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FISCAL IMPACT ANALYSIS REPORT

EPD SOLUTIONS, INC.

PROPOSED SOUTH COAST TECHNOLOGY CENTER
PROJECT

CITY OF SANTA ANA, CA

May 13, 2024

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PROPOSED SOUTH COAST TECHNOLOGY CENTER PROJECT

CITY OF SANTA ANA, CA

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I EXECUTIVE SUMMARY

A Purpose of the Study

The objective of this Fiscal Impact Analysis (“FIA”) Report (the “Report”) is to analyze the incremental net fiscal impact of the proposed South Coast Technology Center project (the “Project”) on the City of Santa Ana (the “City”) General Fund. To provide the City with a comprehensive evaluation of the Project’s potential, this DTA Report will evaluate whether the Project is likely to generate an incremental net fiscal surplus or a net fiscal deficit to the City’s General Fund.

B Incremental Fiscal Impacts on the City’s General Fund

The fiscal impacts identified in this Report include annual recurring municipal revenues and costs that result from the Project’s proposed land use scenario. To provide an accurate fiscal picture of the Project, the Report will focus exclusively on annual recurring revenues and costs.

Recurring revenues to the City General Fund identified in this Report are generated from a variety of sources, including property taxes, sales taxes, in-lieu vehicle license fees, utility user taxes, licenses and permits, franchise fees, fines, and other revenue sources. Although these revenues vary from year to year, they recur on a regular basis and are part of the City’s annual budgeting plans. The recurring costs to the City General Fund are equally important in this analysis. Recurring costs are associated with a variety of City services, including public safety, public works maintenance, and general government administrative services. Similar to annual revenues, these are costs that the City must anticipate and plan to fund on a yearly basis.

Revenues that are considered non-recurring to the City General Fund, such as various permitting fees, are excluded from this analysis. These types of revenues have been excluded as new development is generally required to pay specific user fees, such as grading and building prior to the construction of the project. As these are considered one-time revenues, there is no expectation that new development will need to pay these fees on a recurring basis. In addition, costs imposed as a result of the proposed Project that are considered to be non-recurring, such as impact fees, are also excluded from the FIA calculations because they are expended on a one-time basis to fund new development’s fair share of capital improvement costs.

C Description of the Project

The Project site, as depicted in Figure 1 below, is generally comprised of two separate sites located on both sides of Susan Street in the City, with the site on the east side currently developed with three existing office buildings located at 3100, 3110, and 3120 West Lake Center Drive, and the site on the west side encompassing approximately 5.58 acres of vacant land. The entire Project site is located within the City Specific Development No. 58 (“SD-58”) zoning district, with the permissible land uses comprised of commercial/retail uses and professional and business offices.

Figure 1: Aerial Map for the Project Site



The Project proponent is proposing to demolish the existing office buildings and appurtenant infrastructure on the Project site, and to amend the permissible uses of SD-58 for the Project site to include limited light industrial uses (“LLIUs”), including but not limited to product assembly, the manufacture of biological, biomedical, and pharmaceutical products, the manufacture of scientific, engineering, and medical instruments, wholesale, warehousing, machine and other metal working shops, and research laboratories.

As illustrated in Figure 2 and presented in Table 1 on the following page, the Project site is proposed to be redeveloped with three buildings encompassing approximately 313,244 building square feet (“BSF”) of LLIU space.

Figure 2: Proposed Project Site Plan

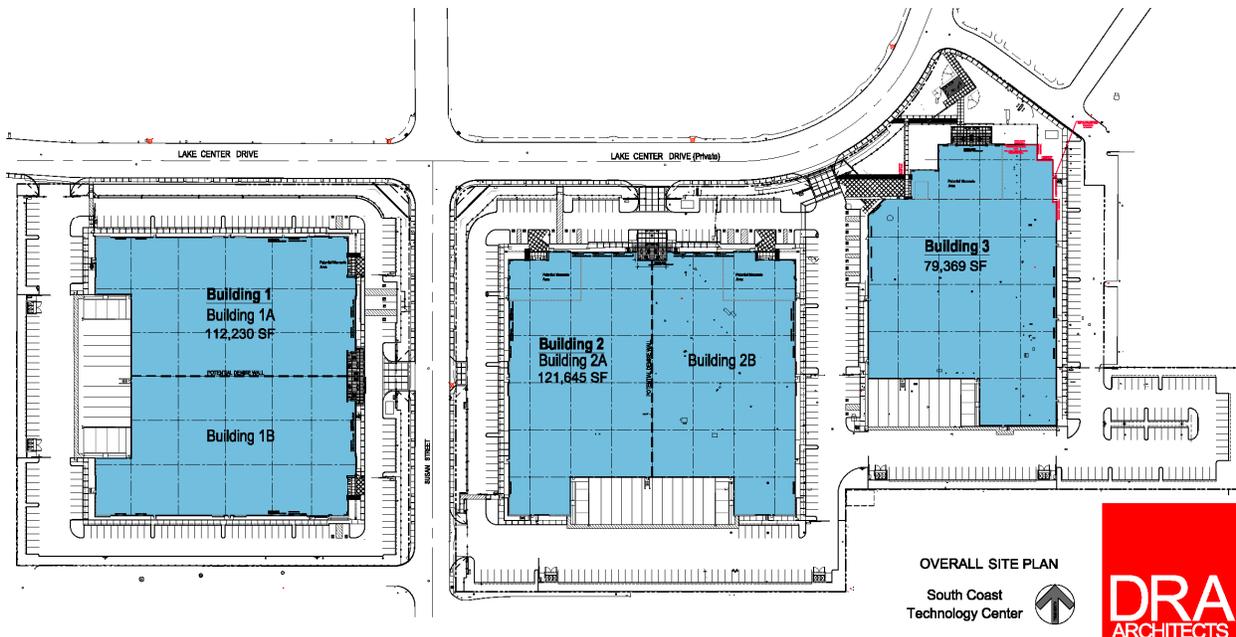


Table 1: Proposed Land Uses for the Project

Land Uses	Building Square Feet
Industrial Building 1	112,230
Industrial Building 2	121,645
Industrial Building 3	79,369
Grand Total	313,244

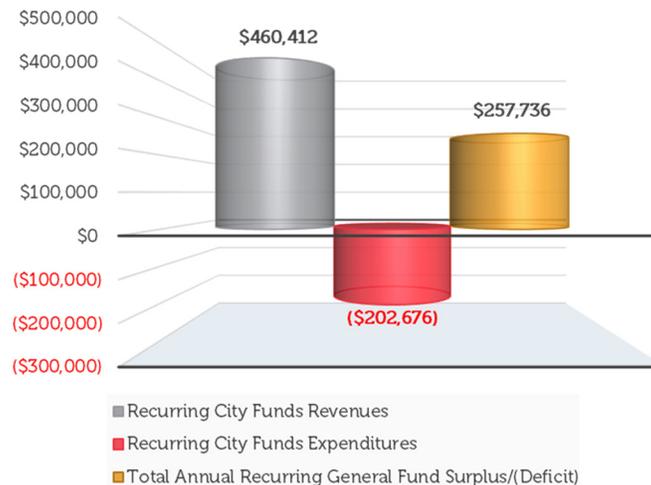
D Conclusions of the Fiscal Impact Analysis ("FIA")

The body of this Report will present the results of the incremental FIA, including narratives and tables detailing the fiscal impacts of the Project on specific General Fund revenue and expenditure categories. As presented in **Table 2** and illustrated in **Figure 3, below, the Project site is anticipated to generate a sizable annual recurring incremental fiscal surplus at build-out of \$257,736 based on the generation of \$460,412 in annual recurring revenues and \$202,676 in recurring annual costs.** Overall, the annual revenues generated are projected to equal 2.27 times the associated City General Fund costs. In a fiscal impact analysis, a revenue/cost ratio >1 is expected to generate a positive net fiscal impact. A summary of the overall incremental fiscal impacts of the Project to the City General Fund is provided in **Appendix A.**

Table 2: Net Fiscal Impact (the City's General Fund)

Category	Impact/Ratio
Total Recurring Revenues	\$460,412
Total Recurring Costs*	\$202,676
<i>Annual Recurring Surplus/(Deficit)</i>	<i>\$257,736</i>
Total Annual Revenue/Cost Ratio	2.27

Figure 3: Net Fiscal Impact (the City's General Fund)



II INTRODUCTION

DTA has been retained by EPD Solutions, Inc. to analyze the fiscal impacts of the development of the proposed South Coast Technology Center project (the “Project”) on the City of Santa Ana (the “City”) General Fund. The Project site is generally comprised of two sites located on both sides of Susan Street in the City, with the one on the east side currently developed with three existing office buildings located at 3100, 3110, and 3120 West Lake Center Drive, and the one on the west side encompassing approximately 5.58 acres of vacant land. The entire Project site is located within the City Specific Development No. 58 (“SD-58”) zoning district, with the permissible land uses of professional and business offices and commercial/retail uses.

The Project proponent is proposing to demolish the existing office buildings and appurtenant infrastructure on the Project site, and amend the permissible uses of SD-58 for the Project site to include limited light industrial uses (“LLIUs”), including but not limited to product assembly, the manufacture of biological, biomedical, and pharmaceutical products, the manufacture of scientific, engineering, and medical instruments, wholesale, warehousing, machine and other metal working shops, and research laboratories.

To provide the City with a comprehensive evaluation of the Project’s potential, DTA will determine whether the Project is likely to generate an incremental net fiscal surplus or a net fiscal deficit to the City’s General Fund.

A Scope and Methodology – Recurring Fiscal Impacts

Fiscal impacts arising from a land development plan can be broadly categorized as one of two types, specifically one-time impacts or recurring impacts. Each of these types may, in turn, be divided into a revenue component and cost component. In this Report, it is assumed that one-time revenues would directly offset one-time costs. This is consistent with Section 66000 et. seq. of the California Government Code, which authorizes a municipality to require the payment of development impact fees equal in value to the cost of the public infrastructure necessary to support a development project. Thus, the fiscal impacts considered in this Report focus on ongoing, or recurring, fiscal impacts of the Project on the City General Fund. Revenues that are generated outside of the City General Fund (e.g., special district revenues) or costs that are incurred by the City outside of the General Fund (e.g., costs financed through a special district) are not included within this fiscal analysis.

The FIA presented in this Report utilizes two methods of analysis, specifically the Per Capita/Multiplier Approach and Case Study Approach. The primary *Multiplier Methodology* used is the *Per Capita (“Persons Served”) Methodology*, which recognizes the fact that the exact relationship of service demands and revenue-generating potential between residents and employees is difficult to quantify. In order to address this challenge, several assumptions are employed.

First, based on more than 30 years of preparing fiscal impact studies and performing peer reviews of similar studies prepared by other consulting firms, DTA has determined that utilizing a Persons Served population comprised of all residents and 50% of the employees working at locations within a given service area is common fiscal practice in generally quantifying the impacts of new development if more specific local data or facilities usage data is not readily available. This ratio suggests that a resident generally has twice the fiscal impact of an employee on the use of a typical public improvement and can be applied to a City's General Fund budget to calculate average revenues and costs per Person Served on a Citywide basis using a Multiplier Approach. While a fiscal impact analysis focused on marginal revenues and costs associated with a specific new development project (with greater emphasis on a Case Study Approach) is often applied to larger projects, the consulting budgets required to evaluate individual metrics related to each type of municipal revenue and service, including interviews with individual municipal departments, can be prohibitive for smaller projects. As a result, while DTA did utilize a Case Study Approach for General Fund revenues and costs that were easy to quantify (e.g., property taxes, sales taxes, and utility user taxes), many of the metrics employed in this Report are based on average revenues/costs per Person Served utilizing the Fiscal Year ("FY") 2023-2024 City budget as could be applied to the Project.

DTA also used solely a *Per Employee Methodology* in this Report to project recurring fiscal factors that relate to employment only, such as business license revenues. Similar to the *Persons Served Methodology* discussed above, the *Per Employee Methodology* involves dividing the applicable revenues/costs by the total number of employees in the City utilizing the FY 2023-24 City budget, and applying these factors to the specific number of employees forecast to be working within the Project under the given scenario. For the purposes of the Report, all recurring revenues and costs are stated in constant (uninflated) 2024 dollars based on the assumption that the relative impacts of inflation in future years will be the same for both fiscal impact categories.

B Major Assumptions and Analysis Used in This Report

B.1 Discounting Revenues and Expenses

Certain revenues and expenditures presented in this Report are not expected to increase on a one-to-one basis with the addition of new development. To project these numbers without any adjustment would result in inaccurate conclusions. To accurately account for this factor, DTA applied a series of discount rates to specific budget components. Based on an examination of the numbers presented in the City's annual General Fund budget, 15% and 90% discount rates were applied to several revenue categories as documented in **Appendix A-1**. As discussed in the previous section of this Report, revenues that are considered non-recurring to the City General Fund, such as revenues generated by building/planning/engineering fees, are excluded from this analysis. Furthermore, DTA applied a 100% discount rate to financing source categories that are deemed

static, in terms of their not being anticipated to increase significantly as a result of the construction of the Project. This includes intergovernmental and commercial cannabis tax revenues, revenues generated by property rentals, jail leases, and advertisements, and cost recoveries and reimbursements

This same discounting technique was applied to the General Fund expenditures to accurately reflect the estimated ratio of fixed costs to variable costs. Notably, DTA has assumed that no discount factors would be applied to police, public works, and fire protection expenditures. As documented in **Appendix A-1**, a 15% discount rate is applied to remaining services expenditures. The marginal increase in the general government overhead costs associated with the additional non-general government expenditures incurred by new development is assumed to be 75%, which means a 25% discount was applied to these overhead costs.

B.2 Employee Generation

DTA estimated the number of direct employees at the Project's build-out based upon the 737 Square Feet per Employee ("SF/E") provided by the Project proponent. Based on several data sources that provided this type of data for similar land uses, DTA deemed this metric to be appropriate for the Project. As summarized in the attachment for **Appendix A-3**, the Project is anticipated to generate **425** direct on-site employees at its build-out.

B.3 Valuation per BSF

This report provides an estimated valuation per BSF calculation. Accuracy in these calculations is important because these totals are used to determine expected property revenues. The estimated valuation of \$389.79 per BSF is derived based on the projected land value and construction costs of \$122.1 million and 313,244 BSF as provided by Project proponent.

C Limitations – Accuracy of Information

The fiscal model in the Report contains an analysis of revenues, costs, and impacts to the City resulting from the Project. This model is based on information provided to DTA by Project proponent, the City's FY 2023-24 budget, the County's FY 2023-24 Assessor's Roll, Housing and Population Information from the California Department of Finance, a 2023 City of Santa Ana Employment Profiles analysis using North American Industry Classification System codes as prepared by Environics Analytics, a U.S. Energy Information Administration Energy Consumption Survey, Internet research performed by DTA regarding various industries, and additional assumptions derived from DTA's municipal cost database, as compiled by DTA from previous fiscal impact studies prepared by the firm. The sources of information and basis of the estimates calculated in the Report are stated herein. While DTA is confident that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information. The analysis of fiscal impacts contained in this Report is



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SECTION II INTRODUCTION

not considered to be a "financial forecast" or a "financial projection" as technically defined by the American Institute of Certified Public Accountants. The word "projection" used within this Report relates to broad expectations of future events or market conditions. Since the analysis contained herein is based on estimates and assumptions that are inherently subject to uncertainty and variation depending on evolving events, DTA cannot represent that such estimates will definitely be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from the projections stated throughout the Report.

III DESCRIPTION OF RECURRING FISCAL REVENUES/COSTS

A Analysis of Recurring Revenues, Case Study Method

A.1 Property Taxes – Secured and Unsecured

Property tax revenues are specifically based on the City’s estimated share of the general 1% *ad valorem* property tax levy. Per the County Auditor’s Office, the City’s General Fund receives approximately 19.30% of the FY 2023-24 basic 1% [Proposition (“Prop”) 13] property tax from the Tax Rate Areas (“TRAs”) encompassing the Project. The remaining 80.70% are distributed to a variety of taxing entities as summarized in **Table 3** below, with 67.35% of the total estimated \$1.22 million in annual property taxes earmarked for educational purposes. The basic 1% property tax collected is considered a significant source of municipal revenues. The net apportionment factors for each taxing entity represent the fraction of the FY 2023-24 basic 1% *ad valorem* property tax that it will receive from the Project TRAs after deducting the projected Education Revenue Augmentation Fund (“ERAF”) property tax shifts.

Table 3: 1% Ad Valorem Property Tax Distribution Among Taxing Entities

Taxing Purpose/Taxing Entity	Net Apportionment Factor	Estimated Property Tax
County	0.10522489379	\$128,480
General Fund	0.06706762904	\$81,890
Flood Control District	0.02152166856	\$26,278
Parks CSA 26	0.01663559619	\$20,312
City	0.19296953238	\$235,616
General Fund	0.19296953238	\$235,616
Education	0.67354729727	\$822,402
ERAF Fund	0.19081315008	\$232,983
Santa Ana Unified School District	0.37790501072	\$461,422
Rancho Santiago Community College District	0.08310048144	\$101,466
Orange County Department of Education	0.02172865503	\$26,531
Special District	0.02825827656	\$34,504
Orange County Cemetery District	0.00054103515	\$661
Orange County Vector Control District	0.00121524893	\$1,484
Orange County Water District	0.00781725639	\$9,545
Orange County Transit Authority	0.00305422873	\$3,729
Orange County Sanitation District #7	0.01563050736	\$19,085
Grand Total	1.00000000000	\$1,221,002

Note: All numbers are subject to rounding.

Major property tax assumptions are summarized in **Table 4** below.

Table 4: Property Tax Assumptions

Description	Assumptions
Land Use and Estimated Taxable Valuation	
Industrial Building One	112,230 BSF @ \$389.79/BSF
Industrial Building Two	121,645 BSF @ \$389.79/BSF
Industrial Building Three	79,369 BSF @ \$389.79/BSF
Total Land Use Net Taxable Value	\$122,100,000
Secured Property Tax – Net Apportionment Factor to the City as a Fraction of 1.0% Property Tax Rate (Net of ERAF)	
City’s General Fund	19.296953238%
Unsecured Property Tax – Unsecured Taxes as a % of Secured Property Value	
Non-Residential Property	10.00%
Property Tax Transfer	
Non-Residential Property Turnover Rate	0.00%
Transfer Tax as a % of Assessed Value	0.11%
Property Transfer Tax Passed Through to the City	50.00%
Property Taxes in Lieu of Vehicle License Fees (“VLFs”)	
City – Total Assessed Value (FY 2023-24)	\$34,504,366,076
City – VLF Property Tax Revenues (FY 2023-24)	\$42,044,300
VLF Property Tax In-Lieu per \$1,000 Assessed Value	\$1.22

Unsecured property taxes collected in the City are levied on tangible personal property that is not secured by real estate. Specific examples of unsecured property include trade fixtures such as manufacturing equipment, computers, dock equipment, conveyors, forklifts, and racks and shelves.

A.2 Property Taxes in Lieu of VLFs

The passage of Prop 1A in California in 2004 enacted a constitutional amendment that introduced a new methodology to calculate Property Taxes in Lieu of VLFs. Per California Revenue and Taxation Code §97.70, the amount of Property Taxes in Lieu of VLFs now grows in proportion to the growth rate of gross assessed valuation in a city or county. Property Taxes in Lieu of VLF revenues are projected to grow with the change in the Citywide gross assessed valuation of taxable property from the prior FY.

Property Taxes in Lieu of VLF revenues constitute an addition to other property tax apportionments and were calculated for the purposes of this Report at \$1.22 per \$1,000 increase in assessed valuation on a Citywide basis. **Table 4** presents details

regarding the property tax assumptions utilized in the FIA. Property tax revenue generated in this category is presented later in the report in **Table 10**.

A.3 Sales Taxes

Direct sales tax revenues are generated by taxable sales from businesses within the City. The current sales tax rate in the City is 9.25%, with sales tax collected by the State and distributed to the City. The City currently receives approximately 2.54% of taxable sales receipts, which include a 1.00% sales tax established by Municipal Code §35.51 and Measure X sales tax, a 1.50% voter-approved sales tax to provide funding for neighborhood safety, homeless prevention, and essential City services enhancement. In addition, the City currently receives approximately 8.87% of the Proposition 172 sales tax receipts generated within the City (a 0.50% voter-approved sales tax dedicated to local public safety), which is equivalent to 0.04% sales tax rate.

Measure X rate will decrease to 1% in 2029 and sunset in 2039. In generating the fiscal impact models for this Report, DTA has conservatively assumed that Measure X sales tax at the Project’s build-out will only be 1%. In aggregate, 2.04% of taxable sales receipts are passed through to the City for purposes of this FIA. As reflected in **Table 5**, the proposed on-site non-residential land use types are conservatively assumed not to generate any taxable sales.

Table 5: Sales Tax Assumptions

Description	Assumptions
Percentage of Sales Tax Passed Through to the City	2.04%
Local Employee Spending (Spending in Fast Food/Deli/Lunch Eateries)	\$951
Non-Project Capture Rate of Retail Spending (Within the City)	25%
Taxable Sales per BSF	
Industrial Building One	\$0.00
Industrial Building Two	\$0.00
Industrial Building Three	\$0.00

Indirect sales tax revenues, as summarized in the table above, are generated by the purchases made by the Project’s employees within the City. With respect to on-site employee retail spendings, DTA conservatively limited the scope to meal purchases occurring in quick-service restaurants. Based on studies outlined in the *International Council of Shopping Projects’ Office-Worker Retail Spending in a Digital Age*, DTA estimates that an employee within the Project will spend an average of \$951 annually in the Fast Food/Deli/Lunch Eateries category near their place of work. Assuming the off-site businesses in the City would capture on average 25% of the Project employees’ annual spending, each employee is estimated to spend \$238 annually off-site within the City. The direct and indirect tax revenues generated are presented later in the Report in **Table 10**.

A.4 Utility User Tax (“UUT”)

The UUT is imposed by the City on the consumption of utility services of telephone, electricity, natural gas, and water. The UUT rates for those utility services are presented in **Table 6** below.

Table 6: UUT Assumptions

Description	Assumptions
UUT Rates	
Telephone (Municipal Code §3.16.020)	5.50%
Electricity (Municipal Code §3.16.030)	6.00%
Natural gas (Municipal Code §3.16.040)	6.00%
Water (Municipal Code §3.16.050)	6.00%
Annual Telephone Gross Receipts	
Industrial Building One (5 Lines)	\$4,800
Industrial Building Two (5 Lines)	\$4,800
Industrial Building Three (4 Lines)	\$3,840
Electricity Usage and Cost	
Kilowatthour (kWh) per BSF	10.8
Rate per kWh	\$0.0816
Natural Gas Usage and Cost	
Cubic Feet (Cu. Ft.) per BSF	26.4
Rate per 1,000 Cu. Ft.	\$13.29
Water Usage and Cost	
Gallons per BSF	8.3
Rate per 748 Gallons	\$2.60

The electricity, natural gas, and water usages, as reflected in the table above, assume that the Project buildings will house manufacturing facilities. DTA utilized the applicable electrical and natural gas usage metrics from the *2018 Commercial Buildings Energy Consumption Survey (“CBECS”)* conducted by the U.S. Energy Information and Administration (“EIA”), with the sourcing of the water usage metric from the *2012 CBECS* compiled by the EIA. The UUT revenues generated are presented later in the Report in **Table 10**.

A.5 Other Property Tax Revenue

Per California Revenue and Taxation Code §11901, et seq., and the City Code §3.22.020, sales of real property are taxed by the City at a rate of \$0.55 per \$1,000 of property value, excluding assumed liens or encumbrances. Since the Project proponent indicated that it plans to own and operate the Project for an extended

period, DTA conservatively assumes that there will not be any sales of the Project components, therefore generating no property transfer tax.

A.6 Interest Income

Interest “Investment” Income revenues are generated by the increase in General Fund revenues resulting from the Project. This increase reflects growth in the following revenue categories: property taxes, VMT, sales taxes, utility user tax, and multiplier revenues (to be discussed in detail in the following sections of this Report). Revenues from this source are usually estimated by multiplying the projected recurring General Fund revenues available for investment by the Local Agency Investment Fund (“LAIF”) investment fund rate of return. A LAIF percentage of earnings cost factor of 50% is then applied because the funds being invested on average will be available for only 1 month. Investment income assumptions are summarized in **Table 7** below.

The projected recurring General Fund revenues available for investment total \$460,017. This calculation results in estimated investment income (less earnings cost) of \$395. It should be noted that LAIF factors are determined quarterly by the California State Treasurer, whose office governs the investment of revenues by municipalities.

Table 7: Investment Income Assumptions

Description	Assumptions
Investment Period for Non-Interest General Fund Revenues	1 Month
LAIF Rate of Return (Estimated)	2.06%
LAIF Percentage of Earnings	50%
Projected Recurring General Fund Revenues Available for Investment	\$460,017

B Analysis of Recurring Revenues, Multiplier Method

The Per Capita Employee (Persons Served) Multiplier figures presented in this section play a key role in understanding the impact of the proposed Project on the City’s General Fund. As stated in the introduction section of this Report, the Persons Served approach recognizes the fact that the exact relationship of service demands and revenue-generating potential between residents and employees is difficult to quantify, so a specific set of assumptions are needed.

To address this, DTA has introduced several assumptions, including the utilization of a service population, or Persons Served population, comprised of all service area residents and 50% of employees working in the service area, as this is common fiscal practice in quantifying the impact of new development in a given service area. This number suggests that a City resident generally has twice the fiscal impact of an employee within the City on the City General Fund. The Persons Served population of the City is estimated at 370,403, equaling the total residents within the City (299,630) plus 50% of employees working in the City (141,545).

Utilizing the above assumptions, the multipliers presented in this section and illustrated in

Table 8 quantify the marginal increase in revenue per Person Served by each specific revenue category that will result from the development of the proposed Project.

Table 8: General Fund Revenues (Multiplier Method)

Category	Amount	Methodology	Discount
Business License Tax	\$90.08	Per Employee	15%
Franchise Fees and Taxes	\$25.13	Person Served	15%
Charges for Services	\$24.50	Person Served	15%
Licenses and Permits	\$7.78	Person Served	15%
Fines, Forfeitures, and Penalties	\$12.98	Person Served	15%
Adult-Use Retail Business Cannabis Tax	\$4.08	Person Served	90%
Medical Marijuana Taxes	\$0.14	Person Served	90%

B.1 Business License Tax

Business license tax revenue is expected to increase as the City looks to expand its commercial and industrial sectors. The purpose of this annual tax is to ensure that businesses share the burden of payment for City services used by the business and/or their employees.

Note that the revenue multiplier presented in this section has been reduced by 15% to account for only the portion of the business license tax revenues that are expected to vary with population and employee growth in the City.

DTA forecasts the business license tax at \$90.08 per employee using the *Per Employee Multiplier Method*, generating \$38,284 in additional revenue to the City's General Fund.

B.2 Franchise Fees and Taxes

Franchise fees and taxes are expected to play a consistent role in contributing to the City's General Fund over the next several years. Generally, a tax is a compulsory payment levied by the government on its citizens and various business firms. In contrast, a fee is usually defined as a voluntary payment to the government for the special services rendered by it in the public interest. This distinction has become blurred as fees are usually a required part of doing business in a particular area or industry, so for the purpose of this Report, both terms will be referred to as fees.

Note that the revenue multiplier presented in this section has been reduced by 15% to account for only the portion of the franchise fee and tax revenues that are expected to vary with population and employee growth in the City, as opposed to such revenues that are fixed and will therefore remain unchanged by the Project.

DTA has forecasted franchise fees at \$25.13 per Person Served using the *Per Capita Multiplier Method* (this represents a marginal increase in revenue per additional Persons Served in this category). This is expected to generate \$5,353 in additional

revenue to the City's General Fund.

B.3 Charges for Services

Charges for services is another area that generates revenues on behalf of the City's General Fund, accounting for 3% of total General Fund recurring revenues in FY 2023-24. This category is made up of service charges and fees imposed on users for specialized services provided by the City under the rationale that benefiting parties, rather than the general public, should pay for the cost of those services. Note, only **charges for non-development services** are evaluated for this Report.

Note that the revenue multiplier presented in this section has been reduced by 15% to account for only the portion of the charges for services revenues that are expected to vary with population and employee growth in the City, as opposed to such revenues that are fixed and will therefore remain unchanged by the Project.

DTA has forecasted charges for services at \$24.50 per Person Served using the *Per Capita Multiplier Method* (this represents a marginal increase in revenue per additional Persons Served in this category). This is expected to generate \$5,219 in additional revenue to the City's General Fund.

B.4 Licenses and Permits

In addition to business licenses, the City imposes fees on a variety of permits. This is a reliable source of revenue and it is expected to continue to be a steady contributor to the General Fund over the coming years. Note, only **non-development licenses and permits** are evaluated for this Report.

Note that the revenue multiplier presented in this section has been reduced by 15% to account for only the portion of the licenses and permits tax revenues that are expected to vary with population and employee growth in the City, as opposed to such revenues that are fixed and will therefore remain unchanged by the Project.

DTA forecasts the licenses and permits tax at \$7.78 per Persons Served using the *Per Capita Multiplier Method*, generating \$1,657 in additional revenue to the City's General Fund.

B.5 Fines, Forfeitures, and Penalties

To ensure the payment of various licenses and fees, the City Code empowers the City to impose penalties and collect fines in several areas. Although considered a consistent revenue stream each year, the City expects to derive 1% of its total FY 2023-24 General Fund revenues from fines, forfeitures, and penalties.

Note that the revenue multiplier presented in this section has been reduced by 15% to account for only the portion of the fines, forfeitures, and penalties that are expected to vary with population and employee growth in the City. Fines, forfeitures, and penalties are projected at \$12.98 per Person Served, generating \$2,765 in

additional revenue to the City's General Fund.

B.6 Retail Cannabis Taxes

The City currently imposes taxes on the retail sales of adult-use and medicinal cannabis. Although these retail cannabis taxes currently constitute 4% of City's FY 2023-24 General Fund revenues, DTA conservatively applied a 90% discount rate to account for only the portion of the retail cannabis tax revenues that are expected to vary with population and employee growth in the City, as opposed to such revenues that are fixed and will therefore remain unchanged by the Project.

DTA forecasts the retail cannabis taxes at \$4.22 per Person Served, generating \$899 in additional revenue to the City's General Fund.

C Analysis of Recurring Costs, Case Study Method

C.1 General Government Costs

General government costs are projected at a marginal rate of 75.00% of the City General Fund recurring costs, based on the assumption that the FY 2023-24 general government expenditures, equaling \$99.2 million, will remain at the same relative proportion of the FY 2023-24 City total non-governmental expenditures of approximately \$283.8 million in future years. Government costs in this area are generated from several areas, including the City Council, City Manager, City Attorney, City Clerk, Finance and Management Services, Human Resource, Planning and Building, and Non-Departmental expenditures.

According to the FY 2023-24 budget, the percentage of general government expenditures to non-governmental expenditures is approximately 34.9%. However, these general government costs are not expected to increase on a one-for-one basis as a result of the land use development depicted in this Report. Therefore, this Report assumes that general government costs increase at an estimated marginal rate of 75%, or 26.2% of the existing General Government cost overhead rate. This approach results in annual general government costs of \$42,092. A detailed explanation of these calculations is presented in **Appendix A-10**.

D Analysis of Recurring Costs, Multiplier Method

As discussed previously in Section III.B, DTA utilized the Persons Served population approach to quantify the marginal increase in City's General Fund expenditures resulting from the proposed Project. The multipliers presented in this section and illustrated in **Table 9** quantify the marginal increase in expenditures per Person Served for each specific service category.

Table 9: General Fund Expenditures (Multiplier Method)

Category	Amount	Methodology	Discount
Police Department	\$396.34	Person Served	0%
Fire Department	\$152.49	Person Served	0%
Public Works	\$135.19	Person Served	0%
Park, Recreation & Community Services	\$34.90	Person Served	15%
Community Development	\$14.20	Person Served	15%
Library	\$16.96	Person Served	15%
Museum	\$3.84	Person Served	15%

D.1 Non-General Government Costs

D.1.i Police Services

The FY 2023-24 City General Fund expenditures for police services are \$146.8 million. Notably, the cost multipliers presented in this section have not been discounted. The police services expenditures are projected at \$396.34 per Person Served, resulting in an additional \$84,420 to the City’s annual expenditures.

D.1.ii Fire Protection Services

The FY 2023-24 City General Fund expenditures for fire protection services are \$56.5 million. Notably, the cost multipliers presented in this section have not been discounted. The fire protection services expenditures are projected at \$152.49 per Person Served, resulting in an additional \$32,480 to the City’s annual expenditures.

D.1.iii Public Works Services

The FY 2023-24 City General Fund expenditures for public works services are \$50.1 million. Notably, the cost multipliers presented in this section have not been discounted. The public works services expenditures are projected at \$135.19 per Person Served, resulting in an additional \$28,795 to the City’s annual expenditures.

D.1.iv Park, Recreation & Community (“PRC”) Services

The FY 2023-24 City General Fund expenditures for PRC services are \$15.2 million. The cost multiplier presented in this section has been reduced by 15% to account for only the portion of the PRC services costs that are expected to vary with population and employee growth in the City. The PRC services expenditures are projected at \$34.90 per Person Served, resulting in an additional \$7,434 to the City’s annual expenditures.

D.1.v Community Development

The FY 2023-24 City General Fund expenditures for the community development services are \$6.2 million. The cost multiplier presented in this section has been reduced by 15% to account for only the portion of the community development

services costs that are expected to vary with population and employee growth in the City. The community development services expenditures are projected at \$14.20 per Person Served, resulting in an additional \$3,025 to the City's annual expenditures.

D.1.vi Library Services

The FY 2023-24 City General Fund expenditures for library services are \$7.4 million. The cost multiplier presented in this section has been reduced by 15% to account for only the portion of the library services costs that are expected to vary with population and employee growth in the City. The library services expenditures are projected at \$16.96 per Person Served, resulting in an additional \$3,612 to the City's annual expenditures.

D.1.vii Museum Services

The FY 2023-24 City General Fund expenditures for museum services are \$1.7 million. The cost multiplier presented in this section has been reduced by 15% to account for only the portion of the museum services costs that are expected to vary with population and employee growth in the City. The museum services expenditures are projected at \$3.84 per Person Served, resulting in an additional \$818 to the City's annual expenditures.

IV FISCAL IMPACTS

A Total Recurring Revenues

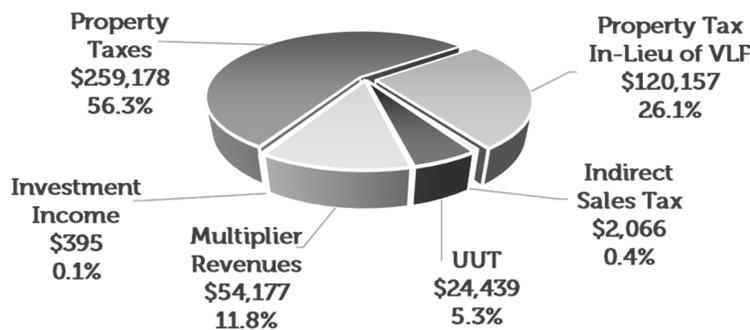
The total recurring incremental revenues to the City are projected to be **\$460,412** per year. As illustrated below in **Table 10** and **Figure 4**, the largest percentage of revenue generated (82.4%) is attributed to the Property Tax category (including property tax in lieu of VLFs). Given the existing assessed value for the Project site has been artificially restricted by a 2% annual escalator, the development of the components of the Project would remove that restriction and substantially increase the property taxes and in-lieu VLF revenues for the site. Attachments in **Appendices A-4 through A-8** provide additional details regarding all recurring revenues and the assumptions used in their derivation.

Table 10: Recurring Fiscal Revenues (the City's General Fund)

Category	Amount	Percent
Secured Property Tax	\$235,616	51.2%
Unsecured Property Tax	\$23,562	5.1%
Property Taxes In Lieu of VLFs	\$120,157	26.1%
Indirect Sales Tax	\$2,066	0.4%
UUT	\$24,439	5.3%
Business Licenses	\$38,284	8.3%
Franchise Fees	\$5,353	1.2%
Charges for Services	\$5,219	1.1%
Licenses and Permits	\$1,657	0.4%
Fines and Forfeitures	\$2,765	0.6%
Adult-Use Retail Business Cannabis Tax	\$869	0.2%
Medical Marijuana Taxes	\$30	0.0%
Investment Income	\$395	0.1%
Total Revenues	\$460,412	100.0%

Note: All numbers are subject to rounding.

Figure 4: Recurring General Fund Revenues at Project Build-Out Broken Down by Source



B Total Recurring Costs

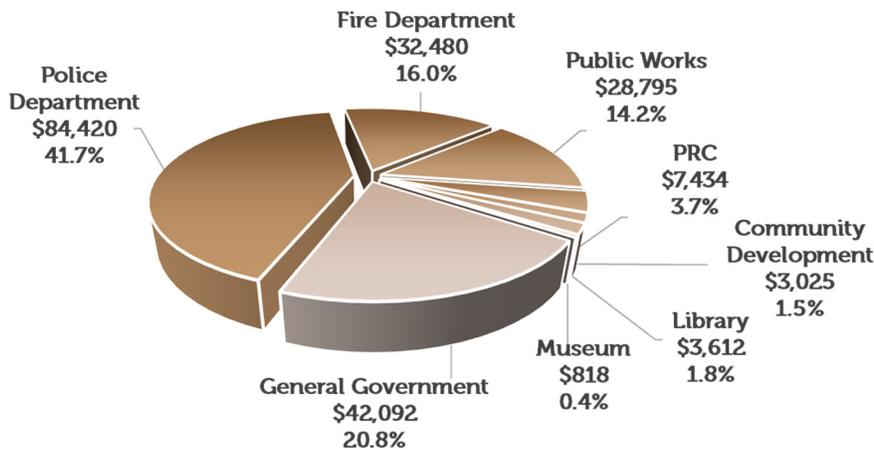
As illustrated in **Table 11** and **Figure 5** below, the City’s projected total annual incremental recurring costs are projected to be **\$202,676** per year. Police and fire protection services constitute two of the largest projected costs, respectively accounting for 41.7% and 16.0% of total recurring fiscal costs. Attachments in **Appendices A-9 and A-10** provide additional details about all recurring costs and the assumptions used in their derivation.

Table 11: Recurring Fiscal Costs (the City’s General Fund)

Category	Amount	Percent
Police Department	\$84,420	41.7%
Fire Department	\$32,480	16.0%
Public Works	\$28,795	14.2%
Park, Recreation & Community Services	\$7,434	3.7%
Community Development	\$3,025	1.5%
Library	\$3,612	1.8%
Museum	\$818	0.4%
General Government	\$42,092	20.8%
Total Costs	\$202,676	100.0%

Note: All numbers are subject to rounding.

Figure 5: Recurring General Fund Costs at Project Build-Out Broken Down by Source



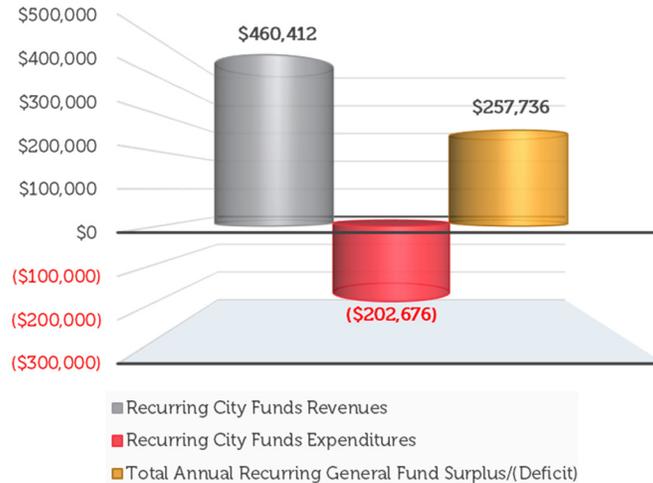
C Overall Net Fiscal Impact

Table 12 and Figure 6 below shows the overall incremental fiscal impact to the City. The Project site is anticipated to generate an annual recurring incremental fiscal surplus at build-out of \$257,736 based on the generation of \$460,412 in annual recurring revenues and \$202,676 in recurring annual costs. Furthermore, annual revenues generated are projected to equal 2.27 times the associated City incremental General Fund costs.

Table 12: Net Fiscal Impact (the City's General Fund)

Category	Impact/Ratio
Total Recurring Revenues	\$460,412
Total Recurring Costs*	\$202,676
Annual Recurring Surplus/(Deficit)	\$257,736
Total Annual Revenue/Cost Ratio	2.27

Figure 6: Net Fiscal Impact (the City's General Fund)



APPENDIX A

EPD Solutions, Inc.
Proposed South Coast Technology Center Project
Fiscal Impact Report



APPENDIX A-1

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
CITY FUND REVENUES (BY TYPE)

I **Demographics and Other Data**

2023 Estimated City Population [1]	299,630
2023 Estimated City Employees [2]	141,545
2023 Persons Served Population [3]	370,403

Notes:

- [1] California Department of Finance, Housing and Population Information, January 1, 2023.
- [2] Environics Analytics, EmploymentProfiles by NAICS Codes 2023 for the City of Santa Ana.
- [3] Assumes City population plus 50% of employees.

II **City Revenue Sources (by Type)**

Revenue Type	Total Revenues	Revenue Type	Fiscal Impact Basis	Discount	Fiscal Impact Revenue Factor
Tax Revenue	\$249,028,390		Persons Served		\$0.00
Property Tax - Exclude In-Lieu of VLF	\$46,525,390	Recurring	Case Study	0%	NA
Transient Occupancy Taxes	\$8,500,000	Recurring	Case Study	0%	NA
Utility Users Tax	\$25,800,000	Recurring	Case Study	0%	NA
Sales Tax	\$64,715,400	Recurring	Case Study	0%	NA
Prop 172 Sales Tax	\$2,871,200	Recurring	Case Study	0%	NA
Measure X Sales Tax	\$88,616,400	Recurring	Case Study	0%	NA
Documentary Stamp Tax	\$1,000,000	Recurring	Case Study	0%	NA
Santa Ana Residual	\$11,000,000	Recurring	Case Study	0%	NA
Business Licenses	\$15,000,000	Recurring	Per Employee	15%	\$90.08
Franchise Fees	\$10,950,000	Recurring	Persons Served	15%	\$25.13
Interest Income	\$700,000	Recurring	Case Study	0%	NA
Charges for Services	\$10,675,650	Recurring	Persons Served	15%	\$24.50
Building/Planning/Engineering Fees	\$10,740,000	Non-Recurring	NA	100%	NA
Licenses and Permits	\$3,388,240	Recurring	Persons Served	15%	\$7.78
VLF/Property Tax Compensation	\$42,044,300	Recurring	Case Study	0%	NA
Fines and Forfeitures	\$5,654,100	Recurring	Persons Served	15%	\$12.98
Intergovernmental	\$7,789,340	Recurring	NA	100%	NA
Use of Money and Property	\$17,956,500	Recurring	Persons Served	100%	\$0.00
Other / Miscellaneous	\$10,792,020	Recurring	Persons Served	100%	\$0.00
Adult-Use Retail Business Cannabis Tax	\$15,116,130	Recurring	Persons Served	90%	\$4.08
Commercial Cannabis Tax	\$416,000	Recurring	Persons Served	100%	\$0.00
Medical Marijuana Taxes	\$528,000	Recurring	Persons Served	90%	\$0.14
Total Revenues	\$400,778,670	NA	NA	NA	NA
Total Recurring Revenues	\$390,038,670	NA	NA	NA	NA

APPENDIX A-2

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
CITY FUND EXPENDITURES (BY TYPE)

I **Demographics and Other Data**

2023 Estimated City Population [1]	299,630
2023 Estimated City Employees [2]	141,545
2023 Persons Served Population [3]	370,403

Notes:

[1] California Department of Finance, Housing and Population Information, January 1, 2023.

[2] Environics Analytics, EmploymentProfiles by NAICS Codes 2023 for the City of Santa Ana.

[3] Assumes City population plus 50% of employees.

II **City Expenditures (by Type)**

Expenditure Type	Total Expenditures	Expenditure Type	Fiscal Impact Basis	Discount	Fiscal Impact Expenditure Factor
General Government					
City Council	\$1,021,070	Recurring	Case Study	NA	NA
City Clerk's Office	\$2,411,150	Recurring	Case Study	NA	NA
City Manager's Office	\$3,144,680	Recurring	Case Study	NA	NA
City Attorney's Office	\$4,365,880	Recurring	Case Study	NA	NA
Planning and Building	\$20,146,220	Recurring	Case Study	NA	NA
Financial & Management Services	\$11,973,870	Recurring	Case Study	NA	NA
Human Resources	\$4,283,540	Recurring	Case Study	NA	NA
Non-Departmental	\$51,847,740	Recurring	Case Study	NA	NA
Non-General Government					
Police Department	\$146,805,550	Recurring	Persons Served	0%	\$396.34
Fire Department	\$56,483,060	Recurring	Persons Served	0%	\$152.49
Public Works	\$50,075,950	Recurring	Persons Served	0%	\$135.19
Park, Recreation & Community Services	\$15,206,990	Recurring	Persons Served	15%	\$34.90
Community Development	\$6,186,710	Recurring	Persons Served	15%	\$14.20
Library	\$7,392,510	Recurring	Persons Served	15%	\$16.96
Museum	\$1,674,210	Recurring	Persons Served	15%	\$3.84
Total Expenditures	\$383,019,130	NA	NA	NA	NA
Total Recurring Expenditures	\$383,019,130	NA	NA	NA	NA

APPENDIX A-3

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
 LAND USE AND DEMOGRAPHICS SUMMARY

Future Land Use Data

I	Developable Land Use Description	
A	<u>Projected Non-Residential Land Uses</u>	<u>Building Sq. Ft. [1]</u>
	Industrial Building One	112,230
	Industrial Building Two	121,645
	Industrial Building Three	79,369

Demographic Data

I	Non-Residential Land Use Employee Generation	
A	<u>Projected Non-Residential Land Uses</u>	<u>Sq. Ft. per Employee [2]</u>
	Industrial Building One	737 BSF
	Industrial Building Two	737 BSF
	Industrial Building Three	737 BSF

Population and Employees (Calculations)

I	Projected Direct Employees		
A	<u>Projected Non-Residential Land Uses</u>	<u>Building Sq. Ft.</u>	<u>Total Direct Employees</u>
	Industrial Building One	112,230 BSF	152
	Industrial Building Two	121,645 BSF	165
	Industrial Building Three	79,369 BSF	108

Population and Employees (Totals)

I	Total Projected Residential Population	0
II	Total Projected Direct Employees	425
III	Total Persons Served Population [3]	213

NOTES:

[1] Source: Project Proponent.

[2] Source: Project Proponent.

[3] An employee is typically assumed to be equivalent to 50% of a resident given they would spend only eight active hours in the City per day versus a resident who is active for 16 hours per day.

* *All figures subject to rounding*

APPENDIX A-4

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
PROPERTY TAX REVENUE ANALYSIS

General Property Tax Assumptions

I Property Tax Allocation (as a Portion of the 1% General Property Tax Levy) [1]	
A <u>Category / Code</u>	<u>Allocated to City [2]</u>
General Fund	19.296953238%
Total	19.296953238%

Assessed Valuation Assumptions

I Non-Residential Land Uses	
A <u>Industrial Building One</u>	
Estimated Number of Sq. Ft. [3]	112,230
Estimated Valuation per Sq. Ft. [4]	\$390
Total Estimated Net Taxable Value	\$43,746,354
B <u>Industrial Building Two</u>	
Estimated Number of Sq. Ft. [3]	121,645
Estimated Valuation per Sq. Ft. [4]	\$390
Total Estimated Net Taxable Value	\$47,416,246
C <u>Industrial Building Three</u>	
Estimated Number of Sq. Ft. [3]	79,369
Estimated Valuation per Sq. Ft. [4]	\$390
Total Estimated Net Taxable Value	\$30,937,400
II Total Land Use Net Taxable Value	\$122,100,000

Other Property Tax Revenue Assumptions

I Unsecured Property Taxes - Assumptions [5]	
A <u>Unsecured Taxes as a % of Secured</u>	
Non-Residential Property	10.00%
II Property Tax Transfer - Assumptions [6]	
A <u>Turnover Rate</u>	
Non-Residential Property	0.00%
B <u>Other Assumptions</u>	
Transfer Tax as a % of Assessed Value	0.11%
Property Transfer Tax Passed Through to City of Santa Ana	50.00%
III <u>Motor Vehicle Licensing Fees - Assumptions</u>	
Vehicle Licensing Fees per Capita	NA
IV <u>Property Tax In-Lieu of Vehicle License Fee - Assumptions</u>	
Total City of Santa Ana Gross Assessed Value [7]	\$34,504,366,076
City of Santa Ana Property Tax In-Lieu of Vehicle License Fee [8]	\$42,044,300
Property Tax In-Lieu of Vehicle License Fee Increase per \$1,000 Assessed Value	\$1.22

Fiscal Impact Calculation

I <u>Fiscal Impact Category</u>	<u>Annual Fiscal Impact Amount</u>
A Secured Property Tax	
A.1 <u>Projected Non-Residential Land Uses</u>	
Industrial Building One	\$84,417
Industrial Building Two	\$91,499
Industrial Building Three	\$59,700
B Unsecured Property Tax	
B.2 <u>Projected Non-Residential Land Uses</u>	
Industrial Building One	\$8,442
Industrial Building Two	\$9,150
Industrial Building Three	\$5,970

APPENDIX A-4

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
PROPERTY TAX REVENUE ANALYSIS

C Property Tax In-Lieu of Vehicle License Fee [9]

Projected Residential and Non-Residential Land Uses

\$120,157

II **Total Property Tax Revenues**

\$379,335

NOTES:

- [1] Based on "General Fund" levy for Tax Rate Area (TRA). Data provided by the County of Orange Auditor-Controller's Office. TRA allocations adjusted for ERAF. Note, figure does not include non-General Funds.
- [2] Post ERAF rates based on the weighted average of the fiscal year 2023-24 rates applicable to the TRAs in the Project. Source: County of Orange Auditor-Controller Office.
- [3] Please see Appendix A-3. Subject to change.
- [4] Source: Project Proponent.
- [5] Based on typical DTA baseline assumptions.
- [6] Project Proponent plans to own the Project for an extended period.
- [7] Source: County of Orange Auditor-Controller's Office.
- [8] Source: City of Santa Ana Adopted Budget, Fiscal Year 2023-2024.
- [9] Property Tax in-lieu of Vehicle Licensing Fees applies to incremental property value. Current estimated land value of Project site of \$23,491,046 excluded from calculation.

* *All figures subject to rounding*

APPENDIX A-5

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
SALES TAX REVENUE ANALYSIS

Indirect Sales Tax Assumptions

I	Indirect Sales Tax Assumptions - Employees	
	Annual Spending per Employee [1]	\$951
II	Retail Taxable Sales Capture	
	City of Santa Ana Retail Taxable Purchase Capture [2]	25%

Direct Sales Tax Assumptions

I	Non-Residential Direct Sales Tax Assumptions	
A	Non-Residential Land Uses	Taxable Sales per Sq. Ft [3]
	Industrial Building One	\$0.00
	Industrial Building Two	\$0.00
	Industrial Building Three	\$0.00

Other Sales Tax Assumptions

I	Percent to the City of Santa Ana	
	City of Santa Ana Municipal Code §35-51	1.00%
	Prop 172 Sales Tax [4]	0.04%
	Measure X Sales Tax [5]	1.00%
	Total	2.04%

Fiscal Impact Calculation

I	Fiscal Impact Category	Annual Fiscal Impact Amount
A	Indirect Sales Tax	
A.1	Employee Taxable Sales	
	Direct Employees	\$2,066
B	Direct Sales Tax	
B.1	Projected Non-Residential Land Uses	
	Industrial Building One	\$0
	Industrial Building Two	\$0
	Industrial Building Three	\$0
II	Total Sales Tax Revenues	\$2,066

NOTES:

- [1] Based on the average spending on Fast Food/Deli/Lunch Eateries for workers with annual income between \$50K and \$75K. Source: "Office-Worker Retail Spending in a Digital Age," ICSC (2012). Adjusted for inflation assuming 3% annual inflation rate.
- [2] Based on typical DTA baseline assumptions.
- [3] Source: Project Proponent.
- [4] The City projects to receive approximately 8.87% of the Prop 172 sales tax receipts generated within the City, which is equivalent to 0.04% sales tax rate. Source: City of Santa Ana Proposed Budget, Fiscal Year 2023-2024.
- [5] Current rate is 1.5%, decreases to 1.0% in 2029, and then sunsets in 2039.

* *All figures subject to rounding*

APPENDIX A-6

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
UTILITY USERS' TAX REVENUE ANALYSIS

Utility Assumptions

I Utility Usage Assumptions

	Telephone (\$ per Business) [1]	Electricity (kWh per Sq. Ft.) [2]	Natural Gas (Cu. Ft. per Sq. Ft.) [3]	Water (Gal. per Sq. Ft.) [4]
A Non-Residential Land Uses				
Industrial Building One	\$4,800	10.8	26.4	8.3
Industrial Building Two	\$4,800	10.8	26.4	8.3
Industrial Building Three	\$3,840	10.8	26.4	8.3
II Energy Price Assumptions				
A Non-Residential Land Uses				
Electricity Costs per kWh [5]				\$0.0816
Natural Gas Rate per 1,000 Cu. Ft. [6]				\$13.29
Water Rate per 748 Gallons [7]				\$2.60

Gross Utility Receipts

I Non-Residential Land Uses

A Industrial Building One

Telephone	\$4,800
Electricity	\$98,906
Natural Gas	\$39,377
Water	\$3,238

B Industrial Building Two

Telephone	\$4,800
Electricity	\$107,203
Natural Gas	\$42,680
Water	\$3,509

C Industrial Building Three

Telephone	\$3,840
Electricity	\$69,946
Natural Gas	\$27,847
Water	\$2,290

Utility Users' Tax Assumptions

I Utility Users' Tax Rate Assumptions

Telephone (Municipal Code §3.16.020)	5.50%
Electricity (Municipal Code §3.16.030)	6.00%
Natural Gas (Municipal Code §3.16.040)	6.00%
Water (Municipal Code §3.16.050)	6.00%

Fiscal Impact Calculation

I Fiscal Impact Category

Annual Fiscal
Impact Amount

A Utility User's Tax - Telephone

A.1 Non-Residential Land Uses

Industrial Building One	\$264
Industrial Building Two	\$264
Industrial Building Three	\$211

B Utility User's Tax - Electricity

B.1 Non-Residential Land Uses

Industrial Building One	\$5,934
Industrial Building Two	\$6,432
Industrial Building Three	\$4,197

C Utility User's Tax - Natural Gas

C.1 Non-Residential Land Uses

Industrial Building One	\$2,363
Industrial Building Two	\$2,561
Industrial Building Three	\$1,671

D Utility User's Tax - Water

D.1 Non-Residential Land Uses

Industrial Building One	\$194
Industrial Building Two	\$211
Industrial Building Three	\$137

II Total Utility Users' Tax Revenues

\$24,439

NOTES:

- [1] Based on the current base cost of AT&T Business Unlimited Premium plan with varying number of lines depending on the business.
- [2] Source: Commercial Buildings Energy Consumption Survey, Table C15, 2018.
- [3] Source: Commercial Buildings Energy Consumption Survey, Table C25, 2018.
- [4] Source: Commercial Buildings Energy Consumption Survey, Table W1, 2012.
- [5] Source: <https://www.electricitylocal.com/states/california/santa-ana/>
- [6] Source: <https://naturalgaslocal.com/states/california/santa-ana/>.
- [7] Source: Santa Ana Water District.
- [8] Source: Project Proponent.
- * **All figures subject to rounding**

APPENDIX A-7

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
 MULTIPLIER REVENUE SOURCES ANALYSIS

Multiplier Revenue Assumptions

I Revenue Category	Multiplier Factor [1]	Revenue Projection Basis
Business Licenses	\$90.08	Per Employee
Franchise Fees	\$25.13	Persons Served
Charges for Services	\$24.50	Persons Served
Licenses and Permits	\$7.78	Persons Served
Fines and Forfeitures	\$12.98	Persons Served
Adult-Use Retail Business Cannabis Tax	\$4.08	Persons Served
Medical Marijuana Taxes	\$0.14	Persons Served

Fiscal Impact Calculation

I Fiscal Impact Category	Annual Fiscal Impact Amount
Business Licenses	\$38,284
Franchise Fees	\$5,353
Charges for Services	\$5,219
Licenses and Permits	\$1,657
Fines and Forfeitures	\$2,765
Adult-Use Retail Business Cannabis Tax	\$869
Medical Marijuana Taxes	\$30
II Total Multiplier Revenues	\$54,177

NOTES:

[1] Based on the City of Santa Ana Proposed Budget, Fiscal Year 2023-2024.

* *All figures subject to rounding*

APPENDIX A-8

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
INVESTMENT INCOME REVENUES ANALYSIS

Assumptions

I Investment Income Assumptions

Investment Period for Recurring Non-Interest General Fund Revenues	1 Month
Local Agency Investment Fund (LAIF) Rate of Return [1]	2.06%
Local Agency Investment Fund (LAIF) Percentage of Earnings Cost [1]	50.00%

Fiscal Impact Calculation

<u>I Fiscal Impact Category</u>	<u>Annual Fiscal Impact Amount</u>
Total Property Tax Revenues (Appendix A-4)	\$379,335
Total Sales Tax Revenues (Appendix A-5)	\$2,066
Total Utility User's Tax Revenues (Appendix A-6)	\$24,439
Total Multiplier Revenues (Appendix A-7)	\$54,177
II Projected Recurring General Fund Revenues Available for Investment	\$460,017
III Plus: Investment Income (Less Earnings Cost)	\$395
IV Total Recurring General Fund Revenues	\$460,412

NOTES:

[1] Estimate. Subject to change.

* *All figures subject to rounding*

APPENDIX A-9

SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER

MULTIPLIER EXPENDITURES ANALYSIS

Multiplier Expenditure Assumptions

I Expenditure Category	Multiplier Factor [1]	Expenditure Projection Basis
Police Department	\$396.34	Persons Served
Fire Department	\$152.49	Persons Served
Public Works	\$135.19	Persons Served
Park, Recreation & Community Services	\$34.90	Persons Served
Community Development	\$14.20	Persons Served
Library	\$16.96	Persons Served
Museum	\$3.84	Persons Served

Fiscal Impact Calculation

I Fiscal Impact Category	Annual Fiscal Impact Amount
Police Department	\$84,420
Fire Department	\$32,480
Public Works	\$28,795
Park, Recreation & Community Services	\$7,434
Community Development	\$3,025
Library	\$3,612
Museum	\$818
II Total Multiplier Expenditures	\$160,584

NOTES:

[1] Based on the City of Santa Ana Proposed Budget, Fiscal Year 2023-2024.

* *All figures subject to rounding*

APPENDIX A-10
 SANTA ANA, CALIFORNIA: SOUTH COAST TECHNOLOGY CENTER
 GENERAL GOVERNMENT EXPENDITURES ANALYSIS

Assumptions

I	General Government Overhead Expenditures	
	Total Recurring Fund Expenditures (excluding General Government Overhead) [1]	\$283,824,980
	Recurring General Government Overhead Expenditures (as a % of Total Recurring Fund Expenditures) [2]	34.9%
	Marginal Increase in General Government Costs	75%

Fiscal Impact Calculation

I	Fiscal Impact Category	Annual Fiscal Impact Amount
	Total Multiplier Expenditures (Appendix A-9)	\$160,584
II	Projected Recurring General Fund Expenditures	\$160,584
III	Plus: General Government Costs	\$42,092
IV	Total Recurring Expenditures	\$202,676

NOTES:

[1] Based on the City of Santa Ana Proposed Budget, Fiscal Year 2023-2024.

[2] General Government Overhead Expenditures defined as costs for Legislative, Administration, Finance, Development Services, and other General Government.

* *All figures subject to rounding*

The logo for DTA (Development Tax Authority) features the lowercase letters 'dta' in a bold, black, sans-serif font. A white, parallelogram-shaped graphic element is positioned above the 't', partially overlapping the 'd' and 'a'.

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