GCG

GOODWIN CONSULTING GROUP

MEMORANDUM

July 14, 2024

To: Emily Combs, Solano County
From: Dave Freudenberger
Subject: ***California Forever/East Solano Plan Initiative***

Solano County retained Goodwin Consulting Group (GCG) to work with the County and its team of consultants to evaluate various aspects of the proposed California Forever/East Solano Plan project, assuming that the project Initiative on the November 5th ballot passes. GCG was asked to explore the fiscal, financial, and land value impacts of the project. This memo summarizes the assumptions, methodologies, and results of our analysis.

INTRODUCTION AND FINDINGS

Purpose of Fiscal and Financial Analysis

This memo summarizes the analysis of the estimated recurring fiscal impacts to the County of Solano (County) and to the Montezuma Fire Protection District (Fire District) from potential development of the California Forever/East Solano Plan project (Project). The Project sponsor is seeking certain approvals for the Project through the *East Solano Homes, Jobs, and Clean Energy Initiative* (Initiative), described as of February 14, 2024, to be placed on the November 5, 2024, ballot for Solano County voters to consider. This memo also evaluates infrastructure requirements and costs, land-secured financing opportunities, net one-time and annual infrastructure burdens on future development within the Project, and how land values could change if the Initiative passes.

The fiscal impact analysis compares the estimated annual costs of providing public services to the Project area against the estimated annual revenues that will be generated by new development to determine the net fiscal impact. The annual fiscal impacts to the County's General Fund and the Fire District's General Fund are evaluated. Other funds that are supported by development fees and user charges (e.g., enterprise funds), state resources (e.g., school districts), or a specific allocation of property taxes to other public agencies or taxing entities (e.g., mosquito abatement districts) are not included in this analysis. The fiscal impacts on incorporated areas within the County are also not included in this analysis since none of the cities within the County are anticipated to provide General Fund services directly to the Project.

The financial analysis provides insight into the Project's ability to support backbone infrastructure and other public facilities required to serve the Project, together with certain guarantees/obligations written into the Initiative (Voter Guarantees). Both the upfront/one-time burdens on proposed development (e.g., development impact fees, Project-specific infrastructure) as well as the annual burdens (e.g., annual Community Facilities District special taxes to pay for public services and to cover debt service on bonds issued to fund infrastructure) are evaluated in this analysis. The financial analysis is essentially a test of Project feasibility, but it is based on limited information provided in the Initiative, particularly with respect to infrastructure requirements and costs.

655 UNIVERSITY AVENUE, SUITE 200 • SACRAMENTO, CA 95825
PHONE: (916) 561-0890 • FAX: (916) 561-0891
WWW.GOODWINCONSULTINGGROUP.NET

The land value analysis examines how the value of property within the Project area may increase with the passage of the Initiative due to a rezoning of the land from agricultural to residential and non-residential development.

Note that proposed development within the Project is generally not described in the Initiative with a high level of specificity. The fiscal, financial, and land value analyses presented in this section were conducted without a specific plan, environmental impact report, infrastructure master plans, a traffic study, public safety studies, a public facilities financing plan, and other similar documents that would typically be prepared for a Project of this nature. Therefore, the results of the analyses should be considered very preliminary at this point.

Please see the Appendix of this memo for the series of analysis tables that are referenced throughout the discussion below.

Project Description

As described more fully in the County's 9111 Report, the proposed Project is situated on unincorporated territory in the southeastern area of the County and covers approximately 17,500 contiguous acres. It is located generally southeast of Travis Air Force Base and northwest of the City of Rio Vista, with State Highway 12 generally forming its southern boundary. The proposed Project may develop into an area that comprises approximately 160,000 dwelling units with a total population of 400,000 residents. It may also include approximately 90,000,000 square feet of retail, office, industrial, and other non-residential land uses (excluding education uses), and may provide approximately 94,000 jobs at full buildout (including construction jobs).

Interim Phase 1 development is anticipated to include approximately 20,000 dwelling units, 50,000 residents, 13,000,000 square feet of non-residential development (excluding schools), and 15,000 jobs (again, including construction jobs). Project sponsors have estimated that Phase 1 will take approximately 10-12 years to complete, while the timeframe to completely build out the entire Project will take many decades. The fiscal and financial analyses evaluate two scenarios: 1) fiscal and financial impacts once Phase 1 is completed; and 2) fiscal and financial impacts once the entire Project is built out. These two scenarios are summarized below in Table 1.

Table 1: Land Use and Demographic Summary

East Solano Plan	*Phase 1*	*Buildout*
Residential		
Dwelling Units	20,000	160,000
Population	50,000	400,000
Non-Residential		
Square Feet (excl schools)	13,000,000	90,000,000
Jobs (incl construction)	15,000	94,000

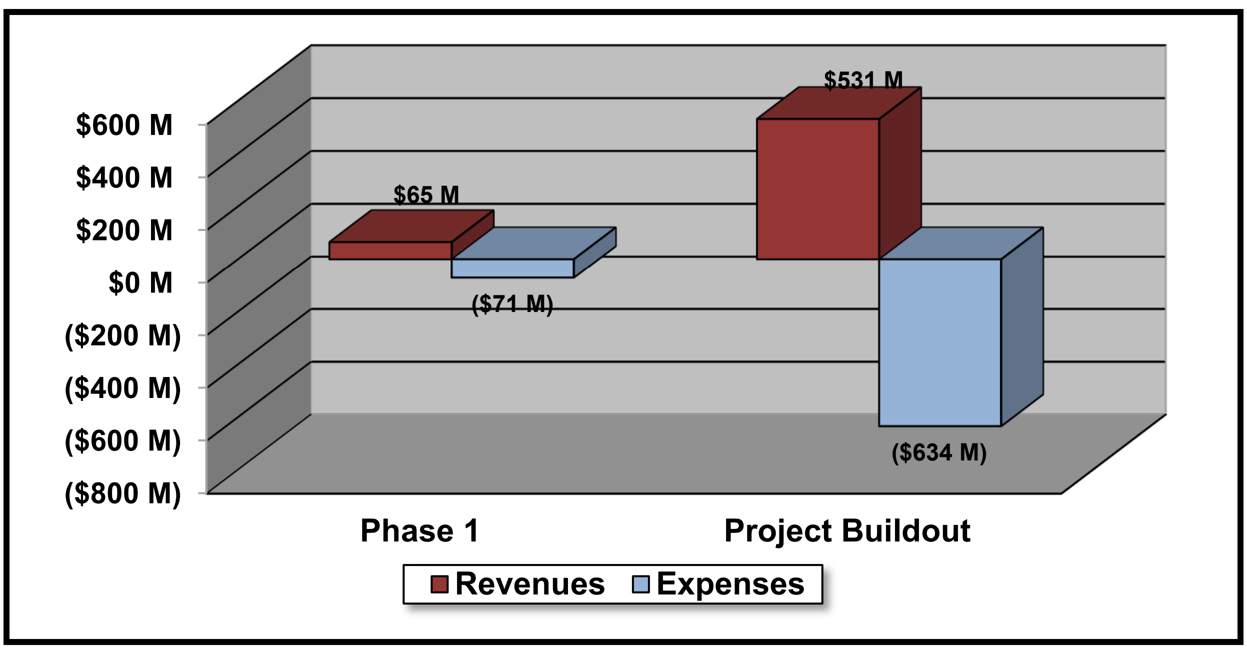
Two primary goals, among other goals, are emphasized throughout the Initiative: 1) build middle-class homes; and 2) provide good paying local jobs. Middle-class homes are generally described in the Initiative as homes that working families can afford; that is, families that consist of people employed as teachers, nurses, police, firefighters, construction workers, and other working personnel. The Initiative notes that these homes would include a variety of home types, such as townhomes, row houses, condominiums, apartments, and accessory dwelling units (ADUs), at a minimum total density of 20 units per acre. The Initiative also describes good paying jobs as those that pay at least the equivalent of 125% of the average wage in Solano County. Wherever possible, these themes are incorporated into the analysis.

Summary of Findings

Fiscal Impact Analysis

Both Phase 1 of the Project and Project Buildout are expected to generate annual net fiscal deficits. Phase 1 of the Project is anticipated to produce approximately $65 million in annual revenues to the County and approximately $71 million in annual expenses. At Project Buildout, annual revenues are estimated to reach $531 million, while annual expenses are projected to exceed $634 million. This results in an annual deficit of approximately $5.9 million for Phase 1 and $103.1 million for Buildout. These annual figures are shown in Table A-12 of the Appendix and are illustrated below in Figure 1.

Figure 1: Summary of Annual Revenues and Expenses to the County



In Table A-13 of the Appendix, the annual net fiscal impacts to the Fire District are presented. Annual Fire District revenues for Phase 1 and Buildout are estimated at $5.8 million and $44.8 million, respectively, while annual expenses are anticipated to be approximately $12.3 million and $133.6 million. These figures produce annual deficits of $6.5 million and $88.8 million based on Phase 1 and Buildout development, respectively. Figure 2 below depicts the Fire District annual revenues and expenses in chart form, and Figure 3 follows with a comparison of the fiscal results for the County and Fire District together.

Figure 2: Summary of Annual Revenues and Expenses to the Fire District

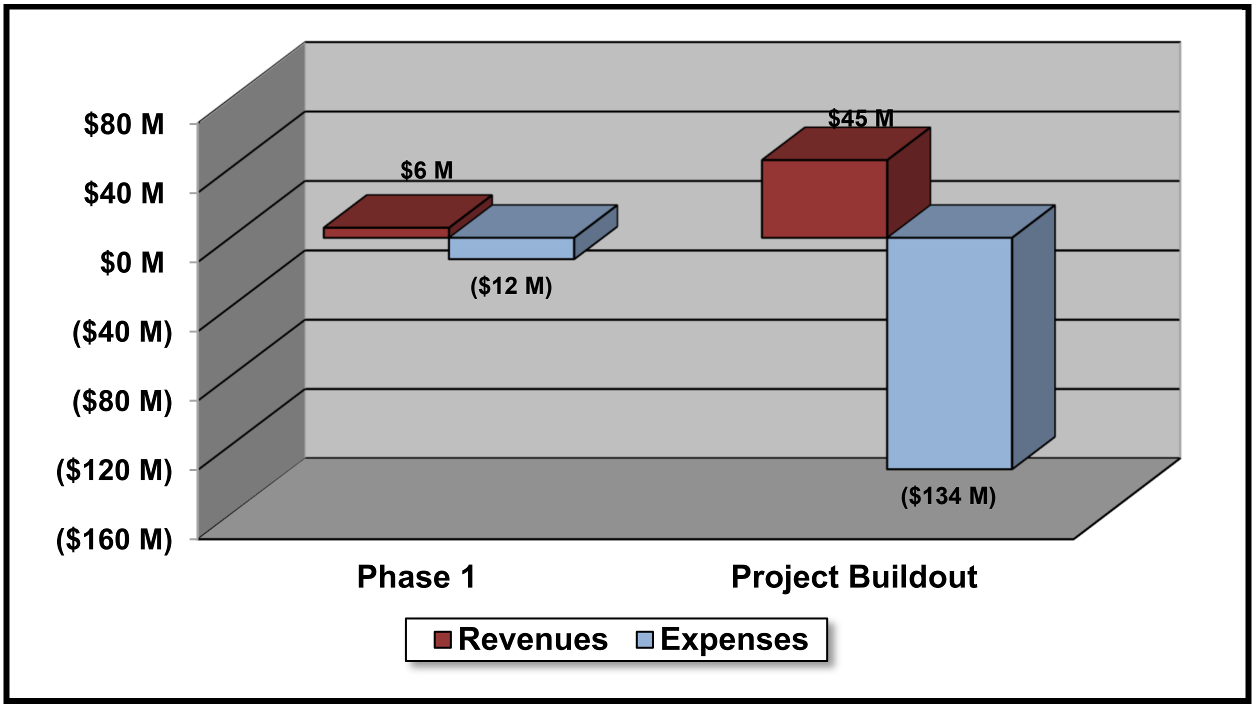
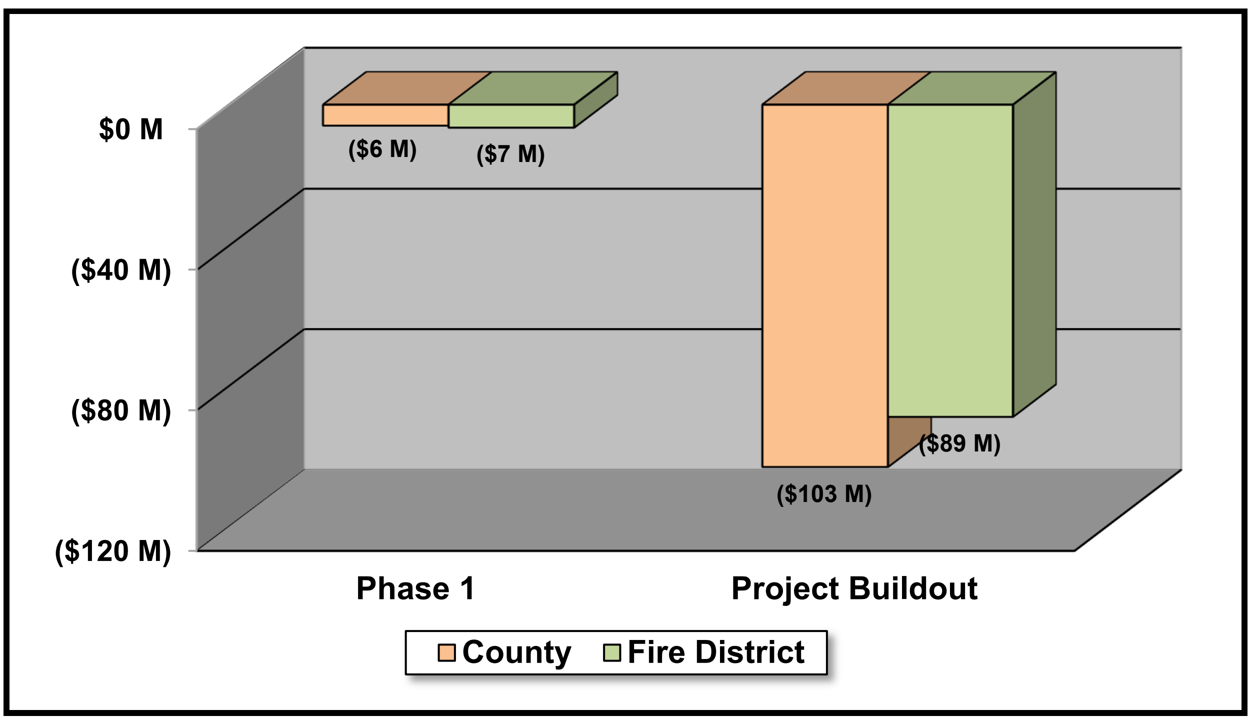


Figure 3: Comparison of Annual Net Fiscal Impacts to the County and Fire District



The annual net fiscal deficits can be translated into an average annual burden on each dwelling unit anticipated to be constructed during Phase 1 and Project Buildout. With Phase 1 estimated to produce approximately 20,000 units, the average annual fiscal deficit is $301 per unit for the County and $330 per unit for the Fire District, or a total of $631 per unit annually to fully mitigate fiscal deficits created by Phase 1 development. Project Buildout's roughly 160,000 dwelling units produce an average annual fiscal deficit of $654 per unit to the County and $563 per unit to the Fire District, for a total of $1,217 per unit across the entire Project at Buildout; this total would be the amount needed to mitigate the Project's fiscal deficits. These figures are also presented in Tables A-12 and A-13.

A summary of the annual net County and Fire District fiscal impacts and average mitigation per dwelling unit is presented below in Table 2.

Table 2: Summary of Annual Net Fiscal Impacts

East Solano Plan	***Phase 1***	***Buildout***
Solano County	($5,900,000)	($103,100,000)
Fire District	($6,500,000)	($88,800,000)
Total	($12,400,000)	($191,900,000)
Avg Mitigation per Dwelling Unit	$631	$1,217

Financial Analysis

The financial analysis picks up where the fiscal impact analysis ended, which is that some form of fiscal mitigation would be necessary to offset annual deficits that the County and Fire District would otherwise experience since annual fiscal expenses incurred to serve the Project – both after Phase 1 is completed and after Buildout of the entire Project – would exceed annual fiscal revenues generated by the Project.

The Initiative refers to several potential financing tools to help pay for Project infrastructure and public facilities, but they may in fact not be available or only available in a limited amount, as follows:

1. If the County is going to run a deficit – or break even if the deficit is mitigated – there doesn't appear to be any possibility to utilize an Enhanced Infrastructure Financing District (EIFD) since there will not be any property tax revenue available to divert from the General Fund to an EIFD to fund infrastructure.

2. It is likely that a Community Facilities District (CFD) would be formed to fund both County and Fire District ongoing services expenses and operations/maintenance costs in order to mitigate the estimated annual fiscal deficits. The use of a CFD to mitigate fiscal deficits will reduce the amount of CFD capacity (i.e., annual burden capacity) to fund infrastructure, since there is a limit on the amount of total CFD capacity.

3. The limit on the amount of total CFD capacity is based on the total annual burden as a percentage of home value, which is described in more detail below. Due to that limit, layering additional ad valorem taxes associated with a School Facility Improvement District (SFID) on top of the Project area to fund schools would only serve to further limit the CFD capacity on a dollar-for-dollar basis, producing no additional total capacity to fund infrastructure and related obligations.

The CFD capacity limit is determined in the annual burden analysis presented in Table B-1 of the Appendix. It is assumed that a total annual burden on residential property cannot exceed 1.75% of value. A typical total annual burden in a northern California city is around 1.80%, but with the emphasis that this Project is putting on affordable workforce housing, it seems prudent to move that total annual burden down somewhat.

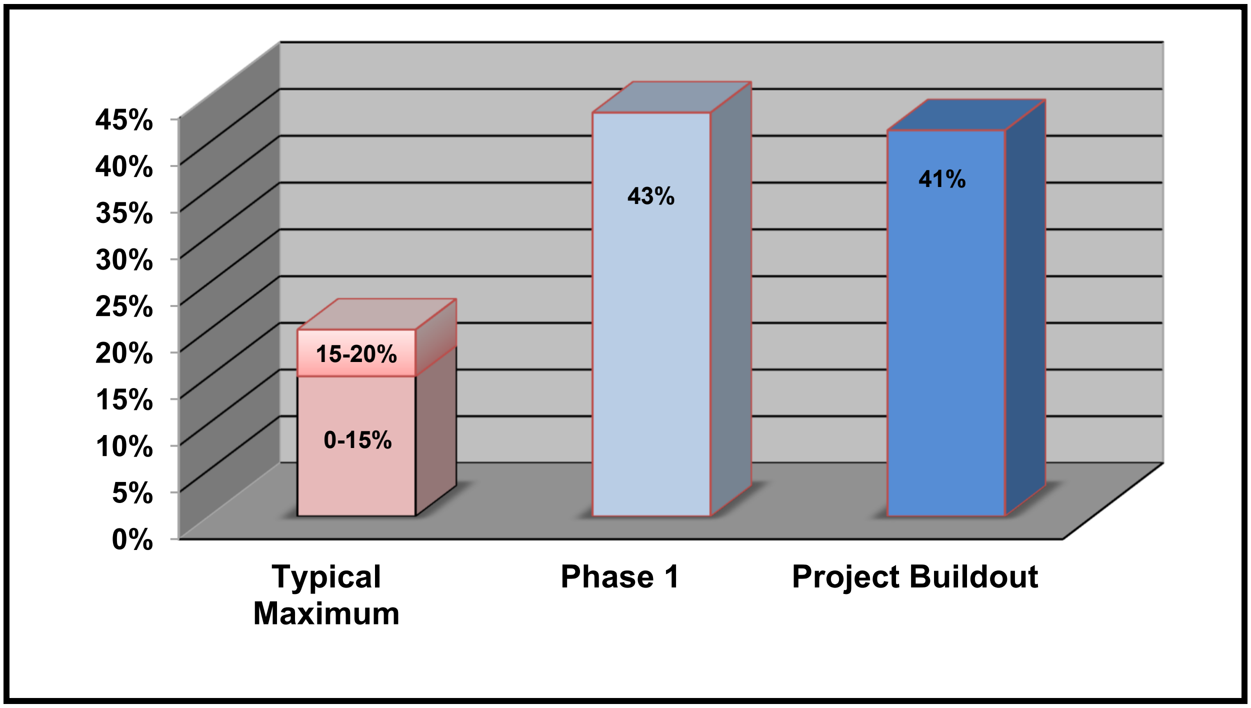
The annual burden analysis demonstrates how much CFD capacity there is to fund infrastructure, which amounts to an annual CFD special tax of $2,380 per single family unit and $1,346 per multi-family unit. These annual infrastructure CFD special tax amounts can be used to support debt service on bonds issued by the CFD, which would net approximately $405 million to fund infrastructure to serve Phase 1 of the Project, and approximately $3.2 billion to fund infrastructure required to serve the entire Project at Buildout.

The financial analysis concludes with an estimate of the total gross and net one-time burdens. These total burdens include project-specific backbone infrastructure, mitigation of regional transportation impacts, other public facilities such as schools, parks, and public safety stations, Voter Guarantees integrated into the Initiative, and development impact fee obligations. Total gross burdens range from $6.4 billion for Phase 1 to $49.1 billion for Project Buildout; net burdens are reduced with the use of CFD bond proceeds down to $6.0 billion for Phase 1 and $45.9 billion for Buildout.

The estimated residential share of the net one-time burdens is approximately $3.6 billion for Phase 1 and $27.5 billion for Buildout of the Project. Dividing these figures by the estimated number of anticipated dwelling units produces net one-time burdens of $183,000 and $175,000 per unit for Phase 1 and Buildout, respectively. The per-unit burdens, when compared against the estimated values for residential units (or the weighted average value for all units), result in net one-time burdens as a percentage of value equal to approximately 43% for Phase 1 and 41% for Buildout. These net one-time burdens are derived in Table B-5 and are illustrated in the chart contained in Figure 4 below.

One of the metrics utilized in public finance analyses to ascertain project feasibility is the net one-time burden as a percentage of value. Any result less than 15% is probably feasible, results ranging from 15% to 20% are within a range where the economic viability of a project or land use is uncertain, and results above 20% are typically considered infeasible. With Phase 1 producing 43% one-time burdens and Buildout producing 41% one-time burdens, it appears that the Project is not financially feasible, as these burdens are roughly twice the amount that would ordinarily be considered marginally feasible. Of course, other factors play meaningfully into that assessment, such as the cost basis of the land within the Project, which appears to be fairly low; the lower the land cost, generally the higher the one-time burden can go. Other variables, such as costs incurred to advance a project through the entitlement and approval process, the location, types, and developed values of land uses being proposed, and other factors can move a project into or out of the feasibility range as well. The results of this analysis indicate serious concern about Project feasibility, but much additional work would need to be performed to more accurately assess that outcome.

Figure 4: Net One-Time Burdens as Percent of Average Home Value



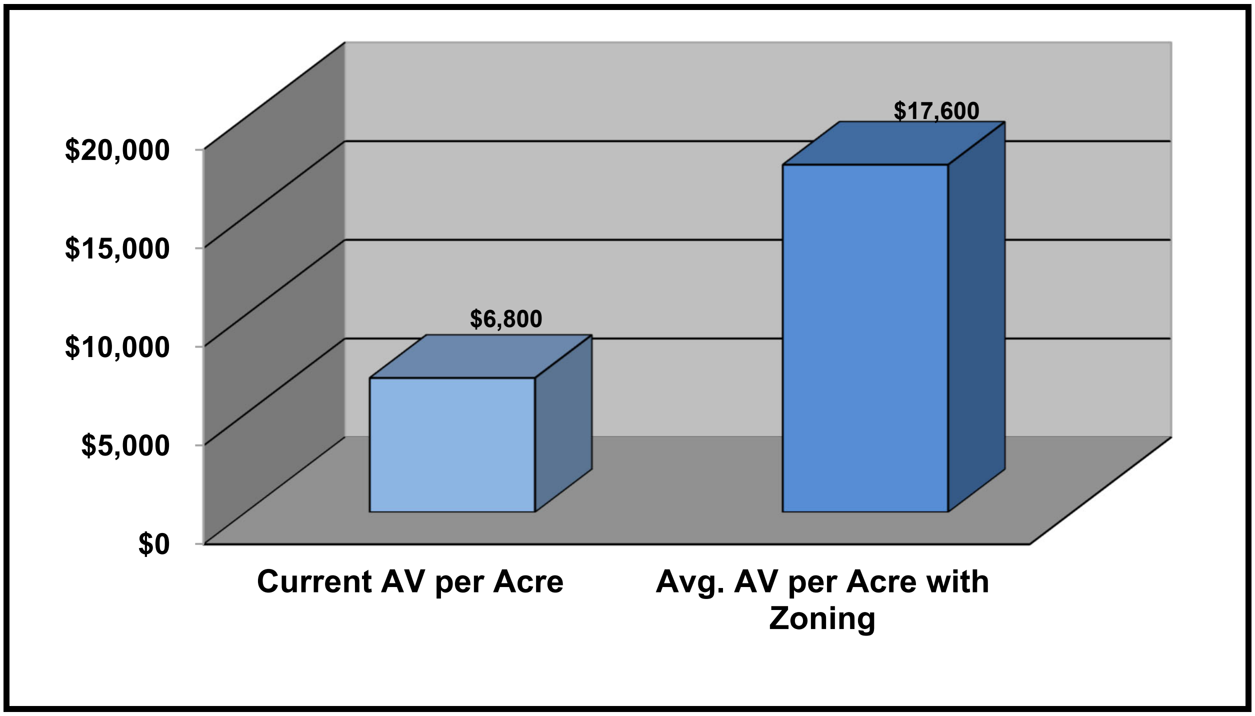
Land Value Analysis

The land value analysis was conducted to test the potential returns that landowners within the Project area might capture if, rather than develop the area as described in the Initiative, they elect to sell the land if the Initiative passes. Table C of the Appendix presents the data and calculations for the land value analysis.

Data for land purchases within the Project area indicate that the average assessed value for land transactions during the 2018-2023 timeframe is approximately $6,800 per acre. Data was also collected for transactions occurring between 2018-2023 anywhere in Solano County on parcels zoned for commercial, industrial, or residential development where the ratio of improved assessed value to total assessed value is effectively zero, indicating vacant land zoned for development. Those transactions suggest that a current value for vacant land with some form of development zoning might be approximately $35,200 per acre. However, the average size of those parcels is fairly small, so a 50% factor to discount that value to account for the resulting value under a bulk sale scenario is applied, producing a rough value of $17,600 per acre.

These land values, derived based on very preliminary research and analysis, suggest that landowners within the Project area could sell all or significant amounts of Project land at a price that is approximately 2.6 times what was paid for the land. This relationship is depicted graphically in Figure 5 below.

Figure 5: Average Purchase Value vs Potential Sales Value (per Acre)



Methodology and Assumptions

Scope and Methodology

Fiscal impacts arising from land development can be categorized broadly as either one-time impacts or recurring impacts, both of which involve a revenue and expense component. For example, a project may create the need for an onsite fire station, and the one-time construction cost of the station may be offset by a development impact fee. The annual expenses associated with staffing and maintaining the fire station will be offset by annual property taxes and other revenues generated by new development. The impacts compared in the fiscal analysis are the annual, or recurring, revenues and expenses that affect the County and the Fire District as a result of development associated with the Project. The financial analysis covers the one-time (or upfront and phased) infrastructure and other obligations, and the ability of the Project to support them.

Two methodologies are employed in estimating recurring fiscal impacts. First, the case study method is used to estimate recurring revenues and expenses by applying defined service standards, existing tax and fee rates, approximate real estate values and retail sales figures, and suggested operating and maintenance costs to the various land uses and services proposed in the Project. The second methodology is the multiplier method, which assumes that fiscal impacts will result from proposed development at forecasted average rates per resident and employee, or persons served (a combination of residents and employees), based on the Fiscal Year 2023-24 budgets for the County and the Fire District. The analysis utilizes 2024 statistics for population and employment. The case study and multiplier methods are generally used under the following conditions:

Case Study Method

1. Marginal cost is a better approximation of the actual costs to provide similar services to specific new developments in future years.

2. The land use distribution of the project areas being analyzed does not resemble the land use distribution within the public agency's area.

3. Service standards and estimated future costs for new projects are anticipated to be different than they are now.

Multiplier Method

1. Average cost is a reasonable approximation of the actual costs to provide similar services to specific new developments in future years.

2. Specific revenues and expenses are generated based on population or employment (e.g., business licenses, social services).

3. Service standards and other information are not available or accurate.

The multiplier method frequently relies on a "persons served" factor, which is most often the sum of all residents plus a certain percentage of employees. The exact relationship of service demands and revenue potential between residents and employees is difficult to measure, but a service population comprised of all residents plus 50% of employees is considered standard fiscal practice. The 50% ratio suggests that a resident generally has twice the impact of an employee (e.g., a resident is home 16 hours per day, while an employee is at work eight hours per day).

The "Persons Served" factors for the County are presented in Table A-1 of the Appendix along with the population and employee figures. These estimates are based on 2024 data in order to correspond to the FY 2023-24 budgets utilized in the analysis. Case study and multiplier approaches are used to estimate different recurring fiscal impacts for the Fire District and the County, as listed below in Table 3.

Table 3: Revenue/Expenditure Calculation Methodologies – Fire District and County

CASE STUDY METHOD	MULTIPLIER METHOD
Montezuma Fire Protection District	
Recurring Revenues	
Property Tax: Secured Property Tax: Unsecured	
Recurring Expenses	
Fire Services	
County of Solano	
Recurring Revenues	
Property Tax: Secured Property Tax: Unsecured Real Property Transfer Tax Sales and Use Tax Public Safety Sales Tax Property Tax In-Lieu of VLF Transient Occupancy Tax (TOT)	Fines, Forfeitures & Penalties Miscellaneous Revenue
Recurring Expenses	
City Attorney Economic & Community Development Police Public Works Parks & Recreation	General Government Health & Sanitation Public Protection Public Assistance Education & Recreation

Key Assumptions

Many assumptions are factored into the analysis of fiscal impacts and financial feasibility. Some of the most critical assumptions, in terms of their effect on revenues and expenses, are delineated below:

1. The projected annual fiscal and financial impacts are presented in 2024 dollars. Further analyses of this Project should be updated to reflect then-current revenues and expenses. Also, current dollar impacts in this analysis may be adjusted to future dollars by increasing current dollars with an inflation factor that is tied to an appropriate inflation index such as the Engineering News-Record index or one of the regional consumer price indices.

2. A summary of the land use, demographic, value, and related assumptions incorporated into the fiscal analysis and financial analysis is presented in Table A-2 of the Appendix; the land use and demographic assumptions are further delineated in Table A-3 into those that relate to Phase 1 and those that relate to the Buildout scenario. Dwelling units, population densities, and related market value assumptions, as well as non-residential square footage, employment intensities, and market values are included in one or both of these tables. A particularly important assumption that affects property tax and property tax in-lieu of vehicle license fees, as well as annual and one-time infrastructure burdens, is the estimated value of developed property. Estimated developed values were estimated based on recent analyses conducted for proposed development projects and cursory research into current values.

3. The entire Project area is currently within the County's unincorporated jurisdiction. The governing jurisdiction is an important consideration because it determines how property taxes and other revenues are calculated and allocated, as well as which agency is responsible for providing services. The County will continue to provide countywide services to the Project, such as health and sanitation services and public assistance, but it is assumed that the County will also provide the Project with almost all municipal services, such as police protection and maintenance of roads and parks; the exception is fire protection and emergency medical services, which are assumed to be provided by the Fire District.

Fiscal Impacts to the County and Fire District

Cost Structures

The County provides countywide services, such as health and public assistance services, to all residents in the County. It also provides certain "municipal" services, such as sheriff's patrol and building and planning services, to unincorporated Solano County. Since the Project is located in the County's unincorporated jurisdiction, it will produce a fiscal impact on the County based on the countywide services that are provided to the Project area, but also based on all of the municipal services, except fire and emergency medical, that will need to be provided. As noted earlier, it is assumed that the Fire District will provide fire and emergency medical services.

Solano County does not currently provide a significant amount of municipal services, especially in urban areas. Only a very small percentage of the County population lives outside incorporated city boundaries. The County will need to reorganize, staff up, and develop expertise in urban service delivery models to address – based on the Project sponsor's estimated 10-12 year timeframe – what is anticipated to be a fairly rapid build out of the Phase 1 Project area.

The same is generally true for Montezuma Fire Protection District. The Fire District covers approximately 300 square miles of mostly farmland and pastures within the County. Operating out of two fire stations – Stations 51 and 52 – the majority of Fire District personnel are volunteers.

Accordingly, this analysis adopts a hybrid Case Study/Multiplier approach to estimate the costs that the County and Fire District are likely to incur to provide municipal services to the Project. Rather than utilizing a County or Fire District municipal cost structure that is not designed to service dense urban areas, the fiscal analysis identifies various California cities that may somewhat resemble what the Project will look like once Phase 1 is completed (50,000 population, etc.), and then again at Project Buildout (400,000 population, etc.), to approximate a cost structure that is more appropriate for this Project.

Based on a combination of current population, population density (residents per square mile), and median household income, four cities are identified that, combined, may somewhat reflect the demographics of Phase 1; these are Daly City, Berkeley, Redondo Beach, and Santa Monica. In addition, three cities are identified that, based on a weighted average of the three demographic characteristics listed above, may look similar to the Project once it is entirely built out: San Francisco, Long Beach, and Oakland. Although the weighted average populations for the Phase 1 and Buildout comparable cities are higher than the estimated populations for Phase 1 and Buildout of the Project, other cities with population amounts closer to those of the Project do not align with the Project's estimated population density and/or median household income. Still, the weighted average populations for Phase 1 and Buildout comparable cities are close enough to the Project estimates to produce similar fiscal revenues and expenses on a multiplier basis. Please see the results of the comparable cities analysis in Table A-10 of the Appendix.

The assumed Project median household income is a rough approximation based on language in the Initiative stating that one of the primary goals for the Project is to produce 15,000 "good paying" jobs, which are defined as jobs that pay at least "the annualized equivalent of 125% of the average weekly wage in Solano County." Recognizing that jobs and household formations do not necessarily align, the analysis nonetheless assumes that the median household income is also equal to 125% of the median household income for Solano County, which is approximately $90,000. Increasing that $90,000 countywide median by 125% results in an estimated median household income for the Project of $110,000. Of course, there will be jobs within the Project that pay more than, and less than, 125% of the County's average weekly wage and, by extension, there will be households in the Project that earn more than, and less than, 125% of the County's median household income.

Specific Fiscal Assumptions

Some of the critical assumptions that drive the calculation of fiscal revenues and expenses are described below. Fiscal revenues and expenses generally reflect average revenues and expenses based on FY 2023-24 budgets, but note that there are exceptions, including some described below.

Revenues

1. As discussed above, certain revenues are calculated and estimated based on the case study method, so they will not necessarily reflect average County or Fire District revenues. These revenues are listed in Table 3.8-3 above.

2. The Project area currently lies within multiple tax rate areas (TRAs). These TRAs determine the base property tax distribution to the local taxing entities. Legislative actions taken at the state level in the 1990s diverted a percentage of the 1.0% property tax into the Educational Revenue Augmentation Fund ("ERAF"). For purposes of the fiscal analysis, it is assumed that this situation will continue in future years. Table A-4 of the Appendix calculates the weighted average pre-ERAF distributions for all taxing entities within the applicable TRAs, identifies the ERAF adjustment factors (commonly referred to as the ERAF shift), and estimates the post-ERAF property tax distributions to the agencies assumed to provide non-school municipal services to the Project: the County and the Fire District. It is estimated that the County will receive 28.4% of the 1% property tax revenue generated by the Project, while the Fire District will receive 4.9%.

3. The Project is expected to generate Transient Occupancy Tax (TOT) revenue, as there are likely to be hotels and other lodging facilities serving business and other travelers to the area. Without any clear idea about how many hotels, or what types of hotels, will be developed, a multiplier approach is used to estimate TOT revenue rather than the Case Study method, where the number of rooms, average daily room rates, occupancy rates, and other factors would need to be considered. Just as all of the municipal services costs are based on a weighted average of the comparable cities, TOT revenue is also based on a weighted average of the comparable cities.

Expenses

4. Fiscal expense impacts associated with various County departments are based on net County costs, as provided in the Fiscal Year 2023-24 budget and shown in Tables A-9.1 and A-9.2. The net County cost equals the amount funded with General Fund general-purpose revenues (i.e., discretionary revenues); revenue contributions from Federal, State, other non-General Fund, or dedicated General Fund sources are subtracted from the total departmental budgets to arrive at a net cost to the General Fund.

5. Most of the County's and District's costs are variable expenses that will increase to respond to new growth within the Project and fulfill the responsibility that these two public agencies will have to provide services to Project new growth areas. However, a portion of the County costs are fixed and will not necessarily be impacted by new growth. For example, the County will maintain only one Board of Supervisors, County administrator, county clerk/recorder, county counsel, and other similar positions and department heads as outlined in the County's Fiscal Year 2023-24 budget. While most of the staff and related expenses will increase to respond to growth as a result of the development in the Project, executive staff, senior management levels, and other areas within these budget units are not likely to increase very much in size or expense. Based on standard fiscal practice, a 25% discount is applied to the County's General Government cost multiplier to reflect the fact that a portion of the activities in these budget areas will not grow significantly, if at all, due to new development. The 25% adjustment to County General Government costs also accounts for the small amount of Fire District fixed expenses that may not increase due to new development.

6. As noted above, the County provides two basic types of services: countywide services and municipal services. Countywide services are those services that are available to all County residents and employees regardless of whether they reside in one of the County's seven incorporated cities or within an unincorporated area of the County. Municipal services are those services that are provided only to unincorporated area residents and employees because there is not a city to provide such services to them. Countywide service costs related to the Project are based on the multiplier method, while the costs for the County to provide municipal services to the Project are based on the comparable cities analysis. Similarly, the Fire District's cost to provide fire services to the Project is based on the comparable cities analysis.

7. The sheriff administration cost multiplier is reduced to exclude the portion of the sheriff administration expense associated with sheriff public safety/patrol. This portion is excluded from the County's expenses since administration costs allocated to public safety/patrol are already incorporated into the comparable city multiplier for the provision of law enforcement to the Project.

8. The County's parks and recreation cost multiplier is eliminated because these expenses are based on average expenses for comparable cities.

9. It is possible, as is often discovered during the process of conducting a fiscal impact analysis, that the County's budget, as well as the budgets of the comparable cities, would need to be adjusted to reflect increasing costs (e.g., public safety salary adjustments (based on recent labor agreements) that could, or are already scheduled to, exceed the rate of inflation), changing levels of service and service standards, accumulating deferred maintenance (e.g., PCI metrics for road maintenance that fall below best practice levels, or unfunded maintenance for buildings, grounds, and other facilities), deferred liabilities (e.g., OPEB and PERS obligations), and other long-term issues that the County or the comparable cities are currently experiencing or anticipating. Within the timeframe to conduct this analysis, it could not be determined whether any such adjustments were necessary.

County and Fire District Revenues

Case Study Method

Secured Property Tax. Property taxes are allocated to public agencies and special districts based on the various allocation factors within a TRA. Six TRAs (60049, 60052, 60055, 84001, 84003, and 84004) cover the vast majority of the Project area. Table A-4 in the Appendix identifies the allocation factors for the variety of districts, funds, and agencies included within each TRA, both before and after revenues have been shifted to ERAF. For purposes of this analysis, it is assumed that this shift will continue into the future. The County's property tax allocation of 28.4% of the 1.0% basic property tax, and the Fire District's allocation of 4.9%, is applied to the estimated assessed value created by the Project; these allocations are shown at the top of Table A-5. Total secured property tax revenue from the Project distributed to the County is shown in Table A-12, and Table A-13 shows the secured property tax revenue for the Fire District; both tables present revenues and expenses for Phase 1 and the Buildout scenario.

Unsecured Property Tax. Unsecured property includes items such as computers, furniture, machinery, and equipment in non-residential areas and in some home-based businesses. It is also comprised of other types of personal property, including boats and airplanes. Unsecured property taxes are typically calculated as a percentage of secured property taxes based on the historical relationship between the two. As Table A-5 indicates, unsecured property tax revenues are assumed to be 1.0% of residential secured property tax revenues and 10.0% of non-residential secured property tax revenues. Tables A-12 and A-13 present the unsecured tax revenues for the County and Fire District, respectively.

Real Property Transfer Tax. When a property is sold or transferred, a real property transfer tax representing a small percentage of the value is generally transferred to a fund to be allocated to the city and the county in which the property resides. As shown in Table A-5, the current real property transfer tax rate in the County is $1.10 per $1,000 of value. The County will receive 100% of the real property transfer tax revenue since the Project is located within the unincorporated County area, which means the transfer tax revenue does need to be shared with a city. Annual real property transfer tax revenues anticipated to flow to the County's General Fund are presented in Table A-12.

Sales and Use Tax. Several methodologies can be used to estimate taxable retail sales. One method measures taxable sales based on the supply of commercial retail square footage. Under this approach, a taxable sales per square foot estimate is multiplied by the total commercial retail square footage planned in the project. Another approach looks at the demand side of the equation. In this approach, household income, percentage of household income spent on taxable goods and services, and a taxable sales capture rate for the County are estimated to determine taxable sales.

This analysis employs a hybrid approach, which considers both supply and demand dynamics in deriving an estimate for total retail sales and related sales tax revenue. Table A-6 utilizes the market/assessed value assumptions for single family and multi-family homes, together with mortgage, taxes, insurance, and other assumptions, to estimate the total annual payments associated with home ownership, and translates those annual payments into estimated household incomes. The household incomes are in turn translated into an amount per household spent on taxable sales.

Tables A-7.1 and A-7.2 derive the total estimated taxable sales generated per year once Phase 1 is completed and at Buildout of the Project, respectively. The demand side is estimated first based on household spending assumptions, as well as spending related to employees working in the community. Then the supply side is estimated based on a $250 taxable sales per square foot assumption for retail/hotel development, as shown in Table A-5. These calculations suggest that there may be significantly more supply than demand, so the analysis defers to the demand side results. After that, additional retail sales associated with business-to-business demand is estimated. Total annual taxable sales once Phase 1 is completed are estimated to be $506 million (as shown in Table A-7.1) and $4.0 billion (as shown in Table A-7.2).

Sales and use tax revenues accrue to the jurisdiction in which the sale occurs; therefore, sales and use tax revenue from the Project is anticipated to accrue to the County. In addition to the 1.0% local sales tax on taxable items that can be specifically identified as having been purchased within the County boundaries, the County also receives a portion of the sales tax revenue that is initially attributed to Countywide and Statewide pooled revenues. When a sale cannot be identified with a permanent place of business in California, the local sales tax is allocated to local jurisdictions through countywide or statewide pools. Accordingly, certain sellers are authorized to report their local sales tax either on a countywide or statewide basis. These may include auctioneers, construction contractors making sales of fixtures, catering trucks, itinerant vendors, vending machine operators, and other permit holders who operate in more than one local jurisdiction but are unable to readily allocate taxable transactions to particular jurisdictions. Use tax is also allocated through a countywide pool. Examples of taxpayers who report use tax allocated through the countywide pool include out-of-state sellers who ship goods directly to consumers in the state from a stock of goods located outside the state, and California sellers who ship goods directly to consumers in the state from a stock of goods located outside of the state. The countywide pools are prorated, first among the cities and the unincorporated area of each county using the proportion that the identified tax for each city and unincorporated area of a county bears to the total identified for the county as a whole. Next, the combined total of the direct sales tax allocation and the prorated countywide pool amount is used to allocate the statewide pool amount to each city and county.

The County's share of revenues from these pooled funds is approximately 20.13% of its local sales tax revenue, based on historical data from the State Board of Equalization. This factor is presented in Table A-5. It is assumed that this percentage will continue to be received in the future; therefore, these revenues are incorporated into the analysis. As with sales and use tax revenue, pooled sales tax revenue is assumed to be retained by the County. Both amounts are estimated together and shown in Table A-12 as Sales and Use Tax revenue.

Public Safety Sales Tax. Proposition 172 created a one-half cent sales tax for local public safety. In fact, it was designed as a means of softening the impact of the ERAF shift on local agencies. Each county allocates Prop 172 revenues to each city and unincorporated area of the county based on their proportionate share of net property tax loss due to ERAF.

Since counties typically bear the highest burden of the ERAF property tax loss, counties receive most of the public safety sales tax revenue. This analysis estimates that the County will be allocated 95% of the Prop 172 revenue that flows to the County as a whole. This proportionate share of the Prop 172 revenue is based on the actual revenue received by the County in Fiscal Year 2011-12. The Prop 172 assumptions are shown in Table A-5, and annual public safety sales tax revenue generated by the Project is shown in Table A-12.

Property Tax In-Lieu of Vehicle License Fees. Vehicle license fee ("VLF") revenue was formerly determined on a per-capita basis. The November 2004 election and the passage of Proposition 1A enacted a California constitutional amendment that introduced the property tax for VLF swap, which resulted in a new methodology to calculate property taxes in-lieu of VLF. Under the new law, the VLF backfill from the state general fund used to supplement taxpayer VLF revenues is eliminated and replaced with a like amount of property taxes, dollar-for-dollar. In subsequent years after the 2004-05 base year, the property tax in-lieu of VLF amount grows in proportion to the growth rate of gross assessed valuation in the city or county, rather than in proportion to population, as previously used to determine VLF.

The County's property tax in-lieu of VLF (PTILVLF) for Fiscal Year 2023-24 is shown in Table A-5. The same table also shows the County's net assessed value for Fiscal Year 2023-24, which can be used in combination with the County's PTILVLF to determine the PTILVLF as a percentage of net assessed value, which in turn can be multiplied by the Project's estimated assessed value to project incremental PTILVLF produced by the Project. Total PTILVLF revenues anticipated from the Project are presented in Table A-12.

Transient Occupancy Tax Revenue. A transient occupancy tax (TOT) equal to 5% of the room rate is levied on hotels, motels, and other lodging facilities in the unincorporated areas of the County. However, as noted above, a good way to estimate TOT revenue for this Project using the case study method is not available. Instead, TOT revenue generated by the Project is estimated based on the weighted average TOT revenue multiplier for the comparable cities, as shown in Tables A-11.1 (Project Phase 1) and A-11.2 (Project Buildout). Total TOT revenue anticipated upon completion of Phase 1 and after Project Buildout is presented in Table A-12.

Multiplier Method

Of the different County revenue sources itemized in the fiscal analysis, six are calculated using the multiplier method. The multipliers are presented in Table A-8 and are applied to the appropriate residents, employees, or persons served within the Project area to arrive at the annual impacts. However, four of the revenues are not shown since they are generally already accounted for either in the net County costs or in the net fiscal expenses for the comparable cities. Table A-12 presents the applicable annual revenues accruing to the County for the remaining two revenue items: Fines, Forfeitures & Penalties; and Miscellaneous Revenue.

County and Fire District Expenses

Case Study Method – Municipal Services

As alluded to above, development of the Project area into a dense, urban area will create the need to meet urban service standards for the types of services that are traditionally provided by incorporated cities. For this Project, six municipal services are modeled assuming that the costs to provide these services can be approximated by applying the weighted average cost multiplier for the comparable cities: four that relate to Phase 1; and three that relate to Buildout. These six service categories include the following:

1. City Attorney (which would provide legal services that are somewhat different relative to the County Counsel)
2. Economic & Community Development (including building, planning, code enforcement, economic development, and community development services)
3. Police
4. Public Works (excluding services that relate to water, sewer, and other enterprise funds)
5. Parks & Recreation
6. Fire Protection and Emergency Medical (to be provided by the Fire District)

Table A-11.1 presents the calculations for service cost multipliers that relate to Phase 1 development, while Table A-11.2 does so for the Buildout scenario. The municipal service costs for the County and the Fire District are presented in Table A-12 and Table A-13, respectively.

Multiplier Method – Countywide Services

Excluding the municipal services that are based on an urban level of service provided by the comparable cities, all expenses associated with County services that are provided across the entire County are calculated using the multiplier method. Each multiplier is derived by dividing a specific service cost by the number of countywide residents, employees, or persons serviced. Five broad categories of countywide services, each with multiple line items, are shown in Tables A-9.1 through A-9.2, and include the following:

1. General Government
2. Health & Sanitation

3. Public Protection
4. Public Assistance
5. Education & Recreation

These multipliers are then applied to the cumulative number of residents, employees, or persons served anticipated within the Project to arrive at the annual impacts presented in Table A-12. The choice of residents, employees, or persons served as the basis for a given multiplier reflects the type of population being served. These multipliers apply to both Phase 1 and Buildout of the Project.

Fiscal Impact Analysis Conclusions

Tables A-12 and A-13 present the results of the fiscal impact analysis, the first for the County and the second for the Fire District. It is anticipated that the County will experience annual fiscal deficits as a result of the Project, both at completion of Phase 1 ($5.9 million annual deficit) and at Project Buildout ($103.1 million annual deficit). Similarly, it appears that the Fire District will also experience annual fiscal deficits resulting from development of the Project; the Phase 1 deficit is estimated to be $6.5 million, while the Buildout deficit is projected to be $88.8 million.

These Buildout deficits can be translated into per-dwelling unit fiscal mitigation amounts. The County annual deficit is anticipated to be an average of $654 per dwelling unit, and the Fire District annual deficit is expected to average out to $563 per dwelling unit, for a total annual fiscal mitigation amount of $1,217 per dwelling unit on average.

Financial Analysis

Annual Burden Analysis

The financial analysis begins where the fiscal impact analysis concluded, which is that some form of fiscal mitigation will likely be necessary to offset annual deficits that the County and Fire District would otherwise experience since annual fiscal expenses incurred to serve the Project – either after Phase 1 is completed or after Buildout of the entire Project – would exceed annual fiscal revenues generated by the Project. A few important preliminary assumptions for the financial analysis emerge from the results of the fiscal impact analysis:

1. If the County is going to run a deficit – or break even if the deficit is mitigated – there doesn't appear to be any possibility to utilize an Enhanced Infrastructure Financing District (EIFD) since there will not be any property tax revenue available to divert from the General Fund to an EIFD to fund infrastructure.

2. It is likely that a Community Facilities District (CFD) would be formed to fund both County and Fire District ongoing services expenses and operations/maintenance costs in order to mitigate the estimated annual fiscal deficits. The use of a CFD to mitigate fiscal deficits will reduce the amount of CFD capacity (i.e., annual burden capacity) to fund infrastructure, since there is a limit on the amount of total CFD capacity.

3. The limit on the amount of total CFD capacity is based on the total annual burden as a percentage of home value, which is described in more detail below. Due to that limit, layering additional ad valorem taxes associated with a School Facility Improvement District (SFID) on top of the Project area to fund schools would only serve to further limit the CFD capacity on a dollar-for-dollar basis, producing no additional total capacity to fund infrastructure and related obligations.

That CFD capacity limit is determined in the annual burden analysis. It is assumed that a total annual burden on residential property cannot exceed 1.75% of value. A typical total annual burden in a northern California city is around 1.80%, but with the emphasis that this Project is putting on affordable workforce housing, it seems prudent to move that total annual burden down somewhat.

The total annual burden consists of the basic 1.0% property tax, other ad valorem taxes, existing direct charges and various assessments, and the annual special taxes associated with CFDs for services and CFDs for infrastructure. Table B-1 in the Appendix performs that annual burden analysis for the Project, showing the total annual burden for a single family unit, a multi-family unit, and the "weighted average" unit (a combination of both single family and multi-family units based on the number of such units expected to be developed). The analysis indicates that, for a weighted average unit, after accounting for all of the existing taxes and charges, and applying the $1,217 total annual services CFD fiscal mitigation amount, there is another $1,600 per year per unit to fund infrastructure through a CFD. So, of the total $2,817 CFD capacity, only slightly more than half is available to fund infrastructure because the remaining portion is required to mitigate fiscal deficits.

Note that it is also assumed that non-residential development will not be burdened with a CFD, as one way to facilitate construction of non-residential development and the production of attendant jobs.

CFD Bond Capacity Analysis

The annual burden analysis reveals how much CFD capacity there is to fund infrastructure, which amounted to $1,600 per weighted average unit, or $2,380 per single family unit and $1,346 per multi-family unit. These annual infrastructure CFD special tax amounts can be used to estimate how much CFD bond capacity could be generated by Phase 1 of the Project and at Project Buildout. Table B-2 provides the CFD bond capacity results for Phase 1 and Table B-3 provides those results for Project Buildout.

As shown in Table B-2, total CFD special tax revenues for infrastructure would amount to approximately $31.5 million per year at completion of Phase 1, assuming roughly 20,000 dwelling units are built. CFDs for infrastructure (and services) must be administered on an annual basis, and this analysis sets aside $100,000 per year for that work. CFDs are generally required to provide 110% debt service coverage on bonds that they issue, meaning that annual special tax revenue must exceed annual debt service payments by at least 10%. So, the net annual special tax available to pay for debt service is reduced to $28.6M after deducting administration costs and accounting for the debt service coverage requirement.

That $28.6M in annual CFD special tax revenue can support bond issues totaling $476 million, assuming an average interest rate of 6.0%, a 30-year term on the bonds, and an annual increasing special tax rate and debt service that escalates at a rate of 2% per year. This 2% annual increase is common practice since, in part, it mimics the annual increases in assessed value of property that has not turned over. Reducing the $476 million to reflect a 10% debt service reserve requirement, which is typically required for CFD bonds, and an estimated 5% total costs of issuance (COI) produces a net bond proceeds amount of $405 million available to fund infrastructure to serve Phase 1 of the Project. Table B-3 suggests that a total of $3.2 billion would be available to fund infrastructure required to service the entire Project at Buildout.

Existing Development Impact Fees

In addition to the infrastructure that a CFD could potentially fund, the Project will need to fund its development impact fee obligations. The County has implemented a Public Facility Fee (PFF) program that covers a wide variety of County public facilities, such as public protection, health and human services, library, general government, and regional transportation facilities. Pursuant to the analysis contained in

Table B-4, the Project through Phase 1 would have a PFF obligation totaling $144 million; that obligation would increase to $1.24 billion at Project Buildout.

Note that the County's PFF Nexus Analysis was last updated in July 2019, so it is already five years old and did not go through a comprehensive update process at that time. If the Initiative passes, the PFF Nexus Analysis will need to be thoroughly updated to factor in much higher projections for new growth and to rethink many other assumptions as well, including additional impacts on general government facilities that the PFF does not currently consider, such as the Assessor-Recorder's office.

The Project may also be subject to school facilities fees. Table B-4 also summarizes what those school fee obligations may amount to assuming that they look something like the school fees imposed by the Fairfield-Suisun Unified School District. Those obligations appear to be approximately $128 million for Phase 1 and $1.09 billion for the entire Project at Buildout. However, since school fees do not usually cover the entire cost of school facilities, it is assumed that a comprehensive school facilities funding agreement will be executed that describes how the Project will pay for all of the required school facilities, and those full school facilities costs are estimated in the following table (Table B-5).

Gross and Net One-Time Burdens

The financial analysis reaches its conclusion with an estimate of the total gross and net one-time burdens. These total burdens include project-specific backbone infrastructure, regional infrastructure improvements, other public facilities such as schools, parks, and public safety stations, Voter Guarantees integrated into the Initiative, and development impact fee obligations. These components of the total burden are described more fully below and are presented in Table B-5.

Project-Specific Backbone Infrastructure

Backbone infrastructure required to serve the Project, both at completion of Phase 1 and at Buildout, has been identified at a very preliminary level by Stantec, Coastland, other consulting engineers, and the engineering team at the County. Required backbone infrastructure falls into six categories, as delineated below:

1. On-Site Roads, including major arterials, minor arterials, and collectors
2. Off-Site Roads (mitigation of regional transportation impacts)
3. Water, including distribution, storage, and treatment
4. Wastewater, including conveyance, recycled water distribution, and a wastewater treatment plant
5. Drainage, including storm drain basins
6. Dry utilities, including electrical and fiber

Total backbone infrastructure construction costs, including a 15% factor for engineering/design and a 20% factor for fees/permits (or a 20% contingency in the case of regional transportation improvements), are estimated to reach $4.6 billion for Phase 1 and $34.8 billion at Buildout.

Schools, Parks, and Public Safety Stations

In addition to backbone infrastructure, a variety of other public facilities will be needed to serve the Project. As noted above, a total cost estimate for school facilities is probably a better indication of the school burdens this Project will need to support than an estimate of the school fee obligation. Using information contained in a public facilities financing plan prepared in late 2023 for a large project in the Sacramento area, K-8 school requirements and costs and high school requirements and costs are estimated and applied to this Project. Student generation rates for the project in Sacramento may be somewhat different than those that would be used in a more detailed analysis of school facility requirements and costs for this Project, but they appear to be somewhat comparable. K-8 schools in the Project are assumed to be sized to serve 900 students, while high schools are sized to serve 1,125 students. It is estimated that Phase 1 of the Project would need six K-8 schools and two high schools, for a total Phase 1 cost of $743 million. Total school facility costs for Project Buildout are estimated to be $5.9 billion. These cost estimates include hard and soft construction costs, but do not include costs of land since the land required for school facilities is assumed to be dedicated.

Parks and related amenities, including trails, open space, plazas, and greenbelt corridors, are evaluated in this analysis as well. Project cost estimates are also based on costs found in the public facilities financing plan for the Sacramento-area project noted above, and also do not include the cost of land. Total park and related amenity costs for Phase 1 of the Project and for Buildout are estimated to be $165 million and $1.32 billion, respectively.

Public safety facilities for police, fire, emergency medical, and dispatch operations will also be needed to serve the Project. Again, relying on the Sacramento-area project financing plan, it is estimated that Phase 1 of the Project would need two public safety stations, with each one being roughly 30,000 square feet in size. While land for these stations is assumed to be dedicated, the total hard and soft construction costs are estimated to be $72 million in Phase 1 and $576 million at Buildout.

Voter Guarantees

The Initiative includes a series of 10 Voter Guarantees, and it appears that four of them include a specific dollar amount commitment. Although the amounts of the pledges relate to Phase 1, the Initiative points out that these pledges will continue to apply to development beyond Phase 1. The four Voter Initiatives with pledged dollar amounts include the following:

1. Solano Homes for All includes $400 million for downpayment assistance and other tools to encourage home ownership, facilitate the affordability of workforce housing, and produce housing to meet the needs of lower income households, veterans, seniors, and others.

2. Solano Downtowns Revitalization earmarks $200 million to improve and revitalize the downtowns of all seven Solano County cities.

3. Solano Opportunities identifies a commitment of $70 million to create scholarship opportunities to fund college, training, and education programs, and to assist residents and business owners in developing and scaling small businesses.

4. Green Solano promises to target $30 million to protect open space and natural habitat, improve public parks and trails, and support the local agricultural economy.

These guarantees for Phase 1 amount to $700 million, and expand to $5.6 billion if extrapolated to full Project Buildout based on population growth.

Net One-Time Burdens

Total one-time, or upfront, burdens related to on-site and off-site backbone infrastructure, other public facilities, Voter Guarantees, and PFF obligations (excluding the Regional Transportation Impact Fee, or RTIF, portion of the PFF) are preliminarily estimated to be $6.4 billion for Phase 1 and $49.1 billion for Buildout. Deducting net CFD bond proceeds available to fund infrastructure and other public facilities results in a net one-time burden of $6.0 billion for Phase 1 and $45.9 billion at Buildout of the Project. These figures are presented in Table B-5 of the Appendix.

At this point, the analysis makes a broad assumption that approximately 60% of those net one-time burdens would be allocated to residential development, while the remaining 40% would be allocated to non-residential development. This assumption is based on the results of detailed cost allocation analyses conducted for other development projects, together with the types and amounts of total obligations identified for this Project. For example, the vast majority of school facility and park-related costs, and significantly more than half of the Voter Guarantees, would likely be attributable to residential development, while most of the remaining costs would probably be split somewhat evenly between residential and non-residential development. Without enough time to complete a detailed cost allocation analysis, this kind of assumption was necessary.

The estimated residential share of the net one-time burdens is approximately $3.6 billion for Phase 1 and $27.5 billion for Buildout of the Project. Dividing these figures by the estimated number of anticipated dwelling units produces net one-time burdens of $183,000 and $175,000 per unit for Phase 1 and Buildout, respectively. The per-unit burdens, when compared against the estimated values for residential units (or the weighted average value for Phase 1 and Buildout), result in net one-time burdens as a percentage of value equal to approximately 43% for Phase 1 and 41% for Buildout.

One of the metrics utilized in public finance analyses to ascertain project feasibility is the net one-time burden as a percentage of value. Any result less than 15% is probably feasible, results ranging from 15% to 20% are within a range where the economic viability of a project or land use is uncertain, and results above 20% are typically considered infeasible. With Phase 1 producing 43% one-time burdens and Buildout producing 41% one-time burdens, it appears that the Project is not financially feasible. In fact, these burdens are more than two times the amount that would ordinarily be considered only marginally feasible. Of course, other factors play meaningfully into that assessment, such as the cost basis of the land within the Project, which appears to be fairly low; the lower the land cost, generally the higher the one-time burden can go. Other variables, such as costs incurred to advance a project through the entitlement and approval process, the location, types, and developed values of land uses being proposed, and other factors can move a project into or out of the feasibility range as well. The results of this analysis indicate significant concern about Project feasibility, but more detailed and comprehensive work would need to be performed to more accurately assess that outcome.

Land Value Analysis

The land value analysis is a very preliminary test to evaluate potential returns to the landowners within the Project area if, rather than develop the area as described in the Initiative, they elect to sell the land were the Initiative to pass. Table C of the Appendix presents the data and calculations for the land value analysis.

Many variables exist that could determine the value of land originally purchased with an agriculture zoning that is subsequently rezoned for development. A few examples include the following:

1. The quantity of land subject to the resale.

2. The types and intensity of zoning for development that the land will be subject to upon rezoning.

3. The types of farming or ranching taking place on the land and how much income will be earned on those activities.

4. How much money, aside from the land purchase(s), will be spent to move the Project forward.

5. Macro-economic factors such as where in the real estate and interest rate cycles the land will be resold.

Data for land purchases within the Project area indicate that the average assessed value for land sales during the 2018-2023 timeframe is approximately $6,800 per acre. Transactions that occurred between 2001-2017 are excluded because they are dated and appear to only represent roughly 10% of the total transactions and acreage, based on available data. Transactions that have occurred thus far in 2024 are also excluded since assessed value information does not yet reflect the transaction values.

Data was also collected for transactions occurring between 2018-2023 anywhere in Solano County on parcels zoned for commercial, industrial, or residential development where the ratio of improved assessed value to total assessed value is effectively zero, indicating vacant land zoned for development. Those transactions suggest that a current value for vacant land with some form of development zoning might be approximately $35,200 per acre. However, the average size of those parcels is fairly small, so a 50% factor to discount that value to account for the resulting value under a bulk sale scenario is applied, producing a rough value of $17,600 per acre.

These land values, derived based on very preliminary research and analysis, suggest that landowners within the Project area could sell all or significant amounts of Project land at a price that is approximately 2.6 times what was paid for the land.

APPENDIX

FISCAL IMPACT ANALYSIS

TABLE A-1 THROUGH TABLE A-13

Table A-1
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
General Assumptions

Constant Dollar Analysis (2024$)

	County of Solano	
	Unincorporated Area	*County Total*
2024 Estimated Residential Population	18,076	446,426
2024 Estimated Employee Population	6,102	168,838
2024 Persons Served (Residents + 50% of Employees)	21,127	530,845

Sources: California Department of Finance; Claritas; Goodwin Consulting Group *07/13/2024*

Table A-2
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Land Use, Demographic, Value, and Related Assumptions

Land Uses	**Total Units or Building Sq. Ft.**	**Persons per Household or Building Sq. Ft. per Job**	**Total Population or Jobs /1**	**Assessed Value per Dwelling Unit or Bldg Sq. Ft.**	**Annual Turnover Rate**
Residential	*Units*	*PPH*	*Population*	*per Unit*	
Single Family	38,696	2.90	112,218	$650,000	14.3%
Multi-Family	118,920	2.40	285,408	$350,000	5.0%
	157,616		397,626		
Non-Residential	*SF*	*SF per Job*	*Jobs*	*per SF*	
Retail /2	24,884,159	1,502	16,567	$300	5.0%
Office /3	27,352,432	493	55,505	$285	5.0%
Industrial /4	38,257,298	2,259	16,934	$160	5.0%
Education	8,360,976	4,410	1,896	$0	5.0%
Construction			3,525		
Total	98,854,865		94,427		
Total Persons Served			**444,840**		

/1 Assumes a 0% residential vacancy rate, and a 0% non-residential vacancy rate.
/2 Includes retail and hotel uses.
/3 Includes office and medical uses.
/4 Includes various industrial land uses (i.e., industrial warehouse, light industrial, heavy industrial).

Sources: County of Solano; Placeworks; Goodwin Consulting Group *07/13/2024*

Table A-3
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Land Uses and Demographics by Project Phase

Land Uses	Phase 1				Buildout			
	Dwelling Units	**Resi-dents /1**	**Building Sq. Ft.**	**Jobs /1**	**Dwelling Units**	**Resi-dents /1**	**Building Sq. Ft.**	**Jobs /1**
Residential								
Single Family	4,837	14,027			38,696	112,218		
Multi-Family	14,865	35,676			118,920	285,408		
Non-Residential								
Retail /2			3,480,302	2,301			24,884,159	16,567
Office /3			3,825,515	7,709			27,352,432	55,505
Industrial /4			5,350,671	2,352			38,257,298	16,934
Education			1,045,122	237			8,360,976	1,896
Construction				2,350				3,525
Total	**19,702**	**49,703**	**13,701,610**	**14,949**	**157,616**	**397,626**	**98,854,865**	**94,427**
Totals Excluding Education	*19,702*	*49,703*	*12,656,488*	*14,712*	*157,616*	*397,626*	*90,493,889*	*92,531*
Total Units				**19,702**				**157,616**
Total Residents				**49,703**				**397,626**
Total Jobs				**14,949**				**94,427**
Total Persons Served				**57,178**				**444,840**

/1 Assumes a 0% residential vacancy rate, and a 0% non-residential vacancy rate.
/2 Includes retail and hotel uses.
/3 Includes office and medical uses.
/4 Includes various industrial land uses (i.e., industrial warehouse, light industrial, heavy industrial).

Sources: County of Solano; Placeworks; Goodwin Consulting Group *07/13/2024*

Table A-4
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Property Tax Allocation Assumptions

Property Tax Fund	60049 *1,161 ac.*	60052 *706 ac.*	60055 *1,027 ac.*	84001 *3,515 ac.*	84003 *5,129 ac.*	84004 *4,727 ac.*	Wtg. Avg. Pre-ERAF Property Tax Distribution	ERAF Adjustment Factor	**Post-ERAF Property Tax Distribution /1**
General County	0.411775	0.411330	0.415252	0.448832	0.453506	0.449362	0.444067	0.3612	*28.37%*
County Free Library	0.036054	0.036015	0.036359	0.039299	0.039708	0.039346	0.038882	0.1708	
Accumulated Capital Outlay	0.010607	0.010595	0.010696	0.011561	0.011682	0.011575	0.011439	0.3579	
Mosquito Abatement District	0.007716	0.007708	0.007781	0.008410	0.008498	0.008420	0.008321	0.2338	
Recreation	0.002661	0.002658	0.002684	0.002901	0.002931	0.002904	0.002870	0.3579	
Solano County Water Agency	0.020075	0.020053	0.020245	0.021882	0.022110	0.021908	0.021650	0.0000	
Library Special Tax Zone 1	0.016100	0.016083	0.016236	0.000000	0.000000	0.000000	0.002873	0.3335	
Library Special Tax Zone 2	0.000000	0.000000	0.000000	0.003563	0.003600	0.003567	0.002942	0.5028	
Aviation	0.001565	0.001563	0.001578	0.001706	0.001723	0.001708	0.001688	0.0000	
B A A Q M D	0.002883	0.000000	0.000000	0.000000	0.000000	0.003147	0.001120	0.0000	
Yolo-Solano Air Quality Mgmt District	0.000000	0.003962	0.003999	0.004323	0.004368	0.000000	0.002736	0.2331	
Special Road	0.033951	0.033914	0.034237	0.037006	0.037392	0.037050	0.036613	0.3983	
Montezuma Fire	0.035454	0.035415	0.035753	0.038644	0.039047	0.038690	0.038234	-0.2870	*4.92%*
Rio Vista-Montezuma Cemetery	0.030457	0.030424	0.021177	0.033198	0.023128	0.033237	0.028959	0.1510	
County Supt-Co Sch Ser Fund Sup	0.013477	0.013462	0.013591	0.000000	0.000000	0.000000	0.002405	0.0000	
County Supt-Development Center	0.002851	0.002848	0.002875	0.000000	0.000000	0.000000	0.000509	0.0000	
San Joaquin Comm College M & O	0.044455	0.044407	0.044831	0.048456	0.048960	0.048513	0.047941	0.0000	
River Delta Joint Unified M & O	0.000000	0.000000	0.000000	0.283885	0.286842	0.284220	0.234403	0.0000	
F-S Unified School Dist M & O	0.324102	0.323752	0.326839	0.000000	0.000000	0.000000	0.057825	0.0000	
River Delta Unified-Ed	0.000000	0.000000	0.000000	0.014767	0.014921	0.014784	0.012193	0.0000	
Co Supt-Co Sch Ser Fund Supp	0.001430	0.001429	0.001443	0.001567	0.001584	0.001569	0.001549	0.0000	
Co Supt-Board of Education	0.004387	0.004382	0.004424	0.000000	0.000000	0.000000	0.000783	0.0000	
Total	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		33.29%
Post-ERAF Property Tax Distribution to the County General Fund									**28.37%**
Post-ERAF Property Tax Distribution to the Montezuma Fire Fund									**4.92%**

/1 The reallocation of property taxes away from counties, cities, and other agencies to the Educational Revenue Augmentation Fund (ERAF) is based on certain formulas; the allocations to the various funds shown above represent allocations after ERAF reduction factors are applied.

Sources: County of Solano; Goodwin Consulting Group

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Table A-5
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
County Revenue Assumptions (Case Study Method)

Secured Property Tax	
County of Solano's Share (post-ERAF)	28.37%
Montezuma Fire's Share (post-ERAF)	4.92%
Unsecured Property Assessed Value	
Unsecured Property Value as a % of Secured Residential Property Value	1.00%
Unsecured Property Value as a % of Secured Non-Residential Property Value	10.00%
Real Property Transfer Tax	
Rate = $1.10 per $1,000	0.0011
Percentage Allocated to County ($1.10 per $1,000)	100.00%
Sales and Use Tax	
Basic Sales Tax Rate	1.00%
Countywide and Statewide Pooled Sales Tax Revenue as a Percentage of Basic Sales Tax Rate	20.13%
Public Safety (Prop. 172) Sales Tax Rate	0.50%
Percent of Public Safety Sales Tax Revenue Allocated to County	95.00%
Taxable Sales	
Retail Direct/On-Site Sales (per Improved Square Foot)	$250
Office (per Improved Square Foot)	$5
Industrial (per Improved Square Foot)	$5
Property Tax In-Lieu of VLF (PTILVLF)	
FY 2023-24 Net Assessed Value	$70,305,844,251
FY 2023-24 PTILVLF	$66,924,995

Sources: County of Solano; Goodwin Consulting Group

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Table A-6
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Household Income and Taxable Expenditure Calculations

Market Rate Units	Assessed Value	Total Annual Payments /1	Estimated Household (HH) Income	Taxable Retail Sales as a % of HH Income	Total Taxable Sales per HH
Single Family	$650,000	$50,777	$169,300	20.6%	$34,929
Multi-Family	$350,000	$27,342	$91,100	28.7%	$26,146
Term of Loan (in years)			30		
Interest on Mortgage			6.0%		
Down Payment			20.0%		
Insurance and Tax Payments as a % of Assessed Value			2.0%		
Annual Mortgage Payment as a % of HH Income			30.0%		

/1 Includes mortgage, insurance, and tax payments.

Sources: Bureau of Labor Statistics; County of Solano; Goodwin Consulting Group

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Table A-7.1
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Taxable Sales Generation - Phase 1

			Unincorporated Solano County Capture Rate at Buildout of Phase 1 *(Base Sales Tax)*	**Solano County Capture Rate at Buildout of Phase 1** *(Prop. 172 Sales Tax)*
Taxable Sales	*Average Taxable Sales per Household /1*	*Occupied Households*	*Total Taxable Sales*	*Total Taxable Sales*
Residential Land Use				
Single Family	$34,929	4,837	$168,953,716	$168,953,716
Multi-Family	$26,146	14,865	$388,655,831	$388,655,831
Total Residential Demand		19,702	$557,609,546	$557,609,546
Employee Taxable Sales Demand	*Taxable Sales per Employee /2*	*Employees*		
Taxable Sales	*$2,400*	14,949	$35,877,600	$35,877,600
Adjusted Total Employee Demand /3	50%		$17,938,800	$17,938,800
Total Residential and Employee Demand			$575,548,346	$575,548,346
Estimated Average Capture Rate			80%	80%
Taxable Sales from Residential and Employee Demand			$460,438,677	$460,438,677
Less: Retail Supply	*Taxable Sales per Bldg SF*	*Occupied Bldg SF*	*Total Taxable Sales Supply*	*Total Taxable Sales Supply*
Retail/Hotel	$250	3,480,302	$870,075,500	$870,075,500
% Ascribed to Surrounding Residential Demand (Outside of Project)			47%	47%
Adjusted Supply (Ascribed to Residential Demand within Project)			$460,438,677	$460,438,677
Excess Retail Sales Demand (if any)			$0	$0
Business to Business Taxable Sales	*Taxable Sales per Bldg SF*	*Occupied Bldg SF*	*Total Taxable Sales*	*Total Taxable Sales*
Office /3	$5	3,825,515	$19,127,575	$19,127,575
Industrial	$5	5,350,671	$26,753,355	$26,753,355
Total		10,221,308	$45,880,930	$45,880,930
Total Taxable Sales				
Retail Supply			$460,438,677	$460,438,677
Excess Retail Sales Demand			$0	$0
Business to Business Sales			$45,880,930	$45,880,930
Total			$506,319,607	$506,319,607

/1 Based on taxable spending estimates shown in Table A-6.
/2 Assumes average daily taxable sales of $10 per employee and 240 work days per year.
/3 Total adjusted by 50% to account for the fact that some employees are residents for which the demand already has been estimated.

Sources: Bureau of Labor Statistics; Goodwin Consulting Group *07/13/2024*

Table A-7.2
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Taxable Sales Generation - Buildout

			Unincorporated Solano County Capture Rate at Buildout of Project *(Base Sales Tax)*	**Solano County Capture Rate at Buildout of Project** *(Prop. 172 Sales Tax)*
Taxable Sales	*Average Taxable Sales per Household /1*	*Occupied Households*	*Total Taxable Sales*	*Total Taxable Sales*
Residential Land Use				
Single Family	$34,929	38,696	$1,351,629,724	$1,351,629,724
Multi-Family	$26,146	118,920	$3,109,246,644	$3,109,246,644
Total Residential Demand		157,616	$4,460,876,368	$4,460,876,368
Employee Taxable Sales Demand	*Taxable Sales per Employee /2*	*Employees*		
Taxable Sales	*$2,400*	94,427	$226,624,800	$226,624,800
Adjusted Total Employee Demand /3	50%		$113,312,400	$113,312,400
Total Residential and Employee Demand			$4,574,188,768	$4,574,188,768
Estimated Average Capture Rate			80%	80%
Taxable Sales from Residential and Employee Demand			$3,659,351,015	$3,659,351,015
Less: Retail Supply	*Taxable Sales per Bldg SF*	*Occupied Bldg SF*	*Total Taxable Sales Supply*	*Total Taxable Sales Supply*
Retail /2	$250	24,884,159	$6,221,039,750	$6,221,039,750
% Ascribed to Surrounding Residential Demand (Outside of Project)			41%	41%
Adjusted Supply (Ascribed to Residential Demand within Project)			$3,659,351,015	$3,659,351,015
Excess Retail Sales Demand (if any)			$0	$0
Business to Business Taxable Sales	*Taxable Sales per Bldg SF*	*Occupied Bldg SF*	*Total Taxable Sales*	*Total Taxable Sales*
Office /3	$5	27,352,432	$136,762,160	$136,762,160
Industrial /4	$5	38,257,298	$191,286,490	$191,286,490
Total		73,970,706	$328,048,650	$328,048,650
Total Taxable Sales				
Retail Supply			$3,659,351,015	$3,659,351,015
Excess Retail Sales Demand			$0	$0
Business to Business Sales			$328,048,650	$328,048,650
Total			$3,987,399,665	$3,987,399,665

/1 Based on taxable spending estimates shown in Table A-6.
/2 Assumes average daily taxable sales of $10 per employee and 240 work days per year.
/3 Total adjusted by 50% to account for the fact that some employees are residents for which the demand already has been estimated.

Sources: Bureau of Labor Statistics; Goodwin Consulting Group *07/13/2024*

Table A-8
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
County Revenue Assumptions - General Fund (Multiplier Method)

Revenues	Total Net Revenue	Average Revenue per Unincorporated Area			Average Revenue Countywide		
		Resident	Employee	Person Served	Resident	Employee	Person Served
Licenses, Permits & Franchises /1	n/a	--	--	--	--	--	--
Fines, Forfeitures & Penalties	$1,142,000	--	--	--	--	--	$2.15
Revenue from Use of Money/Prop /1	n/a	--	--	--	--	--	--
Intergovernmental Revenue /1	n/a	--	--	--	--	--	--
Charges for Services /1	n/a	--	--	--	--	--	--
Miscellaneous Revenue /2	$3,256,781	--	--	--	--	--	$6.14

/1 These revenues are accounted for in either 1) the County Net Expenditure figures and/or 2) the net expenditure figures for the comparable cities.
/2 While some components of Miscellaneous Revenue will not be affected by new development, the entire budgeted amount is captured here to account for other revenues in this table that may be applicable.

Sources: County of Solano Adopted Budget Fiscal Year 2023-24; Goodwin Consulting Group

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Table A-9.1
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
County Expenditure Assumptions - General Fund (Multiplier Method)

Function	Total Net Expenditures	Average Expense per Unincorporated Area			Average Expense Countywide		
		Resident	Employee	Person Served	Resident	Employee	Person Served
General Government							
BOS-District 1	$696,667	--	--	--	--	--	$1.31
BOS-District 2	$672,074	--	--	--	--	--	$1.27
BOS-District 3	$722,329	--	--	--	--	--	$1.36
BOS-District 4	$702,888	--	--	--	--	--	$1.32
BOS-District 5	$703,266	--	--	--	--	--	$1.32
BOS-Administration	$302,780	--	--	--	--	--	$0.57
Administration	$1,134,633	--	--	--	--	--	$2.14
General Revenue	$100,000	--	--	--	--	--	$0.19
Employee Development & Training	$179,476	--	--	--	--	--	$0.34
Delta Water Activities	$799,219	--	--	--	--	--	$1.51
Assessor	$5,249,374	--	--	--	--	--	$9.89
Auditor-Controller	$563,222	--	--	--	--	--	$1.06
Tax Collector/County Clerk	$1,427,012	--	--	--	--	--	$2.69
Treasurer /1	$0	--	--	--	--	--	--
County Counsel	$775,063	--	--	--	--	--	$1.46
Human Resources	$1,421,547	--	--	--	--	--	$2.68
Registrar of Voters	$7,291,164	--	--	--	$16.33	--	--
Real Estate Services	($159,439)	--	--	--	--	--	($0.30)
Promotion	$279,764	--	--	--	--	--	$0.53
General Services	$5,680,693	--	--	--	--	--	$10.70
Surveyor/Engineer	$180,506	--	--	--	--	--	$0.34
General Fund-Other	$4,018,501	--	--	--	--	--	$7.57
Total General Government	$32,740,739	--	--	--	$16.33	--	$47.94
Total General Government	$32,740,739						
Services Impacted by New Growth /2	75%						
Net General Government	$24,555,554	--	--	--	$12.25	--	$35.96
Health & Sanitation							
In Home Supp Svcs-Public Auth	$9,066,621	--	--	--	$20.31	--	--
Family Health Services	$4,486,028				$10.05	--	--
Behavioral Health	$8,068,026	--	--	--	$18.07	--	--
Health Services	$9,233,334	--	--	--	$20.68	--	--
Total Health & Sanitation	$30,854,009	--	--	--	$69.11	--	--

/1 There is no General Fund contribution to the Treasurer's office.
/2 It is estimated that 25% of the activities under the General Government Administration expense category will not grow significantly, if at all, due to new development.

Sources: County of Solano Adopted Budget Fiscal Year 2023-24; County of Solano; Goodwin Consulting Group *07/13/2024*

Table A-9.2
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
County Expenditure Assumptions - General Fund (Multiplier Method) Cont.

Function	Total Net Expenditures /1	Average Expense per Unincorporated Area			Average Expense Countywide			
		Resident	Employee	Person Served	Resident	Employee	Person Served	
Public Protection								
Grand Jury	$200,593	--	--	--	--	--	$0.38	
Dept. of Child Support Services	$246,768				--	--	$0.46	
District Attorney	$30,026,148	--	--	--	--	--	$56.56	
Public Defender	$18,436,355	--	--	--	--	--	$34.73	
Alternate Public Defender	$6,337,567	--	--	--	--	--	$11.94	
Other Public Defense	$4,145,325	--	--	--	--	--	$7.81	
Sheriff Admin	$25,024,156	--	--	--	--	--	$30.73	/2
Sheriff Public Safety/Patrol /3	n/a	--	--	--	--	--	--	
Sheriff Custody/Compliance/EMS	$63,798,286	--	--	--	--	--	$120.18	
Probation	$33,282,879	--	--	--	--	--	$62.70	
Agricultural Commissioner	$3,499,284	--	--	--	--	--	$6.59	
Animal Care Services	$1,533,440	--	--	$72.58	--	--	--	
Recorder	$426,022	--	--	--	--	--	$0.80	
Resource Management	$3,952,406	--	--	--	--	--	$7.45	
Office of Family Violence Prev	$1,316,944	--	--	--	--	--	$2.48	
Total Public Protection	$192,226,173	--	--	$72.58	--	--	$342.81	
Public Assistance								
Administration Division	$1,438,770	--	--	--	$3.22	--	--	
Social Services Department	$16,776,368	--	--	--	$37.58	--	--	
Assistance Programs	$4,008,469	--	--	--	$8.98	--	--	
Ind Burial Vets Cem Care	$29,510	--	--	--	$0.07	--	--	
Veterans Service	$719,380	--	--	--	$1.61	--	--	
Grants/Programs Administration	$1,648,298				$3.69	--	--	
Total Public Assistance	$24,620,795	--	--	--	$55.15	--	--	
Education & Recreation								
Library	$3,594,406	--	--	--	--	--	$6.77	
Cooperative Ext Svce	$356,567	--	--	--	--	--	$0.67	
Parks & Recreation /3	n/a	--	--	--	--	--	--	
Total Education & Recreation	$3,950,973	--	--	--	--	--	$7.44	

/1 Includes contributions from the General Fund for various activities; excludes expenses associated with Public Ways & Facilities because these expenses are not supported by the General Fund.
/2 Excludes sheriff administration expense associated with sheriff public safety/patrol as these expenses are assumed to be included in police costs shown in Table A-11.1 and Table A-11.2.
/3 Estimated based on average expenses for comparable cities as shown in Table A-11.1 and Table A-11.2.

Sources: County of Solano Adopted Budget Fiscal Year 2023-24; County of Solano; Goodwin Consulting Group

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Table A-10
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Proposed Comparable Cities

City	County	Population	Pop Density (Population per Sq Mi)	Median Household Income
Daly City	San Mateo	101,458	13,070	$114,910
Berkeley	Alameda	125,327	11,404	$104,716
Redondo Beach	Los Angeles	68,239	10,931	$134,033
Santa Monica	Los Angeles	92,912	10,694	$106,797
Avg / Wtd Avg		**97,000**	**11,600**	**$113,000**
CA Forever Phase 1		**49,703**	**14,800**	**$110,000**
San Francisco	San Francisco	843,071	17,310	$136,689
Long Beach	Los Angeles	458,813	8,870	$78,995
Oakland	Alameda	425,093	7,800	$94,389
Avg / Wtd Avg		**576,000**	**12,600**	**$110,000**
CA Forever Buildout		**397,626**	**14,800**	**$110,000**

Sources: US Census American Community Survey (ACS) dataset;
California Department of Finance; Goodwin Consulting Group

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Table A-11.1
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Municipal Revenue and Expenditure Assumptions - Phase 1 Comparable Cities

City	Daly City	Berkeley	Redondo Beach	Santa Monica	Average
Est. Population	*101,458*	*125,327*	*68,239*	*92,912*	*97,000*
Est. Jobs	*32,414*	*101,356*	*28,965*	*112,576*	*69,000*
Persons Served	*117,665*	*176,005*	*82,722*	*149,200*	*131,500*

	Est. Revenues or Net Expenditures				Weighted Average	Average Revenue or Expense per		
						Resident	Employee	Person Served
Revenues								
Transient Occupancy Taxes	$1,187,552	$4,900,000	$6,781,822	$70,190,297	$19,897,000	--	--	$151.31
Expenditures		*Est. Net Expenditures /1*						
City Attorney	$1,506,000	$4,049,000	$2,589,000	$8,408,000	$4,171,000	--	--	$31.72
Economic & Community Development /2	$4,199,000	$5,743,000	$2,614,000	$11,974,000	$6,281,000	--	--	$47.76
Police	$36,871,000	$72,780,000	$30,883,000	$73,010,000	$56,074,000	--	--	$426.42
Public Works	$3,265,000	$5,555,000	$4,230,000	$33,102,000	$11,321,000	--	--	$86.09
Parks & Recreation	$10,245,000	$7,988,000	$6,037,000	$6,473,000	$7,872,000	$81.15	--	--
Fire	$23,276,000	$36,128,000	$13,091,000	$34,137,000	$28,238,000	--	--	$214.74

/1 Adjusted to exclude estimated offsetting revenues (e.g., charges for services, licenses, permits, franchises, etc.) for each municipal expense. The adjustment reflects estimated offsetting revenues divided by total general fund revenues.
/2 Includes building, planning, and community development services.

Sources: Fiscal Year 2023-24 Adopted Budgets for Comparable Cities; Claritas; State Controller's Office; California Department of Finance; Goodwin Consulting Group

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Table A-11.2
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Municipal Revenue and Expenditure Assumptions - Buildout Comparable Cities

City	San Francisco	Long Beach	Oakland	Average
Est. Population	*843,071*	*458,813*	*425,093*	*576,000*
Est. Jobs	*772,676*	*197,335*	*235,564*	*402,000*
Persons Served	*1,229,409*	*557,481*	*542,875*	*777,000*

Function	Est. Revenue or Net Expenditures			Weighted Average	Average Revenue or Expense per		
					Resident	Employee	Person Served
Revenues							
Transient Occupancy Taxes	$302,900,000	$23,189,199	$22,482,510	$159,564,000	--	--	$205.36
Expenditures		*Est. Net Expenditures /1*					
City Attorney	$32,451,000	$3,159,000	$15,194,000	$20,421,000	--	--	$26.28
Economic & Community Development /2	$116,075,000	$9,967,000	$29,663,000	$66,615,000	--	--	$85.73
Police	$628,794,000	$233,581,000	$232,883,000	$426,343,000	--	--	$548.70
Public Works	$122,447,000	$44,395,000	$15,304,000	$75,338,000	--	--	$96.96
Parks & Recreation	$88,541,000	$37,065,000	$12,781,000	$56,217,000	$97.60	--	--
Fire	$349,984,000	$105,717,000	$139,628,000	$233,310,000	--	--	$300.27

/1 Adjusted to exclude estimated offsetting revenues (e.g., charges for services, licenses, permits, franchises, etc.) for each municipal expense. The adjustment reflects estimated offsetting revenues divided by total general fund revenues.
/2 Includes building, planning, and community development services.

Sources: Fiscal Year 2023-24 Adopted Budgets for Comparable Cities; Claritas; California Department of Finance; Goodwin Consulting Group *07/13/2024*

Table A-12
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
County Annual Net Fiscal Impacts

Revenues/Expenses	Phase 1 Annual Impacts	Phase 1 Percent of Total	Buildout Annual Impacts	Buildout Percent of Total
Revenues				
Property Tax: Secured	$32,158,756	49.5%	$250,059,818	47.1%
Property Tax: Unsecured	$1,085,024	1.7%	$7,959,166	1.5%
Real Property Transfer Tax	$780,216	1.2%	$7,417,732	1.4%
Sales and Use Tax	$6,082,417	9.4%	$47,900,632	9.0%
Public Safety Sales Tax	$4,936,616	7.6%	$38,877,146	7.3%
Property Tax In-Lieu of VLF	$10,792,086	16.6%	$83,917,023	15.8%
Transient Occupancy Tax	$8,651,412	13.3%	$91,351,828	17.2%
Licenses, Permits & Franchises	$0	0.0%	$0	0.0%
Fines, Forfeitures & Penalties	$123,005	0.2%	$956,977	0.2%
Revenue from Use of Money/Prop	$0	0.0%	$0	0.0%
Intergovernmental Revenue	$0	0.0%	$0	0.0%
Charges for Services	$0	0.0%	$0	0.0%
Miscellaneous Revenue	$350,789	0.5%	$2,729,130	0.5%
Total	$64,960,322	100.0%	$531,169,452	100.0%
Expenses				
General Government	($2,664,710)	3.8%	($20,865,359)	3.3%
Health & Sanitation	($3,435,142)	4.8%	($27,481,276)	4.3%
Public Protection	($23,751,303)	33.5%	($184,784,538)	29.1%
Public Assistance	($2,741,165)	3.9%	($21,929,431)	3.5%
Education & Recreation	($425,561)	0.6%	($3,310,851)	0.5%
City Attorney	($1,813,592)	2.6%	($11,691,206)	1.8%
Economic & Community Development	($2,731,041)	3.9%	($38,137,688)	6.0%
Police	($24,381,530)	34.4%	($244,085,208)	38.5%
Public Works	($4,922,483)	6.9%	($43,131,684)	6.8%
Parks & Recreation	($4,033,629)	5.7%	($38,807,883)	6.1%
Total	($70,900,156)	100.0%	($634,225,125)	100.0%
Net Fiscal Impact - County General Fund	**($5,939,834)**	**Deficit**	**($103,055,673)**	**Deficit**
Average Net Impact per Unit	***($301)***	**Deficit**	***($654)***	**Deficit**

Source: Goodwin Consulting Group *07/13/2024*

Table A-13
County of Solano
California Forever (East Solano Plan)
Fiscal Impact Analysis
Montezuma Fire District Annual Net Fiscal Impacts

Revenues/Expenses	*Phase 1* Annual Impacts	*Phase 1* Percent of Total	*Buildout* Annual Impacts	*Buildout* Percent of Total
Revenues				
Property Tax: Secured	$5,578,727	96.7%	$43,379,028	96.9%
Property Tax: Unsecured	$188,224	3.3%	$1,380,713	3.1%
Total	$5,766,952	100.0%	$44,759,741	100.0%
Expenses				
Fire	($12,278,162)	100.0%	($133,572,077)	100.0%
Net Fiscal Impact - Fire District	**($6,511,210)**	**Deficit**	**($88,812,336)**	**Deficit**
Average Net Impact per Unit	***($330)***	**Deficit**	***($563)***	**Deficit**

Source: Goodwin Consulting Group *07/13/2024*

FINANCIAL ANALYSIS

TABLE B-1 THROUGH TABLE B-5

Table B-1
County of Solano
California Forever (East Solano Plan)
Financial Analysis
Preliminary Annual Burden Analysis

		Single Family *per Unit*	Multi-Family *per Unit*	Subtotal/ Wtg Avg *per Unit*
Estimated Wtg Avg Net Value		$650,000	$350,000	$423,652
Ad Valorem Taxes				
Base Property Tax	1.0000%	$6,500	$3,500	$4,237
Other Ad Valorem	0.0796%	$518	$279	$337
Subtotal	1.0796%	$7,018	$3,779	$4,574
Existing Special Taxes and Assessments				
SF Bay Restoration Authority-Measure AA		$12	$12	$12
Solano Subbasin Groundwater Sustainability Agency Fee		$11	$11	$11
Subtotal		$23	$23	$23
Proposed Special Taxes				
Maximum Infrastructure CFD Max Special Tax		$2,380	$1,346	$1,600
Proposed Project-Specific Services CFD Max Special Tax		$1,050	$525	$654
Proposed Fire Services CFD Max Special Tax		$905	$452	$563
Subtotal		$4,334	$2,323	$2,817
Max Total Annual Burden as a % of Estimated Value		***1.75%***	***1.75%***	***1.75%***
Total Annual Burden		**$11,375**	**$6,125**	**$7,414**
Total Annual Burden as a % of Estimated Value		***1.75%***	***1.75%***	***1.75%***
Total Existing Burden & Svs CFDs a % of Est. AV		***1.38%***	***1.37%***	***1.37%***

Sources: County of Solano; Goodwin Consulting Group *07/13/2024*

Table B-2
County of Solano
California Forever (East Solano Plan)
Financial Analysis
CFD Bond Capacity Analysis - Phase 1

		Single Family	**Multi-Family**	**Subtotal/ Wtg Avg**
Dwelling Units		4,837	14,865	19,702
			per Unit	
Estimated Maximum Infrastructure CFD Max Special Tax		$2,380	$1,346	$1,600
<u>Estimated CFD Bonding Capacity</u>				
Total Proposed Infrastructure CFD Max Tax		$11,510,570	$20,007,383	$31,517,953
Less Priority Admin		($36,521)	($63,479)	($100,000)
Net Annual Services CFD Max Tax		$11,474,049	$19,943,903	$31,417,953
CFD Bond Coverage		110%	110%	110%
Net Special Tax Available for Debt Service		$10,430,954	$18,130,821	$28,561,775
Estimated Interest Rate	6.0%			
Estimated Bond Amount		$173,850,000	$302,180,000	$476,030,000
Less: Reserve Fund	10.0%	($17,385,000)	($30,218,000)	($47,603,000)
Less: COI	5.0%	($8,692,500)	($15,109,000)	($23,801,500)
Estimated Net Proceeds		$147,772,500	$256,853,000	$404,625,500
Estimated Net Proceeds (Rounded)		**$147,800,000**	**$256,900,000**	**$404,700,000**

Sources: County of Solano; Goodwin Consulting Group *07/13/2024*

Table B-3
County of Solano
California Forever (East Solano Plan)
Financial Analysis
CFD Bond Capacity Analysis - Buildout

		Single Family	Multi-Family	Subtotal/ Wtg Avg
Dwelling Units		38,696	118,920	157,616
			per Unit	
Estimated Maximum Infrastructure CFD Max Special Tax		$2,380	$1,346	$1,600
Estimated CFD Bonding Capacity				
Total Proposed Infrastructure CFD Max Tax		$92,084,560	$160,059,060	$252,143,621
Less Priority Admin		($36,521)	($63,479)	($100,000)
Net Annual Services CFD Max Tax		$92,048,040	$159,995,581	$252,043,621
CFD Bond Coverage		110%	110%	110%
Net Special Tax Available for Debt Service		$83,680,036	$145,450,528	$229,130,564
Estimated Interest Rate	6.0%			
Estimated Bond Amount		$1,394,665,000	$2,424,175,000	$3,818,840,000
Less: Reserve Fund	10.0%	($139,466,500)	($242,417,500)	($381,884,000)
Less: COI	5.0%	($69,733,250)	($121,208,750)	($190,942,000)
Estimated Net Proceeds		$1,185,465,250	$2,060,548,750	$3,246,014,000
Estimated Net Proceeds (Rounded)		**$1,185,500,000**	**$2,060,500,000**	**$3,246,000,000**

Sources: County of Solano; Goodwin Consulting Group

07/13/2024

Table B-4
County of Solano
California Forever (East Solano Plan)
Financial Analysis
Existing Development Impact Fees

Land Uses	**Public Facility Fee /1**	**School District Fee /2**	**Total**
Residential		*per Unit*	
Single Family	$9,263	$11,022	$20,285
Multi-Family	$6,662	$5,010	$11,672
Non-Residential		*per KSF*	
Retail	$1,024	$780	$1,804
Office	$1,359	$780	$2,139
Industrial	$698	$780	$1,478
Total - Phase 1	**$143,835,761**	**$127,787,064**	**$271,622,825**
Total - Buildout	**$1,240,043,016**	**$1,092,881,745**	**$2,332,924,761**

/1 Includes the following Solano County fees: Countywide Public Protection, Health & Social Services, Library, General Government, Regional Transportation, and Administrative Charge.
/2 Based on existing rates for the Fairfield-Suisun Unified School District.

Sources: County of Solano; Fairfield-Suisun Unified; Goodwin Consulting Group *07/13/2024*

Table B-5
County of Solano
California Forever (East Solano Plan)
Financial Analysis
Gross and Net One-time Burdens

	Phase 1	Buildout
Project-Specific Infrastructure/Obligations		
Project-Specific Backbone Infrastructure		
On-Site Roads (Major/Minor Arterials + Collectors)	$1,521,000,000	$12,204,000,000
Off-Site Roads (Regional Transportation Mitigation)	$2,200,000,000	$17,600,000,000
Water (Distribution, Storage, Treatment)	$129,000,000	$479,000,000
Wastewater (Conveyance, WWTP, Recycled Water Distribution)	$399,000,000	$1,480,000,000
Drainage (incl Basins)	$106,000,000	$844,000,000
Dry Utilities (Electrical, Fiber)	$273,000,000	$2,187,000,000
Subtotal	$4,628,000,000	$34,794,000,000
Schools /1, 2		
K-8 Schools (6 in Phase 1)	$437,000,000	$3,496,000,000
High Schools (2 in Phase 1)	$306,000,000	$2,448,000,000
Subtotal	$743,000,000	$5,944,000,000
Parks and Related Amenities /1, 3	$165,000,000	$1,320,000,000
Public Safety Stations (2 in Phase 1) /1, 4	$72,000,000	$576,000,000
Voter Guarantees /5		
Solano Homes for All	$400,000,000	$3,200,000,000
Solano Downtowns Revitalization	$200,000,000	$1,600,000,000
Solano Opportunities	$70,000,000	$560,000,000
Green Solano	$30,000,000	$240,000,000
Subtotal	$700,000,000	$5,600,000,000
Total Project-Specific Infrastructure/Obligations	**$6,308,000,000**	**$48,234,000,000**
Proposed Project Costs	$6,308,000,000	$48,234,000,000
Existing PFF Impact Fees, excl RTIF	$105,000,000	$905,200,000
Total Gross One-Time Burden	$6,413,000,000	$49,139,200,000
Less: Estimated Net CFD Bond Proceeds	($405,000,000)	($3,246,000,000)
Net One-Time Burden	**$6,008,000,000**	**$45,893,000,000**
Residential Share (60%)	**$3,605,000,000**	**$27,536,000,000**
per Dwelling Unit	**$183,000**	**$175,000**
% of Wtd Avg Dwelling Unit Value	**43.2%**	**41.3%**

/1 Excludes costs associated with land; *Upper Westside Specific Plan Public Facilities Financing Plan* , prepared by EPS and dated September 2023.
/2 K-8 schools sized for 900 students each; high schools sized for 1,125 students each.
/3 Includes parks, trails, open space, plazas, greenbelt corridors, and other related amenities.
/4 Combination fire/police stations sized at 30,000 sf each.
/5 East Solano Plan Initiative.

Sources: County of Solano; Stantec; Goodwin Consulting Group *07/13/2024*

LAND VALUE ANALYSIS

TABLE C

Table C
County of Solano
California Forever (East Solano Plan)
Land Value Analysis
Assessed Value Analysis (2018-2023 Transactions)

	Parcels	Total Assessed Value (AV)	Acres	Average AV per Acre
Land Use Type / Zoning /1				
Commercial	2	$1,841,923	16	$116,000
Industrial	5	$11,037,272	77	$143,000
Residential	86	$16,330,997	727	$22,000
Office	0	$0	0	$0
Weighted Average				$35,200
Bulk Sales Value Discount				50%
Net Bulk Sales Value				$17,600
Project APNs /2				
Transactions between 2018-2023	73	$89,279,361	13,124	$6,800
AV of Land Zoned for Development vs AV of Project Land				2.59

/1 Includes transactions between 2018-2023 in Solano County of parcels zoned for development with a zero percent ratio of improved AV to total AV.
/2 Excludes transactions between 2001-2017 since they are dated and represent only ~10% of the total transactions and acreage, based on available data. Also excludes transactions in 2024 since assessed value information does not yet reflect transaction values.

Sources: Parcel Quest; Goodwin Consulting Group *07/13/2024*