

DRAFT

Scheu Distribution Center Fiscal Impact Analysis City of Rancho Cucamonga

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EXECUTIVE SUMMARY

This Executive Summary includes the projected recurring fiscal impacts and the estimated major City one-time development impact fees for the proposed Scheu Distribution Center in the City of Rancho Cucamonga. The focus of the fiscal analysis is the Scheu Distribution Center projected net impacts after buildout to the City General Fund, City Library Fund and the City of Rancho Cucamonga Fire Protection District (RCFPD). All recurring fiscal impacts and one-time fees are presented in constant 2018 dollars.

Project Description

The 13.23-acre project site for the proposed Scheu Distribution Center is located in the southwestern portion of the City of Rancho Cucamonga on the northeast corner of Archibald Avenue and 7th Street, as shown in Figure 1. Regional access to the project is provided by the I-210 Freeway to the north, the I-10 Freeway to the south and the I-15 Freeway to the east.

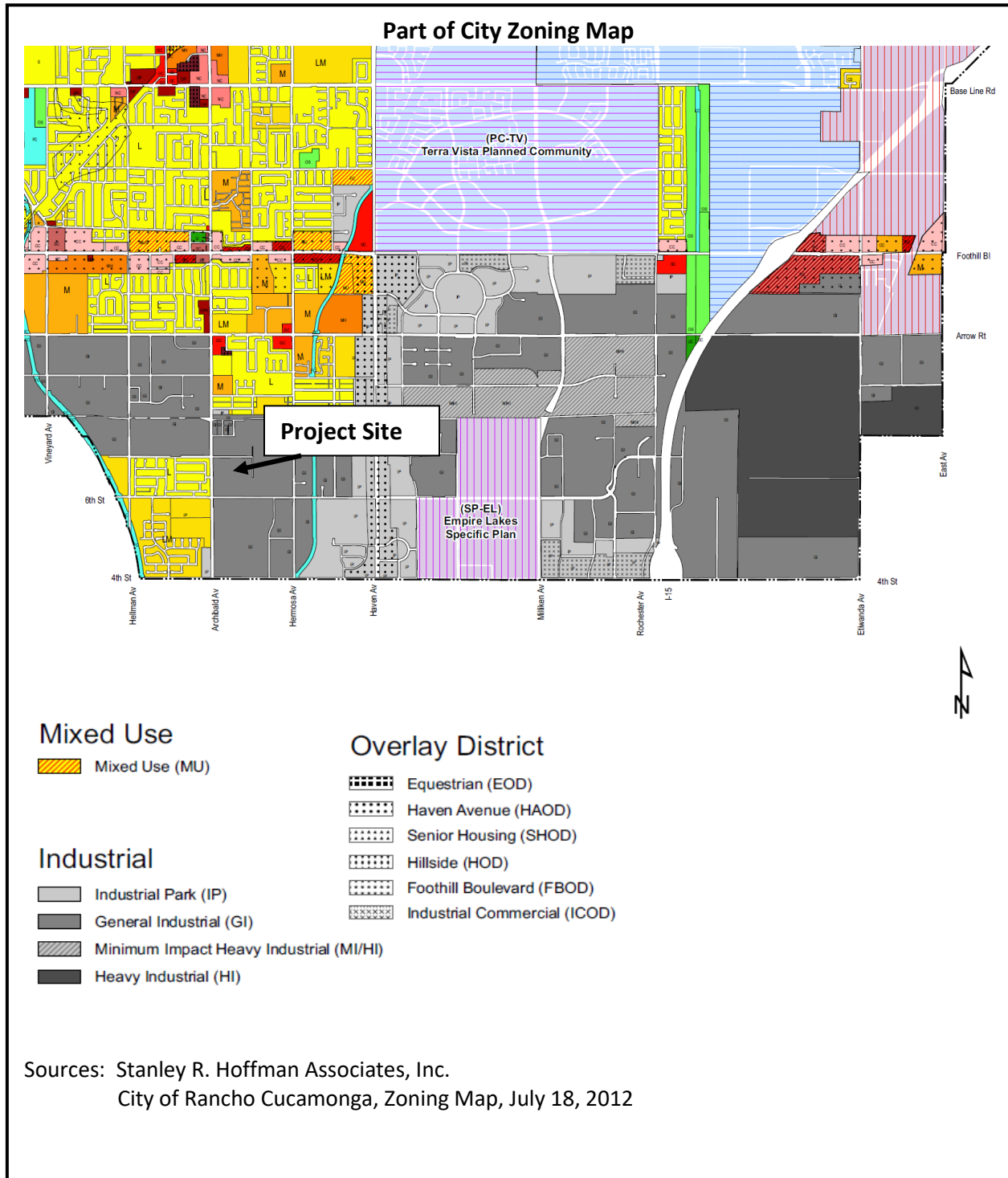
The project site is currently vacant and zoned as general industrial. The proposed project at a total of 240,710 square feet, as shown in Table 1, includes four new concrete tilt-up buildings with 211,710 square feet of warehouse space and 29,000 square feet of office space. Therefore, the proposed project will not require a zone change. Estimated employment after buildout of the proposed Scheu Distribution Center is 257. In addition, standard and trailer parking spaces, and landscaping are planned on the project site. Four driveways on 7th Street will provide access to the project.

Table 1
Summary of Proposed Development after Buildout
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category	Buildout
A. Gross Acres	13.23
B. Non-Residential Building Square Feet	
Warehouse Space	211,710
Office Space	<u>29,000</u>
Total Non-Residential Square Feet	240,710
C. Estimated Employment	257

Sources: Stanley R. Hoffman Associates, Inc.
RedRock Development, Inc.

Figure 1
Project Location
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga



Annual Fiscal Impacts

As shown in Table 2, recurring surpluses are projected to the City General Fund, the City Library Fund and the Rancho Cucamonga Fire Protection District after buildout of the Scheu Distribution Center. These projected surpluses represent the net property tax increase when the existing valuation of the land is subtracted from the estimated valuations of the proposed land uses.

City Funds. A recurring annual surplus of \$15,741 is projected to the City General Fund and the City Library Fund after buildout of the Scheu Distribution Center, as shown in Panel A of Table 2.

General Fund Impacts. The projected net recurring surplus of \$9,613 to the City General Fund after buildout is based on projected recurring revenues of \$61,536 and projected recurring costs of \$51,923, as shown in Panel A of Table 3.

Library Fund Impacts. A net recurring surplus of \$6,128 is projected to the City Library Fund after buildout based on the projected recurring net property tax revenues of \$6,128 generated by the proposed project, also shown in Panel A of Table 3. No recurring library costs are projected because library costs are projected on a per capita basis and no population growth is planned for the project.

Rancho Cucamonga Fire Protection District Impacts. As shown in Panel B of Table 3, an annual recurring surplus of \$11,229 is projected to the Fire Protection District from full buildout of the proposed project. The projected surplus is based on recurring revenues of \$43,590 and recurring costs of \$32,361.

Table 2
Summary of Projected Fiscal Impacts after Buildout
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

City of Rancho Cucamonga	Buildout Amount
A. PROJECTED ANNUAL CITY RECURRING FISCAL IMPACTS	
General Fund Annual Recurring Surplus	\$9,613
Library Fund Annual Recurring Surplus	<u>\$6,128</u>
Total Annual City Recurring Surplus	\$15,741
B. FIRE PROTECTION DISTRICT ANNUAL RECURRING SURPLUS	\$11,229

Sources: Stanley R. Hoffman Associates, Inc.

Table 3
Summary of Projected Revenues and Costs after Buildout
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category	Buildout
A. CITY FUNDS	
<u>Rancho Cucamonga General Fund</u>	
Annual Recurring Revenues	\$61,536
Annual Recurring Costs	<u>\$51,923</u>
Annual Recurring Surplus	\$9,613
<u>Rancho Cucamonga Library Fund</u>	
Annual Recurring Revenues	\$6,128
Annual Recurring Costs	<u>\$0</u>
Annual Recurring Surplus	\$6,128
<u>TOTAL CITY FUNDS</u>	
Annual Recurring Revenues	\$67,664
Annual Recurring Costs	<u>\$51,923</u>
Annual Recurring Surplus	\$15,741
B. RANCHO CUCAMONGA FIRE PROTECTION DISTRICT	
Annual Recurring Revenues	\$43,590
Annual Recurring Costs	<u>\$32,361</u>
Annual Recurring Surplus	\$11,229

Sources: Stanley R. Hoffman Associates, Inc.

Major City One-Time Development Fees

Major one-time City development impact fees are estimated at about \$2.46 million after buildout of the proposed Scheu Distribution Center. As shown in Table 4, one-time development impact fees are estimated for drainage, undergrounding of overhead utilities, transportation and police protection services for the project. Estimated fees are based on current fee schedules and may differ from actual fees noted in the project's Conditions of Approval.

The estimated development application and processing fees; construction permit fees; and mapping and plan check fees for the proposed project are not estimated in the fiscal analysis.

Table 4
Summary of Estimated One-Time City Development Impact Fees
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Fee Category	Total Fees ¹
Drainage Fees	\$272,734
Undergrounding Overhead Utilities Fees	683,891
Transportation Development Fees	1,490,914
Police Impact Fee	<u>14,144</u>
Total City Major One-Time Development Impact Fees	\$2,461,683

1. Major development impact fees are included in this table. Application, construction and planning fees are not included. Estimated fees are based on the current City fee schedule and detailed one-time fee calculations are presented in Appendix Table B-1. These fees may differ from actual fees noted in the Conditions of Approval for the project.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, *Engineering Fees, Updated August 5, 2018*

CHAPTER 1

INTRODUCTION

This report presents the fiscal impact analysis for the proposed Scheu Distribution Center. The fiscal impact analysis projects recurring public revenues and costs to the City of Rancho Cucamonga General Fund, Library Fund and the Rancho Cucamonga Fire Protection District assuming full development of the project. Major one-time development impact fees are also projected for full buildout of the project.

1.1 Background

The Scheu Distribution Center project site is located at the northeast corner of Archibald Avenue and 7th Street in the City of Rancho Cucamonga, as shown in Figure 1-1. The 13.23-acre project site is in a largely industrial area and is currently vacant and not being used. Smaller parcels with freestanding one-story structures are located north, west and south of the project site. A larger freestanding one-story building is located east of the site.

Proposed development for the Scheu Distribution Center includes a total of 240,710 square feet in four new concrete tilt-up buildings. Warehouse space is planned for 211,710 square feet along with 29,000 square feet of office space. Estimated employment after buildout of the proposed Scheu Distribution Center is 257. In addition, 237 standard parking spaces, 37 dock doors, 14 grade doors and 37 trailer parking spaces are planned on the project site. Also, 66,373 square feet of new, privately maintained landscaping is planned for the site. Access to the new building will be provided by four driveways on 7th Street.

The focus of the fiscal analysis is projecting the ongoing operations and maintenance costs of the City of Rancho Cucamonga as provided through the General Fund, Library Fund and the Fire Protection District. General Fund revenues include property, sales and use taxes and other taxes; franchise fees; fines and forfeitures; licenses and permits; charges for current services; revenues from other agencies; use of money and property; and other miscellaneous revenues. The Gas Tax Fund receives revenues primarily from gasoline taxes collected by the Federal and State governments. Gasoline tax accrues to the Gas Tax Fund based mostly on population growth. However, because there is no population increase associated with the project, these revenues are not projected.

Figure 1-1
Project Site
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga



The ongoing range of services that the City of Rancho Cucamonga provides includes:

- Police protection
- Animal care and services
- Community improvement services
- Economic and community development services of public works, planning, engineering and building and safety
- Civic and cultural services including community services, library services and records management
- Citywide administrative services of finance, human resources and innovation and technology

The Rancho Cucamonga Fire Protection District (RCFPD), as a subsidiary district governed by the City Council, provides fire protection and emergency medical services to the City. The RCFPD has its own budget separate from the City's General Fund.

1.2 Approach

The fiscal analysis and the estimated major one-time development impact fees associated with the Scheu Distribution Center are based on data and assumptions from the following sources:

- City of Rancho Cucamonga revenue and cost factors are estimated based on the *City of Rancho Cucamonga, Fiscal Year 2018/19 Preliminary Budget* and discussions with key City staff.
- The fiscal methodology is based on previous fiscal analyses prepared for the City by Stanley R. Hoffman Associates, Inc., as presented in Chapter 4.
- Project information was obtained from RedRock Development, Inc. and GAA Architects.
- Cost and revenue factors are projected in Constant 2018 dollars and are not adjusted for possible inflation.

1.3 Organization of the Report

Chapter 2 presents the detailed project description for the Scheu Distribution Center assuming full buildout. Chapter 3 consists of the fiscal analysis for the City's General Fund, Library Fund and the Rancho Cucamonga Fire Protection District. Chapter 4 describes the assumptions for the fiscal analysis. Appendix A contains the estimated taxable sales per office employee. Detailed estimated major one-time fees are included in Appendix B. Appendix C presents supporting fiscal assumption tables, and a list of project references appears in Appendix D.

CHAPTER 2

PROJECT DESCRIPTION

This chapter presents the detailed development description for the proposed Scheu Distribution Center assuming full buildout of the project.

2.1 Development Description after Buildout

Proposed development will include four new tilt-up concrete buildings with a total of 240,710 square feet of warehouse and office uses. The conceptual site plan is presented in Figure 2-1 and the detailed description is included in Table 2-1. Planned uses within the new buildings include 211,700 square feet of warehousing and 29,000 square feet of office.

As shown in Panel C of Table 2-1, total employment for Scheu Distribution Center is estimated at 257 after buildout based on the following assumptions:

- Warehousing 1,500 square feet per employee
- Office 250 square feet per employee

For purposes of projecting fiscal impacts on services from new employment, only the net new workers from outside the City are estimated. According to the latest Bureau of Census Longitudinal Employer-Household Survey for 2015, about 86 percent of the City's employment represents workers commuting from outside the City. Therefore, about 221 net new workers are estimated to come from outside the City for the project (86 percent of the 257 new total jobs).

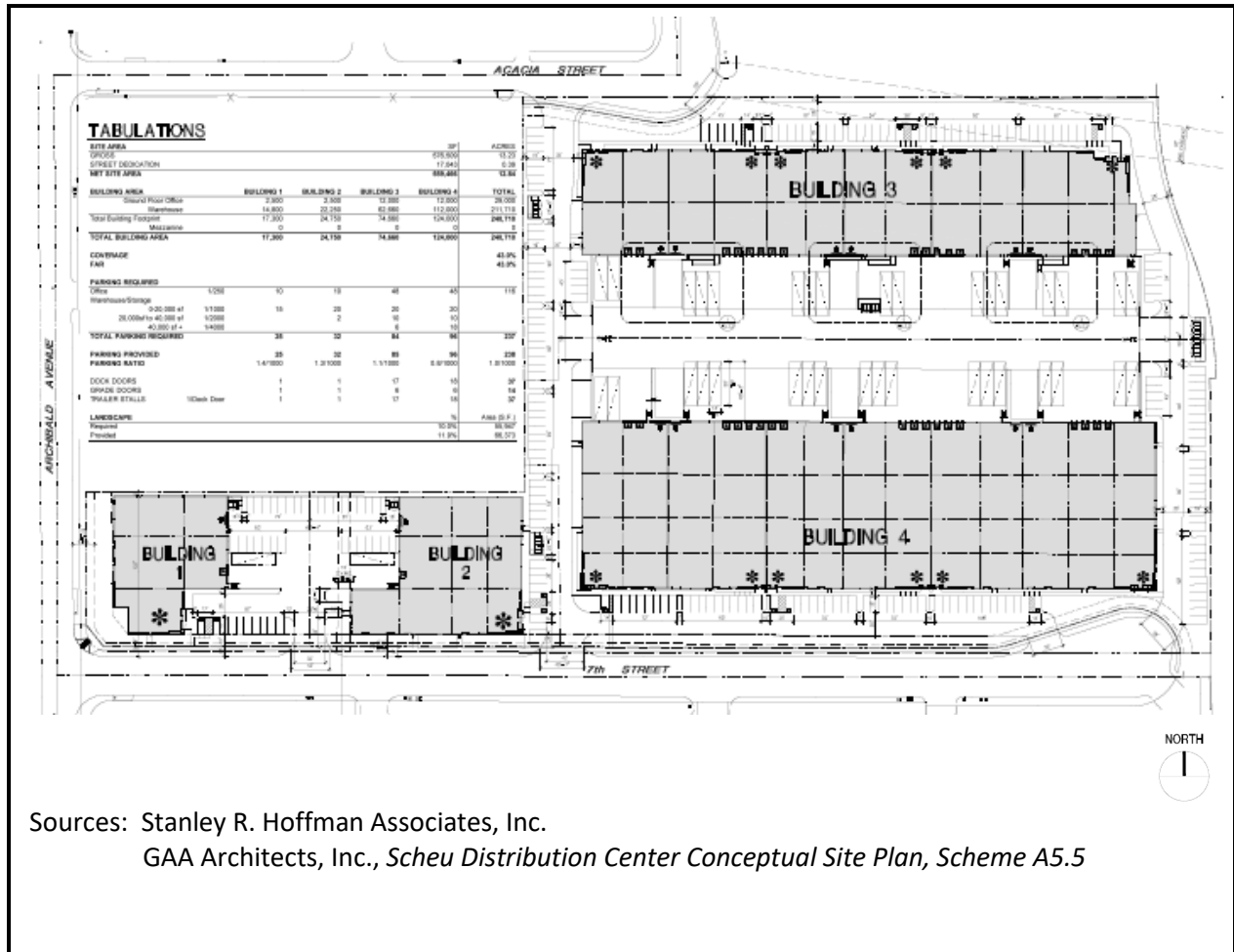
In addition, 237 standard parking spaces, 37 dock doors, 14 grade doors and 14 trailer parking spaces are planned. Access to the project site will be provided by four driveways located on the north side of 7th Street. A total of 66,373 square feet of privately maintained landscaping is planned for the project site.

2.2 Assessed Valuation and Property Tax

Assessed Valuation

Net incremental assessed valuation for the proposed Scheu Distribution Center after buildout is projected at about \$34.82 million, as shown in Panel A of Table 2-2. Based on ranges of valuation provided by the project team, buildings 1 and 2 are valued at an average of \$170 per building square foot and an average of \$140 per square foot for buildings 3 and 4. Based on these estimated values and the proposed square footage by building, new valuation is

Figure 2-1
Conceptual Site Plan
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga



Sources: Stanley R. Hoffman Associates, Inc.

GAA Architects, Inc., Scheu Distribution Center Conceptual Site Plan, Scheme A5.5

Table 2-1
Development Description after Buildout
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category			Buildout
A. ACRES ¹			
Gross Acres			13.23
Net Acres			12.84
B. BUILDING SQUARE FEET ¹			
	Warehouse	Office	
Building 1	14,800	2,500	17,300
Building 2	22,250	2,500	24,750
Building 3	62,660	12,000	74,660
Building 4	<u>112,000</u>	<u>12,000</u>	<u>124,000</u>
Total Square Feet	211,710	29,000	240,710
C. ESTIMATED EMPLOYMENT			
<u>New Jobs</u>			
Warehouse (@ 1,500 square feet per employee)			141
Office (@ 250 square feet per employee)			<u>116</u>
Total Estimated New Jobs			257
Estimated Share of Employment from Outside the City			86%
Warehouse Jobs from Outside the City			121
Office Jobs from Outside the City			<u>100</u>
Estimated Employment from Outside the City			221
D. OTHER USES			
Standard Parking Stalls			237
Dock Doors			37
Grade Doors			14
Trailer Stalls			37
Landscaping Square Feet			66,373

1. Acres and building square feet by land use type are provided by RedRock Development, Inc.

Sources: Stanley R. Hoffman Associates, Inc.
RedRock Development, Inc.

Table 2-2
Assessed Valuation and Property Tax
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category	Buildout
A. NET NEW ASSESSED VALUATION	
<u>Square Feet</u>	
Buildings 1 and 2	42,050
Buildings 3 and 4	198,660
<u>New Valuation</u>	
Buildings 1 and 2	\$7,148,500
Buildings 3 and 4	<u>\$27,812,400</u>
Estimated New Valuation	\$34,960,900
Existing Valuation ²	\$141,019
Net New Assessed Valuation	\$34,819,881
B. PROJECTED PROPERTY TAX	
Annual 1 Percent Property Tax Levy (@ 1% of net new valuation)	\$348,199
Annual General Fund Property Tax ³ (@ 3.19% of 1 percent levy)	\$11,122
Annual Library Fund Property Tax ³ (@ 1.76% of 1 percent levy)	\$6,128
Annual Fire Protection District Property Tax ⁴ (@ 12.09% of 1 percent levy)	\$42,111
C. PROJECTED PROPERTY TAX IN LIEU VLF	
Total Annual Valuation for Property Tax In Lieu VLF	\$34,819,881
Projected Property Tax In Lieu VLF (@ \$730 per \$1,000,000 assessed valuation) ⁵	\$25,419

1. The estimated value of the new buildings upon completion is provided by RedRock Development, Inc..
2. Existing valuation is based on the 2018 tax roll for the project site parcel from the County Auditor Controller, as shown in Table 2-3.
3. The total City's share of the basic one percent property tax levy is 4.95 percent, as shown in Appendix Table C-4. Based on discussion with City staff, property tax is shared between the General Fund and the Library Fund, with the General Fund receiving about 65 percent of the total allocation of 4.95, or about 3.19 percent of the one percent levy. The library fund will receive an estimated 1.76 percent of the one percent levy.
4. Fire Protection District property tax is projected at about 12.09 percent of the basic one percent property tax levy, as shown in Appendix Table C-4.
5. Property tax in lieu VLF is projected to increase at \$730 per million dollars of new assessed valuation, as shown in Appendix Table C-6.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County, Auditor-Controller/Treasure/Tax Collector, 2017 Roll Values
RedRock Development, Inc.

estimated at about \$34.96 million after buildout, as shown in Panel A of Table 2-2. As shown in the following Table 2-3, the existing valuation of the project site is \$141,019. When this existing value is subtracted from estimated new valuation, net new valuation for the project is estimated at about \$34.82 million, as shown in Panel A of Table 2-2.

Table 2-3
Estimated Existing Assessed Valuation
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

Parcel Number	2018 Assessed Valuation					Tax Rate Area
	Land Value	Improvement Value	Personal Property	Real Estate Exemptions	Total ¹	
0209-211-24-0000	\$141,019	\$0	\$0	\$0	\$141,019	15051

1. The total assessed valuation was calculated by subtracting the total real estate exemptions from the sum of the land value, improvement value, and personal property.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County, Assessor-Recorder-County Clerk, *2018 Roll Values*

Projected Property Tax

The City General Fund will receive property tax at about 3.19 percent of the basic one percent property tax levy on assessed valuation, as discussed in the Chapter 4 fiscal assumptions. The total City share of the basic one percent levy is about 4.95 percent, as shown in Appendix Table C-4. Based on discussion with City finance staff, the City's property tax share of 4.95 percent is allocated between the General Fund and the Library Fund, with the General Fund receiving about 65 percent of the total allocation, or 3.19 percent of the one percent levy, and the Library Fund receiving the remaining 1.76 percent of the one percent levy.

As shown in Panel B of Table 2-2, annual property tax to the City General Fund is projected at \$11,122 and annual property tax to the City Library Fund is projected at \$6,128 for buildout of the proposed Scheu Distribution Center.

As also shown in Panel B of Table 2-2, the Rancho Cucamonga Fire Protection District (RCFPD) is projected to receive \$42,111 annually in property tax. The RCFPD receives about 12.09 of the basic one percent property tax levy, as shown in Appendix Table C-4.

Projected Property Tax in Lieu of Vehicle License Fees (VLF)

The City General Fund receives property tax in lieu of VLF based on the increase in gross assessed valuation in the City. As shown in Appendix Table C-6, the property tax in lieu of VLF in the City increases at about \$730 per million dollars of new assessed valuation (AV).

As shown in Panel C of Table 2-2, annual property tax in-lieu of VLF after buildout of Scheu Distribution Center is projected at \$25,419, based on the estimated net new project valuation of about \$34.82 million.

2.3 Sales and Use Tax

Estimated annual taxable sales from office professional employment are projected based on the amount of taxable sales of \$7,633 per office employee, as shown in Table A-1. As shown in Table 2-4, office employee taxable sales are estimated at \$763,300 based on the factor of \$7,633 taxable sales per office employee and the assumption of 100 net new office employees from outside the City. The fiscal analysis assumes that 50 percent of the retail taxable purchases, or about \$381,650, will be made annually in the City.

At one percent of the estimated captured taxable sales of about \$381,650, off-site sales tax is projected at \$3,817 after buildout. At the City average use tax rate of 12.3 percent of sales tax, an additional \$469 of use tax is projected after buildout. Total annual off-site sales and use tax is projected at \$4,286 after buildout.

2.4 Major One-Time Development Impact Fees

City development fees are one-time fees paid for by the developer to offset the additional off-site public capital costs of new development, and are estimated based on the *City of Rancho Cucamonga, Engineering Fees, Updated August 5, 2018*. Processing fees, such as building permits and plan check fees that are charged to off-set public processing costs are not estimated. Also school district fees and other non-City development impact fees are not estimated in this report.

As shown in Table 2-4, the total City major one-time development impact fees for the proposed development are estimated at about \$2.46 million. Calculations of these City development impact fees for the proposed project are included in Appendix Table B-1. These fees may differ from fees noted in the Conditions of Approval for the project.

Table 2-4
Estimated Sales and Use Tax
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category	Buildout
Average Annual Expenditures per Office Employee ¹	\$7,633
<i>times</i>	
Estimated Office Employment from Outside the City	100
<i>equals</i>	
Office Employees Off-Site Taxable Sales	\$763,300
<i>times</i>	
Estimated Capture Rate of Estimated Office Employment Off-Site Taxable Sales ²	50%
<i>equals</i>	
Projected Employee Taxable Sales Captured in Rancho Cucamonga	\$381,650
<u>Projected Office Employment Retail Sales and Use Tax to Rancho Cucamonga</u>	
Sales Tax (@ 1% of captured taxable sales)	\$3,817
Use Tax (@ 12.3% of sales tax) ³	<u>\$469</u>
Projected Off-Site Employment Retail Sales and Use Tax	\$4,286

1. The estimated taxable sales per office employee is presented in Appendix Table A-1.
2. The City's 50 percent capture rate of off-site taxable sales by employment is the fiscal consultant's estimate based on the assumption that workers would purchase food and convenience items near their place of work.
3. The calculation of the use tax factor is included in Appendix Table B-8.

Sources: Stanley R. Hoffman Associates, Inc.
International Council of Shopping Centers (ICSC)
United States Department of Labor, Bureau of Labor Statistics

Table 2-5
Summary of Estimated One-Time City Development Impact Fees
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Fee Category	Total Fees ¹
Drainage Fees	\$272,734
Undergrounding Overhead Utilities Fees	683,891
Transportation Development Fees	1,490,914
Police Impact Fee	<u>14,144</u>
Total City Major One-Time Development Impact Fees	\$2,461,683

1. Major development impact fees are included in this table. Application, construction and planning fees are not included. Estimated fees are based on the current City fee schedule and detailed one-time fee calculations are presented in Appendix Table B-1. These fees may differ from actual fees noted in the Conditions of Approval for the project.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, Engineering Fees, Updated August 5, 2018

CHAPTER 3 FISCAL IMPACTS

This chapter presents the fiscal analysis of the Scheu Distribution Center to the City General Fund, the City Library Fund and the Rancho Cucamonga Fire Protection District after buildout. Fiscal impacts are shown in Constant 2018 dollars with no adjustment for possible future inflation. The fiscal assumptions for the fiscal analysis are presented in Chapter 4.

As shown in summary Table 3-1, a recurring annual surplus is projected to the City General Fund, the City Library Fund and the City Fire Protection District for the Scheu Distribution Center after buildout.

Table 3-1
Summary of Projected Fiscal Impacts after Buildout
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category	Buildout
A. CITY FUNDS	
<u>Rancho Cucamonga General Fund</u>	
Annual Recurring Revenues	\$61,536
Annual Recurring Costs	<u>\$51,923</u>
Annual Recurring Surplus	\$9,613
<u>Rancho Cucamonga Library Fund</u>	
Annual Recurring Revenues	\$6,128
Annual Recurring Costs	<u>\$0</u>
Annual Recurring Surplus	\$6,128
<u>TOTAL CITY FUNDS</u>	
Annual Recurring Revenues	\$67,664
Annual Recurring Costs	<u>\$51,923</u>
Annual Recurring Surplus	\$15,741
B. RANCHO CUCAMONGA FIRE PROTECTION DISTRICT	
Annual Recurring Revenues	\$43,590
Annual Recurring Costs	<u>\$32,361</u>
Annual Recurring Surplus	\$11,229

Sources: Stanley R. Hoffman Associates, Inc.

3.1 City General Fund

Detailed projected fiscal impacts to the City General Fund after buildout of Scheu Distribution Center are included in Table 3-2. Based on projected recurring revenues of \$61,536 and projected recurring costs of \$51,923, a recurring surplus of \$9,613 is projected to the City General Fund after buildout.

Major Recurring City General Fund Revenues and Costs

Projected Recurring Revenues. As shown in Table 3-2, the major recurring revenues for the General Fund after buildout of the proposed Scheu Distribution Center are property tax in lieu of vehicle license fees (VLF), property tax, business licenses and franchise fees. These four revenues represent about 86 percent of total recurring revenues after project buildout.

Projected Recurring Costs. As shown in Table 3-2, major City General Fund recurring costs after buildout are police services and general government services. These two recurring costs represent about 80 percent of recurring costs after buildout. Also, a contingency/reserve of 5 percent is added to the estimated service costs based on discussion with finance staff.

3.2 City Library Fund

Table 3-3 presents the detailed projected fiscal impacts to the City Library Fund after buildout of Scheu Distribution Center. A recurring surplus of \$6,128 is projected to the City Library Fund after buildout.

Major Recurring City Library Fund Revenues and Costs

Projected Recurring Revenues. As shown in Table 3-3, property tax represents the only projected recurring revenue for the Library Fund after buildout of the proposed Scheu Distribution Center. The remaining revenue sources are library fees, charges and other income for services which increase based on population growth, and there is no residential development planned for the project.

Projected Recurring Costs. Library services are projected on a per capita basis. Therefore, these costs are not projected because no residential development is planned for the project.

Table 3-2
General Fund Detailed Projected Recurring Fiscal Impacts
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

City of Rancho Cucamonga General Fund	Buildout	Percent of Buildout
<u>Recurring Revenues</u>		
Property tax (General Fund) ¹	\$11,122	18.1%
Sales and use tax ²	4,286	7.0%
In lieu property tax (VLF)	25,419	41.3%
Proposition 172 sales tax-public safety ²	78	0.1%
Franchise fees	7,558	12.3%
Business licenses	8,838	14.4%
Animal licenses and fees ³	0	0.0%
Fines and forfeitures	979	1.6%
Current services ³	0	0.0%
Motor vehicle in lieu tax ³	0	0.0%
Other revenues	1,602	2.6%
Transfers in - Municipal Utility	1,255	2.0%
State gasoline tax ³	0	0.0%
Recreation fees and charges ³	0	0.0%
Interest on invested revenues	<u>398</u>	<u>0.6%</u>
Total Projected Revenues	\$61,536	100.0%
<u>Recurring Costs</u>		
Police protection	\$36,116	69.6%
Animal control and services ⁴	0	0.0%
Economic and community development	783	1.5%
Building and safety	1,331	2.6%
Engineering services	1,689	3.3%
Public works-City vehicle and facilities maintenance	1,345	2.6%
Public works-street maintenance	2,770	5.3%
Public works-park maintenance ⁴	0	0.0%
Community services ⁴	0	0.0%
Recreation services ⁴	0	0.0%
General government	<u>5,416</u>	<u>10.4%</u>
Subtotal Recurring Costs	\$49,450	95.2%
Contingency/reserves (@ 5% of recurring costs)	<u>\$2,473</u>	<u>4.8%</u>
Total Recurring Costs	\$51,923	100.0%
<u>Annual Net Recurring Surplus</u>	\$9,613	
<u>Revenue/Cost Ratio</u>	1.19	

1. The total City's share of the basic one percent property tax levy is 4.95 percent, as shown in Appendix Table C-4. Based on discussion with City staff, property tax is shared between the General Fund and the Library Fund, with the General Fund receiving about 3.19 percent of the one percent levy. The projected property tax of \$11,122 for the project represents the estimated General Fund share.
2. Sales and use tax is projected for the estimated employment for the proposed office uses.
3. Revenues that increase based on population growth are not projected because there is no residential development planned for the project.
4. Costs that increase based on population growth are not projected because there is no residential development planned for the project.

Source: Stanley R. Hoffman Associates, Inc.

Table 3-3
Library Fund Detailed Projected Recurring Fiscal Impacts
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

City of Rancho Cucamonga Library Fund	Buildout	Percent of Buildout
<u>Recurring Revenues</u>		
Property tax ¹	\$6,128	100.0%
Library fees, charges and other income for services ²	0	0.0%
Total Recurring Revenues	\$6,128	100.0%
<u>Recurring Costs</u>		
Library services ³	\$0	
<u>Annual Net Recurring Surplus</u>	\$6,128	
<u>Revenue/Cost Ratio</u>	n/a	

1. The total City's share of the basic one percent property tax levy is 4.95 percent, as shown in Appendix Table C-4. Based on discussion with City staff, property tax is shared between the General Fund and the Library Fund, with the Library Fund receiving about 1.76 percent of the one percent levy. The projected property tax of \$6,128 for the project represents the estimated Library Fund share.
2. The library revenues that increase based on population growth are not projected because there is no residential development planned for the project.
3. Library service costs increase based on population growth are not projected because there is no residential development planned for the project.

Source: Stanley R. Hoffman Associates, Inc.

3.3 Rancho Cucamonga Fire Protection District

The Rancho Cucamonga Fire Protection District (RCFPD) provides fire protection and emergency medical services to the City. The RCFPD is a subsidiary district of the City and has its own statutory funding. The City Council serves as the RCFPD Board of Directors.

As shown in Table 3-4, annual recurring revenues to the RCFPD from buildout of Scheu Distribution Center are projected at \$43,590. Based on these projected recurring revenues and projected recurring costs of \$51,923, a recurring surplus of \$11,229 is projected to the RCFPD after buildout.

Table 3-4
Fire Protection District Detailed Projected Recurring Fiscal Impacts
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

City of Rancho Cucamonga Fire District	Buildout	Percent of Buildout
<u>Recurring Revenues</u>		
Property tax	\$42,111	96.6%
Licenses, fines, fees, charges and other revenues	811	1.9%
Interest on invested revenues	<u>668</u>	<u>1.5%</u>
Total Recurring Revenues	\$43,590	100.0%
<u>Recurring Costs</u>		
Fire protection costs	\$32,361	
<u>Annual Net Recurring Surplus</u>	\$11,229	
<u>Revenue/Cost Ratio</u>	1.35	

Source: Stanley R. Hoffman Associates, Inc.

Recurring Fire Protection District Revenues and Costs

Projected Recurring Revenues. RCFPD revenues include property tax; revenues from licenses, fines, fees, charges; and interest earned on investments. Projected property tax revenues of \$42,111 represent about 97 percent of total projected revenues for the RCFPD.

Projected Recurring Costs. Fire protection service costs are projected at \$32,361 for Scheu Distribution Center after buildout. Fire protection costs are projected at the citywide average of \$143.56 per service population.

CHAPTER 4

CITY OF RANCHO CUCAMONGA FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the fiscal analysis of the proposed Scheu Distribution Center to Rancho Cucamonga. Fiscal impacts are projected for the City's operating General Fund, the Library Fund and the Fire Protection District. All projections are in constant 2018 dollars with no adjustment for future inflation.

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. The City's revenues and costs as presented in the *City of Rancho Cucamonga, Fiscal Year 2018/19 Preliminary Budget* and discussions with key City staff are the sources for calculating fiscal factors.

4.1 City General Assumptions

Fiscal impacts that are not based on valuation and 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 developed acre. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2018/19 preliminary budget categories by the City's resident population, employment, total service population or developed acre. Table 4-1 provides the City's general assumptions for this fiscal analysis.

Population

Rancho Cucamonga's total population of 176,671 is based on the State Department of Finance (DOF) estimate as of January 1, 2018. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented gas taxes.

Employment

The City employment estimate of 79,008 for the year 2018 represents an interpolation of the years 2012 and 2020 from the Southern California Association of Governments (SCAG) *Adopted 2016 Regional Transportation Plan Growth Forecast*. As shown in Appendix Table C-1 and Appendix Table C-2, according to the latest Bureau of Census Longitudinal Employer-Household

Table 4-1
City Population, Housing and Employment Assumptions, January 1, 2018
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

Assumption	Description
	<u>2018 Population and Housing</u> ¹
173,862	Household Population
<u>2,809</u>	<u>Group Quarters Population</u>
176,671	Total Population
59,318	Total Housing Units
57,365	Occupied Housing Units (Households)
3.03	Persons per Household
	<u>2018 Employment</u> ²
79,008	Estimated Employment
86%	Estimated Share of Total Employment from Outside the City ³
<i>times</i>	
<i>equals</i>	
67,947	Estimated Employment from Outside the City ³
	<u>2018 Service Population</u>
176,671	Total Population
<i>plus</i>	
67,947	Estimated Employment from Outside the City ³
<i>equals</i>	
244,618	Estimated Total Service Population
	<u>City Developed Acres</u>
12,990	Estimated total City developed acres ⁴

1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2018.
2. The total employment estimate is for 2018 based on an interpolation of the 2012 and 2020 estimates from the Southern California Association of Governments (SCAG), *RTP Adopted 2016 Growth Forecast*, as shown in Appendix Table B-1.
3. The 2018 total estimated City employment is weighted by 86 percent based on the Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Survey estimates of the share of total employment that comes from outside the City, as shown in Appendix Table B-2.
4. Estimated developed acres in the City are provided by Community Development staff.

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, 2011-2018*, Sacramento, California, May 2018

Southern California Association of Governments (SCAG), *Adopted Regional Transportation Plan (RTP)*, 2016

U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, *OnTheMap for Rancho Cucamonga, California*, 2015

City of Rancho Cucamonga, Community Development

Survey for 2015, about 86 percent of the City's employment (or 67,947 of the current estimated jobs) represents workers commuting from outside the City.

Service Population

Fiscal factors that are impacted by population and employment are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population (176,671) plus the estimated employment commuting in to the City (67,947). As shown in Table 4-1, the City service population is estimated at 244,618.

Estimated Total City Developed Acres

Some costs, such as public works and planning, are projected on a per-developed acre basis. As shown in Table 4-1, the number of developed acres within the City is estimated at 12,990, as provided by City Community Development staff

4.2 Revenue Assumptions

City General Fund

The General Fund revenue factors for projecting recurring revenues in the fiscal analysis are summarized in Table 4-2. These revenue factors are based on the City's FY 2018/19 budget revenues included in Appendix Table C-3 and the City's population, employment, housing unit and service population estimates that are presented in Table 4-1.

As shown in Table 4-2, projected General Fund revenues include property tax; property transfer tax; property tax in lieu of vehicle license fees (VLF); sales and use tax; Proposition 172 half-cent sales tax; franchise fees; business licenses; animal licenses; fines and forfeitures; interest on investments; charges for services; motor vehicle in lieu tax; other revenue; transfers to the General Fund from the municipal utility; state gasoline tax; and recreation fees and charges. However, because there is no residential development for the proposed project, revenues generated only by population growth are not projected.

Property Tax. Property tax revenues are projected based on the City's share of the one percent property tax levy on the estimated assessed valuation for the Scheu Distribution Center proposed development. The current allocation rates of the one percent property tax for tax rate area (TRA) 15051 in which the project is located are presented in Appendix Table C-4.

Table 4-2
Recurring General Fund Revenue Factors
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

General Fund Revenue Source	Fiscal Year 2018/19 Preliminary Budget	Projection Basis ¹	Projection Factor ¹
<u>Tax Revenue</u>			
General Fund Property Tax ³	\$5,896,520	Case Study: Project Valuation	3.19% City general share of 1% levy
Property Transfer Tax	\$1,085,230	Property Turnover and Valuation Assumptions	4.0% Residential turnover rate
Property Tax In Lieu Vehicle License Fees	\$19,135,120	Case Study	\$0.55 per \$1,000 assessed valuation
Sales and Use Tax	\$30,400,000	Taxable Sales	\$730 per \$1,000,000 assessed valuation
Use Tax Factor		Use Tax as Percent of Sales Tax	1% of taxable sales
Proposition 172 - Half Cent Sales Tax	\$554,480	Per \$1,000 of Sales and Use Tax	12.3% of sales tax
Franchise Fees:			\$18.24 per \$1,000 sales and use tax
Gas and Electric	\$2,532,790	Service Population = 244,618	\$10.35 per service population
Refuse-Residential ¹	\$0	Population = 176,671	\$0.00 per capita
Refuse-Commercial	\$1,536,870	Employment = 79,008	\$19.45 per employee
Cable ¹	\$0	Housing Units = 59,318	\$0.00 per unit
Towing Services	\$300,000	Service Population = 244,618	\$1.23 per service population
<u>Licenses and Permits</u>			
Business Licenses	\$2,717,200	Employment = 79,008	\$34.39 per employee
Animal Licenses ⁴	\$0	Population = 176,671	\$0.00 per capita
<u>Fines and Forfeitures</u>	\$1,083,510	Service Population = 244,618	\$4.43 per service population
<u>Interest on Investments</u>	\$445,270	Percent of Projected Recurring Revenues of \$68,404,370	0.65% of projected General Fund recurring non-interest revenues
<u>Charges for Current Services</u> ¹			
Animal Control Fees	\$0	Population = 176,671	\$0.00 per capita
Other Current Services	\$0	Population = 176,671	\$0.00 per capita
<u>Motor Vehicle in Lieu Tax</u> ¹	\$0	Population = 176,671	\$0.00 per capita
<u>Other Revenue</u>	\$1,772,390	Service Population = 244,618	\$7.25 per service population
<u>Transfers In - Municipal Utility</u>	\$1,390,260	Service Population = 244,618	\$5.68 per service population
Subtotal Projected Revenues	\$68,849,640		
<u>Gas Tax Fund State Gasoline Tax</u> ¹	\$0	Population = 176,671	\$0.00 per capita
<u>Recreation Fees and Charges</u> ¹	\$0	Population = 176,671	\$0.00 per capita

1. Revenues generated by only population growth are not projected because the proposed project does not include residential development. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the total population plus estimated employment that commutes into the City.
2. Detailed General Fund revenues are included in Appendix Table C-3.
3. The total City's share of the basic one percent property tax levy is 4.95 percent, as shown in Appendix Table C-4. Based on discussion with City staff, property tax is shared between the General Fund and the Library Fund, with the General Fund receiving about 65 percent of the 4.95 allocation, or about 3.19 percent of the one percent levy.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2018*, Sacramento, California, May 2018

Southern California Association of Governments (SCAG), *Adopted Regional Transportation Plan (RTP), 2016*

The City's total allocation of the one percent property tax levy is 4.95 percent. Per discussion with City finance, property tax is shared between the General Fund (65 percent of total, or 3.19 percent of the one percent levy) and the Library Fund (35 percent of total or 1.76 percent of the one percent levy).

Property Transfer Tax. Sales of real property are taxed by San Bernardino 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 the U.S. Census Bureau, 2012-2016 American Community Survey, City owner-occupied units change ownership at an average rate of about 4.0 percent per year (Appendix Table C-5). Because there is no residential development in the project, this turnover rate is not assumed for the proposed project.

Property Tax In Lieu Vehicle License Fees (VLF). Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This property tax in lieu of VLF is projected to grow in proportion to the percentage change in the citywide gross assessed valuation (AV) of taxable property from the prior year. Property tax in lieu of VLF revenue is allocated in addition to other property tax apportionments. Property tax in lieu of VLF in the City is projected to increase at an average of \$730 per million dollars of new AV (see Appendix Table C-6). 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.

Sales and Use Tax. As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. 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 proportional share of countywide and statewide direct taxable sales.

Use tax revenues to Rancho Cucamonga are estimated at an additional 12.3 percent of point-of-sale sales tax, as shown in Appendix Table C-7. Calendar Year 2016 sales tax data provided by

HdL Companies estimates that \$3,202,832 of total sales and use tax revenues were made from levies designated as use tax and the remaining \$26,070,091 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Rancho Cucamonga are estimated at an additional 12.3 percent of point-of-sale sales tax. Sales and use tax is projected for estimated expenditures by office workers in the Scheu Distribution Center based on data and analysis of the average weekly spending per office employee from the International Council of Shopping Centers (ICSC), shown in Appendix Table A-1. Non-retail sales and use tax is not projected for the proposed warehouse uses in the project.

Proposition 172 (Half Cent Sales Tax). As shown in Table 4-2, these revenues are projected at \$18.24 per \$1,000 of sales and use tax based on City estimated FY 2018/19 Proposition 172 revenues of \$554,480 and the City's total sales and use tax estimate of \$30,400,000.

Franchise Fees. The City collects franchise fees from providers of gas and electric; refuse – residential and commercial; cable; and towing services for use of public rights-of-way.

Gas and Electric Franchise Fees. As shown in Table 4-2, gas and electric franchise fees are projected at \$10.35 per service population based on the City budget revenues of \$2,532,790 and the City service population estimate of 244,618.

Refuse – Residential Franchise Fees. Residential franchise fees are not projected for the proposed warehouse project.

Refuse – Commercial Franchise Fees. Commercial (non-residential) refuse franchise fees are projected at \$19.45 per employee based on commercial refuse revenues of \$1,536,870 and the City's estimated employment of 79,008.

Cable Franchise Fees. Because there are no housing units in the proposed project, these revenues are not projected.

Towing Services Franchise Fees. As shown in Table 4-2, towing franchise fees are projected at \$1.23 per service population based on City budget towing franchise revenues of \$300,000 and the estimated City service population of 244,618.

Business Licenses. Business licenses are projected at \$34.39 per employee based on City budget revenues of \$2,717,200 and the City's current employment estimate of 79,008.

Animal Licenses. These revenues are projected based on population increase. Therefore, they are not projected because the project does not include residential development.

Fines and Forfeitures. Fines and forfeitures are projected at \$4.43 per service population, based on total revenues of \$1,083,510 and the City service population estimate of 244,618, as

shown in Table 4-2. Revenues in this category include vehicle code fines, parking citations, vehicle release fees, citation fees and ordinance fines.

Interest on Investments. These revenues are projected at 0.65 percent of projected recurring revenues based on budget interest on investments of \$445,270 as a share of projected recurring non-interest revenues of \$68,404,370.

Charges for Current Services. This category includes animal control fees and other service charges which increase based on population growth. These revenues are not projected for the Scheu Distribution Center because no residential development is proposed.

Motor Vehicle In Lieu Tax. These revenues are allocated from the State based on population, and are not projected because no residential development is included in the project.

Other Revenue. As shown in Table 4-2, these revenues are projected at \$7.25 per service population based on contributions, reimbursement and other revenues of \$1,772,390 and the City's estimated service population of 244,618.

Transfers In – Municipal Utility. Transfers to the City General Fund from the Municipal Utility are projected at \$5.68 per service population based on City budget revenues of \$1,390,260 and the City's estimated service population estimate of 244,618.

State Gasoline Tax. State Gasoline tax accrues to the Gas Tax Fund based mostly on population growth. Detailed FY 2018/19 gas tax revenues are included in Appendix Table C-8. However, because there is no population increase associated with the project, these revenues are not projected.

Recreation Services. Recreation revenues are presented in detail in Appendix Table C-8. Recreation revenues are not projected because no residential development is included in the project.

Library Fund

As shown in Panel A of Table 4-3, the Library Fund is projected to receive property tax revenue and revenue from fees, charges and other income. Library revenues are presented in detail in Appendix Table C-8.

Table 4-3
Recurring Library Fund and Fire Protection District Revenue Factors
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Revenue Source	Fiscal Year 2018/19 Preliminary Budget	Projection Basis ¹	Projection Factor ¹
A. LIBRARY FUND (Fund 290) ²			
Library Fund Property Tax ³	\$4,440,520	Case Study: Project Valuation	1.76% Library Fund share of 1% levy
Fees, Charges and Other Income ¹	\$0	Population = 176,671	\$0.00 per capita
Interest Income	\$0	Percent of Recurring Revenues	not projected
Total Projected Library Fund Revenues	\$4,440,520		
B. FIRE DISTRICT OPERATIONAL FUNDS ⁴ (Fund 281)			
Property Tax to Fund 281 ⁵	\$25,159,940	Case Study: Project Valuation	12.09% Fire District share of 1% levy
Licenses, Fines, Fees, Rentals and Charges	\$897,780	Service Population = 244,618	\$3.67 per service population
Interest Income	\$404,510	Percent of Projected Recurring	1.56% of projected Fire District recurring
Total Projected Fire District Revenues	\$26,462,230	Revenues of \$26,057,720	non-interest revenues

1. Revenues generated by only population growth are not projected because the proposed project does not include residential development. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the total population plus estimated employment that commutes into the City.
2. Detailed Library Fund revenues are included in Appendix Table C-8.
3. The total City's share of the basic one percent property tax levy is 4.95 percent, as shown in Appendix Table C-4. Based on discussion with City staff, property tax is shared between the General Fund and the Library Fund, with the General Fund receiving about 65 percent of the 4.95 allocation, or about 3.19 percent of the one percent levy and the Library Fund receiving about 1.76 percent of the one percent levy.
4. Detailed Fire District revenues are included in Appendix Table C-9.
5. Fire District property tax is projected at about 12.09 of the basic one percent property tax levy, as shown in Appendix Table C-4.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2018*, Sacramento, California, May 2018

Southern California Association of Governments (SCAG), *Adopted Regional Transportation Plan (RTP), 2016*

Library Fund Property Tax. As discussed earlier, the City's total allocation of the one percent property tax levy is 4.99 percent. Per discussion with City finance, property tax is shared between the General Fund (65 percent of total, or 3.19 percent of the one percent levy) and the Library Fund (35 percent of total or 1.76 percent of the one percent levy).

Library Fees, Charges and Other Income. As shown in Panel A of Table 4-3, these revenues are projected based on population growth, and are not projected because there is no population growth associated with the project.

Rancho Cucamonga Fire Protection District

The revenue factors for projecting recurring revenues to the Rancho Cucamonga Fire Protection District are summarized in Panel B of Table 4-3, and are based on the City's FY 2018/19 budget revenues included in Appendix Table C-9.

The Rancho Cucamonga Fire Protection District (RCFPD) receives property tax; revenues from licenses, fines, fees, rentals and charges; and interest earned on investments. The proposed project is not located within a community facilities district (CFD); therefore, these special taxes are not projected.

RCFPD Property Tax. Based on TRA allocations for the project area shown in Appendix Table C-4, the RCFPD will receive an estimated 12.09 percent of the basic one percent property tax levy for the Scheu Distribution Center development.

RCFPD Licenses, Fines, Fees, Rentals and Charges. As shown in Table 4-3, these revenues are projected at \$3.67 per service population based on FY 2018/19 revenues of \$897,780 (shown in detail in Appendix Table C-9) and the City's estimated service population of 244,618.

Interest on Investments. These revenues are projected at 1.56 percent of projected recurring non-interest Fire Fund revenues. This is based on budget interest on investments of \$404,510 as a share of projected recurring non-interest Fire Protection District revenues of \$26,057,720.

4.3 City Cost Assumptions

The cost factors that are used in preparing the fiscal analysis for the Scheu Distribution Center are presented in Table 4-4. These factors are based on the adopted expenditures in the City's FY 2018/19 Budget and the City's population, service population and developed acres estimates that were presented earlier in Table 4-1.

General Fund

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of police; animal control and services; economic and community development; building and safety; engineering; planning and planning commission; facilities maintenance; vehicle and equipment maintenance; street maintenance; park maintenance; community services; recreation services; and contingency costs. However, because there is no residential development for the proposed project, costs generated only by population growth are not projected.

General Government. General government costs include administration and support of departmental line costs, such as police services and public works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

Table 4-4
Recurring Cost Factors
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Cost Category	FY 2018/19 Adopted Budget		Projection Basis ¹	Cost Factor ¹
	Total	Adjusted		
A. GENERAL FUND (Fund 001)				
General Government	\$16,556,640	\$8,278,320	Percent of General Fund Costs	12.3% of direct department costs, at a 50% marginal rate
Police Protection	\$39,974,900	\$39,974,900	Service Population = 244,618	\$163.42 per service population
Animal Control and Services	\$3,350,790	\$0	Population = 176,671	\$0.00 per capita
Economic and Community Development	\$792,280	\$792,280	Developed Acre = 12,990	\$60.99 per developed acre
Building and Safety ²	\$2,613,890	\$1,346,170	Developed Acre = 12,990	\$103.63 per developed acre
Engineering Services ³	\$2,509,100	\$1,709,100	Developed Acre = 12,990	\$131.57 per developed acre
Planning and Planning Commission ⁴	\$1,656,030	(\$343,970)	Developed Acre = 12,990	not projected
Public Works:				
Fire Facilities Maintenance ⁵	\$252,420	\$50,484	Developed Acre = 12,990	\$3.89 per developed acre, at a 20% marginal rate
City Facilities Maintenance ⁵	\$3,871,380	\$774,276	Developed Acre = 12,990	\$59.61 per developed acre, at a 20% marginal rate
City Vehicle and Equipment Maintenance ⁵	\$1,071,050	\$535,525	Developed Acre = 12,990	\$41.23 per developed acre, at a 50% marginal rate
Street Maintenance	\$2,802,840	\$2,802,840	Developed Acre = 12,990	\$215.77 per developed acre
Park Maintenance	\$3,261,010	\$0	Population = 176,671	\$0.00 per capita
Community Services	\$5,232,070	\$0	Population = 176,671	\$0.00 per capita
Recreation Services	\$3,631,500	\$0	Population = 176,671	\$0.00 per capita
Contingency	n/a	n/a	Case Study	5.0% of total recurring costs
B. LIBRARY FUND (Fund 290)				
Library Services	\$5,126,230	\$0	Population = 176,671	\$0.00 per capita
C. FIRE PROTECTION DISTRICT OPERATIONAL FUNDS				
Fire Protection Costs	\$35,819,290	\$35,819,290	Service Population = 244,618	\$146.43 per service population

1. Revenues generated by only population growth are not projected because the proposed project does not include residential development. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the total population plus estimated employment that commutes into the City.
2. Building and safety includes community improvement costs. These net costs of \$1,346,170 are the budgeted costs of \$2,613,890 minus projected one-time development processing licenses and permits revenues of \$1,267,720, as shown in Panel A of Appendix Table C-10.
3. Net engineering costs of \$1,709,100 represent engineering budget costs of \$2,509,100 minus projected one-time development processing charges for services revenues of \$800,000, as shown in Panel B of Appendix Table C-10.
4. Net planning and planning commission costs are not projected because budgeted costs of \$1,656,030 are off set by projected one-time charges for services of \$2,000,000, as shown in Panel C of Appendix Table C-10.
5. Based on previous fiscal analyses prepared for the City, budgeted maintenance costs of fire and city facilities are assumed at a marginal rate of 20 percent and City vehicle and equipment maintenance costs are assumed at a marginal rate of 50 percent.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2018*, Sacramento California, May 2018

As shown in Table 4-5, general government includes Non-Departmental, City Council, City Management, City Clerk, Records Management, Healthy RC Program, Communications, Administration, Business Licenses, City Facilities, Finance, Innovation and Technology Services, Personnel, Procurement, Risk Management, Treasury Management and City Telecommunications.

As also shown in Table 4-5, FY 2018/19 general government costs of \$16,556,640 represent about 24.6 percent of direct line costs of \$67,387,760. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff for previous fiscal analyses, general government costs are projected at a marginal rate of 50 percent, or at 12.3 percent of direct costs.

Police Protection. Police costs are projected at \$163.42 per service population, as shown in Table 4-4. This cost factor is based on FY 2018/19 expenditures of \$39,974,900 and the City's service population estimate of 244,618.

Animal Control and Services. Because these services are projected on only a population basis, and there is no residential development in the project, these costs are not projected.

Economic and Community Development. As shown in Table 4-4, these costs are projected at \$60.99 per developed acre based on FY 2018/19 economic and community development costs of \$792,280 and the City's estimated developed acres of 12,990.

Building and Safety. Building and safety costs are projected at \$103.63 per developed acre based on net building and safety costs of \$1,346,170 and the City's estimated 12,990 developed acres. Net building and safety costs of \$1,346,170 represent the budgeted costs of \$2,613,890 minus budgeted one-time development building and safety processing revenues of \$1,267,720, as shown in Panel A of Appendix Table C-10.

Engineering. Engineering costs are projected based on net engineering costs. Based on City 2018/19 budget information, engineering costs are estimated at \$2,509,100. These revenues are offset with one-time development processing engineering revenues estimated at \$800,000, resulting in estimated net engineering costs of \$1,709,100, as shown in Panel B of Appendix Table C-10. Based on the estimated City developed acres of 12,990 and net engineering costs of \$1,709,100, annual engineering costs are projected at \$131.57 per developed acre.

Table 4-5
Calculation of City General Government Overhead Rate
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

General Fund Expenditures	Fiscal Year 2018/19 Preliminary Budget		
	Total	General Government	Non-General Government
<u>General Government</u>			
Non-Departmental General	\$5,591,560	\$5,591,560	
Non-Departmental Personnel	142,050	142,050	
City Council	126,720	126,720	
City Management	957,580	957,580	
City Clerk	1,970	1,970	
Records Management	580,390	580,390	
Healthy RC Program	595,640	595,640	
Communications	272,160	272,160	
Administrative Services - Administration	292,650	292,650	
Business Licensing	361,430	361,430	
City Facilities	1,070,730	1,070,730	
Finance	1,471,820	1,471,820	
Innovation and Technology Services	3,683,660	3,683,660	
Personnel	708,290	708,290	
Procurement	256,070	256,070	
Risk Management	274,040	274,040	
Treasury Management	12,390	12,390	
City Telecommunications	157,490	157,490	
<u>Non-General Government</u>			
Animal Care and Services	\$3,350,790		\$3,350,790
Economic and Community Development	792,280		792,280
Building and Safety	1,892,240		1,892,240
Engineering - Administration	411,620		411,620
Engineering - Development Management	888,810		888,810
Engineering - NPDES	384,650		384,650
Engineering - Project Management	488,090		488,090
Engineering - Traffic Management	335,930		335,930
Fire Facilities Maintenance	252,420		252,420
City Facilities Maintenance	3,871,380		3,871,380
Planning	1,632,150		1,632,150
Planning Commission	23,880		23,880
Vehicle and Equipment Maintenance	1,071,050		1,071,050
Street Maintenance	2,802,840		2,802,840
Park Maintenance	3,261,010		3,261,010
Community Improvement	721,650		721,650
Community Services - Administration	5,232,070		5,232,070
Police - Administration	39,974,900		39,974,900
GRAND TOTAL GENERAL FUND	\$83,944,400	\$16,556,640	\$67,387,760
<u>Current General Government Overhead Rate</u>			
General Government Expenditures			\$16,556,640
		<i>divided by</i>	
Direct General Fund Expenditures			\$67,387,760
		<i>equals</i>	
Current General Government Overhead Rate			24.6%
		<i>times</i>	
Marginal Factor			50.0%
		<i>equals</i>	
Overhead Rate at 50 Percent Marginal Rate			12.3%
Sources: Stanley R. Hoffman Associates, Inc.			
City of Rancho Cucamonga, Fiscal Year 2018/19 Preliminary Budget			

Planning and Planning Commission. These costs are not projected. As shown in Panel C of Appendix Table C-10, these budget costs of \$1,656,030 are off-set by budgeted one-time planning processing related charges for services revenues of \$2,000,000.

Facilities, Vehicle and Equipment Maintenance. Based on the fiscal methodology used for previous analyses for the City, it is assumed that the proposed project would incur marginal cost increases for the following services:

Fire Facilities Maintenance. Fire facilities maintenance costs in the City 2018/19 budget are \$252,420. At a marginal increase in fire facilities maintenance costs of 20 percent, these costs are estimated at \$50,484. This marginal increase of \$50,484 is divided by the total 12,990 estimated developed acres in the City, for projected fire facilities maintenance costs of \$3.89 per developed acre, as shown in Table 4-4.

City Facilities Maintenance. As with fire facilities maintenance costs, the City 2018/19 budgeted costs for city facilities of \$3,871,380 are adjusted at 20 percent of this amount, or \$774,276. Based on this marginal increase of \$774,276 and the total 12,990 estimated developed acres in the City, city facilities maintenance costs are projected at \$59.61 per developed acre, as shown in Table 4-4.

City Vehicle and Equipment Maintenance. Based on the fiscal methodology used for the previous fiscal analyses, it is assumed that the proposed project would incur a marginal increase in vehicle and equipment maintenance costs of 50 percent, or an increase of \$535,525 (budgeted costs of \$1,071,050 times 50 percent). As shown in Table 4-4, these costs are projected at \$41.23 per developed acre based on the marginal increase of \$535,525 and the City's estimated developed acres of 12,990.

Street Maintenance. Based on City budget costs of \$2,802,840 and the estimated 12,990 developed City acres, street maintenance costs are projected at \$215.77 per developed acre, as shown in Table 4-4.

Park Maintenance. Park maintenance costs are projected at the average residents' use of City parks. Therefore, these costs are not projected for the Scheu Distribution Center because it does not include residential development.

Community Services. As shown in Table 4-4, City Community Services costs are projected based on population growth. Therefore, these costs are not projected because there is no population growth associated with the project.

Recreation and Recreation Commission. Detailed recreation costs are included in Appendix Table C-11. Because there is no residential development in the project, these costs are not projected.

Contingency Costs. City General Fund contingency costs of 5 percent are applied to projected general government and direct service costs to account for budget and economic uncertainties based on discussion with City staff.

Library Fund

The detailed Library Fund costs are presented in detail in Appendix Table C-11. As shown in Table 4-4, library services costs are projected on a per capita basis, and are not projected because there is no population growth associated with the project.

Rancho Cucamonga Fire Protection District

Protection costs for the Scheu Distribution Center are projected at \$146.43 per service population, as shown in Table 4-4. This projection factor is based on FY 2018/19 total fire protection costs of \$35,819,290 and the City's estimated service population of 244,618.

As detailed in Appendix Table C-12, the Fire Protection District includes Fire Fund 281 and Community Facilities Districts (CFDs) 85-1 and 88-1. While the Scheu Distribution Center is not located in a CFD, the total costs of \$35,819,290 are used to estimate the Citywide average cost for fire protection on a service population basis.

APPENDIX A

ESTIMATED TAXABLE SALES PER OFFICE EMPLOYEE

Estimated annual taxable sales per office employee are shown in Table A-1. Based on 2011 information from the International Council of Shopping Centers (ICSC), average weekly spending per office employee is estimated at \$165.93. Online purchases made at the office, estimated non-taxable drug store purchases and estimated non-taxable grocery store purchases are subtracted from this amount resulting in adjusted weekly taxable spending of \$138.77 per employee.

Average annual taxable expenditures per employee are calculated by multiplying this adjusted weekly amount by 50 weeks, excluding two weeks for vacation. The estimated 2011 annual taxable expenditures per employee of \$6,938.71 are increased by the change in the CPI over the 2011 to 2018 period, resulting in estimated 2018 taxable annual expenditures of \$7,633 per employee.

Table A-1
Average Annual Taxable Expenditures per Office Employee
Existing Zone – Office Professional Alternative

Spending Category	Total
<u>Average Weekly Office Worker Spending (Urban Areas) in 2011</u>	
<i>Transportation and Online Purchases</i>	\$50.33
Transportation	\$36.37
Online Purchases Made at the Office (Personal)	\$13.96
<i>Full-Service Restaurants and Fast Food</i>	\$26.30
Full-Service Restaurants	\$13.45
Fast Food/Deli/Lunch Eateries	\$12.85
<i>Goods and Services</i>	\$89.30
Department Stores	\$6.52
Discount Stores	\$8.19
Drug Stores	\$6.13
Grocery Stores	\$15.98
Clothing Stores	\$3.25
Shoe Stores	\$2.43
Sporting Goods Stores	\$2.16
Electronics/Phone/Computer Stores	\$4.86
Jewelry Stores	\$3.92
Office Supplies/Stationery/Novelty Gifts & Cards	\$7.37
Warehouse Club	\$7.80
Other Goods (florist, non-food vendors, etc.)	\$3.95
Personal Care Shops	\$7.83
Personal Services	\$3.16
Other Services (not elsewhere classified)	\$2.30
Entertainment (sporting, live, concerts, movies)	<u>\$3.45</u>
Total Average Weekly Spending per Employee	\$165.93
 <u>Adjusted Average Weekly Spending per Employee</u>	
Total Average Weekly Spending per Employee	\$165.93
<i>minus</i>	
Online Purchases Made at the Office	\$13.96
Non-Taxable Drug Stores (@ 38 percent of total drug stores)	\$2.33
Non-Taxable Grocery Stores (@ 68 percent of total grocery stores)	<u>\$10.87</u>
Total of Removed Weekly Spending	\$27.16
<i>equals</i>	
Adjusted Average Weekly Spending per Employee	\$138.77
Average Annual Taxable Expenditures per Employee (2011 Dollars) ¹	\$6,938.71
Annual 2011 CPI	231.93
Annual 2017 CPI	256.21
CPI Factor	1.10
Average Annual Taxable Expenditures per Employee (2018 Dollars)	\$7,633.00

1. Average annual expenditures per employee is calculated by multiplying the adjusted average weekly spending of \$138.77 sales by 50, excluding two weeks for vacation. The 2011 amount is increased by the change in the CPI of 1.10 over the 2011 to 2018 period, rounded to the nearest whole number.

Sources: Stanley R. Hoffman Associates, Inc.

International Council of Shopping Centers (ICSC)

United States Department of Labor, Bureau of Labor Statistics

U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Price Index, Los Angeles-Long Beach-Anaheim, Annual 2011 and Annual 2017*

APPENDIX B

MAJOR ONE-TIME CITY FEES AND CHARGES

Table B-1
Estimated Major City Development Impact Fees
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Fee Category ¹	Project Land Use	Fee Schedule Land Use ²	Net Acres	Fee per Net Acre	Frontage Lineal Feet	Fee per Lineal Foot	Square Feet	Fee per 1,000 Square Foot	Total Fees
<u>Drainage Fees</u>		General City Drainage Fee per Net Acre	12.84	\$21,241			n/a	n/a	\$272,734
<u>Undergrounding Overhead Utilities Fees</u> ³									
	Project Site	Electric			1,697	\$315			\$534,555
		Telephone			1,697	\$59			100,123
		Cable Television			1,697	\$29			<u>49,213</u>
Total Undergrounding Overhead Utilities Fees									\$683,891
<u>Transportation Development Fees</u>									
	Warehouse	Warehouse	n/a	n/a			211,710	\$5,300	\$1,122,063
	Office	Office/Business Park	n/a	n/a			<u>29,000</u>	\$12,719	<u>368,851</u>
Total Transportation Development Fees									\$1,490,914
<u>Police Impact Fee</u>									
	Warehouse	Industrial	n/a	n/a			211,710	\$49	\$10,374
	Office	Office	n/a	n/a			<u>29,000</u>	\$130	<u>\$3,770</u>
	Total Police Impact Fees		n/a	n/a			240,710		\$14,144
TOTAL CITY DEVELOPMENT IMPACT FEES									\$2,461,683

- Major City development impact fees are included in this table. Application, construction and planning fees are not included. Estimated fees are based on the current City fee schedule. These fees may differ from actual fees noted in the Conditions of Approval for the project.
- The analysis applies the fee schedule land use category which most closely represents the proposed project land use.
- Electric, telephone and cable television are included in the estimated undergrounding overhead utilities fees. Based on discussion with City Engineering staff, the actual undergrounding overhead utilities fees will be based on the lineal feet of the utility line to the project's junction with the main line. For purposes of this analysis, the estimated lineal frontage of the project site is the measurement for the estimated fees. Also, electric lines of 66 kilovolts (kv) or greater are exempt from the electric undergrounding overhead fee. Because the voltage of the electric lines along the frontage of the project site is unknown at this time, these fees are included in the estimated fees. If the electric lines along the project are 66 kv or greater, the electric undergrounding fee would not be collected.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rancho Cucamonga, *Engineering Fees, Updated August 5, 2018*

APPENDIX C SUPPORTING FISCAL TABLES

Table C-1
Estimated Percent of Employment Living and Working in Rancho Cucamonga
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

Category	Total	Working and Living in Rancho Cucamonga	
		Amount	Percent ²
Employment ¹	71,804	9,770	14%

1. Employment is based on the Longitudinal Employer-Household Dynamics (LEHD) program which shows where people live and where people work, as shown in Appendix Table C-2.
2. Based on the LEHD data, about 86 percent of the total employment in the City represents workers from outside the City.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics, Rancho Cucamonga, California, 2015

Table C-2
Rancho Cucamonga Employment: Inflow/Outflow Report
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

Category	2015	
	Count	Share
<u>Selection Area Labor Market Size (Primary Jobs)</u>		
Employed in the Selection Area	71,804	100%
Living in the Selection Area	69,442	97%
Net Job Inflow (+) or Outflow (-)	-592	
<u>In-Area Employment Efficiency (Primary Jobs)</u>		
Employed in the Selection Area	71,804	100%
Employed and Living in the Selection Area	9,770	14%
Employed in the Selection Area but Living Outside	62,034	86%

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics, Rancho Cucamonga, California, 2015

Table C-3 (page 1 of 2)
General Fund Recurring Revenues
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Revenue Category	Fiscal Year 2018/19 Preliminary Budget	One-Time Development Processing Revenue ¹	Revenues Not Projected in Fiscal Analysis ²	Revenues Projected in Fiscal Analysis
<u>Taxes</u>				
Property Taxes	\$5,896,520	\$0	\$0	\$5,896,520
Property Transfer Tax	1,085,230	0	0	1,085,230
Property Tax In-Lieu of Vehicle License Fees (VLF)	19,135,120	0	0	19,135,120
Property Tax - Post RDA Res Blc	2,041,430	0	2,041,430	0
Sales and Use Tax	30,400,000	0	0	30,400,000
Proposition 172 - Half Cent Sales Tax	554,480	0	0	554,480
Transient Occupancy Tax	4,505,800	0	4,505,800	0
Admissions Tax	6,050	0	6,050	0
Franchise Fee - Gas and Electric	2,532,790	0	0	2,532,790
Franchise Fee - Residential Refuse	1,070,210	0	1,070,210	0
Franchise Fee - Commercial Refuse	1,536,870	0	0	1,536,870
Franchise Fee - Cable	1,523,730	0	1,523,730	0
Franchise Fee - Towing Services	300,000	0	0	300,000
<i>Subtotal Taxes</i>	<i>\$70,588,230</i>	<i>\$0</i>	<i>\$9,147,220</i>	<i>\$61,441,010</i>
<u>Licenses and Permits</u>				
Business Licenses and Penalties	\$2,717,200	\$0	\$0	\$2,717,200
Building Permits (including SB1473)	1,260,850	1,260,850	0	0
Mobile Home Permit	6,160	6,160	0	0
Animal Licenses	313,230	0	313,230	0
Parking Permits	250	250	0	0
Other Licenses and Permits	460	460	0	0
<i>Subtotal Licenses and Permits</i>	<i>\$4,298,150</i>	<i>\$1,267,720</i>	<i>\$313,230</i>	<i>\$2,717,200</i>
<u>Fines and Forfeitures</u>				
Vehicle Code Fines	\$0	\$0	\$0	\$0
Parking Citations	459,470	0	0	459,470
Vehicle Release Fees	266,700	0	0	266,700
Citation Proof of Corrected Fees	5,500	0	0	5,500
General Ordinance Fines	194,390	0	0	194,390
False Alarm Fees	68,060	0	0	68,060
Loud Party Ordinance Fine	0	0	0	0
Other Fines and Forfeitures	89,390	0	0	89,390
<i>Subtotal Fines and Forfeitures</i>	<i>\$1,083,510</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,083,510</i>
<u>Use of Money & Property</u>				
Interest Earnings	\$445,270	\$0	\$0	\$445,270
Other Rental /Lease Income	26,930	0	26,930	0
Sale of Fixed Assets	50,070	0	50,070	0
<i>Subtotal Use of Money & Property</i>	<i>\$522,270</i>	<i>\$0</i>	<i>\$77,000</i>	<i>\$445,270</i>
<u>Charges For Services</u>				
Plan Check Fees	\$1,030,000	\$1,030,000	\$0	\$0
Planning Fees	750,000	750,000	0	0
Planning - Special Service Fee	220,000	220,000	0	0
Engineering Fees	800,000	800,000	0	0
Engineering - Special Services	0	0	0	0
Sports Lighting Fees	590	0	590	0
Fingerprinting Fees	19,530	0	19,530	0
Candidates Filing Fees	22,000	0	22,000	0
Returned Item Charge	430	0	430	0
Sale of Printed Materials	6,150	0	6,150	0

Table C-3 (page 2 of 2)
General Fund Recurring Revenues
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Revenue Category	Fiscal Year 2018/19 Preliminary Budget	One-Time Development Processing Revenue ¹	Revenues Not Projected in Fiscal Analysis ²	Revenues Projected in Fiscal Analysis
Animal Adoption Fees	130,000	0	130,000	0
Animal Spay/Neuter Fees	17,000	0	17,000	0
Animal Boarding Fees	11,000	0	11,000	0
Animal Impound Fees	21,000	0	21,000	0
Owner Surrender Fees	15,000	0	15,000	0
Micro Chipping Fee	7,500	0	7,500	0
Vaccination Services	<u>6,500</u>	<u>0</u>	<u>6,500</u>	<u>0</u>
<i>Subtotal Charges for Current Services</i>	<i>\$3,056,700</i>	<i>\$2,800,000</i>	<i>\$256,700</i>	<i>\$0</i>
<u>Intergovernmental</u>				
Motor Vehicle In Lieu Fees	\$94,310	\$0	\$94,310	\$0
Homeowners Property Tax Relief	<u>79,300</u>	<u>0</u>	<u>79,300</u>	<u>0</u>
<i>Subtotal Intergovernmental</i>	<i>\$173,610</i>	<i>\$0</i>	<i>\$173,610</i>	<i>\$0</i>
<u>Other Revenue</u>				
Other Revenue	\$775,060	\$0	\$0	\$775,060
Contributions/Fundraising	86,660	0	0	86,660
Reimbursements from Other Funds	910,670	0	0	910,670
State Mandated Reimbursements	63,820	0	63,820	0
Non-Abated Reimbursements	146,750	0	146,750	0
Bad Debt Recovery	1,610	0	1,610	0
RDASA Administration Allowance	361,830	0	361,830	0
Housing SA Administration Allowance	<u>200,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>
<i>Subtotal Other Revenue</i>	<i>\$2,546,400</i>	<i>\$0</i>	<i>\$774,010</i>	<i>\$1,772,390</i>
<u>Transfers In</u>				
Transfers In - Fund 006 (Cucamonga Valley Water District)	\$71,850	\$0	\$71,850	\$0
Transfers In - Fund 188 (Integrated Waste Management)	188,420	0	188,420	0
Transfers In - Municipal Utility	<u>1,390,260</u>	<u>0</u>	<u>0</u>	<u>1,390,260</u>
<i>Subtotal Transfers In</i>	<i>\$1,650,530</i>	<i>\$0</i>	<i>\$260,270</i>	<i>\$1,390,260</i>
General Fund Total	\$83,919,400	\$4,067,720	\$11,002,040	\$68,849,640

Note: 1 Development-related one-time processing fee revenues are deducted from projected departmental costs for development services and engineering.

2. Revenues not impacted by the project and certain revenues, such as fixed payments and grants, are not projected in the fiscal analysis. Also, per capita revenues are not projected because residential uses are not planned for the project.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, Fiscal Year 2018/19 Preliminary Budget

Table C-4
Current Tax Rate Area (TRA) Allocations
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

Agency Code	Agency ¹	TRA 15051
AB01 GA01	San Bernardino County General Fund	0.1438
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.2177
BF01 GA01	Flood Control Zone 1	0.0253
BF07 GA01	Flood Control District, Administration, 1 & 2	0.0018
BS01 GA01	County Superintendent of Schools, Countywide	0.0049
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.0019
BS01 GA04	County Superintendent of Schools, Mentally Handicapped	0.0016
BS01 GA05	County Superintendent of Schools, Development Center	0.0005
CC24 GA01	City of Rancho Cucamonga	0.0495
CS24 GA01	Rancho Cucamonga Fire District	0.1209
SC16 GA01	Chaffey Community College	0.0416
SE22 GA01	Cucamonga Elementary School District	0.1842
SH16 GA01	Chaffey Joint Union High School District	0.1517
WR04 GL01	Inland Empire Joint Resource Conservation District	0.0016
WT09 GL01	Chino Basin Water Conservation District	0.0096
WU08 GA03	Inland Empire Utilities Agency, MID-VLY	0.0149
WU08 GA05	Inland Empire Utilities Agency, IMP C	<u>0.0283</u>
	Total	1.0000

1. Property tax allocations to the City General Fund and the Rancho Cucamonga Fire Protection District are highlighted in bold.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, *Property Tax Allocation, Report PI739DYL, Roll Year 2017*

Table C-5
Estimated Annual Residential Turnover
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

City of Rancho Cucamonga	Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	34,353	
Moved in 2015 or later	670	
Moved in 2010 to 2014	7,074	
Moved in 2000 to 2009	<u>13,152</u>	
Total Moved 2000 to 2010 or Later	20,896	
Annual Turnover Rate: 2000 to 2016 ¹	1,229	4%

Note: 1. The annual turnover rate is based on the assumption of seventeen years for the 2000 to 2016 period. Because the proposed office/warehouse building will be owner occupied, no turnover is estimated for the project.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, *2012-2016 American Community Survey, 5-Year Estimates, Table B25038*

Table C-6
Estimated Property Tax In Lieu Vehicle License Fees (VLF) Factor
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Fiscal Year	Property Tax In-Lieu of VLF ¹	Assessed Valuation (AV) ²	VLF per \$1,000,000 AV ³
2013	\$14,806,232	\$20,190,842,584	\$730
2014	\$15,846,849	\$21,615,852,460	\$730
2015	\$16,638,217	\$22,690,238,812	\$730
2016	\$17,227,705	\$23,499,672,697	\$730
2017	\$18,033,960	\$24,938,308,753	\$720
Average			\$730

1. The property tax in lieu VLF amounts are from the City budget documents cited below.
2. Assessed valuation amounts are from the County Assessor Office assessment rolls, as cited below.
3. Estimated VLF per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, *Fiscal Year 2014/15 Adopted Budget, Fiscal Year 2015/16 Adopted Budget,*
Fiscal Year 2016/17 Adopted Budget, Fiscal Year 2018/19 Preliminary Budget
San Bernardino County, Office of Assessor, *2013 - 2017 Assessment Rolls, City of Rancho Cucamonga*

Table C-7
Calculation of Use Tax Factor
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga

Rancho Cucamonga	Amount
<u>Use Tax</u>	
County Pool	\$3,348,295
State Pool	<u>12,399</u>
Total Use Tax	\$3,360,694
<i>divided by</i>	
<u>Point-of-Sale Sales Tax</u>	\$27,220,395
<i>equals</i>	
Use Tax Rate ¹	12.3%

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

Sources: Stanley R. Hoffman Associates, Inc.

The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2017*

Table C-8
Gas Tax, Recreation and Library Recurring Revenues ¹
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Revenue Category	Fiscal Year 2018/19 Preliminary Budget	Revenues Not Projected in Fiscal Analysis ¹	Revenues Projected in Fiscal Analysis
<u>Gas Tax Fund</u>			
Section 2105-Proposition 111	\$1,020,910	\$1,020,910	\$0
Section 2106	608,490	608,490	0
Section 2107	1,266,640	1,266,640	0
Section 2107.5	10,000	10,000	0
R&T 7360	1,359,480	1,359,480	0
State GF Loan Repayment-HUTA	201,590	201,590	0
Interest Earnings	<u>122,670</u>	<u>122,670</u>	<u>0</u>
<i>Total State Gas Tax</i>	<i>\$4,589,780</i>	<i>\$4,589,780</i>	<i>\$0</i>
<u>250 - Recreation Services</u>			
Interest Earnings	\$35,040	\$35,040	\$0
Other Rental/Lease Income	727,500	727,500	0
Recreation Fees	2,013,850	2,013,850	0
Sale of Taxable Items	26,000	26,000	0
Ticket Sales	55,570	55,570	0
Advertising Revenue	2,500	2,500	0
Other Revenue	186,630	186,630	0
Contributions/Fundraising	116,690	116,690	0
Non-Abated Reimbursements	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Recreation Services</i>	<i>\$3,163,780</i>	<i>\$3,163,780</i>	<i>\$0</i>
<u>290 - Library Fund</u>			
Taxes	\$4,440,520	\$0	\$4,440,520
Fines and Fees	0	0	0
Interest Earnings	67,460	67,460	0
Rentals/Lease Income	2,000	2,000	0
Charges for Services	218,600	218,600	0
Grant Income	25,000	25,000	0
Other	<u>348,070</u>	<u>348,070</u>	<u>0</u>
<i>Total Library Fund</i>	<i>\$5,101,650</i>	<i>\$661,130</i>	<i>\$4,440,520</i>

1. Revenues not impacted by the project and certain revenues, such as fixed payments and grants, are not projected in the fiscal analysis. Also, per capita revenues are not projected because residential uses are not planned for the project.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

Table C-9
Rancho Cucamonga Fire Protection District Recurring Revenues
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Revenue Category	Fiscal Year 2018/19 Adopted Budget	Revenues Not Projected in Fiscal Analysis ¹	Revenues Projected in Fiscal Analysis
<u>281 - Fire Fund</u>			
Taxes	\$25,159,940	\$0	\$25,159,940
Licenses and Permits	16,500	0	16,500
Fines and Forfeitures	74,000	0	74,000
Interest Earnings	404,510	0	404,510
Rental/Lease Income	97,890	0	97,890
Charges for Services	3,320	0	3,320
Other	1,551,320	845,250	706,070
Transfer In	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund 281	\$27,307,480	\$845,250	\$26,462,230
<u>282 - Community Facilities District 85-1</u>			
Taxes	\$6,056,100	\$6,056,100	\$0
Use of Money and Property	39,820	39,820	0
Charges for Services	0	0	0
Transfer In-Fire Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund 282	\$6,095,920	\$6,095,920	\$0
<u>283 - Community Facilities District 88-1</u>			
Taxes	\$1,240,760	\$1,240,760	\$0
Use of Money and Property	0	0	0
Charges for Services	0	0	0
Transfer In-Fire Fund	<u>1,205,190</u>	<u>1,205,190</u>	<u>0</u>
Total Fund 283	\$2,445,950	\$2,445,950	\$0
Fire Protection District Total	\$35,849,350	\$9,387,120	\$26,462,230

1. Fire Protection Capital Fund revenues included in the City Budget in the Other category of the Fire Fund are not projected. Also, Community Facility District (CFD) 85-1 and CFD 88-1 revenues are not projected because the proposed project is not located within the boundaries of these CFDs.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

Table C-10
Net Building and Safety, Engineering and Planning Cost Factors
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Category	Amount
A. Building and Safety and Community Improvement Net Costs	
<u>FY 2018/19 Building and Safety and Community Improvement Costs</u>	
Building and Safety	\$1,892,240
Community Improvement	<u>\$721,650</u>
Total FY 2018/19 Building and Safety and Community Improvement Costs	\$2,613,890
	<i>minus</i>
<u>One-Time Development Processing Licenses and Permits</u>	
Building Permits (including SB1473)	\$1,260,850
Mobile Home Permit	6,160
Parking Permits	250
Other Licenses and Permits	<u>460</u>
Total One-Time Development Processing Licenses and Permits	\$1,267,720
	<i>equals</i>
<u>Recurring Net Building and Safety and Community Improvement Costs</u>	\$1,346,170
	<i>divided by</i>
<u>City Developed Acres</u>	12,990
	<i>equals</i>
Net Building and Safety and Community Improvement Costs per Developed Acre	\$103.63
B. Engineering Net Costs	
<u>FY 2018/19 Engineering Cost</u>	
	\$2,509,100
	<i>minus</i>
<u>One-Time Development Processing Charges for Services</u>	
Engineering Fees	\$800,000
Engineering - Special Services	<u>0</u>
Total One-Time Development Processing Charges for Services	\$800,000
	<i>equals</i>
<u>Recurring Net Engineering Costs</u>	\$1,709,100
	<i>divided by</i>
<u>City Developed Acres</u>	12,990
	<i>equals</i>
Net Engineering Costs per Developed Acre	\$131.57
C. Planning Net Costs	
<u>FY 2018/19 Planning and Planning Commission Costs</u>	
	\$1,656,030
	<i>minus</i>
<u>One-Time Development Processing Charges for Services</u>	
Plan Check Fees	\$1,030,000
Planning Fees	750,000
Planning - Special Services	<u>220,000</u>
Total One-Time Development Processing Charges for Services	\$2,000,000
	<i>equals</i>
<u>Recurring Net Planning and Planning Commission Costs</u>	(\$343,970)
	<i>divided by</i>
<u>City Developed Acres</u>	12,990
	<i>equals</i>
Net Planning and Planning Commission Costs per Developed Acre	(\$26.48)

Sources: Stanley R. Hoffman Associates, Inc.
City of Rancho Cucamonga, Fiscal Year 2018/19 Preliminary Budget

Table C-11
Recreation and Library Recurring Costs
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Cost Category	Fiscal Year 2018/19 Preliminary Budget	Costs Not Projected in Fiscal Analysis ¹	Costs Projected in Fiscal Analysis
<u>250 - Recreation Services</u>			
Personnel Services	\$2,503,990	\$2,503,990	\$0
Operations and Maintenance	\$354,360	354,360	0
Contract Services	\$732,140	732,140	0
Administrative/Overhead	<u>\$41,010</u>	<u>41,010</u>	<u>0</u>
<i>Total Recreation Services</i>	<i>\$3,631,500</i>	<i>\$3,631,500</i>	<i>\$0</i>
<u>290 - Library Fund</u>			
Personnel Services	\$2,625,830	\$2,625,830	\$0
Operations and Maintenance	2,400,610	2,400,610	0
Capital Outlay	98,000	98,000	0
Debt Service	1,790	1,790	0
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Library Fund</i>	<i>\$5,126,230</i>	<i>\$5,126,230</i>	<i>\$0</i>

1. Costs for recreation and library services are projected based on population growth. Therefore, these costs are not projected because there is no residential development in the project.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

Table C-12
Rancho Cucamonga Fire Protection District Recurring Costs
Scheu Distribution Center Fiscal Impact Analysis
City of Rancho Cucamonga
(In Constant 2018 Dollars)

Cost Category	Fiscal Year 2018/19 Preliminary Budget
<u>281 - Fire Fund</u>	
Personnel Services	\$19,489,380
Operations and Maintenance	6,212,250
Debt Service	400,660
Transfer Out	<u>1,205,190</u>
<i>Total Fund 281</i>	<i>\$27,307,480</i>
<u>282 - Community Facilities District 85-1</u>	
Personnel Services	\$5,323,730
Operations and Maintenance	<u>742,140</u>
<i>Total Fund 282</i>	<i>\$6,065,870</i>
<u>283 - Community Facilities District 88-1¹</u>	
Personnel Services	\$2,217,280
Operations and Maintenance	<u>228,660</u>
<i>Total Fund 283</i>	<i>\$2,445,940</i>
Fire Protection District Total	\$35,819,290

1. While the proposed project is not located in Community Facilities District (CFD) 85-1 and CFD 88-1, the total citywide costs of \$35,819,290 are assumed to represent the average fire protection cost per new service population. Fund 281 represents about 76 percent of the total revenues and costs for the District. Fund 281 receives the property tax allocation of the basic one percent levy, and can transfer revenues to Funds 282 and 283 for unmet costs.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rancho Cucamonga, *Fiscal Year 2018/19 Preliminary Budget*

APPENDIX D PROJECT REFERENCES

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