
800 OPAL PROJECT

MENTONE, CA

FISCAL IMPACT ANALYSIS

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1.0 INTRODUCTION

This report evaluates the fiscal impacts (to the County of San Bernardino) associated with the proposed refurbishing and re-tenanting of existing manufacturing/warehouse facilities on the 800 Opal site ("project") in Mentone, CA.

1.1 Scope of the Analysis

The scope and methodology of the analysis are based on a format approved by the County of San Bernardino. Although the County does not have specific guidelines for fiscal impact analysis, The Natelson Dale Group, Inc. (TNDG) has prepared this analysis based on input from County staff for comparable studies previously prepared by TNDG¹.

The analysis places primary emphasis on the project's potential revenue and cost impacts to the County of San Bernardino General Fund. In addition, the analysis projects revenue impacts to the following County funds and special districts:

- San Bernardino County Library District
- County Fire Protection District – Valley Service Area
- San Bernardino County Flood Control District (Zone 3 Area)
- San Bernardino County Transportation Fund
- School Districts

The analysis focuses on annually-recurring impacts after buildout of the project. The analysis excludes one-time costs such as processing costs related to new development and capital costs for new infrastructure. It is assumed that any one-time costs would be offset by related revenue sources such as development impact fees, plan check fees, developer reimbursements, etc.

1.2 Organization of the Report

This introduction summarizes the Project description and forecasts the project's onsite employment (permanent jobs). Chapter 2.0 provides an Executive Summary of the study findings. Chapter 3.0 describes the methodology used for the analysis. Appendix A provides the detailed fiscal impact calculations. Appendix B provides additional documentation on fiscal model inputs, along with derivations of various fiscal model factors.

1.3 Project Description

The project site is approximately 38 acres in size and is located in the community of Mentone in unincorporated San Bernardino County. The site's regional location is bounded by:

- Nice Avenue on the North
- Colton Avenue on the South

¹ Including the fiscal impact analysis prepared for the Hacienda at Fairview Valley Specific Plan. April 19, 2014.

- Opal Avenue on the West
- Beryl Avenue on the East

The proposed project would involve refurbishing and re-tenanting existing (but currently vacant) manufacturing and warehouse facilities on the site. The property is currently developed with two structures that are proposed to remain: a 205,953 square foot building for manufacturing/warehousing operations and offices, and a 35,600 square foot manufacturing and warehouse building, for a total building area of 241,553 square feet. Outdoor storage areas (for finished product and/or raw materials) are proposed to be located east and north of the existing structures. Based on the building sizes and site configuration (with the availability of outdoor storage space), the applicant anticipates that the refurbished buildings will be occupied by small to mid-size “value add” manufacturers.

1.4 Projected Onsite Employment

For purposes of this analysis, TNDG has assumed an employment density factor of one job per 1,200 square feet of building area. This factor represents a typical employment density for manufacturing/warehouse facilities in the Inland Empire, based on TNDG’s work on comparable previous projects and also an extensive study on employment densities completed by the firm for the Southern California Association of Governments (SCAG)².

Based on a total building area of 241,553 square feet and a projected employment density of one job per 1,200 square feet, TNDG estimates that the proposed project would accommodate 201 permanent jobs at buildout.

² Employment Density Study Summary Report, 2001, The Natelson Company, Inc. in association with Terry A. Hayes Associates.

2.0 EXECUTIVE SUMMARY

Table 2-1, on page 5, summarizes the proposed project's fiscal impacts by major fund or district. As indicated on the summary charts, the project site currently generates property tax revenue based on its existing assessed valuation, but is assumed to otherwise have minimal existing revenue or cost impacts to the County.

General Fund Impacts.

Table 2-2 on page 6 details the project's impacts on the County General Fund. The table below summarizes the projected General Fund revenues and costs.

General Fund	Existing Impact	New Increment from Proposed Project	Total Impact At Buildout
Annual Revenues	\$21,700	\$62,254	\$83,954
Annual Costs	<u>n/a</u>	<u>37,480</u>	<u>37,480</u>
Net Impact	\$21,700	\$24,775	\$46,475

*Note: totals may not sum due to rounding.

Along with impacts to the General Fund, the analysis also evaluates impacts to the following districts/funds.

- County Fire District – Valley Service Area.*** Fire protection services for the proposed project would be provided by the County Fire District – Valley Service Area. At buildout, the proposed project would generate \$24,486 in property tax revenue for the Fire District. Given the relatively limited size of the project, it is assumed that it would be serviced by an existing fire station(s), and would therefore not generate new cost impacts.
- Library District Impacts.*** At buildout, the proposed project would generate \$2,385 in property tax revenue for the Library District. Given that the project would not include any housing and therefore would not generate new County residents, the analysis assumes that the project would not generate new Library District costs.
- Flood Control District Impacts.*** At buildout, the proposed project would generate \$4,452 in property tax revenue for the Flood Control District. Given that the project site is developed with existing industrial uses, the analysis assumes that the project would not generate new flood control district costs.
- Transportation Fund Impacts.*** Since the project would not generate new residents, the analysis assumes that it would not significantly increase the County's revenue from the State Gas Tax and other state/federal funding sources (since these are typically allocated on a population basis). Nevertheless, the project is projected to generate miscellaneous Transportation Fund revenues of \$1,366 per year at buildout. Since the

project would not require the construction of new streets or other transportation infrastructure, the analysis assumes that it would not result in new Transportation Fund costs.

- ***School District and ERAF Revenues.*** At buildout, the proposed project would generate approximately \$59,625 per year in new property tax revenues for the Redlands Unified School District and the San Bernardino Community College District. In addition, the project would generate approximately \$37,365 per year in property tax revenue for the Educational Revenue Augmentation Fund (ERAF). Thus, total school district and ERAF revenues are projected at \$96,990 annually. Since the project would not generate new residents/students, it would not result in cost impacts to local school districts.

Table 2-1.

**Ongoing Revenues and Expenditures – All Funds
800 Opal Site (Mentone, CA)**

(In 2017 dollars)

IMPACT CATEGORY	Existing Amount	New Increment	Annual Total at Buildout
<u>County General Fund</u>			
Recurring Revenues	\$21,700	\$62,254	\$83,954
Recurring Costs	0	37,480	37,480
Net Impact	\$21,700	\$24,775	\$46,475
<u>Fire Protection District</u>			
Recurring Revenues	\$21,560	\$2,926	\$24,486
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>County Library District</u>			
Recurring Revenues	\$2,100	\$285	\$2,385
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>County Flood Control District</u>			
Recurring Revenues	\$3,920	\$532	\$4,452
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>County Transportation Fund</u>			
Recurring Revenues	\$0	\$1,366	\$1,366
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>School Districts and ERAF</u>			
Recurring Revenues	\$85,400	\$11,590	\$96,990
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a

Note: ERAF = Education Research Augmentation Fund (ERAF).

Source: The Natelson Dale Group, Inc. (TNDG).

Table 2-2.

Ongoing Revenues and Expenditures – General Fund Only
800 Opal Site (Mentone, CA)

(In 2017 dollars)

GENERAL FUND CATEGORY	Existing Amount	New Increment	Annual Total at Buildout
<u>Revenues</u>			
Property Taxes	\$21,700	\$2,945	\$24,645
Sales & Use Taxes	n/a	54,253	54,253
VLF/Property Tax Swap	n/a	2,290	2,290
Franchise Fees	n/a	1,960	1,960
Recording Fees	n/a	114	114
Other Discretionary Revenues	n/a	17	17
Operating Transfers	n/a	676	676
Total	\$21,700	\$62,254	\$83,954
<u>Expenditures</u>			
Sheriff Protection Costs - Patrol	n/a	\$15,401	\$15,401
Sheriff Protection Costs - Non Patrol	n/a	6,495	6,495
Administrative Group	n/a	1,493	1,493
Economic Development Agency	n/a	132	132
Fiscal Group	n/a	1,143	1,143
Law and Justice	n/a	6,789	6,789
Operations & Community Svcs.-Land Use	n/a	3,730	3,730
Operations & Community Svcs.-All Other	n/a	1,378	1,378
Contingencies	n/a	548	548
Reserves	n/a	371	371
Total	\$0	\$37,480	\$37,480
<i>Net Fiscal Impact</i>	<i>\$21,700</i>	<i>\$24,775</i>	<i>\$46,475</i>

Note: VLF = Vehicle License Fee.

Source: The Natelson Dale Group, Inc. (TNDG).

3.0 STUDY METHODOLOGY

This chapter of the report describes the methodology used to forecast fiscal revenues and costs related to the proposed project.

3.1 Scope of the Analysis

The analysis focuses on annually-recurring impacts to the County of San Bernardino. The analysis forecasts project-related revenues from the following sources:

General Fund

- Property taxes
- Sales and Use taxes
- Property taxes in lieu of vehicle license fees (VLF)
- Utility franchise fees
- Recording fee revenue
- Other discretionary revenues

County Fire Protection District – Valley Service Area

- Property taxes

County Library District

- Property taxes

County Flood Control District

- Property taxes (Flood Control Area, Zone 3)
- Property taxes (Flood Control Administration 3-6)

County Transportation Fund

- Licenses and permits
- Current services
- Other (miscellaneous) revenues

School Related Revenues

- Property taxes (Redlands Unified School District)
- Property taxes (San Bernardino Community College District)
- Property taxes (Educational Revenue Augmentation Fund)

The analysis forecasts the following costs related to the proposed project:

General Fund

Municipal-type costs:

- Sheriff protection costs (patrol and non-patrol)

Countywide costs:

- Administrative
- Economic Development Agency
- Fiscal Group
- Law and Justice Group
- Operations & Community Services (Land Use)
- Operations & Community Services (All other)
- Contingencies and reserves

Given that the proposed project is entirely non-residential, the analysis does not include County cost categories (e.g. Human Services and Library) generally recognized to be primarily resident (population) related.

3.2 Overview of the Forecasting Methodology

The analysis is based primarily on per capita cost and revenue factors derived from the County's Fiscal Year 2016-17 adopted budget. The basic methodology for developing these factors involves the following steps:

- Identify the budget line items that would be impacted on an annually-recurring basis due to the development of the proposed project.
- For each identified line item, determine the "relevant population" for purposes of calculating per capita / per employee cost and revenue factors. For costs and revenues that are countywide in nature (e.g., for services that the County provides to all county residents and businesses – in both incorporated and unincorporated areas), the relevant population is the total countywide population (including an "equivalent population" represented by workers/jobs based in the county). For costs and revenues that relate to only a portion of the County, the relevant population is defined based on the service area for each affected County service. In addition, for costs and revenues that primarily relate to residential development, the relevant population is the service area's resident population. For line items affected by both residential and non-residential development, the combined resident and "resident-equivalent" employee populations are considered. See Appendix A, Table A-5 (revenues) and Table A-9 (costs).
- The allocation of the County's budget between residential and non-residential development (measured in terms of residents and resident-equivalent employees, respectively) is calculated as follows. For budget categories affected by residential development and non-residential development, the

FIA assumes that one job is equivalent to 0.50 residents. See Appendix A, Tables A-5 and A-9.

- For each affected cost item in the budget, identify the “net local cost” (total cost minus offsetting operating revenues) as the basis for the per capita cost calculations. See Appendix A, Table A-9.
- Calculate per capita / per employee factors for each affected cost and revenue item based on the total “net local cost” in the County’s current budget divided by the relevant population (as determined in the previous step for each line item). See Appendix A, Tables A-5 and A-9.
- Apply the derived per capita factors to the proposed projects population-equivalent employment in order to forecast the project’s revenue/cost impacts.

The specific calculations for each line item are discussed below and provided in detail in Appendix A.

There are two revenue categories for which the analysis does not use the per capita factor methodology. These are as follows:

- Property Tax revenues (including property taxes in lieu of VLF) are projected based on the project’s anticipated assessed valued, after the proposed site/building improvements are completed.
- Sales and Use Tax revenues are projected based on anticipated onsite taxable sales.

3.3 Fiscal Revenues

The specific assumptions for each revenue line item are described below. The actual calculations are shown in Appendix A, along with additional documentation provided in Appendix B.

Property Taxes. Appendix A, Table A-6, provides a forecast of annual property tax revenues to be generated by the proposed project. The property tax forecasts are based on the site’s projected assessed valuation after the proposed improvements are completed. The total assessed value (see Appendix A, Table A-3.2) includes the following components:

- Existing assessed value (land and improvements) - \$14,000,000
- Projected development value of new building/site improvements - \$1,900,000

The value (cost) of the new building/site improvements is based on the applicant’s construction budget for the proposed project.

The basic property tax levy is 1.0% of total assessed value. Of this total, the percentages accruing to the taxing entities considered in this analysis are provided in Appendix A, Table A-6, as provided by San Bernardino County's Auditor-Controller Department.

Sales Taxes and Use Taxes. The analysis assumes that the proposed manufacturing/ warehousing uses will generate annual taxable sales (for public and/or business to business transactions) of \$20 per square foot. This relatively conservative factor was derived by TNDG based on data for comparable industrial projects. The Sales and Use Tax calculations are provided in Appendix A, Tables A-9 and B-3.

Property Tax in Lieu of VLF. In addition to the standard property tax revenues, the County also receives separate property tax payments from the State in lieu of Vehicle License Fee (VLF) revenues. This separate property tax line item accrues to the County's General Fund. The amount the County receives from the State increases annually based on the percentage increase in the County's total assessed valuation. This amount is equivalent to \$1,205 per \$1 million increase in assessed valuation (see Appendix B, Table B-4).

Franchise Fees. Utility franchise fees accruing to the County are projected on a population-equivalent per capita basis. The relevant population for this calculation is the resident and daytime (employee) populations in the County unincorporated area since the County does not collect franchise fees within incorporated cities.

As shown in Appendix A, Table A-5, countywide utility franchise fees in the FY 2016-2017 budget are projected at \$6,645,000, or approximately \$19.47 per capita (based on the relevant unincorporated service area population of 341,280)³. The project is projected to generate onsite employment of 201 jobs, counted in this analysis at 50% (for a population equivalent of 100.5 jobs). By multiplying the project's population-equivalent employment by the per capita factor of \$19.47, TNDG forecasts that the project at buildout would generate approximately \$1,960 per year in utility franchise fee revenue for the County.

Recording Fees. Recording Fees are projected on a population-equivalent per capita basis, using the countywide population and number of employees to derive the per capita factor. As shown in Appendix A, Table A-5, countywide Recording Fee revenue in the FY 2016-17 budget is projected at \$2,850,000, or approximately \$1.13 per capita (based on the relevant population of 2,529,251)⁴. By multiplying the proposed project's population-equivalent onsite employment (100.5 jobs) by the per capita factor of \$1.13, TNDG forecasts that the project at buildout would generate approximately \$114 per year in Recording Fee revenue for the County.

³ The "effective" population in the unincorporated area includes 308,906 residents plus 50% of the 64,747 daytime employees.

⁴ The "effective" population for the whole county includes 2,160,256 residents plus 50% of the 737,990 daytime employees.

Other Discretionary Revenues. Other Discretionary revenues are projected on a population-equivalent per capita basis, using the countywide population and number of employees to derive the per capita factor. As shown in Appendix A, Table A-5, countywide Other Discretionary Revenues in the FY 2016-17 budget are projected at \$430,000, or approximately \$0.17 per capita (based on the relevant population of 2,529,251). By multiplying the proposed project's population-equivalent employment (100.5 jobs) by the per capita factor of \$0.17, TNDG forecasts that the project at buildout would generate approximately \$17 per year in Other Discretionary Revenues for the County.

Operating Transfers. Revenue from Operating Transfers is projected on a population-equivalent per capita basis, using the countywide population and number of employees to derive the per capita factor. As shown in Appendix A, Table A-5, Operating Transfers revenue in the FY 2016-17 budget is projected at \$17,000,000, or approximately \$6.72 per capita (based on the relevant population of 2,529,251). By multiplying the proposed project's population-equivalent onsite employment (100.5 jobs) by the per capita factor of \$6.72, TNDG forecasts that the project at buildout would generate approximately \$676 per year in Operating Transfers revenue for the County.

County Fire Protection District – Valley Service Area. As shown on Table A-6, the proposed project at buildout will generate nearly \$24,500 per year in property tax revenue for the County Fire Protection District.

Library Revenues. As shown on Table A-6, the proposed project at buildout will generate \$2,385 per year in property tax revenue for the County Library District.

Transportation Fund Revenues. Since the project would not generate new residents, the analysis assumes that it would not significantly increase the County's revenue from the State Gas Tax and other state/federal funding sources (since these are typically allocated on a population basis). Nevertheless, the project is projected to generate miscellaneous Transportation Fund revenues of \$1,366 per year at buildout. These revenues are projected on a population-equivalent per capita basis (see Table A-5).

3.4 Fiscal Costs

The specific assumptions for each affected cost category are described below. As noted previously, the analysis assumes that the project would not generate significant cost impacts for County functions (e.g., Human Services and Library) that are primarily related to residential (population) development.

GENERAL FUND COSTS

Sheriff Protection. Sheriff protection costs are calculated based on the methodology suggested by the San Bernardino County Administrative Office (CAO). The projected costs are broken out between two categories: 1) Patrol costs and 2) Countywide non-patrol costs, (see Appendix B, Table B-5).

Per capita costs for patrol services are calculated by dividing total city contract amounts by the total effective population in jurisdictions served by the Department. This calculation indicates that patrol costs are equal to \$153.02 per capita. By multiplying the proposed project's population-equivalent onsite employment (100.5 jobs) by the per capita factor of \$153.02, TNDG forecasts that the project at buildout would generate approximately \$15,401 per year in Sheriff patrol costs.

Per capita countywide non-patrol costs are calculated by dividing the net county cost for non-patrol services by the countywide effective population. This calculation indicates that countywide non-patrol costs are equal to \$64.53 per capita. By multiplying the proposed project's population-equivalent onsite employment (100.5 jobs) by the per capita factor of \$50.39, TNDG forecasts that the project at buildout would generate approximately \$6,495 per year in Sheriff non-patrol costs.

Countywide Costs. Besides Contingencies and Reserves, all other General Fund cost categories are projected on a population-equivalent, per capita basis, using the appropriate service area population to derive per capita factors. These calculations are detailed in Appendix A, Table A-9. Consistent with County budgeting practices, contingencies and reserve requirements are projected at 1.5% and 1.0% of ongoing General Fund costs.

APPENDIX A:
Detailed Fiscal Impact Calculations

Table A-1
Summary of Fiscal Impacts (in 2017 Dollars)
800 Opal Site (Mentone, CA)

IMPACT CATEGORY	Existing Amount	New Increment	Annual Total at Buildout
<u>County General Fund</u>			
Recurring Revenues	\$21,700	\$62,254	\$83,954
Recurring Costs	0	37,480	37,480
Net Impact	\$21,700	\$24,775	\$46,475
<u>Valley Fire Protection District</u>			
Recurring Revenues	\$21,560	\$2,926	\$24,486
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>County Library District</u>			
Recurring Revenues	\$2,100	\$285	\$2,385
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>County Flood Control District</u>			
Recurring Revenues	\$3,920	\$532	\$4,452
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>County Transportation Fund</u>			
Recurring Revenues	\$0	\$1,366	\$1,366
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a
<u>School Districts¹ and ERAF</u>			
Recurring Revenues	\$85,400	\$11,590	\$96,990
Recurring Costs	n/a	n/a	n/a
Net Impact	n/a	n/a	n/a

Note: ERAF = Education Research Augmentation Fund.

1. San Bernardino Community College and Redlands Unified School Districts.

Source: The Natelson Dale Group, Inc. (TNDG).

Table A-2
Summary of Fiscal Impact to County General Fund (in 2017 Dollars)
800 Opal Site (Mentone, CA)

GENERAL FUND CATEGORY	Existing Amount	New Increment	Annual Total at Buildout
<u>Revenues</u>			
Property Taxes	\$21,700	\$2,945	\$24,645
Sales & Use Taxes	n/a	54,253	54,253
VLF/Property Tax Swap	n/a	2,290	2,290
Franchise Fees	n/a	1,960	1,960
Recording Fees	n/a	114	114
Other Discretionary Revenues	n/a	17	17
Operating Transfers	n/a	676	676
Total	\$21,700	\$62,254	\$83,954
<u>Expenditures</u>			
Sheriff Protection Costs - Patrol	n/a	\$15,401	\$15,401
Sheriff Protection Costs - Non Patrol	n/a	6,495	6,495
Administrative Group	n/a	1,493	1,493
Economic Development Agency	n/a	132	132
Fiscal Group	n/a	1,143	1,143
Law and Justice	n/a	6,789	6,789
Operations & Community Services-Land Use	n/a	3,730	3,730
Operations & Community Services-All Other	n/a	1,378	1,378
Contingencies	n/a	548	548
Reserves	n/a	371	371
Total	\$0	\$37,480	\$37,480
<i>Net Impact</i>	\$21,700	\$24,775	\$46,475

Source: The Natelson Dale Group, Inc. (TNDG).

Table A-3.1
Project Summary
800 Opal Site (Mentone, CA)

PROJECT COMPONENTS	Total at Buildout
<u>Manufacturing/Warehouse Buildings</u>	
Building 1	205,953
Building 2	35,600
Total/Avg.	241,553

Sources: Thatcher Engineering & Associates, Inc.; The Natelson Dale Group, Inc. (TNDG).

Table A-3.2
Project Assessed Valuation Summary (in 2017 Dollars)
800 Opal Site (Mentone, CA)

	<u>Existing</u>	<u>New Increment</u>	<u>Total at Buildout</u>
<u>Components of Asssed Valuation</u>			
Land and Existing Improvements	\$14,000,000	n/a	\$14,000,000
New Building Improvments (cost)	<u>n/a</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>
Total	\$14,000,000	\$1,900,000	\$15,900,000

Sources: Thatcher Engineering & Associates; San Bernardino County Office of the Assessor;
The Natelson Dale Group, Inc. (TNDG).

Table A-4
Projected Onsite Employment
800 Opal Site (Mentone, CA)

	Employment Density	Total Jobs at Buildout
<u>Manufacturing/Warehouse Buildings</u>		
Building 1	1,200	172
Building 2	1,200	30
Total/Average	1,200	201
Employee Weighting Factor 2/		0.5
Population-equivalent Jobs		101

Note: SF = Square Feet.

1. Employment density = square feet per employee.

2. Based on assumption that one job is equivalent to 0.50 residents in terms of impacts to County services.

Sources: Thatcher Engineering & Associates; The Natelson Dale Group, Inc. (TNDG).

Table A-5
Derivation of Revenue Factors
800 Opal Site (Mentone, CA)

Revenues	Revenues FY 2016-17	Service Area		Allocation Basis	Employee Weighting Factor	Per Capita/ Employee Revenue	Other Factor	Per Dwelling Unit	Factor Notes
		Population	Employees						
General Fund									
Property Tax	\$261,788,006	---Assessed Valuation---					0.155		Tax increment share to General Fund, Table A-6 Percent of taxable sales, Table A-7 Per \$1M in increased assessed value, Table A-8
Sales and Use Tax	\$22,682,247	-----Case Study-----					12.3%		
VLF/Property Tax Swap	\$240,212,594	-----Case Study-----					1205.00		
Franchise Fees	\$6,645,000	308,906	64,747	R+E	0.50	\$19.47			
Recording Fees	\$2,850,000	2,160,256	737,990	R+E	0.50	\$1.13			
Other Discretionary Revenues	\$430,000	2,160,256	737,990	R+E	0.50	\$0.17			
Operating Transfers	\$17,000,000	2,160,256	737,990	R+E	0.50	\$6.72			
County Fire Protection District									
Property Tax	n/a	---Assessed Valuation---							Table A-6
County Library¹									
Property Tax	\$14,688,039	---Assessed Valuation---					0.015		Tax increment share to Library Fund, Table A-6
County Flood Control District									
Property Tax	n/a	---Assessed Valuation---					0.028		Tax increment share to Flood Control District, Table A-6
Transportation Fund									
Licenses and Permits	\$433,234	308,906	64,747	R+E	0.50	\$1.27			Not applied to non-residential development Not applied to non-residential development
State gas tax	\$35,214,000	2,160,256		R		\$16.30			
Other State, Federal or Gov't Aid	\$60,940,849	2,160,256		R		\$28.21			
Current Services	\$4,159,720	308,906	64,747	R+E	0.50	\$12.19			
Other Revenue	\$37,600	308,906	64,747	R+E	0.50	\$0.11			
School Districts									
Property Tax	n/a	---Assessed Valuation---					0.375		Tax increment share to School Districts, Table A-6
ERAF	n/a	---Assessed Valuation---					0.235		Tax increment share to ERAF, Table A-6

Notes: R = Residents; R+E = Residents + Employees.

1. See Table B-5 for calculation of Library service area population.

Sources: County of San Bernardino, 2016-17 Adopted Budget; The Natelson Dale Group, Inc. (TNDG); State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2011-2017, with 2010 Benchmark, Sacramento, California, May 2017; Southern California Association of Governments (SCAG), RTP 2016 Growth Forecast.

Table A-6
Calculation of Property Tax Revenue (in 2017 Dollars)
800 Opal Site (Mentone, CA)

		<u>Existing</u>	<u>New Increment</u>	<u>Total at Buildout</u>
Total Assessed Value (see Table A-3.2)		\$14,000,000	\$1,900,000	\$15,900,000
Total Property Tax at 1.0%		\$140,000	\$19,000	\$159,000
<u>Allocation by Fund</u>	<u>Factor</u>¹			
County General Fund	15.5%	\$21,700	\$2,945	\$24,645
County Library	1.5%	\$2,100	\$285	\$2,385
Flood Control District	2.8%	\$3,920	\$532	\$4,452
School Districts ²	37.5%	\$52,500	\$7,125	\$59,625
ERAF	23.5%	\$32,900	\$4,465	\$37,365
Fire Protection District	15.4%	\$21,560	\$2,926	\$24,486
Other Agencies	3.8%	\$5,320	\$722	\$6,042
Total	100.0%	\$140,000	\$19,000	\$159,000

Notes: ERAF = Education Revenue Augmentation Fund.

1. See Table B-2 for derivation of tax increment factors.

2. Includes San Bernardino Community College and Redlands Unified School Districts.

Sources: The Natelson Dale Group, Inc. (TNDG); San Bernardino County Auditor-Controller, Property Tax Division, Allocation Percentage Calculation, November 2016.

Table A-7
Calculation of Onsite Sales and Use Tax Revenue
800 Opal Site (Mentone, CA)

Total Building Area (square feet)	241,553
Taxable Sales Per Square Foot	\$20
<i>Total Taxables Sales</i>	<i>\$4,831,060</i>
Sales Tax @ 1.0% of taxable sales	\$48,311
Use Tax @ 12.3% of Sales Tax	<u>\$5,942</u>
<i>Total Sales and Use Tax</i>	<i>\$54,253</i>

Table A-8

**Projected Property Tax in Lieu of Vehicle License Fee (VLF) Revenue (in 2017 Dollars)
800 Opal Site (Mentone, CA)**

PROJECT COMPONENTS	Existing	New Increment	Total at Buildout
Total Assessed Value (see Table A-3.2)	\$14,000,000	\$1,900,000	\$15,900,000
VLF Revenue per \$1 Million Increase in Assessed Value at	<div style="border: 1px solid black; display: inline-block; padding: 2px;">\$1,205</div> ¹	n/a	\$2,290

1. See Table B-4 for derivation of this factor.

Sources: County of San Bernardino, County Administrative Office; The Natelson Dale Group, Inc. (TNDG).

Table A-9
Derivation of Cost Factors
800 Opal Site (Mentone, CA)

Costs	Adopted Budget FY 2016-17	Service Area		Allocation Basis	Employee Weighting Factor	Per Capita/ Employee Costs	Other Factor	Per Dwelling Unit	Factor Notes
		Population	Employees						
<u>GENERAL FUND</u>									
Sheriff Patrol Costs	\$137,587,182	788,865	220,573	R+E	0.50	\$153.02			See Table B-12
Net Countywide Costs									
Sheriff Non Patrol Costs	\$163,216,479	2,160,256	737,990	R+E	0.50	\$64.53			See Table B-12
Administration	\$37,510,913	2,160,256	737,990	R+E	0.50	\$14.83			
Economic Development Agency	\$3,315,436	2,160,256	737,990	R+E	0.50	\$1.31			
Fiscal	\$28,738,230	2,160,256	737,990	R+E	0.50	\$11.36			
Law and Justice	\$170,592,369	2,160,256	737,990	R+E	0.50	\$67.45			
Operations and Community Services-Land Use	\$12,647,455	308,906	64,747	R+E	0.50	\$37.06			Of ongoing costs Of incremental costs
Operations and Community Services-All Other	\$34,627,096	2,160,256	737,990	R+E	0.50	\$13.69			
Contingencies	\$81,656,833						1.5%		
Reserves	\$60,717,946						1.0%		

Notes: R = Residents; R+E = Residents + Employees.

Sources: County of San Bernardino, 2016-17 Adopted Budget; The Natelson Dale Group, Inc. (TNDG).

APPENDIX B:

Fiscal Model Inputs/Derivations

Table B-1
Summary of General Population-Related Assumptions
800 Opal Site (Mentone, CA)

Population¹

Total County resident population	2,160,256
Unincorporated area resident population	308,906
Unincorporated area persons per household	3.14

Housing Units¹

Total County housing units	715,634
Unincorporated area housing units	133,819

Employment²

Total County employment	737,990
Total weighted at 50% ³	368,995
Unincorporated County Employment	64,747
Total weighted at 50% ³	32,374

Service Population (Population and Employment)

Total County service population (Total population plus weighted total employment)	2,529,251
Unincorp. County service population (unincorp. population plus weighted unincorp. employment)	341,280

1. As of January 1, 2017.

2. Based on interpolation of SCAG forecasts from 2012 to 2020.

3. Based on assumption that one job is equivalent to 0.50 residents in terms of impacts to county services.

Sources: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011-17*, Sacramento, California, May 2017; Southern California Association of Governments (SCAG), *RTP 2016 Growth Forecast*.

Table B-2
Derivation of Tax Increment Factors
800 Opal Site (Mentone, CA)

Agency Code	Agency Name	Tax Rate Area 104101
AB01	COUNTY GENERAL FUND	0.15521565
AB02	EDUCATION REVENUE AUGMENTATION FUND	0.23504633
BF03	FLOOD CONTROL ZONE 3	0.02717022
BF08	FLOOD CONTROL ADMIN 3-6	0.00093832
BL01	COUNTY FREE LIBRARY	0.01503095
BS01	COUNTY SUPERINTENDENT - COUNTY WIDE	0.00532624
BS01	COUNTY SUPERINTENDENT - PHYS HAND	0.00209508
BS01	COUNTY SUPERINTENDENT - DEV CENTER	0.00054919
SC54	SAN BERNARDINO COMMUNITY COLLEGE	0.05455367
SU48	REDLANDS UNIFIED SCHOOL DISTRICT	0.32067451
UD50	CSA 70	0.00000000
UF01	CNTY FIRE PROTECT DISTRICT - VALLEY SERVICE AREA	0.12616297
UF01	CNTY FIRE PROTECT DISTRICT - ADMIN	0.02786837
WR04	INLAND EMPIRE JT RESOURCE CONS DIST	0.00068816
WT01	SAN BDNO VALLEY WATER CONS DIST	0.00060705
WU23	SAN BERNARDINO VALLEY MUNI WATER	0.02807329
Total		1.00000000

Note: CSA = Community Service Agency.

Sources: San Bernardino County Auditor-Controller, Property Tax Division, "Allocation Percentage Calculation", 2016. 'The Natelson Dale Group, Inc. (TNDG).

Table B-3
Derivation of Use Tax Factor
800 Opal Site (Mentone, CA)

Category	Amount¹
A. Use Tax	
County Pool	\$3,426,482
State Pool	5,834
Total	\$3,432,316
B. Point of Sales Tax	\$27,987,138
C. Use Tax Rate	= A / B
	12.3%

1. Amounts for unincorporated San Bernardino County.

Source: The HdL Companies, Sales Tax Allocation Totals, Calendar Year 2016

Table B-4
Derivation of Property Tax In-Lieu of Vehicle License Fee (VLF) Revenue Factor
San Bernardino County: Fiscal Years 2004-05 to 2015-16
800 Opal Site (Mentone, CA)

Category	FY 2004-05	FY 2015-16	Change in Property Tax-VLF
Property Tax - VLF	\$137,463,200	\$237,070,078	\$99,606,878
Assessed Valuation	\$111,167,087,660	\$193,804,496,628	\$82,637,408,968
VLF Increase per Assessed Valuation (AV) Increase			0.001205
VLF Increase per \$1,000,000 increase in AV			\$1,205

Sources: Counties Annual Report, CA State Controllers Office, various years; San Bernardino County Adopted Budget, various years;
The Natelson Dale Group, Inc. (TNDG).

Table B-5
Derivation of San Bernardino County Sheriff Department Cost Factors
800 Opal Site (Mentone, CA)

A. PATROL COSTS

Service Area Jurisdiction	2017 Population	2017 Employment
1 Adelanto	34,273	4,668
2 Apple Valley	74,701	17,905
3 Big Bear Lake	5,047	4,165
4 Chino Hills	80,676	12,946
5 Grand Terrace	12,435	2,835
6 Hesperia	94,133	17,741
7 Highland	54,377	6,508
8 Loma Linda	24,528	17,622
9 Needles	5,044	2,558
10 Rancho Cucamonga	177,324	77,411
11 Twentynine Palms	26,919	5,184
12 Victorville	123,565	34,461
13 Yucaipa	54,324	9,627
14 Yucca Valley	21,519	6,941
Total	788,865	220,573
<u>City Service Population</u>		
Total Population		788,865
Employment at 50% of Total		<u>110,286</u>
Total Service Population		899,151
	<i>divided by</i>	
<u>City Contract Amounts</u>		\$137,587,182
	<i>equals</i>	
Sheriff Patrol Services Costs per Service Population		\$153.02

B. NON PATROL COSTS

Sheriff Net County Cost		\$210,484,939
	<i>minus</i>	
Cost of Unincorporated Patrol ¹		<u>\$47,268,460</u>
Sheriff Net County Cost for Non Patrol Services		\$163,216,479
	<i>divided by</i>	
<u>County Service Population</u>		
Total Population		2,160,256
Employment at 50% of Total		<u>368,995</u>
Total Service Population		2,529,251
	<i>equals</i>	
Sheriff Non Patrol Services Cost per Service Population		\$64.53

1. Net County Cost

Sources: County of San Bernardino, FY 2016-17 Adopted Budget.

Table B-6
Calculation of Net County Cost Factors
800 Opal Site (Mentone, CA)

Budget Units	Adopted Budget FY 2016-17	Less Program Revenues	Net County Cost
ADMINISTRATION			
Board of Supervisors	\$7,663,486	\$0	\$7,663,486
Clerk of the Board of Supervisors	2,099,466	219,235	1,880,231
County Administrative Office	5,076,909	0	5,076,909
Litigation	745,761	0	745,761
County Counsel	9,654,658	6,275,947	3,378,711
Finance and Administration	3,065,263	0	
Human Resources	7,353,290	846,622	6,506,668
Human Resources-Emp. Health and Wellness	2,200,957	2,200,957	0
Human Resources-Unemployment Insurance	4,000,500	0	4,000,500
Information Services-Applications Development	3,251,440	212,922	3,038,518
Purchasing	2,536,046	820,330	1,715,716
Local Agency Formation Commission	308,741	0	308,741
County Schools	<u>3,195,672</u>	<u>0</u>	<u>3,195,672</u>
Total Administrative/Executive	\$51,152,189	\$10,576,013	\$37,510,913
ECONOMIC DEVELOPMENT AGENCY			
Economic Development	<u>\$3,535,436</u>	<u>\$220,000</u>	<u>\$3,315,436</u>
Total Economic Development Agency	\$3,535,436	\$220,000	\$3,315,436
FISCAL			
Assessor/Recorder/County Clerk	\$23,673,605	\$7,025,000	\$16,648,605
Auditor-Controller/Recorder/Treasurer/Tax Collector	<u>39,250,013</u>	<u>27,160,388</u>	<u>12,089,625</u>
Total Fiscal	\$62,923,618	\$34,185,388	\$28,738,230
HUMAN SERVICES			
Health Administration	\$120,371,376	\$105,371,376	\$15,000,000
Behavioral Health	223,299,970	221,307,759	1,992,211
Public Health	83,013,050	78,534,422	4,478,628
Public Health-California Children's Services	21,050,021	16,746,219	4,303,802
Public Health-Indigent Ambulance	472,501	0	472,501
Human Services - Administrative Claim	563,994,911	542,997,213	20,997,698
Aging and Adult Services	9,450,173	9,450,173	0
Public Guardian-Conservator	1,309,616	422,000	887,616
Child Support Services	39,889,701	39,889,701	0
Subsistence Payments:			
Domestic Violence/Child Abuse Services	531,812	531,812	0
Entitlement Payments (Child Care)	25,528,380	25,528,380	0
Out-of-Home Child Care	1,110,566	0	1,110,566
Aid to Adoptive Children	68,000,000	65,700,480	2,299,520
AFDC-Foster Care	148,623,654	127,726,708	20,896,946
Refugee Cash Assistance	125,000	125,000	0
Cash Assistance for Immigrants	2,521,954	2,521,954	0
CalWorks-All Other Families	244,312,640	239,287,028	5,025,612
Kinship Guardian Assistance Program	12,305,750	10,804,158	1,501,592
Seriously Emotionally Disturbed	0	0	0
CalWorks-2 Parent Families	43,850,925	42,850,555	1,000,370
Aid to Indigents (General Relief)	1,556,873	306,863	1,250,010
Veterans Affairs	<u>2,230,326</u>	<u>660,000</u>	<u>1,570,326</u>
Total Human Services	\$1,613,549,199	\$1,530,761,801	\$82,787,398
LAW AND JUSTICE			
County Trial Courts-Drug Court Programs	\$0	\$0	\$0
County Trial Courts-Grand Jury	442,952	0	442,952
County Trial Courts-Indigent Defense Program	10,043,258	32,000	10,011,258
County Trial Courts-Court Facilities/Judicial Benefits	1,014,763	0	1,014,763
County Trial Courts-Court Facilities Payments	2,676,349	0	2,676,349
County Trial Court Funding-Maintenance of Effort	23,554,081	10,726,316	12,827,765
District Attorney-Criminal Prosecution	72,918,145	39,413,128	33,505,017
Law and Justice Group Administration	5,000	5,000	0
Probation-Administration, Corrections & Detention	153,196,633	77,215,942	75,980,691
Probation-Court Ordered Placements	0	0	0
Probation-Juvenile Justice Grant Program	0	0	0
Public Defender	<u>38,520,660</u>	<u>4,387,086</u>	<u>34,133,574</u>

Budget Units	Adopted Budget FY 2016-17	Less Program Revenues	Net County Cost
Subtotal Law and Justice	302,371,841	131,779,472	170,592,369
Sheriff	584,671,701	374,186,762	<u>210,484,939</u>
Total Law and Justice	\$887,043,542	\$505,966,234	\$381,077,308
OPERATIONS AND COMMUNITY SERVICES			
Agriculture/Weights and Measures	\$7,222,637	\$5,809,655	\$1,412,982
Airports	3,445,895	3,445,895	0
County Museum	3,848,945	395,700	3,453,245
Land Use Services- Administration	1,286,340	0	1,286,340
Land Use Services-Planning	7,325,595	2,595,000	4,730,595
Land Use Services-Land Development	928,324	281,112	647,212
Land Use Services-Building and Safety	5,349,734	4,792,424	557,310
Land Use Services-Code Enforcement	5,822,393	694,588	5,127,805
Land Use Services-Fire Hazard Abatement	2,589,266	2,291,073	298,193
Public Works-Surveyor	3,281,366	2,546,047	735,319
Real Estate Services	1,315,417	1,315,417	0
Real Estate Services - Facilities Management	17,273,477	17,065,477	208,000
Real Estate Services-Utilities	19,585,889	253,268	19,332,621
Real Estate Services-Rents and Leases	1,130,994	1,130,994	0
Real Estate Services-Courts Property Management	1,873,885	1,873,885	0
Regional Parks	9,891,178	7,612,000	2,279,178
Registrar of Voters	<u>9,571,324</u>	<u>2,365,573</u>	<u>7,205,751</u>
Total Operations and Community Services	\$101,742,659	\$54,468,108	\$47,274,551
GENERAL FUND DEPARTMENT TOTAL	\$2,719,946,643	\$2,136,177,544	\$580,703,836
OTHER ALLOCATED COSTS			
Contingencies	\$81,656,833	\$0	\$81,656,833
Reserve Contributions	60,717,946	0	60,717,946
Board Discretionary Fund	1,422,305	0	1,422,305
Non Departmental Appropriation	7,500,000	7,500,000	0
Operating Transfers Out	<u>103,760,766</u>	<u>0</u>	<u>103,760,766</u>
Total Other Allocated Costs	\$255,057,850	\$7,500,000	\$247,557,850
GRAND TOTAL	\$2,975,004,493	\$2,143,677,544	\$828,261,686

Source: County of San Bernardino, FY 2016-17 Adopted Budget.