

**Alameda Point**  
**Fiscal Impact Analysis**  
*DRAFT Report*

**November 20, 2013**



*Oakland Office:*  
1939 Harrison Street, Suite 430  
Oakland, CA 94612

Exhibit 1

This page intentionally left blank.

# Table of Contents

---

- Table of Contents ..... iii
- I. Introduction ..... 1
- II. Development Description ..... 4
- III. Overview of Methodology ..... 5
  - Project Demographics ..... 5
  - Estimated Assessed Value ..... 6
- IV. Estimated Revenues ..... 7
  - General Fund Revenues ..... 9
    - Property Tax ..... 9
    - Property Tax In-Lieu of Vehicle License Fee (VLF) ..... 9
    - Property Transfer Tax ..... 9
    - Sales Tax ..... 9
    - Utility Users Tax ..... 10
  - Non General Fund Revenues ..... 10
    - Gas Tax (Fund 211) ..... 10
    - Alameda County Measure B (Fund 215) ..... 10
    - Urban Runoff (Fund 351) ..... 10
    - A-17 Sewer Service Fee (Fund 602) ..... 11
    - Library Fund (Fund 210) ..... 11
- Estimated Revenues ..... 11
- V. Estimated Expenditures ..... 13
  - Fire ..... 13
  - Police ..... 14
  - Public Works ..... 14
  - Parks and Recreation ..... 15
  - Library ..... 15
  - General Government ..... 15
  - Planning and Building Services ..... 15
  - Estimated Expenditures ..... 15
- VI. Phasing and Mitigation ..... 16

VII. Sensitivity Analysis ..... 17

Supporting Tables ..... 18

## I. Introduction

This fiscal impact analysis estimates the net fiscal change to the various funds of the City of Alameda upon full build out of the proposed redevelopment of the Alameda Point according to the 1996 Community Reuse Plan (“Reuse Plan”). Willdan Financial Services (Willdan) evaluated the impact of the project on several of the City’s operating funds, including:

- The City’s General Fund;
- Urban Runoff (Fund 351);
- A-17 Sewer Service Fee (Fund 602);
- Gas Tax fund (Fund 211);
- Alameda County Measure B (Fund 215); and
- Library Fund (Fund 210).

The General Fund is the major source of discretionary spending for key services, such as public works, fire, police, and parks. The other funds are included in the analysis because they are impacted by population and employment growth at Alameda Point or because they provide dedicated revenues to fund services required by growth at Alameda Point.

The estimated net fiscal impact from the redevelopment of Alameda Point on the City of Alameda is presented in Table A. A breakdown of revenues and expenditures generated by the project at build-out is provided in Table B and Table C, respectively.

**Table A – City of Alameda Net Fiscal Impact**

	<b>Annual Impact at Build-out</b>
<b>General Fund Revenues<sup>1</sup></b>	
Revenues	\$11,031,000
Expenditures	\$7,438,000
<b>Net Impact</b>	<u>\$3,593,000</u>
<b>Public Works</b>	
Revenues <sup>2</sup>	\$1,947,000
Expenditures	\$3,053,000
<b>Net Impact</b>	<u>(\$1,106,000)</u>
<b>Library</b>	
Revenues <sup>3</sup>	\$385,000
Expenditures	\$83,000
<b>Net Impact</b>	<u>\$302,000</u>
<b>Total</b>	
<b>Revenues</b>	<b>\$13,363,000</b>
<b>Expenditures</b>	<b>\$10,574,000</b>
<b>Net Impact</b>	<b><u>\$2,789,000</u></b>

Figures are rounded to the nearest \$1,000. Figures may not add up due to rounding.

<sup>1</sup> See Table B and Table H for details.

<sup>2</sup> Includes revenues from City Sewer Service fees, Urban Runoff Fund, Gas Tax, and Alameda County Measure B.

<sup>3</sup> Library Taxes

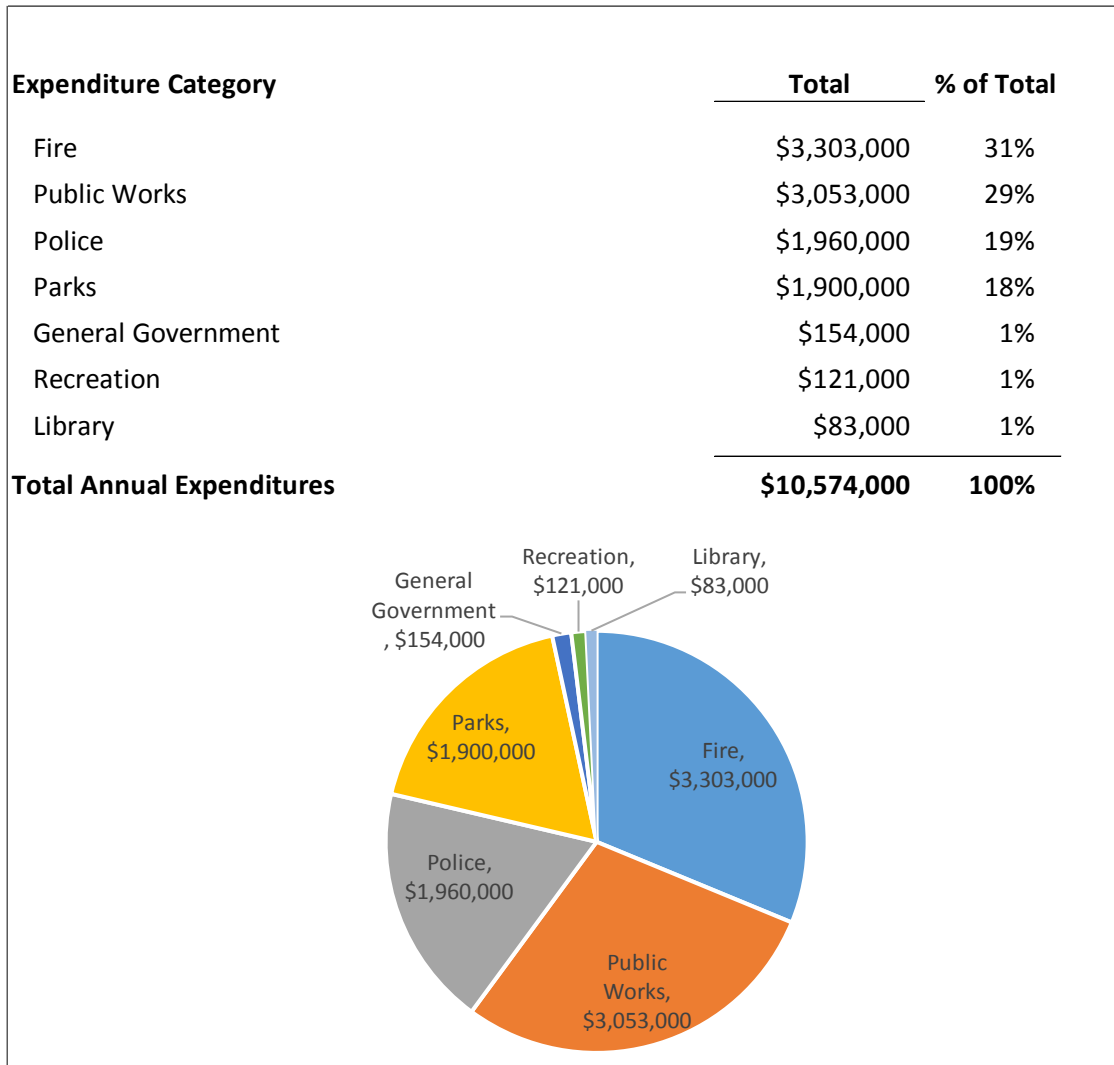
**Table B – Estimated Annual Revenues by Revenue Source**

	<b>Annual Impact at Build-out</b>	<b>% of Total</b>
<b>General Fund Revenues</b>		
1% Property Tax	\$5,601,000	42%
Property Tax In-Lieu of MVLF	\$1,451,000	11%
Transfer Tax	\$1,302,000	10%
Utility Users Tax	\$1,067,000	8%
Sales Tax	\$959,000	7%
Business License Tax	\$530,000	4%
Franchise Fees	\$121,000	1%
<b>Total Annual Revenues</b>	<b>\$11,031,000</b>	<b>83%</b>
<b>Other Fund Revenues</b>		
City Sewer Service Fees	\$1,451,000	11%
Library Taxes	\$385,000	3%
Urban Runoff Fund	\$338,000	3%
Gas Tax	\$81,000	1%
County Measure B	\$77,000	1%
<b>Total Annual 'Other Fund' Revenues</b>	<b>\$2,332,000</b>	<b>17%</b>
<b>Total Annual Build-Out Revenues</b>	<b>\$13,363,000</b>	<b>100%</b>

Figures are rounded to the nearest \$1,000. Figures may not add up due to rounding.

<sup>1</sup> See Table G for assumptions and Table H for calculations.

**Table C – Estimated Annual Expenditures by Department**



Figures are rounded to the nearest \$1,000. Figures may not add up due to rounding.

<sup>1</sup> See Table I for assumptions and Table J for calculations.

## **II. Development Description**

This analysis evaluates the impacts of the Reuse Plan. A summary of the development proposed under the Reuse Plan is provided on Table D.



**Table D – Proposed Development <sup>1</sup>**

<b>Residential Units</b>	<b>Total</b>
Units	1,425
<b>Commercial Space Sq. Ft.</b>	
Office	1,627,500
Manufacturing/Warehouse	3,060,500
Retail	300,000
Service	512,000
	<u>5,500,000</u>

<sup>1</sup> Based on Reuse Plan.

### **III. Overview of Methodology**

This section details the underlying methodology used to estimate the fiscal impact of the Reuse Plan on City of Alameda. This analysis uses a combination of techniques to estimate the increases in revenues and expenditures. Where possible, the increases in revenues and expenditures are modeled following the manner in which they are collected and allocated, referred to as the case study methodology. For example, increases in property tax revenues are based on an estimate of the increase in assessed valuation associated with a given project component. In other cases, where this type of detailed modeling is not possible due to lack of adequate data, Willdan utilized revenue and expenditure multipliers that represent the current average per service population. Generally, this methodology presents a reasonably conservative analysis of the potential fiscal impacts of the proposed development.

The sources of revenue included in the analysis are property tax in-lieu of motor vehicle license fees, property transfer tax, 1% property tax, business license tax, utility users tax, sales tax, franchise fees, fines and forfeitures, City sewer service fees, urban runoff fees, library taxes, gas tax fund, and Alameda County Measure B tax revenues. The expenditures included in the analysis are: the Fire Department, Police, Public Works, Parks and Recreation, and Library.

The net marginal tax revenue and service cost impacts of the Reuse Plan at Alameda Point have been estimated on an on-going annual basis. All results of the analysis are presented in current dollars, rather than inflated to a future nominal value.

### **Project Demographics**

As described above, in order to estimate some of revenues and expenditures generated by the project, Willdan utilized revenue and expenditure multipliers that represent the current average per service population. In order to apply these multipliers, it is necessary to estimate the number of persons served upon full build-out according to the Reuse Plan.

The estimated number of persons served includes new residents and employees anticipated at Alameda Point at build-out. Resident projections are calculated assuming a factor of 2.27 persons-per-household. Employee estimates are based on average of 1.62 employees per 1,000 square feet of commercial uses. Willdan assumes that each employee has approximately one-half (0.50) the impact of a resident on the cost of providing certain municipal services. Therefore, depending on the service, the total number of persons served could be equal to the on-site residential population plus 0.50 the on-site employee population. The fiscal analysis uses this “total persons served” figure to estimate certain municipal service revenue and cost increases. Estimated persons served at build-out is presented in Table E.

**Table E – Estimated Population and Employment at Build-Out**

<b>Residents</b>	<b>Residents per Unit <sup>1</sup></b>	<b>Total</b>
Units	2.27	3,240
	<b>Empl. Per 1,000 sq. ft. <sup>1</sup></b>	<b>Total</b>
<b>Commercial Employees</b>		
Office	1.62	2,636
Manufacturing/Warehouse	1.62	4,957
Retail	1.62	486
Service	1.62	829
	1.62	8,909
	<b>Empl. Per Res. <sup>1</sup></b>	<b>Total</b>
<b>Commercial Resident Equivalents</b>		
Office	0.5	1,318
Manufacturing/Warehouse	0.5	2,479
Retail	0.5	243
Service	0.5	415
		4,455
<b>Total Daytime Population <sup>2</sup></b>		<b>12,149</b>
<b>Total Resident Equivalent Population</b>		<b>7,695</b>

<sup>1</sup> Willdan Financial Services.

<sup>2</sup> Daytime population is the total number of residents plus the total number of employees.

### Estimated Assessed Value

Some of the estimated revenues, such as property taxes and property transfer tax, are based on the estimated net increase in assessed value associated with the implementation of the Reuse Plan. Table F presents the estimated assessed value of the project at build-out.

**Table F – Estimated Assessed Value at Build-Out**

<b>Residential Units</b>	<b>Est. Assessed Value</b>	
	<b>per Unit <sup>1</sup></b>	<b>Total</b>
Units	\$365,332	\$407,164,706
<b>Commercial Space</b>		
Office	\$325	\$528,937,500
Manufacturing/Warehouse	\$325	\$994,662,500
Retail	\$325	\$97,500,000
Service	\$325	\$166,400,000
Subtotal		\$1,787,500,000
<b>Total Assessed Valuation</b>		<b><u>\$2,194,664,706</u></b>

<sup>1</sup> Willdan Financial Services. It is assumed that the affordable units will be tax-exempt.

#### **IV. Estimated Revenues**

As discussed above, it is estimated that Alameda Point will generate \$13.4 million in government revenues per year at build-out. This figure includes revenue from multiple sources. A listing of all revenue sources included in the analysis is shown above in Table B. Table G provides details on the estimating factors for each of the revenue sources included in the model. A brief description of each revenue source is provided below.

**Table G – Revenue Estimating Factors**

<b>General Fund Revenues</b>	<b>Factor or Assumptions</b>
1% Property Tax Split	25.52% City share <sup>1</sup>
Property Tax In-Lieu of MVLF	5,895,000 2012-13 property tax in-lieu of MVLF <sup>2</sup> 8,916,551,434 2013 Assessed Value <sup>1</sup> \$0.66 MVLF per \$1,000 AV
Transfer Tax <sup>3</sup>	\$12.00 per \$1,000 AV 4.70% annual residential turnover 5.00% annual commercial turnover
Sales Tax	
from new residents' expenditures	\$64.44 per resident <sup>2</sup>
from new retail space <sup>4</sup>	\$250.00 per square foot 1.00% City's Sales Tax share
Utility Users Tax	\$87.78 per daytime pop. <sup>2</sup>
Franchise Fees	\$37.36 per resident <sup>2</sup>
Business License Tax	\$59.55 per employee <sup>2</sup>
<b>Other Fund Revenues</b>	
Alameda County Measure B	\$23.77 per resident <sup>2</sup>
Gas Tax	\$25.11 per resident <sup>2</sup>
Urban Runoff Fund <sup>1</sup>	\$56.15 per equivalent residential unit  1.00 ERUs per single family residential unit 1.50 ERUs per multi-family residential unit  3,938 commercial ERUs
City Sewer Services Fund <sup>1</sup>	\$273.00 per equivalent dwelling unit (single family) \$245.76 per equivalent dwelling unit (comm and multi fam.)  1.00 EDUs per residential unit 0.75 EDUs per 1,000sf office commercial 0.40 EDUs per 1,000sf retail commercial
Library Fund <sup>3</sup>	\$0.0175 per \$100 AV

<sup>1</sup> HdL Coren & Cone, 2012/13 Property Tax Summary City of Alameda. Assessed Value for 2013 Excludes non-unitary utilities and unsecured roll.

<sup>2</sup> Based on 2012/13 Proposed Budget. See Supporting Table 1.

<sup>3</sup> Per Alameda Point Public Services Analysis, EPS, June 2010; and the Alameda Point Fiscal Impact Analysis for the 2003 General Plan conducted by Keyser Marston Associates in 2011

<sup>4</sup> Willdan Financial Services.

## General Fund Revenues

### Property Tax

The property taxes the City will receive from the project are derived from the total assessed value of new development in Alameda Point and the City's property tax allocation share of the one percent ad valorem property tax. According to HdL Coren & Cone, on average, the City of Alameda receives 25.52% of the one percent ad valorem property tax.<sup>1</sup> The City is also pursuing the possibility of using an Infrastructure Financing District (IFD) to fund a portion of the infrastructure required for development of the Reuse Plan. An IFD would use a portion of the property tax revenues generated to fund debt service on infrastructure bonds. Any resulting fiscal deficit from establishment of an IFD would be mitigated through a services financing district, such as a Community Facilities District (CFD).

### Property Tax In-Lieu of Vehicle License Fee (VLF)

As a part of the State Budget Act of 2004, the California State Legislature cut the backfill to cities and counties for reductions in the VLF and in return gave cities and counties additional property tax revenue. This revenue swap is described in detail in "The VLF for Property Tax Swap of 2004: Facts for Local Officials".<sup>2</sup> Revenue and Taxation Code Section (c)(1)(B)(i) specifies that in FY05-06 and beyond, the VLF Adjustment Amount for each city and county is to grow in proportion to the growth of gross assessed valuation in that jurisdiction from the prior year.

### Property Transfer Tax

Property transfer tax is based on the assessed value of the development's land uses and the anticipated turnover rate of properties over time. This fiscal impact analysis is based on the assumption that the project's residential units will turn over approximately once every 21 years (4.70 percent per year) while commercial property will turn over once every 20 years (5.0 percent per year) while. The City receives a property transfer tax of \$12.00 per \$1,000 of transferred value upon sale of property.

### Sales Tax

Sales tax of one (1) percent goes to the City. Willdan assumes that the project will generate new retail sales tax due to expenditures from new residents as well as new retail square footage. The average per resident is based on the City's projected sales tax revenues reported in the budget for fiscal year 2012-13. The sales per square foot factor for new retail, is estimated by Willdan based on market trends. Willdan also assumes that commercial development will not generate any sales tax from b2b (business to business) sales.

### Business licenses

This is an annual tax levied upon all businesses operating within the City. The estimates from the Project are based on Citywide average per employee.

---

<sup>1</sup> HdL Coren & Cone, 2012/13 Property Tax Summary, City of Alameda. The 25.52% estimate is net of state mandated contributions to the Educational Revenue Augmentation fund (ERAF).

<sup>2</sup> [www.californiacityfinance.com/VLFswapNtakeFAQ.pdf](http://www.californiacityfinance.com/VLFswapNtakeFAQ.pdf).

## **Franchise Fees**

Franchise fees are received by the City from utility providers serving the community, including Alameda Municipal Power (AMP). These companies pay the City a franchise fee based on a percentage of their revenue earned within the City limits. These fees serve as compensation for, among other things, wear and tear on City streets. Franchise fees can change, among other things, when the customer base expands, when additional services are used, or when rates change.

The estimated Franchise Fee increase related to the Project is based on a Citywide average per resident. Franchise fee revenues from AMP are excluded from the analysis.

## **Utility Users Tax**

Utility users tax is 7.5 percent of utility bills for utility users (residential and/or commercial) within the City. Water service is excluded from the tax. The estimates from the Project are based on Citywide averages per daytime population (i.e., total residents and workers).

## **Non General Fund Revenues**

### **Gas Tax (Fund 211)**

The City is allocated a portion of gas tax revenue for the design and engineering activities related to street improvements. The estimates from the Project are based on Citywide average per resident.

### **Alameda County Measure B (Fund 215)**

The City of Alameda receives a share of the County's proceeds of a one-half cent sales tax increase approved by Alameda County voters in 2000. Measure B funds are used for capital projects, such as resurfacing, sidewalks, and traffic signal upgrades, as well as Paratransit service and bicycle and pedestrian improvements. Funds are also used to maintain street infrastructure (e.g. pothole patching, controller replacement, signal pole painting, etc.).

The City's share of Alameda County Measure B is based on a variety of complex formulas depending on the type of funding granted. For example, local streets and roads funding is allocated on a combination of population and road miles. The estimates from the Project are based on Citywide average per resident.

### **Urban Runoff (Fund 351)**

The Urban Runoff Fund accounts for revenues from the Storm Water Fee used for expenditures associated with the City's Clean Water Program, which is designed to mitigate the effects of pollution entering the City's storm water system. The City currently uses the funds to perform drainage maintenance and street sweeping, as well as ongoing capital repair.

The Fee is based on the amount of pollution that the City estimates enters the municipal storm water system as a result of the installation or maintenance of impervious surfaces. The current Storm Water Fee is \$56.15 per Equivalent Residential Unit (ERU).

### **A-17 Sewer Service Fee (Fund 602)**

The fund accounts for revenues and expenditures related to the operation of the municipal sewer system including operations, maintenance, capital financing, debt service, billing, and collections. Revenues are generated from Sewer Service Fees, which are currently \$273.00 per Equivalent Dwelling Unit (EDU).

### **Library Fund (Fund 210)**

The fund receives a special tax of \$0.0175 per \$100 in assessed value to support operation of the City's branch library system, including staff, collections, and facility maintenance.

### **Estimated Revenues**

The factors described above are used to estimate the revenues that will be generated by the project upon build-out. Table H presents the calculations for estimating these revenues.

**Table H – Annual Revenue Projections at Build-Out**

			<u>Total</u>
		Residents <sup>1</sup>	3,240
		Employees <sup>1</sup>	8,909
		Residential Assessed Value (\$1,000) <sup>2</sup>	\$407,165
		Commercial Assessed Value (\$1,000) <sup>2</sup>	\$1,787,500
		Total Assessed Value (\$1,000) <sup>2</sup>	\$2,194,665
<b>Annual General Fund Revenues<sup>3</sup></b>			
1% Property Tax	25.52% City share		\$5,600,784
Property Tax In-Lieu of MVL	\$0.66 per \$1,000 AV		\$1,450,959
Transfer Tax			
Residential	\$12 per \$1,000 AV	4.70% annual transfer	\$229,641
Commercial	\$12 per \$1,000 AV	5.00% annual transfer	\$1,072,500
			<u>\$1,302,141</u>
Sales Tax			
from new residents' expenditures	\$64.44 per resident		\$208,780
from new retail space <sup>4</sup>	\$250.00 per sf. ft. of reta	1.00% City's sales tax	\$750,000
			<u>\$958,780</u>
Utility Users Tax	\$87.78 per daytime pop.		\$1,066,386
Franchise Fees	\$37.36 per resident		\$121,059
Business License Tax	\$59.55 per employee		\$530,531
			<u>\$11,030,640</u>
<b>Other Fund Revenues</b>			
Alameda County Measure B	\$23.76 per resident		\$76,982
Gas Tax	\$25.11 per resident		\$81,365
Urban Runoff Fund	See Supporting Table 2.		\$337,620
City Sewer Service Fees	See Supporting Table 3.		\$1,451,073
Library Taxes	\$0.0175 per \$100 of AV		\$384,066
			<u>\$2,331,106</u>
<b>Total Annual General Fund and Other Fund Revenues</b>			<u><u>\$13,361,747</u></u>

<sup>1</sup> See Table E.

<sup>2</sup> See Table F.

<sup>3</sup> Revenue Assumptions per Table G.

<sup>4</sup> Assumes 300,000 sq. ft. of new retail. See Table D.



## V. Estimated Expenditures

It is estimated that Alameda Point will generate approximately \$10.6 million in expenditures per year at build-out. This figure includes expenditures for various City services. Table I provides details on the estimating factors for each of the expenditure categories included in the model. A brief description of each expenditure category is provided below.

**Table I – Expenditure Estimating Factors**

Expenditure Category	Factor or Assumptions			
<b>Fire</b>				
Costs and Offsets	\$3,302,621 annual engine company cost <sup>1</sup>			
<b>Police</b>				
Base Officers	8 build-out officers <sup>2</sup> 7,695 build-out resident equivalents 1.0 officers per 1,000 resident equivalent \$245,000 annual costs per officer			
<b>Public Works</b>				
Base Roadway Maintenance		<u>New Dev.</u>	<u>Adaptive Reuse</u>	
	\$0.65 psf	1,580,000 sf	723,000 sf	road maintenance <sup>3</sup>
	\$0.008 plf	174,000 lf	0 lf	curbs and gutters <sup>3</sup>
	\$1.00 psf	615,000 sf	0 sf	landscape maint. <sup>3</sup>
	10% of total roadway maint. \$0.50 per daytime population			sidewalks, signs, signals administrative <sup>3</sup>
Offsite Roadway Maintenance	\$0.65 psf	334,000 sf		pavement areas <sup>3</sup>
	\$0.008 plf	30,200 lf		curbs and gutters <sup>3</sup>
	\$1.00 psf	145,000 sf		landscape / sidewalk <sup>3</sup>
Existing City-Occupied Buildings	\$91,768 per year	for utilities		
	\$267,347 per year	for maintenance		
<b>Recreation</b> <sup>4</sup>	\$15.74 per resident equivalent			
<b>Parks</b> <sup>5</sup>	\$20,000 per acre	95 acres <sup>3</sup>		
<b>Library</b>	\$25.71 per resident			
<b>General Government</b> <sup>6</sup>	\$108.36 per unit			

<sup>1</sup> See Supporting Table 4.

<sup>2</sup> Police Department.

<sup>3</sup> Area dimensions provided by Carlson, Barbee & Gibson Engineering.

<sup>4</sup> Based 60% cost recovery for Parks and Recreation budget. See Supporting Table 1.

<sup>5</sup> Maintenance costs per acre provided by Alameda Recreation and Park Department.

<sup>6</sup> Based on 2012/13 Proposed Budget. General government expenses include operation and maintenance costs for the City Council, City Attorney, City Clerk, City Manager, Finance, and Human Services. See Supporting Table 2.

### Fire

Citywide, the Fire Department operates four fire stations and is also responsible for water rescue calls. Emergency Medical Services (EMS) are provided by the City from Station 2, located on Pacific Avenue at Webster Street. A fifth station, Station 5, was located at Alameda Point, but was closed because of its low level of activity. Currently Station 2 is the nearest station

to Alameda Point. The 2012/130 operating budget for the City's Fire Department is \$23.4 million.

Based on consultation with the Fire Department, the City has determined that an engine company will be required in a new station at Alameda Point. The exact timing and location of the station has not yet been determined.<sup>3</sup>

The Fire Department has provided the cost of an engine company and operation of the fire station for the Alameda Point development. In addition, the Fire Department has estimated the cost of providing staff for inspections and fire prevention. The analysis includes the revenue the department will receive from charges for inspections and from ambulance services. It is important to note that the fire station will likely be required at some point before full build out of the Reuse Plan (and therefore the full level of revenues reflected in this analysis). As a result, there may be a temporary period during the development of the Reuse Plan that the City experiences a net fiscal deficit.

## Police

Both homes and businesses in the Reuse Plan will generate calls for service from the Police Department. Willdan assumes, based on input from the Police Department, that the Alameda Point development will require approximately one (1) new officer per every 1,000 resident equivalents at a cost of \$245,000 per officer.

## Public Works

The Public Works Department maintains roads, bike lanes, traffic signals, storm sewers, and a variety of other public facilities throughout the City. The Department will have new maintenance responsibilities, and costs, with the development of the Reuse Plan, including existing facilities (such as City Hall West and storage facilities) and the new facilities that will come with development.

Public works costs in the analysis include: 1) Road Maintenance, 2) Curbs and Gutters, 3) Landscape and Maintenance, 4) Sidewalks, Signs, and Signals, and 5) Administrative costs. The total square footage and linear footage for each of these categories was estimated by Carlson, Barbee & Gibson Engineering (CBG), the City's civil engineer consultant for Alameda Point.

New infrastructure maintenance costs are estimated by applying "per square foot" or "per linear foot" costs provided by the City's Department of Public Works to the estimated square feet or linear feet of road, curb, landscaping, and other items.

The road maintenance estimate includes the measures necessary to maintain the roads at a pavement condition index (PCI) consistent with the rest of the City. This includes a schedule of slurry sealing every five years, with major reconstruction every 20 years. These costs are averaged over a 20-year period, yield a cost per square foot of \$0.65.

---

<sup>3</sup> An ambulance may be required at a later date, which would increase costs of services.

## **Parks and Recreation**

Park maintenance expenditure estimates are based on an average cost per acre of \$20,000. The total park acreage at build-out was estimated by CBG.

Recreation program expenditures are estimated based on the Parks and Recreation budget for Fiscal Year 2012-13. Expenditures are based on a per-resident equivalent basis. It is assumed that for the Reuse Plan the Department will recover 60 percent of its program costs through fees and other charges consistent with the City's current budget.

The Sports Park and Aquatic Center will be constructed as part of the overall infrastructure financing plan. Ongoing costs of operation and maintenance are assumed to be covered by fees and user charges not including any debt service payments.

## **Library**

The City's existing library facilities include the 47,500-square foot Main Library (opened in 2006), the West End Branch (3,400 square feet), and the Bay Farm Island branch (2,688 square feet). There are approximately 224,000 volumes in the library's collection, and approximately 483,000 volumes are borrowed each year. The West End branch is the closest branch to Alameda Point, but transportation options to and from Alameda Point are currently limited.

The West End Branch primarily serves residents in the western portion of the City, which is defined as all census tracts west of Constitution Way and Eighth Streets.

Willdan has calculated the per capita cost of library services in the City, and has applied this per capita cost to the projected population of the plan to estimate the cost to the Library of the new residents.

## **General Government**

General government expenses include operation and maintenance costs for the City Council, City Attorney, City Clerk, City Manager, Finance, and Human Services. The 2012/13 operating budget for general government is \$10.6 million. It is assumed that 33 percent of the costs of these programs will increase as the number of City residents increases, or \$108 per resident.

## **Planning and Building Services**

Planning and Building Services are fully funded by fees; therefore, the project is not expected to have any fiscal impact on the cost of these services.

## **Estimated Expenditures**

The factors described above are used to estimate the expenditures that will be generated by the project upon build-out. Table H presents the calculations.

**Table J – Annual Expenditure Projections at Build-Out**

				<u>Total</u>
			Residents <sup>1</sup>	3,240
			Residential Units <sup>1</sup>	1,425
			Daytime Population <sup>1</sup>	12,149
			Resident Equivalents <sup>1</sup>	7,695
<b>Annual Build-out Expenditures <sup>2</sup></b>				
Fire	\$3,302,621	annual cost for one engine company <sup>4</sup>		\$3,302,621
Police	\$245,000	per officer	8 officers	\$1,960,000
Public Works		<u>New Dev.</u>	<u>Adaptive Reuse</u>	
	\$0.65 psf	1,580,000	723,000 sf roads	\$1,496,950
	\$0.008 plf	174,000	0 lf curb/gutter	\$1,392
	\$1.00 psf	615,000	0 sf landscape	\$615,000
	10% of total roadway maintenance for others			\$211,334
	\$0.50 per daytime population for administration			\$6,075
				<u>\$2,330,751</u>
	\$0.65 psf	334,000 sf	offsite pavement	\$217,100
	\$0.008 plf	30,200 lf	of curb/gutter	\$242
	\$1.00 psf	145,000	offst landscp/sidewk	<u>\$145,000</u>
			\$362,342	
	\$91,768	per year for City-occupied bldg. utilities		\$91,768
	\$267,347	per year for City-occupied bldg. maintenance		<u>\$267,347</u>
			\$359,115	
Recreation	\$15.74	per resident equivalent		\$121,076
Parks	\$20,000	per acre	95 acres	\$1,900,000
Library	\$25.71	per resident		\$83,311
General Government	\$108.36	per unit		\$154,419
<b>Total Annual Expenditures at Build-out</b>				<b><u>\$10,573,634</u></b>

<sup>1</sup> See Table E.

<sup>2</sup> Revenue Assumptions per Table I.

<sup>3</sup> See Supporting Table 4 for additional details. Excludes costs related to 'Ambulance Crew'. Includes Cost Recovery.

## VI. Phasing and Mitigation

This analysis does not include an evaluation of the phased or annual fiscal impact of the project. It is important to note that many revenues and costs will increase smoothly with population. As development occurs the rough fiscal balance identified in this report will hold true (with the possible exception of fire service costs, discussed above). Certain costs, however, are “lumpy” and may cause the City to incur significant costs without revenue to offset it. The main example of this is the fire station and engine company, which will likely need to be operational before the Reuse Plan is fully built out.

It should also be noted that lease revenues generated at Alameda Point are currently used, in part, to offset Alameda Point's maintenance and operations costs, including certain City services. As development is implemented and revenue-generating buildings are demolished, it will be crucial that the fiscal impacts of this transition be evaluated carefully on an annual basis.

## **VII. Sensitivity Analysis**

Willdan has also examined the possibility that the Reuse Plan will include a major retail sales tax generator. This would have the effect of increasing sales tax revenues substantially, while also increasing police protection costs from the addition of two sworn officers. A major retail sales tax generator would also generate somewhat lower property tax revenues (from lower assessed value relative to office development). The net fiscal impact of the Reuse Plan with a major retail sales tax generator would be \$5.2 million annually, an increase of \$2.4 million.

Willdan has also estimated the impact of forming an IFD to fund infrastructure. Assuming that the IFD uses 80% of the property tax generated, the total property tax revenue would be reduced by approximately \$4 million. It is expected that any resulting fiscal deficit would be offset by a special tax or assessment to pay for services.

**Supporting Tables**

---

## Supporting Table 1 – City Demographic and Budget Assumptions

City of Alameda Population/Jobs		2013	
Housing Units <sup>1</sup>		32,429	
Population <sup>1</sup>		75,126	
Employees <sup>2</sup>		28,547	
Total Daytime Population		103,673	
Resident Equivalent		0.5	
Resident Equivalent Population <sup>3</sup>		89,400	
<b>General Fund Revenues</b>			
	<b>FY12-13</b>	<b>%</b>	<b>Estimating Factor</b>
	<b>Proposed Budget <sup>4</sup></b>	<b>Variable</b>	
Property Taxes /Sales Tax in Lieu	\$22,682,000		Case Study
Sales Tax	\$4,841,000	100%	\$64.44 per resident
Utility Users Tax	\$9,100,000	100%	\$87.78 per daytime pop.
Franchise Fees <sup>5</sup>	\$2,807,000	100%	\$37.36 per resident
Advanced AMP Franchise Fees <sup>5</sup>	\$1,100,000		
MVLF in Lieu	\$5,895,000		Case Study
Transfer and Transient Occ. Taxes	\$5,418,000		Not Calculated
Business License	\$1,700,000	100%	\$59.55 per employee
Departmental Revenues	\$7,062,857		Not Calculated
Cost Allocation Reimbursements	\$4,251,400		Not Calculated
Interest Return on Investments	\$1,177,400		Not Calculated
Other Revenues	\$51,000		Not Calculated
Transfers In	\$727,820		Not Calculated
Use of Reserves	\$1,064,984		Not Calculated
<b>Total General Fund Revenues</b>	<b>\$67,878,461</b>		
<b>General Fund Expenditures</b>			
	<b>FY12-13</b>	<b>%</b>	<b>Estimating Factor</b>
	<b>Proposed Budget <sup>4</sup></b>	<b>Variable</b>	
General Government			
Council	\$330,653	33%	\$3.40 per unit
Attorney	\$1,561,112	33%	\$16.05 per unit
Clerk	\$738,879	33%	\$7.59 per unit
Manager	\$2,516,537	33%	\$25.87 per unit
Finance	\$2,066,158	33%	\$21.24 per unit
Central Services	\$2,323,694	33%	\$23.65 per unit
Human Services	\$1,028,622	33%	\$10.57 per unit
Subtotal General Government	\$10,565,655		\$108.36 per unit
Non Departmental	\$1,412,852		Not Calculated
Recreation and Parks	\$3,516,844	40%	\$15.74 per res. equiv.
Fire	\$23,451,439		Case Study
Police	\$25,198,394		Case Study
Public Works	\$1,160,032		Case Study
Transfers to Other Funds	\$6,927,755		Case Study
<b>Total General Fund Expenditures</b>	<b>\$72,232,971</b>		
<b>Other Funds - REVENUES</b>			
	<b>FY12-13</b>	<b>%</b>	<b>Estimating Factor</b>
	<b>Proposed Budget <sup>4</sup></b>	<b>Variable</b>	
Alameda County Measure B	\$1,785,444	100%	\$23.77 per resident
Gas Tax	\$1,886,606	100%	\$25.11 per resident
Urban Runoff Fund	\$3,118,776	100%	Case Study
<b>Other Funds - EXPENDITURES</b>			
Library Net Program Budget	\$1,931,741	100%	\$25.71 per resident

<sup>1</sup> California State Department of Finance; Table 2: E-5 City/County Population and Housing Estimates, 1/1/2013

<sup>2</sup> Association of Bay Area Governments (ABAG) 2009 Projections. Annual growth rate derived from 2010 and 2015 job estimates to generate a 2013 estimate.

<sup>3</sup> Daytime population is the total number of residents plus the total number of employees. Resident Equivalents is the total number of residents plus the total number of employees weighted by the resident equivalent factor.

<sup>4</sup> City of Alameda - General Fund Budget Summary Fiscal Years 2010-2011 through 2013-2014.

<sup>5</sup> Franchise Fees are adjusted to exclude advance payments to be received from Alameda Municipal Power (AMP) and are for 2013-14, per Fred Marsh.

Supporting Table 2 – Urban Runoff Revenues

		<u>Total</u>
	Residential units <sup>1</sup>	1,425
	Commercial square feet <sup>1</sup>	5,500,000
 <b>Build-out Equivalent Residential Units <sup>2</sup></b>		
Single Family Residential Unit ERUs	1.00 ERUs per single family residential unit	125
Multi-Family Residential Unit ERUs	1.50 ERUs per multi-family residential unit	1,950
Commercial Square Feet ERUs <sup>3</sup>		<u>3,938</u>
		6,013
 <b>Annual Urban Runoff Revenues <sup>2</sup></b>		
Single Family Residential Unit ERUs	\$56.15 per ERU	\$7,019
Multi-Family Residential Unit ERUs	\$56.15 per ERU	\$109,493
Commercial Square Feet ERUs	\$56.15 per ERU	<u>\$221,109</u>
		\$337,620

Methodology based on Alameda Point Public Services Analysis conducted by EPS, June 2010.

<sup>1</sup> See Table D.

<sup>2</sup> Revenue Assumptions per Table G.

<sup>3</sup> Total estimated ERUs are derived from the Alameda Point Public Services Analysis conducted by EPS, June 2010. Total distributed by area based on corresponding square footage.



**Supporting Table 3 – Sewer Service Revenues**

		<b>Total</b>
	Residential units <sup>1</sup>	1,425
	Non-retail commercial square feet <sup>1</sup>	5,200,000
	Retail commercial square feet <sup>1</sup>	300,000
<b>Build-out Equivalent Dwelling Units<sup>2</sup></b>		
Single Family Residential Unit EDUs	1.00 per unit	125
Multi-Family Residential Unit EDUs	1.00 per unit	1,300
Non-retail commercial EDUs	0.75 per 1,000 sq. ft.	3,900
Retail commercial EDUs	0.40 per 1,000 sq. ft.	120
		5,445
<b>Annual City Sewer Service Fee Revenues<sup>2</sup></b>		
Single Family Residential Unit EDUs	\$273.00 per EDU	34,125
Multi-Family Residential Unit EDUs	\$245.76 per EDU	319,488
Non-retail commercial EDUs	\$273.00 per EDU	1,064,700
Retail commercial EDUs	\$273.00 per EDU	32,760
		\$1,451,073

<sup>1</sup> See Table D.

<sup>2</sup> Revenue Assumptions per Table G.

Supporting Table 4 – Alameda Fire Costs

<b><u>Personnel Services</u></b>					
<b><u>Engine Crew:</u></b>					
<b>Classification</b>	<b># FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Salary / Benefits</b>	<b>Total</b>
Captain	4	\$174,220	\$73,173	\$247,393	\$989,571
Apparatus Operator	4	\$152,934	\$64,232	\$217,166	\$868,664
Firefighter	4	\$140,459	\$58,993	\$199,452	\$797,809
					<u>\$2,656,045</u>
<b><u>Fire Prevention:</u></b>					
<b>Classification</b>	<b># FTE</b>	<b>Salary</b>	<b>Benefits</b>	<b>Salary / Benefits</b>	<b>Total</b>
Captain	1	\$174,220	\$73,173	\$247,393	\$247,393
Sr. Fire Code Compliance Officer	0.5	\$81,205	\$24,086	\$105,291	\$52,646
					<u>\$300,038</u>
<b><u>Total Costs</u></b>			<b>Emergency Ops &amp; EMS</b>	<b>Fire Prevention</b>	<b>Total</b>
Personnel Services			\$2,656,045	\$300,038	\$2,956,083
Materials & Supplies			\$679,045	\$8,800	\$687,845
Contract Services			\$752,560	\$51,485	\$804,045
Fixed Charges <sup>2</sup>			\$1,506,031	\$8,381	\$1,514,412
Department Revenues (ambulance and inspection fees)			(\$2,459,464)	(\$200,300)	(\$2,659,764)
<b>Total</b>			<b>\$3,134,217</b>	<b>\$168,404</b>	<b>\$3,302,621</b>

<sup>1</sup> Alameda Fire Department.

<sup>2</sup> Includes Equipment Replacement, Fleet and Facilities Maintenance, Worker's Comp, Risk, Unemployment Insurance, Computer and Telephone Service/Maintenance.