310
Projected Property Tax in Lieu VLF to City General Fund after Buildout	\$226,640

Note: 1. Existing valuation for the Bodger Property is presented in Table 2-7.

2. Valuation for the proposed new homes is projected at an average value of \$460,000 per unit, based on information from the project developer and realtor.com, as shown in Appendix Table A-1.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
www.realtor.com, February 2017

Table 2-7
Estimated Existing Assessed Valuation: Bodger Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Tax Rate Area	Assessor Parcel Number	Bodger Property 2016-2017 Assessed Valuation			
		Land	Improvements	Personal	Total
72-017	093-111-007	\$243,343	\$0	\$0	\$243,343
72-017	093-111-008	31,041	0	0	31,041
72-017	093-111-009	<u>46,201</u>	<u>386,859</u>	<u>0</u>	<u>433,060</u>
Total TRA 72-017		\$320,585	\$386,859	\$0	\$707,444
72-028	093-111-010	\$86,552	\$0	\$0	\$86,552
72-028	093-111-011	127,556	1,551,003	84,840	1,763,399
72-028	093-111-012	<u>157,595</u>	<u>0</u>	<u>0</u>	<u>157,595</u>
Total TRA 72-028		\$371,703	\$1,551,003	\$84,840	\$2,007,546
Total Bodger Property		\$692,288	\$1,937,862	\$84,840	\$2,714,990

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
Santa Barbara County Assessor, 2016-2017 Secured Tax Statement and Parcel Maps

Buildout. Total new residential valuation for the Bodger Property is estimated at \$175,720,000 after buildout of the proposed 382 units, based on the average value per unit of \$460,000, as shown in Panel B of Table 2-6.

The average value of \$460,000 per unit is based on the average price per square foot for sales of units constructed over the 2012 through 2014 time period in Lompoc and the sales price of these units when sold in 2016, as shown in Appendix Table A-1.

As shown in Panel C of Table 2-6, recurring property tax to the City's General Fund is projected at \$291,700 for the Bodger Property after buildout. This projection is based on the estimated total residential valuation of \$175,720,000 for the project and the City receiving 16.60 percent of the basic one percent property tax levy of \$1,757,200.

Property tax in lieu vehicle license fees (VLF) to the City's General Fund for the Bodger Property after buildout is projected at \$226,640 as shown in Panel D of Table 2-6. Per State law, property tax in lieu VLF for annexations is projected based on the increase in assessed valuation for the new development after annexation. Therefore the projected property tax in lieu VLF for the Bodger Property is based on the net new valuation of \$173,005,010 (total new valuation of \$175,720,000 minus existing valuation of \$2,714,990) times the VLF factor of \$1,310 per million dollars. The factor for the increase in property tax in lieu VLF is presented in Appendix Table B-2.

Off-Site Sales and Use Tax

The Bailey Property 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 15.5 percent of sales tax. As shown in Table 2-8, annual sales and use tax is projected at about \$81,200 from the estimated residential retail purchasing power of the future Bodger Property residents captured in Lompoc after buildout.

Off-site retail sales and use tax from taxable purchases made by future Bodger Property 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 Bodger Property 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 Bodger Property project. At the 50 percent capture, taxable retail purchases are estimated at about \$6,300 per capita for the project. As shown in Appendix Table A-2, data from the State Board of Equalization for 2014 estimated the average taxable sales for Lompoc at \$7,295 per capita, which includes some taxable sales from visitors to the city.
- Appendix Table A-2 also presents retail taxable sales generated by the cities surrounding Lompoc in 2014. Per capita retail taxable sales in Lompoc represented about 65 percent of the total average retail per capita taxable sales of Lompoc and the other surrounding cities.

2.3 Total Bailey Avenue Annexation

The development description for the total Bailey Avenue Annexation includes the sum of the two separate Bailey Property and Bodger Property.

Proposed Land Uses

As stated earlier in the report, specific land use plans have not been proposed for either project site. The proposed land uses represent the theoretical buildout potential of each project site allowed under current land use designations and typical subdivision configurations. The terms "proposed development", "proposed project" or "proposed land use" refer to the theoretical buildout potential under current land use designations.

Table 2-8
Estimated Annual Off-Site Sales and Use Tax by Project Residents: Bodger Property
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bodger Property Buildout
<u>Estimated New Residential Valuation</u>	\$175,720,000
<u>Estimated Annual Household Income</u> @ 25% of Valuation	\$43,930,000
<u>Estimated Annual Household Retail Taxable Purchases</u> Purchases @ 32% of Household Income	\$14,057,600
<u>Estimated Annual Off-site Taxable Sales Captured</u> @ 50% of Total Household Retail Purchases	\$7,028,800
<u>Estimated Annual Off-Site Sales and Use Tax</u> ¹	
Sales Tax @ 1.0% of Taxable Sales	\$70,300
Use Tax @ 15.5% of Sales Tax	<u>\$10,900</u>
Estimated Annual Off-Site Sales and Use Tax	\$81,200

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

Source: Stanley R. Hoffman Associates Inc.

As shown in Panel A of Table 2-9, the proposed total Bailey Avenue Annexation includes 148.35 acres of residential lots, open space, internal roads and streets and perimeter streets and roads.

Units and Population. The total Bailey Avenue Annexation includes 469 residential units, as shown in Panel B of Table 2-9. Population for the total Bailey Avenue Annexation is estimated at 1,360 after buildout based on the City's General Plan Housing Element average household size of 2.9.

Open Space/Agriculture Buffer. The total Bailey Avenue Annexation includes 13.91 acres of open space/agriculture buffer and a bike path available for public use. These uses are assumed to be privately maintained.

Road Improvements. As shown in Panel D of Table 2-9, the total Bailey Avenue Annexation includes an estimated 2.35 lane miles that will be maintained by the City after annexation. These publicly maintained roads by the City include the widened segments that border the project sites,

Table 2-9
Development Description after Buildout: Total Annexation
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

Category	Bailey Property	Bodger Property	Total Annexation
A. PROJECT ACRES ²			
Residential Acres	32.05	86.20	118.25
Open Space/Agriculture Buffer Acres	4.21	9.70	13.91
Internal Roads and Streets	<u>3.18</u>	<u>2.49</u>	<u>5.67</u>
Subtotal Project Site Acres	39.44	98.39	137.83
Perimeter Roads and Streets	<u>1.20</u>	<u>9.32</u>	<u>10.52</u>
Total Project Acres	40.64	107.71	148.35
B. RESIDENTIAL UNITS AND POPULATION			
Very Low and Low Density Units (Please see Figure 2-1 and Figure 2-2)	87	382	469
Population (@ 2.9 per unit) ³	252	1,108	1,360
C. OFF-SITE ROAD WIDENING IMPROVEMENTS ⁴			
<u>Road Lineal Feet</u>			
West North Avenue - One Travel Lane with On-Street Bike Lane	1,100	0	1,100
New Western Avenue - Two Travel Lanes	1,300	1,700	3,000
Rose Street - One Travel Lane	320	0	320
South V Street - One Travel Lane	0	1,700	1,700
West Olive Avenue - One Travel Lane	<u>0</u>	<u>2,700</u>	<u>2,700</u>
Total Road Lineal Feet	2,720	6,100	8,820
<u>Road Widening Lineal Miles</u>			
West North Avenue - One Travel Lane with On-Street Bike Lane	0.21	0.00	0.21
New Western Avenue - Two Travel Lanes	0.25	0.32	0.57
Rose Street - One Travel Lane	0.06	0.00	0.06
South V Street - One Travel Lane	0.00	0.32	0.32
West Olive Avenue - One Travel Lane	<u>0.00</u>	<u>0.51</u>	<u>0.51</u>
Total Lineal Miles	0.52	1.15	1.67
<u>Total Lane Miles</u>			
West North Avenue - One Travel Lane with On-Street Bike Lane	0.32	0.00	0.32
New Western Avenue - Two Travel Lanes	0.50	0.64	1.14
Rose Street - One Travel Lane	0.06	0.00	0.06
South V Street - One Travel Lane	0.00	0.32	0.32
West Olive Avenue - One Travel Lane	<u>0.00</u>	<u>0.51</u>	<u>0.51</u>
Total Lane Miles	0.88	1.47	2.35

- Note: 1. Specific land use plans are not proposed for either project site. Project descriptions are based on the theoretical buildout of current land use designations and typical subdivision configurations.
2. Project acres include internal streets that will be maintained through a property owners' association. The acres designated as open space/agriculture buffers and the new bike paths along the buffers are assumed to be privately maintained. The new bike paths will be available to the public. The lane miles associated with the perimeter roads and streets are presented in Panel C of this table.
3. Population for the Bailey Avenue Annexation projects is projected at the City average of 2.9 per unit, based on the City's General Plan Housing Element.
4. The new Western Avenue on the project sites and widened off-site roads along the perimeter of the project sites are assumed to be maintained by the City upon annexation to the City. The on-site bike path on West North Avenue is assumed as an additional 50 percent of a lane for maintenance purposes.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
Penfield & Smith, Inc.
City of Lompoc, Assistant Public Works Director

with the exception of West Ocean Avenue. The widened segment of West Ocean Avenue on the northern perimeter of the Bodger Property will be maintained by Caltrans. The on-site, in-tract streets on both projects will be maintained by a property owners' association.

Assessed Valuation, Property Tax and Property Tax in Lieu Vehicle License Fees (VLF)

As provided by the City's Management Services Director, the City is assumed to receive 16.60 percent of the basic one percent property tax levy upon annexation. This assumption represents the citywide property tax allocation based on a simple average of all City tax rate areas.

Day One. As shown in Panel A of Table 2-10, upon Day One of the annexation of the total Bailey Avenue Annexation, the City will receive an estimated \$7,240 of property tax. The projected property tax is based on the total of the two project site's Fiscal Year 2016-2017 assessed valuation of \$4,359,990, as shown in Table 2-11, and the City receiving 16.60 percent of the basic one percent property tax levy of \$43,600.

Buildout. As shown in Panel B of Table 2-10, total new residential valuation for the total Bailey Avenue Annexation is estimated at \$215,740,000 after buildout of the proposed 469 units, based on the average value per unit of \$460,000, as shown in Appendix Table A-1.

As shown in Panel C of Table 2-10, recurring property tax to the City's General Fund for the total Bailey Avenue Annexation is projected at \$358,130 after buildout. This projection is based on the estimated total residential valuation of \$215,740,000 for the two projects and the City receiving 16.60 percent of the basic one percent property tax levy of \$2,157,400.

Property tax in lieu vehicle license fees (VLF) to the City's General Fund for the total Bailey Avenue Annexation after buildout is projected at \$276,910, as shown in Panel D of Table 2-10. Per State law, property tax in lieu VLF for annexations is projected based on the increase in assessed valuation for new development after annexation. Therefore the projected property tax in lieu VLF for the total Bailey Avenue Annexation is based on the net new valuation of \$211,380,010 (total new valuation of \$215,740,000 minus existing valuation of \$4,359,990) times the VLF factor of \$1,310 per million dollars. The factor for the increase in property tax in lieu VLF is presented in Appendix Table B-2.

Off-Site Sales and Use Tax

The total Bailey Avenue Annexation will generate taxable sales from purchases made by future

Table 2-10
Assessed Valuation and Projected Property Tax: Total Annexation
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bailey Property	Bodger Property	Total Annexation
A. PROJECTED PROPERTY TAX TO THE CITY ON DAY ONE OF ANNEXATION			
Valuation upon Annexation ¹	\$1,645,000	\$2,714,990	\$4,359,990
<i>times</i>			
Basic 1% Property Tax Levy	1%	1%	1%
<i>equals</i>			
One Percent Property Tax	\$16,450	\$27,150	\$43,600
<i>times</i>			
City of Lompoc Property Tax Allocation upon Annexation of Project	16.60%	16.60%	16.60%
<i>equals</i>			
Projected Property Tax to City General Fund on Day One	\$2,730	\$4,510	\$7,240
B. PROJECTED VALUATION AFTER BUILDOUT			
New Residential Units	87	382	469
<i>times</i>			
Average Value per Unit ²	\$460,000	\$460,000	\$460,000
<i>equals</i>			
New Residential Valuation after Buildout	\$40,020,000	\$175,720,000	\$215,740,000
C. PROJECTED PROPERTY TAX TO THE CITY AFTER BUILDOUT			
New Residential Valuation after Buildout	\$40,020,000	\$175,720,000	\$215,740,000
<i>times</i>			
Basic 1% Property Tax Levy	1%	1%	1%
<i>equals</i>			
One Percent Property Tax	\$400,200	\$1,757,200	\$2,157,400
<i>times</i>			
City of Lompoc Property Tax Allocation upon Annexation of Project	16.60%	16.60%	16.60%
<i>equals</i>			
Projected Property Tax to City General Fund after Buildout	\$66,430	\$291,700	\$358,130
D. PROJECTED PROPERTY TAX IN LIEU VEHICLE LICENSE FEES (VLF)			
Total New Valuation after Buildout	\$40,020,000	\$175,720,000	\$215,740,000
<i>minus</i>			
Existing Valuation	\$1,645,000	\$2,714,990	\$4,359,990
<i>equals</i>			
Total Net New Valuation after Buildout	\$38,375,000	\$173,005,010	\$211,380,010
<i>divided by</i>			
One Million	\$1,000,000	\$1,000,000	\$1,000,000
<i>equals</i>			
Total Net New Valuation after Buildout in Millions	\$38.38	\$173.01	\$211.38
<i>times</i>			
Property Tax in Lieu VLF per \$1,000,000 Assessed Valuation	\$1,310	\$1,310	\$1,310
<i>equals</i>			
Projected Property Tax in Lieu VLF to City General Fund after Buildout	\$50,270	\$226,640	\$276,910

Note: 1. Existing valuation for the Total Annexation is presented in Table 2-11.

2. Valuation for the proposed new homes is projected at an average value of \$460,000 per unit, based on information from the project developer and realtor.com, as shown in Appendix Table A-1.

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
www.realtor.com, February 2017

Table 2-11
Estimated Existing Assessed Valuation: Total Annexation
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Tax Rate Area	Assessor Parcel Number	Bailey Property 2016-2017 Assessed Valuation			
		Land	Improvements	Personal	Total
72-017	093-070-064	\$0	\$0	\$0	\$0
72-017	093-070-065	<u>1,645,000</u>	<u>0</u>	<u>0</u>	<u>1,645,000</u>
Total Bailey Property		\$1,645,000	\$0	\$0	\$1,645,000

Tax Rate Area	Assessor Parcel Number	Bodger Property 2016-2017 Assessed Valuation			
		Land	Improvements	Personal	Total
72-017	093-111-007	\$243,343	\$0	\$0	\$243,343
72-017	093-111-008	31,041	0	0	31,041
72-017	093-111-009	<u>46,201</u>	<u>386,859</u>	<u>0</u>	<u>433,060</u>
Total TRA 72-017		\$320,585	\$386,859	\$0	\$707,444
72-028	093-111-010	\$86,552	\$0	\$0	\$86,552
72-028	093-111-011	127,556	1,551,003	84,840	1,763,399
72-028	093-111-012	<u>157,595</u>	<u>0</u>	<u>0</u>	<u>157,595</u>
Total TRA 72-028		\$371,703	\$1,551,003	\$84,840	\$2,007,546
Total Bodger Property		\$692,288	\$1,937,862	\$84,840	\$2,714,990

Area	Total Annexation 2016-2017 Assessed Valuation			
	Land	Improvements	Personal	Total
Bailey Property	\$1,645,000	\$0	\$0	\$1,645,000
Bodger Property	<u>\$692,288</u>	<u>\$1,937,862</u>	<u>\$84,840</u>	<u>\$2,714,990</u>
Total Annexation	\$2,337,288	\$1,937,862	\$84,840	\$4,359,990

Sources: Stanley R. Hoffman Associates, Inc.
Harridge Development Group, LLC
Santa Barbara County Assessor, 2016-2017 Secured Tax Statement and Parcel Maps

residents of each 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 15.5 percent of sales tax.

As shown in Table 2-12, annual sales and use tax is projected at about \$99,700 from the estimated residential retail purchasing power of the future Bailey Avenue Annexation residents after buildout. Off-site retail sales and use tax from taxable purchases made by future residents of both projects in the Bailey Avenue Annexation is projected based on the resident's estimated household income and estimated taxable retail purchases made in the City.

Table 2-12
Estimated Annual Off-Site Sales and Use Tax by Project Residents: Total Annexation
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Bailey Property	Bodger Property	Total Annexation
<u>Estimated New Residential Valuation</u>	\$40,020,000	\$175,720,000	\$215,740,000
<u>Estimated Annual Household Income</u> @ 25% of Valuation	\$10,005,000	\$43,930,000	\$53,935,000
<u>Estimated Annual Household Retail Taxable Purchases</u> Purchases @ 32% of Household Income	\$3,201,600	\$14,057,600	\$17,259,200
<u>Estimated Annual Off-site Taxable Sales Captured</u> @ 50% of Total Household Retail Purchases	\$1,600,800	\$7,028,800	\$8,629,600
<u>Estimated Annual Off-Site Sales and Use Tax ¹</u>			
Sales Tax @ 1.0% of Taxable Sales	\$16,000	\$70,300	\$86,300
Use Tax @ 15.5% of Sales Tax	<u>\$2,500</u>	<u>\$10,900</u>	<u>\$13,400</u>
Estimated Annual Off-Site Sales and Use Tax	\$18,500	\$81,200	\$99,700

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

Source: Stanley R. Hoffman Associates Inc.

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 total Bailey Avenue Annexation 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 Bailey Property and Bodger Property projects. At the 50 percent capture, taxable retail purchases are estimated at about \$6,300 per capita for the project. As shown in Appendix Table A-2, data from the State Board of Equalization for 2014 estimated the average taxable sales for Lompoc at \$7,295 per capita, which includes some taxable sales from visitors to the city.
- Appendix Table A-2 also presents retail taxable sales generated by the cities surrounding Lompoc in 2014. Per capita retail taxable sales in Lompoc represented about 65 percent of the total average retail per capita taxable sales of Lompoc and the other surrounding cities.

CHAPTER 3 FISCAL IMPACTS

This chapter describes the fiscal analysis of the Bailey Avenue Annexation. Fiscal impacts are first presented for the Bailey Property, followed by the fiscal impacts for the Bodger Property, and then the total Bailey Avenue Annexation, or the sum of the two separate properties. Fiscal impacts to the City of Lompoc's General Fund and gas taxes generated to the City's Special Gas Tax Fund are projected for each property and for the total annexation. Fiscal impacts are shown in constant 2017 dollars with no adjustment for possible future inflation of either revenues or costs.

3.1 Bailey Property

City's General Fund

Fiscal impacts of the Bailey Property are projected for Day One of annexation without any development on the project site and for buildout of the project's proposed development. Based on information from the City, public road segments that border the project on West North Avenue and Rose Street will be annexed along with the project. These off-site public roads and the new on-site Western Avenue are assumed to be maintained by the City. On-site internal streets are assumed to be maintained by a property owners' association and the on-site open space/agriculture buffer and bike path are assumed to be privately maintained. The new bike path will be available for public use.

Day One. As shown in Panel A of Table 3-1, projected recurring revenues of \$2,730 are projected to the City's General Fund upon Day One of the annexation of the Bailey Property site with no project related improvements. The projected revenues upon annexation include property tax. The City becomes responsible for maintenance of the segments of West North Avenue and Rose Street bordering the project site upon annexation. Based on discussion with the Assistant Public Works Director, road maintenance costs would be minimal until development occurs on the project site.

Buildout. A recurring deficit of about \$1,620 is projected to the City's General Fund after buildout of the entire Bailey Property land uses. This projected deficit after buildout is based on recurring revenues of \$170,780 and recurring costs of \$172,400, at a revenue-to-cost ratio of 0.99.

As shown in Table 3-1, about eighty nine percent of the total projected recurring revenues after buildout of the Bailey Property project are comprised of property tax (\$66,430), property tax in

Table 3-1
Detailed Projected Recurring Fiscal Impacts: Bailey Property ¹
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Recurring Revenue or Cost Category	Bailey Property		
	Day One ²	Buildout	Percent of Buildout
A. GENERAL FUND			
<u>Annual Recurring Revenues</u>			
Property tax	\$2,730	\$66,430	38.9%
Property tax in lieu of vehicle license fee (VLF) ³	0	50,270	29.4%
Off-Site retail sales and use tax ⁴	0	18,500	10.8%
Public safety sales tax	0	720	0.4%
Franchise tax and franchise penalties	0	2,140	1.3%
Property transfer tax - turnover	0	880	0.5%
Motor vehicle license fees	0	100	0.1%
Permits, fine, forfeits and penalties	0	140	0.1%
Current services charges	0	2,220	1.3%
Administrative service charges/internal services	0	16,570	9.7%
Miscellaneous revenues	0	2,830	1.7%
Transfers from other funds	0	<u>9,980</u>	<u>5.8%</u>
Total Recurring Revenues	\$2,730	\$170,780	100.0%
<u>Annual Recurring Costs</u>			
Police services	\$0	\$60,670	35.2%
Fire services	0	34,890	20.2%
Public Works - Engineering	0	6,490	3.8%
Public Works - Street maintenance ⁵	0	17,500	10.2%
Public Works - Urban forestry	0	8,020	4.7%
Facilities services and maintenance	0	5,570	3.2%
Community Development and Planning	0	3,470	2.0%
Parks ⁶	0	11,000	6.4%
Recreation	0	4,560	2.6%
Transfer to Aquatic Center Fund	0	1,290	0.7%
Transfer to Library	0	3,280	1.9%
General government	0	<u>15,660</u>	<u>9.1%</u>
Total Recurring Costs	\$0	\$172,400	100.0%
<u>Net Annual Surplus</u>	\$2,730	(\$1,620)	
<u>Revenue/Cost Ratio</u>	n/a	0.99	
B. SPECIAL GAS TAX FUND			
State gasoline tax ⁷	\$0	\$5,120	

- Note: 1. Projected recurring impacts are rounded to the nearest tenth.
2. Day One assumes the property is annexed into the City before any development occurs on the property site. Property tax revenues to the City General Fund upon annexation are projected based on the existing land valuation of the property 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. July 1, 2004 the State 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. In 2016, the 25% reduction ended and the City receives the entire 1% of taxable sales.
5. The project's internal streets and perimeter landscaping are assumed to be maintained by a homeowners association. City street right-of-way maintenance costs, including sidewalks and drainage, 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.
6. The on-site open space/agricultural buffer and bike path are assumed to be privately maintained and are not projected as a General Fund cost. However, park costs to the General Fund are projected for the impact of the new residents on existing City parks.
7. State gasoline taxes are subvented by the state for transportation related expenditures and are projected on a total population basis. Based on discussion with City finance staff, a fixed amount of \$390,000 is transferred to the General Fund.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, Assistant Public Works Director
City of Lompoc, Management Services Director

lieu of vehicle license fees (\$50,270), off-site sales and use tax (\$18,500) and administrative service charges/internal services (\$16,570).

Police protection (\$60,670), fire protection (\$34,890), street maintenance (\$17,500) and general government (\$15,660) are the largest projected recurring costs, accounting for about seventy five percent of total projected recurring costs for the Bailey Property annexation after buildout.

City's Special Gas Tax Fund

As shown in Panel B of Table 3-1, recurring state gasoline taxes are projected at \$5,120 for the Bailey Property after buildout. State gasoline revenues for the Special Gas Tax Fund are projected at \$20.32 per capita. While, state gasoline revenues are projected to increase based on the incremental population growth from the Bailey Property, no increase in state gasoline revenues are projected for the General Fund. Based on discussion with City finance staff, the General Fund receives a fixed amount of \$390,000 annually from the Gas Tax Fund.

3.2 Bodger Property

City's General Fund

Fiscal impacts of the Bodger Property are projected for Day One of annexation without any development on the project site and for buildout of the project's proposed development. Based on information from City staff, public road segments that border the project on South V Street and West Olive Avenue will be annexed along with the project. These off-site public roads and the new on-site Western Avenue are assumed to be maintained by the City.

The improvements to West Ocean Avenue are assumed to be maintained by Caltrans. On-site internal streets are assumed to be maintained by a property owners' association and the new on-site open space/agriculture buffer and bike path assumed to be privately maintained. The new bike path will be available for public use.

Day One. Projected recurring revenues of \$4,510 are projected to the City's General Fund upon Day One of the annexation of the Bodger Property site with no project related improvements, as shown in Panel A of Table 3-2. The projected revenues upon annexation include property tax. The City becomes responsible for maintenance of the segments of South V Street and West Olive Avenue bordering the project site upon annexation. Based on discussion with City staff, road maintenance costs would be minimal until development occurs on the project site.

Table 3-2
Detailed Projected Recurring Fiscal Impacts: Bodger Property¹
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Recurring Revenue or Cost Category	Bodger Property		
	Day One ²	Bodger Property	Percent of Buildout
A. GENERAL FUND			
<u>Annual Recurring Revenues</u>			
Property tax	\$4,510	\$291,700	38.6%
Property tax in lieu of vehicle license fee (VLF) ³	0	226,640	30.0%
Off-Site retail sales and use tax ⁴	0	81,200	10.7%
Public safety sales tax	0	3,160	0.4%
Franchise tax and franchise penalties	0	9,400	1.2%
Property transfer tax - turnover	0	3,870	0.5%
Motor vehicle license fees	0	450	0.1%
Permits, fine, forfeits and penalties	0	630	0.1%
Current services charges	0	9,780	1.3%
Administrative service charges/internal services	0	72,860	9.6%
Miscellaneous revenues	0	12,450	1.6%
Transfers from other funds	<u>0</u>	<u>43,880</u>	<u>5.8%</u>
Total Recurring Revenues	\$4,510	\$756,020	100.0%
<u>Annual Recurring Costs</u>			
Police services	\$0	\$266,760	37.8%
Fire services	0	153,410	21.7%
Public Works - Engineering	0	28,550	4.0%
Public Works - Street maintenance ⁵	0	29,400	4.2%
Public Works - Urban forestry	0	35,270	5.0%
Facilities services and maintenance	0	24,490	3.5%
Community Development and Planning	0	15,250	2.2%
Parks ⁶	0	48,360	6.9%
Recreation	0	20,050	2.8%
Transfer to Aquatic Center Fund	0	5,660	0.8%
Transfer to Library	0	14,440	2.0%
General government	<u>0</u>	<u>64,120</u>	<u>9.1%</u>
Total Recurring Costs	\$0	\$705,760	100.0%
<u>Net Annual Surplus</u>	\$4,510	\$50,260	
<u>Revenue/Cost Ratio</u>	n/a	1.07	
B. SPECIAL GAS TAX FUND			
State gasoline tax ⁷	\$0	\$22,510	

- Note: 1. Projected recurring impacts are rounded to the nearest tenth.
2. Day One assumes the property is annexed into the City before any development occurs on the property site. Property tax revenues to the City General Fund upon annexation are projected based on the existing land valuation of the property 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. July 1, 2004 the State 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. In 2016, the 25% reduction ended and the City receives the entire 1% of taxable sales.
5. The project's internal streets and perimeter landscaping are assumed to be maintained by a homeowners association. City street right-of-way maintenance costs, including sidewalks and drainage, 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.
6. The on-site open space/agricultural buffer and bike path are assumed to be privately maintained and are not projected as a General Fund cost. However, park costs to the General Fund are projected for the impact of the new residents on existing City parks.
7. State gasoline taxes are subvented by the state for transportation related expenditures and are projected on a total population basis. Based on discussion with City finance staff, a fixed amount of \$390,000 is transferred to the General Fund.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, Assistant Public Works Director
City of Lompoc, Management Services Director

Buildout. A recurring surplus of about \$50,260 is projected to the City's General Fund after buildout of the entire Bodger Property land uses. This projected surplus after buildout is based on recurring revenues of \$756,020 and recurring costs of \$705,760, at a revenue-to-cost ratio of 1.07. As shown in Table 3-2, about eighty nine percent of the total projected recurring revenues after buildout of the Bodger Property project are comprised of property tax (\$291,700), property tax in lieu of vehicle license fees (\$226,640), off-site sales and use tax (\$81,200) and administrative service charges/internal services (\$72,860).

Police protection (\$266,760), fire protection (\$153,410) and general government (\$64,120) are the largest projected recurring costs, accounting for about sixty nine percent of total projected recurring costs for the Bodger Property annexation after buildout.

City's Special Gas Tax Fund

As shown in Panel B of Table 3-2, recurring state gasoline taxes are projected at \$22,510 for the Bodger Property after buildout. State gasoline revenues for the Special Gas Tax Fund are projected at \$20.32 per capita. While, state gasoline revenues are projected to increase based on the incremental population growth from the Bodger Property, no increase in state gasoline revenues are projected for the General Fund. Based on discussion with City finance staff, the General Fund receives a fixed amount of \$390,000 annually from the Gas Tax Fund.

3.3 Total Bailey Avenue Annexation

City's General Fund

Fiscal impacts of the total Bailey Avenue Annexation are projected for Day One of annexation without any new development on each project site and for buildout of the each project.

Day One. As shown in Panel A of Table 3-3, projected recurring revenues of \$7,240 are projected to the City's General Fund upon Day One of the annexation both Bailey Avenue property sites with no project related improvements. The projected revenues upon annexation include property tax. The City becomes responsible for maintenance of the widened segments bordering the project sites upon annexation. West Ocean Avenue, which borders the Bodger Property, is assumed to be maintained by Caltrans. Based on discussion with the Assistant Public Works Director, road maintenance costs for the City would be minimal until development occurs on the project sites.

Table 3-3
Detailed Projected Recurring Fiscal Impacts: Total Annexation¹
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Recurring Revenue or Cost Category	Bailey Property			Bodger Property			Total Annexation		
	Day One ²	Buildout	Percent of Buildout	Day One ²	Bodger Property	Percent of Buildout	Day One ²	Buildout	Percent of Buildout
A. GENERAL FUND									
Annual Recurring Revenues									
Property tax	\$2,730	\$66,430	38.9%	\$4,510	\$291,700	38.6%	\$7,240	\$358,130	38.6%
Property tax in lieu of vehicle license fee (VLF) ³	0	50,270	29.4%	0	226,640	30.0%	0	276,910	29.9%
Off-Site retail sales and use tax ⁴	0	18,500	10.8%	0	81,200	10.7%	0	99,700	10.8%
Public safety sales tax	0	720	0.4%	0	3,160	0.4%	0	3,880	0.4%
Franchise tax and franchise penalties	0	2,140	1.3%	0	9,400	1.2%	0	11,540	1.2%
Property transfer tax - turnover	0	880	0.5%	0	3,870	0.5%	0	4,750	0.5%
Motor vehicle license fees	0	100	0.1%	0	450	0.1%	0	550	0.1%
Permits, fine, forfeits and penalties	0	140	0.1%	0	630	0.1%	0	770	0.1%
Current services charges	0	2,220	1.3%	0	9,780	1.3%	0	12,000	1.3%
Administrative service charges/internal services	0	16,570	9.7%	0	72,860	9.6%	0	89,430	9.6%
Miscellaneous revenues	0	2,830	1.7%	0	12,450	1.6%	0	15,280	1.6%
Transfers from other funds	0	<u>9,980</u>	<u>5.8%</u>	0	<u>43,880</u>	<u>5.8%</u>	0	<u>53,860</u>	<u>5.8%</u>
Total Recurring Revenues	\$2,730	\$170,780	100.0%	\$4,510	\$756,020	100.0%	\$7,240	\$926,800	100.0%
Annual Recurring Costs									
Police services	\$0	\$60,670	35.2%	\$0	\$266,760	37.8%	\$0	\$327,430	37.3%
Fire services	0	34,890	20.2%	0	153,410	21.7%	0	188,300	21.4%
Public Works - Engineering	0	6,490	3.8%	0	28,550	4.0%	0	35,040	4.0%
Public Works - Street maintenance ⁵	0	17,500	10.2%	0	29,400	4.2%	0	46,900	5.3%
Public Works - Urban forestry	0	8,020	4.7%	0	35,270	5.0%	0	43,290	4.9%
Facilities services and maintenance	0	5,570	3.2%	0	24,490	3.5%	0	30,060	3.4%
Community Development and Planning	0	3,470	2.0%	0	15,250	2.2%	0	18,720	2.1%
Parks ⁶	0	11,000	6.4%	0	48,360	6.9%	0	59,360	6.8%
Recreation	0	4,560	2.6%	0	20,050	2.8%	0	24,610	2.8%
Transfer to Aquatic Center Fund	0	1,290	0.7%	0	5,660	0.8%	0	6,950	0.8%
Transfer to Library	0	3,280	1.9%	0	14,440	2.0%	0	17,720	2.0%
General government	0	<u>15,660</u>	<u>9.1%</u>	0	<u>64,120</u>	<u>9.1%</u>	0	<u>79,780</u>	<u>9.1%</u>
Total Recurring Costs	\$0	\$172,400	100.0%	\$0	\$705,760	100.0%	\$0	\$878,160	100.0%
Net Annual Surplus	\$2,730	(\$1,620)		\$4,510	\$50,260		\$7,240	\$48,640	
Revenue/Cost Ratio	n/a	0.99	n/a	n/a	1.07		n/a	1.06	
B. SPECIAL GAS TAX FUND									
State gasoline tax ⁷	\$0	\$5,120	n/a	\$0	\$22,510	n/a	\$0	\$27,630	

- Note: 1. Projected recurring impacts are rounded to the nearest tenth.
2. Day One assumes the property is annexed into the City before any development occurs on the property site. Property tax revenues to the City General Fund upon annexation are projected based on the existing land valuation of the property 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. July 1, 2004 the State 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. In 2016, the 25% reduction ended and the City receives the entire 1% of taxable sales.
5. The project's internal streets and perimeter landscaping are assumed to be maintained by a homeowners association. City street right-of-way maintenance costs, including sidewalks and drainage, 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.
6. The on-site open space/agricultural buffer and bike path are assumed to be privately maintained and are not projected as a General Fund cost. However, park costs to the General Fund are projected for the impact of the new residents on existing City parks.
7. State gasoline taxes are subvented by the state for transportation related expenditures and are projected on a total population basis. Based on discussion with City finance finance staff, a fixed amount of \$390,000 is transferred to the General Fund.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, Assistant Public Works Director
City of Lompoc, Management Services Director

Buildout. After buildout of the two property sites in the Bailey Avenue Annexation, a recurring surplus of about \$48,640 is projected to the City's General Fund after buildout, as shown in Panel A of Table 3-3. This projected surplus after buildout of the two projects is based on recurring revenues of \$926,800 and recurring costs of \$878,160, at a revenue-to-cost ratio of 1.06.

As shown in Table 3-3, about eighty nine percent of the total projected recurring revenues after buildout of the total Bailey Avenue Annexation are comprised of property tax (\$358,130), property tax in lieu of vehicle license fees (\$276,910), off-site sales and use tax (\$99,700) and administrative service charges/internal services (\$89,430).

Police protection (\$327,430), fire protection (\$188,300) and general government (\$79,780) are the largest projected recurring costs, accounting for about sixty eight percent of total projected recurring costs for the total Bailey Avenue Annexation after buildout.

City's Special Gas Tax Fund

As shown in Panel B of Table 3-3, recurring state gasoline taxes are projected at \$27,630 for the Bailey Avenue Annexation after buildout. State gasoline revenues for the Special Gas Tax Fund are projected at \$20.32 per capita. While, state gasoline revenues are projected to increase based on the incremental population growth from the Bailey Avenue Annexation, no increase in state gasoline revenues are projected for the General Fund. Based on discussion with City finance staff, the General Fund receives a fixed amount of \$390,000 annually from the Gas Tax Fund.

CHAPTER 4

FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the City of Lompoc fiscal analysis for Bailey Avenue Annexation. 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 when preparing previous fiscal analyses for the City, the adopted revenues and costs as presented in the *City of Lompoc, Adopted Budget Fiscal Years 2015 - 2017* are evenly divided between the two fiscal years (FY 2015-2016 and FY 2016-2017) to estimate Fiscal Year (FY) 2016-2017 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 2016-2017 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, 2017 total population at 44,042. This total City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented gas taxes. Household population is estimated at 40,972 and group quarter's population at 3,070.

Housing Units

DOF estimates 14,674 total housing units for the City of Lompoc for January 1, 2017. DOF estimates that 13,716 units are occupied and 958 units are vacant.

Persons per Household

The DOF 2017 average persons per household for Lompoc are estimated at 2.99 based on dividing the household population estimate of 40,972 by the 13,716 estimated occupied units. However, for the proposed project, population is projected at the General Plan Housing Element factor of 2.9 persons per household.

Table 4-1
City Population, Housing and Employment Assumptions: 1-1-2017
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

Assumption	Description
	<u>Population and Housing</u> ¹
40,972	Household population
<u>3,070</u>	Group quarters population
44,042	Total resident population
13,716	Occupied housing units
<u>958</u>	Vacant housing units
14,674	Total housing units
2.99	Persons per occupied housing unit (household)
	<u>Employment</u> ²
11,544	Total Employment ²
5,772	Employment at 50% ³
	<u>Estimated Service Population</u> ⁴
44,042	Total Resident Population
<i>plus</i>	
5,772	Employment at 50% ³
<i>equals</i>	
49,814	Estimated Total Service Population

- Note: 1. Population and housing estimates are from DOF for January 1, 2017.
2. The 2017 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 11,544 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, 2011-2017*, Sacramento, California, May 2017
Santa Barbara Council of Governments, *Regional Growth Forecast 2010-2040*, Adopted December 2012

Employment

The total City employment for 2017 is estimated at 11,544 based on an interpolation of the year 2010 (10,686) and year 2020 (11,643) employment estimates from the Santa Barbara County Association of Governments (SBCAG), *Regional Growth Forecast 2010-2040*, Adopted December 2012.

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 49,814 is used to calculate the fiscal factors that apply to both population and employment. This service population estimate includes the resident population of 44,042 and the estimated weighted employment of 5,772 (50 percent of the employment estimate of 11,544).

4.2 Revenue Assumptions

The General Fund and Special Gas Tax Fund revenue factors used in preparing the fiscal analysis for the Bailey Avenue Annexation are presented in Table 4-2. The detailed revenues in the City of Lompoc *Adopted Budget, Fiscal Years 2015-2017* do not include revenues for each of the 2015-2016 and 2016-2017 fiscal years. Based on discussion with the Lompoc's City Administrator during preparation of previous fiscal analyses for the City, the proposed FY 2015-2017 revenues are evenly divided between FY 2015-2016 and FY 2016-2017, as shown in Appendix Table B-1. The estimated FY 2016-2017 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 FY 2016-2017 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 Bailey Avenue Annexation projects. The City's Management Services Director recommends that the fiscal analysis assumes the City will receive 16.60 percent of the basic one percent property tax levy upon annexation. This assumption represents the citywide property tax allocation based on a simple average of all tax rate areas in the City.

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

Table 4-2
General Fund and Gas Tax Fund Recurring Revenue Factors
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Revenue Source	Fiscal Year 2016-2017		Projection Basis ¹	Revenue Projection Factor
	Revenue Amount	Adjusted Net Revenue		
GENERAL FUND				
<u>Property taxes</u>	\$4,241,113	\$4,241,113	Valuation	16.6% General Fund allocation of basic 1% levy ²
<u>Property tax in Lieu of VLF ³</u>	\$3,234,792	\$3,234,792	Case Study	\$1,310 per \$1,000,000 of assessed value
<u>Sales and use tax ⁴</u>	\$4,734,160	\$4,734,160	Case Study	1% of projected sales and use tax 15.5% use tax (at 15.5% of sales tax)
<u>Public safety sales tax</u>	\$125,760	\$125,760	Population = 44,042	\$2.86 per capita
<u>Franchise tax and franchise penalties</u>	\$422,474	\$422,474	Service Population = 49,814	\$8.48 per service population
<u>Business license tax, penalties and fees</u>	\$417,390	\$417,390	Employment = 11,544	Not Projected
<u>Property transfer tax</u>	\$101,011	\$101,011	Valuation and Turnover	\$0.55 per \$1,000 of turnover assessed valuation 4% residential turnover rate
<u>Motor vehicle license fees</u>	\$18,000	\$18,000	Population = 44,042	\$0.41 per capita
<u>Permits, fines, forfeits and penalties</u>				
Recurring permits and assessment penalties	\$13,162	\$13,162	Service Population = 49,814	\$0.26 per service population
Criminal code violations	\$13,227	\$13,227	Population = 44,042	\$0.30 per capita
<u>Current services charges</u>	\$439,596	\$439,596	Service Population = 49,814	\$8.82 per service population
<u>Administrative service charges/internal services ⁵</u>				
Administrative service charges - library	\$21,373	\$10,687	Population = 44,042	\$0.24 per capita
Other Administrative charges/internal services	\$6,526,809	\$3,263,405	Service Population = 49,814	\$65.51 per service population
<u>Miscellaneous revenue</u>				
Miscellaneous revenue	\$503,089	\$503,089	Service Population = 49,814	\$10.10 per service population
POST grant	\$50,000	\$50,000	Population = 44,042	\$1.14 per capita
<u>Interest earned on investments</u>	\$27,173	\$0	Percent of recurring revenues	n/a not projected
<u>Projected Transfers from other funds:</u>				
Transfer from Gas Tax Fund ⁶	\$390,000	\$390,000	Population = 44,042	not projected
Other transfers from other funds	\$8,011,131	\$1,972,794	Service Population = 49,814	\$39.60 per service population
SPECIAL GAS TAX FUND RECURRING REVENUES				
State gasoline taxes ⁶	\$894,748		Population = 44,042	\$20.32 per capita

- Note: 1. For revenue factors that are based on population and employment, the estimated City service population, as shown in Table 4-1, is used to calculate the revenue factor. Service population is estimated at 49,814, which is the total City population estimate of 44,042 plus 5,772 (50 percent of the employment estimate of 11,544).
2. As provided by City Administrative staff, property tax is allocated to the General Fund at 16.6 percent of the basic one percent levy.
3. 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-2.
4. 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 had replaced the 25 percent reduction of sales tax with a dollar-for-dollar allocation of property tax from County ERAF funds. In 2016, the 25 percent reduction ended and the City will receive the entire 1 percent of taxable sales generated in the City.
5. Based on discussion with City Finance staff, administrative charges/internal services are not projected to increase on a one-for-one basis as a result of the Bailey Avenue Annexation. The fiscal analysis assumes these revenues increase at an estimated marginal rate of 50 percent of the current amount.
6. Based on discussion with City Finance staff, transfers from the Gas Tax Fund to the General Fund are fixed at an annual amount of \$390,000 and would not increase based on new population growth. Therefore, transfers from the Gas Tax Fund to the General Fund are not projected in the fiscal analysis. However, total Gas Tax Fund revenues would increase because state gasoline tax is subvented to the City on a population basis.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Adopted Fiscal Years 2015-2017*
City of Lompoc, Management Services Director

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-2, the property tax in lieu of VLF in the City is projected to increase at an average of \$1,310 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 last 5 years.

Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. Prior to the recently passed SB89 legislation, a City received property tax in lieu of VLF for the existing development in the annexation area at \$50 per capita annually, based on the estimated population of the annexation area at the time of annexation. Based on the new SB89 legislation, an annexing City will no longer receive property tax in lieu of VLF for the existing assessed valuation in the area being annexed. However, the City will receive property tax in-lieu of VLF based on the change in its gross assessed valuation of taxable property for new development in the annexed area.

Property Tax in Lieu of State Sales Tax. In July 1, 2004, the State reduced the local one percent sales tax allocation by 25 percent, and replaced it with a dollar-for-dollar allocation of local property tax from County ERAF funds. While this revenue is shown in the detailed General Fund revenues in Appendix Table B-1, the fiscal analysis does not project property tax in lieu of State sales tax because in 2016 the 25 percent reduction in sales tax ended. The City now receives the full 1 percent of taxable sales.

Sales and Use Tax. Sales and use tax is projected at 1.0 percent of the total taxable sales generated in the City. 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 15.5 percent of point-of-sale sales tax, as shown in Appendix Table B-3. Calendar Year 2016 sales tax data provided by Hinderliter de Llamas and Associates (HdL) estimates that \$594,123 of total sales and use tax were designated as use tax and the remaining \$3,829,966 sales and use tax was point-of-sale, sales tax. Therefore, use tax revenues to the City are estimated at an additional 15.5 percent of point-of-sale, sales tax.

Public Safety Sales Tax. These revenues are projected at \$2.86 per capita based on FY 2016-2017 revenues of \$125,760 and the City's population estimate of 44,042, as shown in Table 4-2.

Franchise Tax and Franchise Penalties. Based on FY 2016-2017 estimated franchise tax revenues of \$422,474 and the City's estimated service population of 49,814, franchise tax revenues are projected at \$8.82 per service population, as shown in Table 4-2.

Business License Tax, Penalties and Fees. These revenues are not projected for the proposed residential projects.

Property Transfer Tax. Sales of real property are taxed by the 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, 2011-2015 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 period from 2000 through 2015.

Motor Vehicle License Fees. These State subvented revenues are projected at \$0.41 per capita based on estimated FY 2016-2017 recurring revenues of \$18,000 and the City's population estimate of 44,042, as shown in Table 4-2.

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

Recurring Permits and Assessment Penalties. These revenues are projected at \$0.26 per service population based on estimated FY 2016-2017 revenues of \$13,162 and the City's service population estimate of 49,814.

Criminal Code Violations. These revenues are projected at \$0.30 per capita based on FY 2016-2017 revenues of \$13,227 and the City's population estimate of 44,042.

Current Service Charges. These recurring revenues include support services for water, wastewater, sewer, police and fire. As shown in Table 4-2, current service charges are projected at \$8.82 per service population based on FY 2016-2017 revenues of \$439,596 and the City's estimated service population of 49,814.

Administrative Service Charges/Internal Services. Based on discussion with City Finance staff, these revenues are not projected to increase on a one-to-one basis as a result of the proposed projects. The fiscal analysis assumes these revenues increase at an estimated marginal rate of 50 percent of current estimated revenues.

This category includes the following revenues:

Administrative Service Charges - Library. These revenues are projected at \$0.24 per capita based on estimated FY 2016-2017 revenues of \$10,687 (50 percent of \$21,373) and the City's population estimate of 44,042.

Other Administrative Charges/Internal Services. Based on FY 2016-2017 revenues of \$3,263,405 (50 percent of \$6,526,809) and the City's service population estimate of 49,814, these revenues are projected at \$65.51 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 \$10.10 per service population based on FY 2016-2017 revenues of \$503,089 and the City's service population estimate of 49,814.

POST Grant Revenue. These revenues include State reimbursements from Police Officers Standard Training (P.O.S.T.). POST revenues are projected at \$1.14 per capita based on FY 2016-2017 estimated revenues of \$50,000 and the City's population estimate of 44,042.

Interest Earned on Investments. These revenues are estimated at \$27,173 in the FY 2016-2017 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 \$33.75 million.

Transfers from Other Funds. Based on discussion with City finance staff, not all transfers from other funds are impacted by the proposed annexation. The proposed annexation would impact transfers to the General Fund from the Local STP Fund, Transportation Fund, a portion of Measure A Road Repair Funds, Traffic Offender Fund, Traffic Congestion Relief, the Revolving Recreation Fund, Storm Water Management and the Traffic Safety Fund. These revenues are projected at \$39.60 per service population. This factor is based on FY 2016-2017 recurring revenues of \$1,972,794 for these transfers and the City's service population estimate of 49,814.

Transfers from the Transient Occupancy Fund are not projected because there is no lodging associated with the Bailey Avenue Annexation projects. Transfers from the Gas Tax Fund are not projected because a fixed amount of \$390,000 is transferred from the Gas Tax Fund annually. These transferred revenues will not increase from the projected population growth in the annexation area.

Special Gas Tax Fund

State Gasoline Tax. State gasoline tax revenues to the Special Gas Tax Fund are projected at \$894,748 or about \$20.32 per capita. While, state gasoline revenues are projected to increase based on the incremental population growth from the Bailey Avenue Annexation, no increase in state gasoline revenues are projected for the General Fund. Based on discussion with City finance staff, the General Fund receives a fixed amount of \$390,000 annually from the Gas Tax Fund.

4.3 Cost Assumptions

The detailed adopted costs in the City of Lompoc *Adopted Budget, Fiscal Years 2015-2017* do not include costs for each of the 2015-2016 and 2016-2017 fiscal years. Based on discussion with the City's Administrative staff, the adopted Fiscal Year (FY) 2015-2017 costs are evenly divided between fiscal years 2015-2016 and 2016-2017, as shown in Appendix Table B-5. The estimated FY 2016-2017 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 future population for the Bailey Avenue Annexation projects.

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 Attorney; City Administrator; City Clerk; Human Resources/Safety; Management Services; City Treasurer; and Non-Departmental expenses. General Fund contributions to the Aquatic Center fund and the Library are removed from non-departmental costs, as shown in Appendix Table B-6, 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 \$5,621,750 and direct departmental costs (or non-general government) are estimated at \$28,128,630. As shown in Panel

Table 4-3
General Fund Recurring Cost Factors
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Cost Category	Fiscal Year 2016-2017		Projection Basis ¹	Cost Projection Factor
	Cost	Adjusted Net Cost		
General government ²	\$5,621,750	\$2,810,875	Case Study: A 50 percent marginal rate of the average share General Government costs are of non-general government	10.0% of direct recurring costs
Police ³	\$11,002,922	\$11,993,185	Service Population = 49,814	\$240.76 per service population
Fire ⁴	\$5,517,638	\$6,897,047	Service Population = 49,814	\$138.46 per service population
Building inspection ⁵	\$516,255	(\$44,426)	Service Population = 49,814	not projected
Public Works - Engineering	\$1,283,713	\$1,283,713	Service Population = 49,814	\$25.77 per service population
Public Works - Street Maintenance ⁶	\$2,030,409	\$2,030,409	Case Study	\$20,000 per lane mile
Public Works - Urban Forestry	\$1,585,767	\$1,585,767	Service Population = 49,814	\$31.83 per service population
Facilities services and maintenance	\$1,100,841	\$1,100,841	Service Population = 49,814	\$22.10 per service population
Community Development and Planning ⁷	\$1,573,044	\$685,703	Service Population = 49,814	\$13.77 per service population
Parks	\$1,922,100	\$1,922,100	Population = 44,042	\$43.64 per capita
Recreation	\$796,964	\$796,964	Population = 44,042	\$18.10 per capita
<u>Transfers To:</u>				
Aquatic Center Fund	\$224,922	\$224,922	Population = 44,042	\$5.11 per capita
Library	\$574,058	\$574,058	Population = 44,042	\$13.03 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 49,814, which is the total City population estimate of 44,042 plus 5,772 (50 percent of the employment estimate of 11,544).
2. The calculation of general government overhead is presented in Table 4-4. The fiscal analysis assumes that general government overhead will not increase on a one-for-one basis as a result of the Bailey Avenue Annexation. The fiscal analysis assumes general government overhead costs increase at a marginal rate of 50 percent of the estimated current general government overhead rate of 20.0 percent, or at 10.0 percent of direct departmental costs.
3. The City administrative staff has increased budgeted fire costs by 25 percent based on a recent compensation survey of fire compensation expenditures in surrounding communities.
4. The City administrative staff has increased budgeted police costs by 9 percent based on a recent compensation survey of police compensation expenditures in surrounding communities.
5. Building inspection costs of \$516,255 are adjusted by estimated City Budget revenues for one-time building and other one time permits, as shown in Appendix Table B-7.
6. Street maintenance costs are estimated at \$20,000 per lane mile based on discussion with City public works' staff.
7. Community Development and Planning costs of \$1,573,044 are adjusted by estimated one-time plan check revenues which are not projected in the fiscal analysis, as shown in Appendix Table B-7.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Adopted Fiscal Years 2015-2017*
City of Lompoc, Management Services Director
City of Lompoc, Assistant Public Works Director

Table 4-4
Calculation of General Government Overhead Rate
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

A. ESTIMATED FISCAL YEAR 2016-2017 ¹

General Fund Expenditures	Estimated One Year: Fiscal Year 2016-2017 ¹		
	Total Net Costs	Net General Government	Net Non-General Government
<u>General Government</u>			
City Council	\$97,118	\$97,118	
City Attorney	631,442	631,442	
City Administrator	554,666	554,666	
City Clerk	197,233	197,233	
Human Resources/Safety	627,620	627,620	
Management Services	1,704,129	1,704,129	
City Treasurer	1,893,620	1,893,620	
Non-Departmental ²	(98,924)	(98,924)	
Downtown Parking Fund	14,848	14,848	
<u>Non-General Government</u>			
Police Department	\$11,002,922		\$11,002,922
Fire Department	5,517,638		5,517,638
Building Inspection	516,255		516,255
Public Works - Engineering	1,283,713		1,283,713
Public Works - Street Maintenance	2,030,409		2,030,409
Public Works - Urban Forestry	1,585,767		1,585,767
Facilities Services and Maintenance	1,100,841		1,100,841
Community Development and Planning	1,573,044		1,573,044
Parks	1,922,100		1,922,100
Recreation	796,964		796,964
Transfer to Aquatic Center Operations & Maintenance	224,922		224,922
Transfer to Library	574,058		574,058
GRAND TOTAL GENERAL FUND	\$33,750,380	\$5,621,750	\$28,128,630

B. CALCULATION OF GENERAL GOVERNMENT COSTS

Net General Government Costs		\$5,621,750
	<i>divided by</i>	
Net Non-General Government Costs		\$28,128,630
	<i>equals</i>	
General Government as a percent of Direct General Fund		20.0%
General Government Overhead at a Marginal Rate of 50 Percent ³		10.0%

Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2015-2017* does not include the costs for each of the fiscal years in the two-year two-year period. The two-year costs are presented in Appendix Table B-5. Based on discussion with City staff, the adopted net costs for Fiscal Years 2015-2017 are evenly divided between fiscal year 2015-2016 and fiscal year 2016-2017. The estimated fiscal year 2016-2017 net costs are presented in this table.

2. General Fund Aquatic Center and Library costs are treated as departmental costs in the fiscal analysis and are removed from the non-departmental costs, as shown in Appendix Table B-6.

3. General government overhead costs will not increase on a one-for-one basis as a result of the Bailey Avenue Annexation. 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, Adopted Fiscal Years 2015-2017*

B of Table 4-4, the average general government costs are projected at about 20.0 percent of direct non-general government costs. General government costs for the Bailey Avenue Annexation project are projected at 50 percent of the average cost, or at the marginal rate of 10.0 percent of direct costs. A marginal rate is used because a high proportion of the overhead costs are not assumed to change significantly with each project's new growth.

Police

As shown in Table 4-3, annual police costs are projected \$240.76 per service population based on adjusted FY 2016-2017 Budget police costs of \$11,993,185 and the City's service population estimate of 49,814. Based on the City's recent police compensation survey of surrounding communities, City staff recommended that FY 2016-2017 budgeted police costs of \$11,002,922 be increased by 9 percent to reflect anticipated cost increases.

Fire

Based on the City's adjusted FY 2016-2017 fire budget of \$6,897,047 and the estimated City's service population of 49,814, annual fire protection costs are projected at \$138.46 per service population, as shown in Table 4-3. City staff recommended that FY 2016-2017 budgeted fire costs of \$5,517,638 be increased by 25 percent to reflect anticipated cost increases based on a recent survey of fire expenditures in the surrounding communities.

Building Inspection

As shown in Panel A of Appendix Table B-7, the total General Fund building inspection costs of \$516,255 are offset by building and other one-time permit revenues. Therefore, building inspection costs are not projected.

Public Works - Engineering

As shown in Table 4-3, engineering costs are estimated at \$25.77 per service population based on FY 2016-2017 engineering costs of \$1,283,713 and the City's service population estimate of 49,814.

Public Works - Street Maintenance

Street maintenance costs for the public road segments that border each project that will be annexed along with the project are projected at \$20,000 per lane mile based on discussion with the City's Assistant Public Works Director. This cost factor represents the current average maintenance cost per City lane mile for street roadways, sidewalks, signs, traffic markings,

alleyways and storm drains. The City's Assistant Public Works Director estimates that road maintenance costs would be minimal until development occurs on the project site and adjacent road and drainage improvements are made.

Public Works - Urban Forestry

Annual costs for citywide urban forestry (tree and citywide landscaping) are estimated at \$31.83 per service population based on annual FY 2016-2017 urban forestry costs of \$1,585,767 and the City's service population estimate of 49,814, as shown in Table 4-3.

Facilities Services and Maintenance

These costs are estimated at \$22.10 per service population based on FY 2016-2017 facilities services and maintenance costs of \$1,100,841 and the City's service population estimate of 49,814.

Community Development and Planning

Based on FY 2016-2017 net community development and planning costs of \$685,703 and the City's service population estimate of 49,814, planning costs are estimated at \$13.77 per service population. As shown in Panel B of Appendix Table B-9, the total General Fund planning costs of \$1,573,044 are partially offset by one-time plan check fees of \$887,341.

Parks

Park costs are not projected for any Bailey Avenue Annexation on-site parks which will be maintained by a property owners' association. The impact of the future residents of the Bailey Avenue projects on other City parks is projected at \$43.64 per capita based on the FY 2016-2017 park budget of \$1,922,100 and the City's population estimate of 44,042.

Recreation

Recreation costs are estimated at \$18.10 per capita based on FY 2016-2017 recreation costs of \$796,964 and the City's population estimate of 44,042.

Transfers to Other Funds

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

Aquatics Center Fund. Based on FY 2016-2017 transfers of \$224,922 and the City's population estimate of 44,042, these costs are projected at \$5.11 per capita.

Library. Library costs to the General Fund are estimated at \$13.03 per capita based on the General Fund FY 2016-2017 contribution of \$574,058 to the Lompoc Public Library System and the City's population estimate of 44,042.

APPENDIX A
SUPPORTING MARKET ASSUMPTIONS TABLES

Table A-1
Estimated Average Value per Residential Square Foot
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

A. Average Value per Residential Square Foot

Residential Designation	Address	City	Year Built	Square Feet	Sale Price		Listing Status
					Total Price	Price per Square Foot	
Single Family	2212 Gaviota Court	Lompoc	2013	1,840	\$381,500	\$207	Sold - 12/2016
Single Family	2233 Meridian Way	Lompoc	2014	1,460	\$325,500	\$223	Sold - 12/2016
Single Family	1355 Crown Circle	Lompoc	2012	1,512	\$313,500	\$207	Sold - 11/2016
Single Family	1424 Crown Circle	Lompoc	2014	1,518	\$307,000	\$202	Sold - 10/2016
Single Family	726 Carina Drive	Lompoc	2013	2,495	\$499,000	\$200	Sold - 9/2016
Single Family	4043 Sagan Court	Lompoc	2012	1,782	\$451,000	\$253	Sold - 8/2016
Single Family	4036 Stardust Road	Lompoc	2013	1,780	\$452,000	\$254	Sold - 8/2016
<i>Average Value per Building Square Foot</i> ¹						\$220	

B. Project Valuation

Property	Unit Size (Square Feet) ²	Average Price per Square Foot ³	Average Price per Unit ⁴	Total Units	Total Valuation
Bailey Property VLDR	2,100	\$220	\$460,000	87	\$40,020,000
Bodger Property LDR	2,100	\$220	\$460,000	382	\$175,720,000

- Note: 1. Average price per building square foot is rounded to the nearest tens.
 2. Average unit size is based on information provided by Harridge Development
 3. The average price of \$220 per square foot is based on sales in Lompoc, as shown in Panel A of this table.
 4. Average values are rounded to the nearest 1,000.

Sources: Stanley R. Hoffman Associates, Inc.
 www.realtor.com, February 2017

Table A-2
Estimated 2014 Taxable Retail Sales per Capita
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

A. Taxable Retail Sales Breakdown: 2014 (In thousands of dollars)

Retail Category	Lompoc	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
Motor Vehicle and Parts Dealers	\$57,982	n/a	n/a	\$304,453	na	\$362,435
Home Furnishings and Appliance Stores	6,932	n/a	n/a	44,657	na	51,589
Bldg. Matrl. and Garden Equip. and Supplies	n/a	n/a	n/a	157,106	na	157,106
Food and Beverage Stores	46,764	n/a	n/a	104,267	na	151,031
Gasoline Stations	44,499	n/a	n/a	152,700	na	197,199
Clothing and Clothing Accessories Stores	15,230	n/a	n/a	55,617	na	70,847
General Merchandise Stores	n/a	n/a	n/a	238,521	na	238,521
Food Services and Drinking Places	47,434	n/a	n/a	143,053	na	190,487
Other Retail Group	98,355	n/a	n/a	80,602	na	178,957
Total Taxable Retail Sales	\$317,196	\$140,845	\$14,688	\$1,280,976	\$83,523	\$1,837,228

B. 2015 Population

	Lompoc	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
January 1, 2015 Population	43,479	4,931	7,205	102,087	5,489	163,191

C. Per Capita Taxable Retail Sales Breakdown

Retail Category	Lompoc	Buelton	Guadalupe	Santa Maria	Solvang	Total Area
Motor Vehicle and Parts Dealers	\$1,334	n/a	n/a	\$2,982	n/a	n/a
Home Furnishings and Appliance Stores	159	n/a	n/a	437	n/a	n/a
Bldg. Matrl. and Garden Equip. and Supplies	n/a	n/a	n/a	1,539	n/a	n/a
Food and Beverage Stores	1,076	n/a	n/a	1,021	n/a	n/a
Gasoline Stations	1,023	n/a	n/a	1,496	n/a	n/a
Clothing and Clothing Accessories Stores	350	n/a	n/a	545	n/a	n/a
General Merchandise Stores	n/a	n/a	n/a	2,336	n/a	n/a
Food Services and Drinking Places	1,091	n/a	n/a	1,401	n/a	n/a
Other Retail Group	<u>2,262</u>	<u>n/a</u>	<u>n/a</u>	<u>790</u>	<u>n/a</u>	<u>n/a</u>
Total Taxable Retail Sales per Capita	\$7,295	\$28,563	\$2,039	\$12,548	\$15,216	\$11,258

D. Relative Strength of Retail Taxable Sales in Lompoc

Total Retail	Lompoc's Per Capita Retail Taxable Sales Share of:				Total Area
	Buelton	Guadalupe	Santa Maria	Solvang	
Total	0.26	3.58	0.58	0.48	0.65

Sources: Stanley R. Hoffman Associates, Inc.

California State Board of Equalization, *Taxable Sales in California (Sales and Use Tax), During 2014*

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011 -2015 Sacramento, California , May 2015*

APPENDIX B SUPPORTING FISCAL TABLES

Table B-1 (page 1 of 2)
General Fund Adopted Revenues
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Revenue Category	Adopted Biennial Budget		Allocation of Estimated One Year Revenues: 2016-2017			
	Proposed Two Years: 2015-2017 ¹	Estimated One Year 2016-2017 ¹	One-Time Permits, Fees and Grants ²	Revenues Not Projected ³	Projected Recurring Revenues ⁴	Total FY 2016-2017 Revenues
<u>Taxes</u>						
Property Taxes	\$8,482,225	\$4,241,113			\$4,241,113	\$4,241,113
Property Tax - In Lieu of VLF	6,469,584	3,234,792			3,234,792	3,234,792
Property Tax in Lieu of Sales Tax	589,704	294,852			294,852	294,852
Sales & Use Taxes	8,878,615	4,439,308			4,439,308	4,439,308
Public Safety Sales Tax	251,520	125,760			125,760	125,760
Franchise Tax	826,947	413,474			413,474	413,474
Business License Tax	750,958	375,479			375,479	375,479
Property Transfer Tax	<u>202,022</u>	<u>101,011</u>			<u>101,011</u>	<u>101,011</u>
<i>Subtotal</i>	\$26,451,575	\$13,225,788			\$13,225,788	\$13,225,788
<u>Licenses and Permits</u>						
Building and Other One-Time Permits	\$1,010,711	\$505,356	\$505,356		\$0	\$505,356
Recurring Permits	<u>18,412</u>	<u>9,206</u>			<u>9,206</u>	<u>9,206</u>
<i>Subtotal</i>	\$1,029,123	\$514,562	\$505,356		\$9,206	\$514,562
<u>Fines, Forfeits & Penalties</u>						
Business Tax Penalties	\$17,533	\$8,767			\$8,767	\$8,767
TBID Assessment Penalty	7,912	3,956			3,956	3,956
Franchise Penalties	18,000	9,000			9,000	9,000
Criminal Code Violations	<u>26,454</u>	<u>13,227</u>			<u>13,227</u>	<u>13,227</u>
<i>Subtotal</i>	\$69,899	\$34,950			\$34,950	\$34,950
<u>Investment & Property Revenues</u>						
Interest Income	\$54,346	\$27,173			\$27,173	\$27,173
Other Investment & Property Revenues	<u>294,235</u>	<u>147,118</u>	<u>147,118</u>		<u>0</u>	<u>147,118</u>
<i>Subtotal</i>	\$348,581	\$174,291	\$147,118		\$27,173	\$174,291
<u>Revenues from Other Agencies</u>						
Motor Vehicle License Fees	\$36,000	\$18,000			\$18,000	\$18,000
POST Grant	100,000	\$50,000			50,000	50,000
Other Grants and Reimbursements	<u>984,646</u>	<u>492,323</u>	<u>492,323</u>		<u>0</u>	<u>492,323</u>
<i>Subtotal</i>	\$1,120,646	\$560,323	\$492,323		\$68,000	\$560,323
<u>Current Service Charges</u>						
Recurring Charges and Fees	\$32,412	\$16,206			\$16,206	\$16,206
Business Tax Application & Renewal Fees	66,288	33,144			33,144	33,144
Water, Wastewater, Sewer Support Services	0	0			0	0
General Plan and Plan Checking Fees	1,774,681	887,341	887,341		0	887,341
Building Permits and One-Time Fees	110,650	55,325	55,325		0	55,325
Police Services	605,735	302,868			302,868	302,868
Fire Services	<u>241,045</u>	<u>120,523</u>			<u>120,523</u>	<u>120,523</u>
<i>Subtotal</i>	\$2,830,811	\$1,415,406	\$942,666		\$472,740	\$1,415,406
<u>Charges/Internal Services</u>						
Administrative Service Charges	\$12,413,911	\$6,206,956			\$6,206,956	\$6,206,956
Administrative Service Charge - Library	42,746	21,373			21,373	21,373
Reimbursements from Other Funds	3,525,371	1,762,686		\$1,762,686	0	1,762,686
Internal Services	<u>639,707</u>	<u>319,854</u>			<u>319,854</u>	<u>319,854</u>
<i>Subtotal</i>	\$16,621,735	\$8,310,868	\$0	\$1,762,686	\$6,548,182	\$8,310,868
<u>Other Revenue</u>						
Miscellaneous Revenue	\$1,006,178	\$503,089			\$503,089	\$503,089
Sale of Surplus Equipment	414,299	207,150	207,150		0	207,150
Contributions to Police and Fire	15,000	7,500	7,500		0	7,500
Contribution from Unrestricted Net Assets	<u>476,266</u>	<u>238,133</u>	<u>238,133</u>		<u>0</u>	<u>238,133</u>
<i>Subtotal</i>	\$1,911,743	\$955,872	\$452,783		\$503,089	\$955,872

Table B-1 (page 2 of 2)
General Fund Adopted Revenues
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Revenue Category	Adopted Biennial Budget		Allocation of Estimated One Year Revenues: 2016-2017			
	Proposed Two Years: 2015-2017 ¹	Estimated One Year 2016-2017 ¹	One-Time Permits, Fees and Grants ²	Revenues Not Projected ³	Projected Recurring Revenues ⁴	Total FY 2016-2017 Revenues
Transfers from Other Funds						
From Local STP Fund	\$344,000	\$172,000		\$0	\$172,000	\$172,000
From Gas Tax Fund	1,064,690	532,345		532,345	0	532,345
From Transportation	100,000	50,000		0	50,000	50,000
From Measure A Road Repair ⁵	5,412,750	2,706,375		1,776,375	930,000	2,706,375
From Traffic Offender	99,000	49,500		0	49,500	49,500
From Traffic Congestion Relief	1,330,365	665,183		0	665,183	665,183
From State COPS Grant	253,000	126,500		126,500	0	126,500
From One Time Money	70,566	35,283		35,283	0	35,283
From Electric Fund	3,987,985	1,993,993		1,993,993	0	1,993,993
From Revolving Recreation Fund	45,457	22,729		0	22,729	22,729
From Storm Water Management	26,766	13,383		0	13,383	13,383
From Riverpark Campground	13,106	6,553		6,553	0	6,553
From Insurance Retire Payouts	473,974	236,987		236,987	0	236,987
From Fleet	93,422	46,711		46,711	0	46,711
From Traffic Safety Fund	140,000	70,000		0	70,000	70,000
From Transient Occupancy Fund	<u>3,631,870</u>	<u>1,815,935</u>		<u>1,815,935</u>	<u>0</u>	<u>1,815,935</u>
Subtotal	\$17,086,951	\$8,543,476	\$0	\$6,570,682	\$1,972,794	\$8,543,476
Downtown Parking						
Bus Lease for Grounds Maintenance	\$29,695	\$14,848	\$14,848	\$0	\$0	\$14,848
TOTAL GENERAL FUND	\$67,500,759	\$33,750,380	\$2,555,092	\$8,333,367	\$22,861,921	\$33,750,380

- Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2015-2017* does not include the revenues for each of the fiscal years in the two-year period. Based on discussion with the City Administrator when preparing previous fiscal analyses for the City, the adopted revenues for Fiscal Years 2015-2017 are evenly divided between Fiscal Year 2015-2016 and Fiscal Year 2016-2017.
2. One-time development related fees are not projected as recurring revenues because they are netted from projected development services costs.
3. Certain recurring revenues (such as transient occupancy tax, transfers from the gas tax fund and transfers from the electric fund) that are not impacted by the proposed project are not projected in the fiscal analysis.
4. These recurring revenues are estimated to be impacted by the proposed project and are projected in the fiscal analysis.
5. Based on information from City management staff, about \$930,000 of the total Measure A funds are used for operations and maintenance, with the remaining Measure A funds are used for capital expenditures.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Adopted Fiscal Years 2015-2017*
Brad Wilke, Management Services Director, City of Lompoc

Table B-2
Estimated Property Tax in Lieu of Vehicle License Fees (VLF) Factor
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Fiscal Year	VLF Property Tax In Lieu ¹	Assessed Valuation (AV) ¹	VLF per \$1,000,000 AV ²
2012	\$2,925,000	\$2,234,024,000	\$1,310
2013	\$2,903,000	\$2,217,290,000	\$1,310
2014	\$2,932,000	\$2,240,151,000	\$1,310
2015	\$3,048,000	\$2,328,188,000	\$1,310
2016	\$3,169,000	\$2,412,072,000	\$1,310
Average			\$1,310

Notes: 1. The property tax in lieu VLF amounts and City assessed valuation are from the City's CAFR, as cited below.
2. Estimated VLF per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2016*

Table B-3
Calculation of Use Tax Factor
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

City of Lompoc	Amount
<u>Use Tax</u>	
County Pool	\$592,909
State Pool	<u>1,214</u>
Total Use Tax	\$594,123
	<i>divided by</i>
<u>Point-of Sale Sales Tax</u>	\$3,829,966
	<i>equals</i>
<u>Use Tax Rate</u> ¹	15.5%

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 2016*

Table B-4
Estimated Annual Residential Turnover
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc

City of Lompoc	Owner Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	5,851	
Moved in 2015 or later	45	
Moved in 2010 to 2014	1,077	
Moved in 2000 to 2009	<u>2,241</u>	
Total Moved 2000 to 2015	3,362	
Annual Turnover Rate: 2000 to 2015 ¹	224	4%

Note: 1. The annual turnover rate is based on the assumption of fifteen years for the 2000 to 2015 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, *2011-2015 American Community Survey (ACS) 5-Year Estimates, Tenure by Year Householder Moved Into Unit, Report DP04 and Report B25026, Lompoc, California*

Table B-5
General Fund Adopted Expenditures
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

General Fund Expenditures	Adopted Biennial Budget	
	Proposed Two Years: 2015-2017 ¹	Estimated One Year 2016-2017 ¹
<u>General Government</u>		
City Council	\$194,235	\$97,118
City Attorney	1,262,883	631,442
City Administrator	1,109,332	554,666
City Clerk	394,466	197,233
Human Resources/Safety	1,255,239	627,620
Management Services	3,408,258	1,704,129
City Treasurer	3,787,239	1,893,620
Non-Departmental ²	(\$197,848)	(\$98,924)
Downtown Parking Fund	29,695	14,848
<u>Non-General Government</u>		
Police Department	\$22,005,844	\$11,002,922
Fire Department	11,035,275	5,517,638
Building Inspection	1,032,510	516,255
Public Works - Engineering	2,567,425	1,283,713
Public Works - Street Maintenance	4,060,817	2,030,409
Public Works - Urban Forestry	3,171,533	1,585,767
Facilities Services and Maintenance	2,201,682	1,100,841
Community Development and Planning	3,146,087	1,573,044
Parks	3,844,199	1,922,100
Recreation	1,593,928	796,964
Transfer to Aquatic Center Operations & Maintenance	449,844	224,922
Transfer to Library	1,148,116	574,058
GRAND TOTAL GENERAL FUND	\$67,500,759	\$33,750,380

Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2015-2017* does not include the costs for each of the fiscal years in the two-year period. Based on discussion with the City Administrator when preparing previous fiscal analyses for the City, the adopted costs for Fiscal Years 2015-2017 are evenly divided between Fiscal Year 2015-2016 and Fiscal Year 2016-2017.

2. Transfers to the Aquatic Center Operations and Maintenance and the Library are treated as departmental costs in the fiscal analysis and are removed from total non-departmental costs of \$1,400,112, as shown in Table B-6.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Adopted Fiscal Years 2015-2017*

Table B-6
General Fund Adopted Non-Departmental Expenditures
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

General Fund Non-Departmental Expenditures	Adopted Biennial Budget	
	Proposed Two Years: 2015-2017 ¹	Estimated One Year 2016-2017 ¹
<u>A. Non-Departmental Expenditures</u>		
Non-Departmental	\$1,131,150	\$565,575
Non-Departmental - Graffiti Cleanup	56,978	28,489
Non-Departmental - Salary Savings	(1,538,976)	(769,488)
General Fund Transfers Out:		
Aquatic Center Fund	\$449,844	\$224,922
Lompoc Library	1,148,116	574,058
TAP TV	<u>153,000</u>	<u>76,500</u>
Total General Fund Transfers Out	\$1,750,960	\$875,480
Total Non-Departmental	\$1,400,112	\$700,056
<u>B. Non-Departmental Expenditures after Transfers</u>		
Total Non-Departmental Expenditures	\$1,400,112	\$700,056
	minus	
General Fund Transfers Out: ²		
Aquatic Center Fund	\$449,844	\$224,922
Lompoc Library	<u>1,148,116</u>	<u>574,058</u>
Total Transfers Out	\$1,597,960	\$798,980
	<i>equals</i>	
Non-Departmental Expenditures after Transfers	(\$197,848)	(\$98,924)

Note: 1. The City of Lompoc, *Biennial Budget, Fiscal Years 2015-2017* does not include the costs for each of the fiscal years in the two-year period. Based on discussion with the City Administrator during preparation of previous fiscal analyses for the City, the adopted costs for Fiscal Years 2015-2017 are evenly divided between Fiscal Year 2015-2016 and Fiscal Year 2016-2017.

2. Transfers to the Aquatic Center Operations and Maintenance and the Library are treated as departmental costs in the fiscal analysis and are removed from total non-departmental costs of \$1,400,112.

Sources: Stanley R. Hoffman Associates, Inc.
City of Lompoc, *Biennial Budget, Adopted Fiscal Years 2015-2017*

Table B-7
General Fund Net Planning and Building Inspection Cost Factors¹
Bailey Avenue Annexation Fiscal Impact Analysis, City of Lompoc
(In Constant 2017 Dollars)

Category	Amount
A. NET BUILDING INSPECTION COSTS	
Total General Fund Building Inspection Costs	\$516,255
	<i>minus</i>
Building and Other One-Time Permits	\$560,681
	<i>equals</i>
Recurring General Fund Net Building Inspection Costs	(\$44,426)
	<i>divided by</i>
Service Population	49,814
	<i>equals</i>
Net Recurring Building Inspection Cost Factor per Service Population	(\$0.89)
B. NET COMMUNITY DEVELOPMENT AND PLANNING COSTS	
Total General Fund Planning Costs	\$1,573,044
	<i>minus</i>
Plan Check Fees	\$887,341
	<i>equals</i>
Recurring General Fund Net Planning Costs	\$685,703
	<i>divided by</i>
Service Population	49,814
	<i>equals</i>
Net Recurring Planning Cost Factor per Service Population	\$13.77

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, Adopted Fiscal Years 2015-2017*

APPENDIX C PROJECT REFERENCES

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