



**Economics Research Associates**

Final Report

**Chess-Hatch Master Plan  
Fiscal Impact Analysis**

Prepared for

**City of Foster City  
Foster City, CA**

Submitted by

**Economics Research Associates**

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**ERA Project No. 18062**

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## **General & Limiting Conditions**

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Economics Research Associates and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of **November 2008** and Economics Research Associates has not undertaken any update of its research effort since such date.

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This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



## **I. Executive Summary**

Economics Research Associates has prepared an analysis of the fiscal impact of the development of the Chess-Hatch Master Plan, which consists of redeveloping an 11.9-acre site for office uses. The site currently contains approximately 190,000 square feet of low-density light industrial and commercial space, which will be demolished as part of the redevelopment. ERA evaluated the impact of the site as currently configured, and the impact of the site after completion of the proposed development. Based on a series of assumptions that are detailed in the body of this report, ERA estimates that the Chess-Hatch development will have a positive fiscal impact of approximately \$451,200 annually, which amounts to an impact of approximately \$407,800 more than the current fiscal surplus generated at the site of approximately \$43,400. This information is summarized in Table 16 of this report.

The most significant revenue generator for the proposed development is property tax, which will generate approximately \$537,000 annually at build out. The site's largest expenditure line items are police services, fire services, and parks and recreation. There will be no additional fire or police personnel required as a result of the new development on-site. Thus, there will be no net impact on expenditures for firefighters or police officers. Some impact occurs for administration, prevention, and supplies. The applicant has provided no information on phasing. Consequently, ERA has not evaluated possible phasing effects, but will do so if more information is provided.

The body of this report discusses the findings in more detail, along with the key assumptions used to estimate the revenues and expenditures expected from the Chess-Hatch Master Plan development.



## **II. Introduction**

The City of Foster City has retained Economics Research Associates (ERA) to conduct a fiscal impact analysis of the proposed Chess-Hatch Master Plan development. The proposal involves redevelopment of an 11.9-acre site that currently is home to eleven low-density light industrial and commercial buildings that were constructed in the 1960s and 1970s. The buildings contain approximately 190,000 square feet of space. Also on-site are the structures' surface parking lots and associated landscaping. All of the site's existing buildings would be demolished to make way for three new, higher-density office buildings, which will contain a total of 800,000 square feet. Structured parking for 2,370 vehicles also would be constructed according to the plan.

This document accompanies a draft of the fiscal impact model and is intended to provide explanation of ERA's methodology and data sources. Additionally, it specifies ERA's assumptions. ERA was charged with two main tasks: 1) creating a model to measure the anticipated fiscal impact of the new development project and 2) comparing that expected fiscal outcome with the expenditures and revenues associated with the current development on-site. This model includes two measures: "At Build Out," which is the total development that will be on-site at the time of build out, and "Net Gain," which corresponds to the build-out total minus the structures currently on-site.

This fiscal impact analysis is intended to reveal basic feasibility issues and to inform the public sector decision-making process. Assuming the Chess-Hatch development is approved and constructed, the actual costs and revenues may vary from the forecast depending on a number of factors that are not addressed herein and cannot be predicted with certainty. These factors include but are not limited to changes in State policy regarding revenue sharing and funding for infrastructure, desired service levels as determined by the City, employee contract negotiations, inflation and real cost increases, the business cycle, and actual population and employment trends. The conclusions reached herein are based upon numerous assumptions, forecasts of future events, and the anticipated actions of public agencies. At all times, a realistic and conservative approach was taken in making necessary assumptions, forecasting future events, and anticipating the actions of involved agencies.

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

To generate the fiscal impact model, ERA used the fiscal year 2007/2008 revised City budget to extrapolate revenues and expenditures that could result from the Chess-Hatch development if it were constructed according to the specifications proposed within the Environmental Impact Report. ERA conducted case study analyses to estimate sales and property tax revenues. Expenditures for police and fire service were estimated on a case study basis. Motor vehicle in-lieu revenues were estimated on a per resident basis. The development's impacts on transient occupancy taxes and interest on a loan from a community development agency were assumed to be zero. All other revenues and expenditures were forecasted as average impacts calculated on a per person served basis, which included residents as well as a portion of the number of expected on-site employees. In evaluating the current fiscal impact of the site, ERA examined current revenues and expenditures as well as sales and property tax revenues over the past five years.

Each line item estimated using a per person served and per resident served approach was modified by a variable factor, representing the extent to which each revenue category is more fixed, where new residents and employees would make little difference (such as the rental of existing City property) or more variable (such as fees paid directly by residents or taxes on services they receive). This factor ranges from 0% for fixed items to 100% for highly variable items. More detailed information on ERA's methodology is presented in the subsequent section.

ERA recognizes that most cities, including the City of Foster City, are facing possible declines in revenues in the coming year because of the recent economic downturn. This study is meant to capture the long-term fiscal impact of the proposed project, independent of economic cycles. All results of the analysis are presented in current dollars, rather than inflated to a future nominal value. Inflators are useful where there are large sums of cash flow in or out separated by time, such as in a project pro forma. Using inflators for fiscal modeling, however, results in the inflators distorting the relationships among the types of revenues, expenditures, and development, and often can effectively determine the results. For example, if a model assumes that costs increase at a higher rate than revenues, then in the long run the results will be fiscally negative, no matter what the underlying economics of the project are. On the other hand, if all the inflators are set to be equal, they make no difference and simply add complexity to the numbers without adding any information. Because the model is in current dollars, the build out calculation only shows a final fiscal balance, rather than over a series of years. The phase analysis does show the course of the fiscal balance as the project develops, but this calculation is independent of time or relative inflation.

## **IV.Explanation of Tables and Assumptions**

The paragraphs that follow provide detailed explanations of each table utilized in the Chess-Hatch fiscal impact model. At the request of the City of Foster City, ERA has included Table 1 to provide a summarized list of the major assumptions that have been used as inputs, as well as the tables within the model that utilize these assumptions. Notably excluded from this list are the variable factors, which are found in Tables 8, 12, 13, and 14. They have been left out of this summary table because they are so numerous. All of these assumptions are explained more thoroughly below.

### **Development Description**

Table 2 outlines the details of the proposed development, as outlined in the Draft Environmental Impact Report (DEIR). The site currently contains 190,000 square feet of light industrial and commercial space within eleven low-rise buildings, all of which would be demolished with the proposed plan. At present, parking is provided in surface lots. Three new multi-story buildings would be constructed as part of the Chess-Hatch Master Plan, which in total would contain 800,000 square feet of office commercial space. Structured parking for 2,370 cars would be constructed.

### **On-Site Employment**

Current and expected future employee counts for the site are shown in Table 3. The site's current square footage per employee number was given to ERA by the City of Foster City. ERA estimated square footage per employee at build-out using industry standards for office commercial space. The number of employees on-site will increase substantially from 380 to approximately 2,290 persons. There will be more usable space on-site and the square footage required by each employee will go down, signifying an intensification of the use of the site.

### **Foster City Demographics**

In Table 4, ERA presents demographic trends for the City of Foster City. Population projections were gathered from the California Department of Finance and employee projections were obtained from the Association of Bay Area Governments. These data sets included data for 2005, 2010, and 2015. ERA applied a compound annual growth rate to the reported 2005 numbers to arrive at 2008 population and employment estimates. ERA assumed that employees who work within Foster City rely on city services at a rate of 50% of average residents. In total, the City of Foster City serves the equivalent of approximately 37,700 persons.



## **Project Demographics**

Table 5 presents the number of persons served within the Chess-Hatch development currently and at build-out. This includes only employees of the commercial space, as there is no on-site residential population. ERA counted 50% of the total on-site employees toward the total persons served on-site for the purposes of measuring the impact of the project on municipal services. In total the completed Chess-Hatch Master Plan will serve 1,143 persons, of which 190 are currently located on-site and 953 will be net new.

## **Property Tax**

Table 6 shows the property tax rate breakdown for the Tax Rate Area within which the Chess-Hatch development sits. ERA gathered the data from San Mateo County's Office of the Controller. It should be noted that the local taxing entity for property taxes is the Estero Municipal Improvement District, which functions jointly with the City of Foster City. The tax rate levied by the Estero Municipal Improvement District is 0.2597. This rate is used to compute the estimated property tax revenues from Gilead in a later table. It should be noted that the property tax rate presented in this table has not been adjusted to account for the ERAF split.

## **Sales Tax**

The 2008 sales tax breakdown for the City of Foster City is shown in Table 7. The data points are from the City and the California Board of Equalization. This information is used in the case study analysis of expected sales tax revenues at Chess-Hatch.

## **Total City Revenues**

Table 8 shows revised city revenues by type for fiscal year 2007/08 as well as the methodology ERA has used to estimate fiscal revenues. The case study methodology, which involves looking at the specifics of the proposed development and the actual tax rates to determine fiscal impact, was used for sales and property tax revenues. The development is expected to have no impact on transient occupancy taxes or real property transfer taxes. Thus, those numbers were not projected within the model. All other revenues in this table are shown using a per person methodology that includes all Foster City residents as of 2008 and 50% of the non-resident employees working in Foster City, except for the motor vehicle in-lieu tax, which uses a per resident basis that does not consider Foster City's employment base. The factors shown in Table 8 include gross per person rates, a percent variable factor, and net per person rates. Gross rates are equal to the total revenues for that category divided by the number of persons served. Yet simply applying these gross rates to the

number of new persons that will be served at Chess-Hatch would not accurately reflect the anticipated impacts of the new development because certain costs and revenues are not linked directly with population and employment growth. To reach more suitable net per person rates, ERA included a percent variable factor, which allows certain costs and revenues to be discounted if they are not correlated with the number of persons served. For revenues, ERA has assigned a 100% factor for franchise taxes and motor vehicle in-lieu fees, which should increase in direct proportion to development. Other factors, such as fines and forfeitures, receive a lower factor because a portion of such revenues are related to other factors, such as visitors or traffic passing through the City.

### **Property Tax Impacts**

In Table 9, ERA has estimated the property tax impacts of the Chess-Hatch development. ERA began with the existing tax revenue being generated on-site. ERA then separated land values and structure values. The assessed land value is expected to stay the same pre- and post-development. These numbers were thus held constant. Buildings that are slated for construction were given Per Square Foot Value Factors of \$200 for the proposed structures, which account for core and shell construction. ERA assumed a value of \$25,000 of assessed value per parking space, an industry standard. The City of Foster City provided ERA with a post-ERAF property tax rate estimate, which delineates the true tax rate share that the Estero Municipal Improvement District receives from property taxes. The assessed value was then multiplied by the post-ERAF tax rate to arrive at the property tax amount the District will receive from the project, which is estimated to be approximately \$537,000 annually. Of this, approximately \$494,000 will be net new property tax revenue.

### **Project Sales Tax Generation**

Table 10 shows projected sales tax revenues. There is a small amount of sales tax revenue coming from the site currently. Since all existing structures will be demolished and the future structures will be providing a very different kind of commercial space, ERA has assumed that these revenues, which total less than \$15,000 annually, will be lost. While the DEIR has mentioned a possible restaurant on-site, no specific square footage has been provided within the Master Plan. Thus, ERA has assumed that the site will not generate retail sales receipts at build-out.

### **City Revenues Generated by Chess-Hatch**

In Table 11, ERA presents a summary of expected revenues from the Chess-Hatch Master Plan, which includes data from the preceding tables. The per-person estimates utilize the number of persons served on-site found in Table 5. Transient Occupancy Tax revenues are projected as zero



dollars, as there will be no hotel or motel rooms within the proposed development. The addition of new employees on-site could bring an increase of business visitors to Foster City's hotels. However, this analysis only projects on-site tax impacts to provide a conservative outlook. Total expected annual revenues are approximately \$586,000 at build out, of which more than \$520,000 will be net new to the City of Foster City.

### **Total City Expenditures**

Table 12 details City expenditures by type for the 2007/08 fiscal year. All expenditures were estimated on a per person basis except for fire service and police service. This table is organized with gross, percent variable and net factors, as previously described in the explanation of Table 8. For example, maintenance costs for City Hall would be 0% variable, as the maintenance of the structure would not change with the addition of new residents. Percent variable factors within Table 12 range from 0% to 75%. In general, ERA has applied a lower variable factor to costs that are administrative, while higher factors are applied to expenditures more likely to increase in direct proportion to the addition of residents and employees in the City. For example, administrative services are assigned a factor of 25%, while ordinance enforcement was assigned a factor of 75% to reflect the fact that the new buildings will add more directly to the enforcement workload citywide.

### **Police Department Expenditures**

Estimated police expenditures are shown in Table 13. The police department does not have any plans to expand its force to accommodate the new development at Chess-Hatch. The police department does not anticipate needing extra officers. Costs are expected to increase slightly for police department administration.

### **Fire Department Expenditures**

Estimated Fire Department expenditures are presented in Table 14. According to the Foster City Fire Department, the Chess-Hatch development will not result in the need for any additional coverage over what is already provided, and therefore there will be no impact on fire protection personnel costs. There will be small increases for supplies, administration, and prevention.

### **City Expenditures Due to Chess-Hatch**

A summary of estimated expenditures is provided in Table 15. As is the case with other expenditures, ERA used a per person served methodology for all projections except for fire and police, which were estimated on a case study basis in Tables 13 and 14. As shown on Table 15,



total estimated expenditures at build out are approximately \$135,000, of which \$112,500 are net new expenditures.

### **Chess-Hatch Master Plan General Fund Impact Analysis**

Table 16 calculates the net impact on the City's general fund of development of the Chess-Hatch Master Plan, both at build out and on a net new basis. As shown in Table 16, ERA calculates that Chess-Hatch will generate a surplus of approximately \$451,200 annually at build out for the City's general fund. However, as currently developed, the site has some revenues and costs. When the existing on-site impacts are eliminated, the project is expected to have an annual net positive impact on the City of Foster City's General Fund of approximately \$407,800.

## **V. City Infrastructure Obligations**

According to the Public Works Director, all costs of infrastructure improvements will be borne by the developer and therefore the City will bear no costs, either ultimately or on an interim basis.

Infrastructure improvements that will be completed or paid for by the developer if needed include the following:

- Wastewater Lines
- Water Supply Lines
- Internal Utility Connections
- Roadway Modifications
- Storm Drain System

## **VI. Mitigation Measures**

In the case of a negative estimated fiscal impact or infrastructure requirements of the project that will not be directly covered by the proponent or developer, ERA recommends a range of mitigation measures to cover the obligation. In the case of fiscal mitigation, typical tools are either the privatization of certain facilities, such as parks and roads, along with private funding of maintenance of those facilities, or the creation of an assessment, special tax, or other funding stream to cover the City cost of maintenance.<sup>1</sup> In the case of capital facilities, an impact fee, special tax, or assessment can provide funding for the project share of the capital costs of improvements.

Because there are no estimated negative fiscal impacts or outstanding capital funding requirements, no mitigation measures should be necessary.

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<sup>1</sup> Typical examples are a homeowners' association, assessment district, or Community Facilities District.

**Table 1**  
**Summary of Fiscal Model Assumptions**  
**Chess-Hatch Master Plan**

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Description	Assumption	Unit	Location
Persons Served Value Per Employee	50%	percent	Table 4.
Square Feet / Employee of Existing Space	500	square feet	Tables 3 and 5.
Square Feet / Employee of Proposed Space	350	square feet	Tables 3 and 5.
Commercial / SF Value Factor	\$200	dollars	Table 9.
Parking / Space Value Factor	\$25,000	dollars	Table 9.

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Note: These numbers are sourced in the detailed tables

**Table 2**  
**Proposed Development Program**  
**Chess-Hatch Master Plan**

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Land Use	Total Square Footage
<b>Current On-Site Uses</b>	
Site Acreage	11.89
Number of Buildings	11
Land Use Designation	Industrial / Light Manufacturing
Total Interior Square Feet	190,000
Parking	Surface Lots
<b>Total Current SF</b>	<b>190,000</b>
<b>SF to Be Removed</b>	<b>190,000</b>
<b>Proposed On-Site Uses</b>	
Site Acreage	11.89
Number of Buildings	3
Land Use Designation	Commercial Mix
Total Interior Square Feet	800,000
Parking	Surface Lots and One Four-Level Structure
Total Parking Spaces	8 surface and 2,370 structured
<b>Total Proposed SF</b>	<b>800,000</b>
<b>Total New SF</b>	<b>800,000</b>
<b>Net Gain of SF</b>	<b>610,000</b>

Source: City of Foster City, LSA Associates

Note: The square footage and unit counts represented are consistent with the Administrative Draft EIR dated 10/10/08

**Table 3**  
**Employment Assumptions of Proposed Development**  
**Chess-Hatch Master Plan**

	Current	Projected at Build-Out	Change
Gross Square Footage	190,000	800,000	610,000
Gross SF / Employee	500	350	n/a
Daily On-Site Employees	380	2,286	1,906

Source: City of Foster City, LSA Associates

Note: The square footage and employee counts represented are consistent with the EIR submitted by LSA Associates

**Table 4**  
**City of Foster City Demographic Trends**  
**2008**

Description	Assumptions	2008
Total City of Foster City Residents	100%	30,378
Total City of Foster City Households		12,519
Average Household Size		2.43
Total Employees in City of Foster City		14,711
Total Persons Served		
Population	100%	30,378
Employees	50%	7,355
Total		37,733

Source: California Department of Finance, ABAG

**Table 5**  
**Persons Served at Chess-Hatch**  
**At Build Out**

Description	Persons Served per Total Population	Total Persons Served
<u>Total On-Site Employees Currently</u>		
Industrial / Light Manufacturing		190,000
Square Feet of Space per Employee		<u>500</u>
Total Current Employees		380
Persons Served	50%	190
<u>Total On-Site Employees @ Build Out</u>		
Build Out Office Commercial Space		800,000
Square Feet of Space per Employee		<u>350</u>
Expected Total Employees		2,286
Persons Served	50%	1,143
<u>Total Persons Served</u>		
Current Employees	50%	190
Expected New Future Employees	50%	<u>1,143</u>
<b>Change in Persons Served</b>		<b>953</b>

Source: LSA Associates, Economics Research Associates, California Department of Finance, ABAG

**Table 6**  
**Total Secured & Unsecured Property Tax Rates**  
**By Jurisdiction, FY 2008/09**  
**Chess-Hatch Master Plan**

Taxing Agency	Tax Rate Area (TRA)
	<b>020-003</b>
General County Tax	0.2158
Free Library	0.0315
<b>Estero Municipal Improvement District*</b>	<b>0.2597</b>
San Mateo City Elementary General Purpose	0.2265
San Mateo High General Purpose	0.1574
San Mateo Junior College General Purpose	0.0617
Bay Area Air Quality Management	0.0019
County Harbor District	0.0032
Mosquito Abatement	0.0017
Peninsula Hospital District	0.0084
County Education Tax	0.0321
<b>Total General Tax Rate</b>	<b>1.0000</b>
SM FC EL BD Refund Ser	0.0094
SM Foster City 2005 Ref	0.0239
San Mateo High BD Ser 2	0.0048
San Mateo Un High Bnd S	0.0019
San Mateo High Rfnd.Ser	0.0083
SM Jr College BD 2002	0.0040
SM Jr Coll Bond SER 200	0.0012
SM Jr Coll Bond 2001 SE	0.0009
SM Jr Coll Bond 2006 SE	0.0110
San Mateo Comm Coll 200	0.0000
<b>Subtotal</b>	<b>0.0654</b>
<b>TOTAL COMPOSITE RATE</b>	<b>1.0654</b>

Source: San Mateo County

Note: \* Estero Municipal Improvement District receives property taxes instead of the City of Foster City

**Table 7**  
**Sales Tax Rates**  
**By Jurisdiction, FY 2008**  
**Chess-Hatch Master Plan**

<b>Taxing Agency</b>	<b>Tax Rate</b>
State of California Funds	5.50%
City of Foster City	1.00%
San Mateo County Transportation Funds	0.25%
San Mateo County Local Public Safety	0.50%
San Mateo County Transportation Authority	0.50%
San Mateo County Transit District	0.50%
<b>Total Sales Tax</b>	<b>8.25%</b>

Source: City of Foster City, California Board of Equalization

**Table 8**  
**City Revenues & Estimating Methodologies, FY 2007/08**  
**Chess-Hatch Master Plan**

Description by Entity	Amount	Methodology	Factors		Net
			Gross	% Variable	
<b>City</b>					
Sales Taxes	\$4,900,000	Case Study			
Transient Occupancy Taxes	\$1,500,000	Not Applicable			
Franchise Taxes	\$1,084,000	Per Person Served <sup>1</sup>	\$28.73	100%	\$28.73
Real Property Transfer	\$260,000	Not Applicable			
Licenses and Permits	\$1,178,000	Per Person Served <sup>1</sup>	\$31.22	10%	\$3.12
Motor Vehicle In-Lieu	\$2,450,000	Per Resident <sup>1</sup>	\$81.31	100%	\$81.31
Charges for Current Services	\$344,000	Per Person Served <sup>1</sup>	\$9.12	25%	\$2.28
Fines and Forfeitures	\$50,000	Per Person Served <sup>1</sup>	\$1.33	50%	\$0.66
Interest and Rentals	\$490,000	Per Person Served <sup>1</sup>	\$12.99	0%	\$0.00
Interest on Loan from Community Devmt Agency	\$1,400,000	Not Applicable			
Other	\$685,000	Per Person Served <sup>1</sup>	\$18.15	0%	\$0.00
<b>City General Fund Subtotal</b>	<b>\$14,341,000</b>				
<b>District Taxes</b>					
Property Taxes	\$11,476,000	Case Study			
Intergovernmental	\$107,000	Per Person Served <sup>1</sup>	\$2.84	0%	\$0.00
Interest and Rentals	\$865,000	Per Person Served <sup>1</sup>	\$22.92	0%	\$0.00
<b>District General Fund Subtotal</b>	<b>\$12,448,000</b>				
<b>Special Recreation</b>					
Program Revenues	\$1,060,000	Per Person Served <sup>1</sup>	\$28.09	25%	\$7.02
Rents and Concessions	\$185,000	Per Person Served <sup>1</sup>	\$4.90	25%	\$1.23
<b>General Fund (Special Recreation) Subtotal</b>	<b>\$1,245,000</b>				
<b>TOTAL GENERAL FUND</b>	<b>\$28,034,000</b>				

<sup>1</sup> Per Person Served refers to total residents and 1/2 of employees in the City of Foster City

**Table 9**  
**Estimated Property Tax Revenues**  
**Chess-Hatch Master Plan**

Land Use	Total Building Space	Assessed Land Value	Assessed Structure Value	Per Square Foot Structure Value Factor	Average Annual Assessed Value	Estero Municipal Improvement District Tax Rate Share	Estero's Portion Post-ERAF	Estero Municipal Improvement District Property Tax
Current On-Site Uses								
Industrial / Light Manuf.	190,000	\$11,739,862	\$6,650,626	\$35	\$18,390,488	0.2597%	0.2325%	\$42,752
Proposed On-Site Uses								
Commercial Space	800,000	\$11,739,862	\$160,000,000	\$200	\$171,739,862	0.2597%	0.2325%	\$399,240
Structured Parking	2,370	n/a	\$59,250,000	\$25,000	\$59,250,000	0.2597%	0.2325%	\$137,737
<b>At Build Out</b>			<b>\$219,250,000</b>		<b>\$230,989,862</b>			<b>\$536,977</b>
<b>Net Gain</b>			<b>\$212,599,374</b>		<b>\$212,599,374</b>			<b>\$494,225</b>

Source: San Mateo County, City of Foster City, LSA Associates, Economics Research Associates

Notes: Estero Municipal Improvement District receives property taxes instead of the City of Foster City.

**Table 10**  
**Estimated Sales Tax Revenues**  
**Chess-Hatch Master Plan**

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Retail Sales Tax Estimate	2007	Build Out	Gain
On-Site Retail Sales	\$ 14,909	\$0	-\$14,909
City share of Sales Tax	1.00%	1.00%	
Retail Spending	\$1,490,900	\$0	

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Source: City of Foster City, California Board of Equalization, Economics Research Associates

**Table 11**  
**Total Estimated Revenues**  
**Chess-Hatch Master Plan**

Description	Per Person Served	Buildout Revenues	Gain in Revenues
<b>City</b>			
Sales Taxes	n/a	\$0	-\$14,909
Transient Occupancy Taxes	n/a	\$0	\$0
Franchise Taxes	\$28.73	\$32,832	\$27,374
Real Property Transfer	n/a	\$0	\$0
Licenses and Permits	\$3.12	\$3,568	\$2,975
Motor Vehicle In-Lieu	\$81.31	\$0	\$0
Charges for Current Services	\$2.28	\$2,605	\$2,172
Fines and Forfeitures	\$0.66	\$757	\$631
Interest and Rentals	\$0.00	\$0	\$0
Interest on Loan from Community Devmt Agency	n/a	\$0	\$0
Other	\$0.00	\$0	\$0
<b>City General Fund Subtotal</b>		<b>\$39,762</b>	<b>\$18,242</b>
<b>District Taxes</b>			
Property Taxes	n/a	\$536,977	\$494,225
Intergovernmental	\$0.00	\$0	\$0
Interest and Rentals	\$0.00	\$0	\$0
<b>District General Fund Subtotal</b>		<b>\$536,977</b>	<b>\$494,225</b>
<b>Special Recreation</b>			
Program Revenues	\$7.02	\$8,026	\$6,692
Rents and Concessions	\$1.23	\$1,401	\$1,168
<b>General Fund (Special Recreation) Subtotal</b>		<b>\$9,427</b>	<b>\$7,860</b>
<b>Total Revenues</b>		<b>\$586,166</b>	<b>\$520,327</b>

Note: Assumes Total Persons Served equals: 1,143 953

Source: City of Foster City, Economics Research Associates

Note: Motor Vehicle In-Lieu tax revenues are "Per Resident." Since the site has no residential population, this new tax revenues are projected to be \$0.

**Table 12**  
**City Expenditures & Estimating Methodologies, FY 2006/07**  
**Chess-Hatch Master Plan**

Description	Amount	Methodology	Factors		Net
			Gross	% Variable	
<u>Administration</u>					
Council / Board	\$278,900	Per Person Served <sup>1</sup>	\$7.39	25%	\$1.85
City / District Manager	\$648,300	Per Person Served <sup>1</sup>	\$17.18	25%	\$4.30
City Clerk	\$238,300	Per Person Served <sup>1</sup>	\$6.32	25%	\$1.58
City Attorney	\$174,000	Per Person Served <sup>1</sup>	\$4.61	25%	\$1.15
Administrative Services	\$531,400	Per Person Served <sup>1</sup>	\$14.08	25%	\$3.52
Human Resources	\$410,700	Per Person Served <sup>1</sup>	\$10.88	25%	\$2.72
Financial Services	\$515,300	Per Person Served <sup>1</sup>	\$13.66	25%	\$3.41
Property Tax Administration	<u>\$82,000</u>	Per Person Served <sup>1</sup>	\$2.17	25%	\$0.54
Subtotal	\$2,878,900				
<u>Parks and Recreation (City General Fund Divisions)</u>					
Parks Maintenance	\$3,363,000	Per Person Served <sup>1</sup>	\$89.13	25%	\$22.28
Rec Administration	\$1,196,300	Per Person Served <sup>1</sup>	\$31.70	25%	\$7.93
Special Recreation Fund	<u>\$1,769,200</u>				
Subtotal	\$6,328,500				
<u>Police Services</u>					
Officer Costs	\$5,653,300	Case Study			
Administrative Expenditures	\$3,511,400	Per Person Served <sup>1</sup>	\$93.06	25%	\$23.26
Crossing Guards	<u>\$20,000</u>	Per Person Served <sup>1</sup>	\$0.53	0%	\$0.00
Subtotal	\$9,184,700				
<u>Fire Services</u>					
Administration	\$613,100	Per Person Served <sup>1</sup>	\$16.25	50%	\$8.12
Prevention	\$452,600	Per Person Served <sup>1</sup>	\$11.99	75%	\$9.00
Training and Operations	<u>\$6,740,500</u>	Case Study			
Subtotal	\$7,806,200				
<u>Community Development</u>					
Advance Planning	\$198,200	Per Person Served <sup>1</sup>	\$5.25	0%	\$0.00
Building Safety, Code, Plan Check	\$615,800	Per Person Served <sup>1</sup>	\$16.32	0%	\$0.00
Current Planning	\$234,900	Per Person Served <sup>1</sup>	\$6.23	0%	\$0.00
Ordinance Enforcement	\$72,800	Per Person Served <sup>1</sup>	\$1.93	75%	\$1.45
Planning Administration	<u>\$448,500</u>	Per Person Served <sup>1</sup>	\$11.89	25%	\$2.97
Subtotal	\$1,570,200				
<u>Public Works (General Fund Divisions)</u>					
Administration and Engineering	\$674,500	Per Person Served <sup>1</sup>	\$17.88	50%	\$8.94
Lagoon & Levees	\$743,400	Per Person Served <sup>1</sup>	\$19.70	0%	\$0.00
Streets	<u>\$1,109,000</u>	Per Person Served <sup>2</sup>	\$29.39	20%	\$5.88
Subtotal	\$2,526,900				
<u>Other</u>					
Library Services (General Fund)	<u>\$245,700</u>	Per Person Served <sup>1</sup>	\$6.51	0%	\$0.00
Subtotal	\$245,700				
<b>Total</b>	<b>\$30,541,100</b>				

<sup>1</sup> Per Person Served refers to total residents and 1/2 of employees in the City of Foster City

**Table 13**  
**Estimated Expenditures Related to Police Operations**  
**Chess-Hatch Master Plan**

Description	Existing	Total Required for Project	
		ERA Estimate At Build Out	ERA Estimate Net Gain
Total Sworn Officers	39	0.00	0.00
Total Persons Served	37,733	1,143	953
Officers/Person Served	0.0010		
Average Cost per Sworn Officer	\$136,023	\$136,023	\$136,023
Costs for Sworn Officers	\$5,304,900	\$0	\$0
Training/Equipment per Police Officer	\$8,934	\$8,934	\$8,934
<u>Total Training/Equipment Costs</u>	<u>\$348,425</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Officer Costs	\$5,653,325	\$0	\$0
Other Annual Costs			
Administrative Expenditures	\$3,511,437	\$26,588	\$22,168
Administrative Costs/Person Served	\$93.06		
% Variable Factor	25%		
Net / Person Served	\$23.26		
Crossing Guard Costs	\$20,000	\$0	\$0
Crossing Guard Costs/Person Served	\$0.53		
% Variable Factor	0%		
Net / Person Served	\$0.00		
Subtotal Other Annual Costs	\$3,531,437	\$26,588	\$22,168
<b>Total Annual Police Department Costs</b>	<b>\$9,184,762</b>	<b>\$26,588</b>	<b>\$22,168</b>

Source: City of Foster City, California Department of Finance, ABAG, Economics Research Associates

**Table 14**  
**Estimated Expenditures Related to Fire Operations**  
**Chess-Hatch Master Plan**

Description	City-wide	Build Out	Gain
<u>Administration</u>			
Current Persons Served	37,733	1,143	953
Cost / Person Served	\$16.25		
% Variable Factor	50%		
<u>Net Cost / Person Served</u>	<u>\$8.12</u>	<u>\$8.12</u>	<u>\$8.12</u>
Total Administration Expenditures	\$613,113	\$9,285	\$7,741
<u>Prevention</u>			
Current Persons Served	37,733	1,143	953
Cost / Person Served	\$11.99		
% Variable Factor	75%		
<u>Net Cost / Person Served</u>	<u>\$9.00</u>	<u>\$9.00</u>	<u>\$9.00</u>
Total Prevention Expenditures	\$452,557	\$10,280	\$8,571
<u>Training / Operations</u>			
Firefighters	38	0.0	0.0
Firefighters / Person Served	0.0010		
Average Cost per Firefighter	\$159,143	\$159,143	\$159,143
Costs for Firefighters	\$6,047,440	\$0	\$0
Supplies / Person Served	\$18.37		
% Variable Factor	50%		
Net Cost / Person Served	\$9.18	\$9.18	\$9.18
<u>Supplies Expenditures</u>	<u>\$693,085</u>	<u>\$10,496</u>	<u>\$8,751</u>
Total Training / Operations Expenditures	\$6,740,525	\$10,496	\$8,751
Total Costs for Fire Related Expenditures	\$7,806,195	\$30,061	\$25,064

Source: City of Foster City, California Department of Finance, ABAG, Economics Research Associates

**Table 15**  
**Total Estimated Expenses**  
**Chess-Hatch Master Plan**

Description	Per Person Served	Buildout Expenditures	Gain
<u>Administration</u>			
Council / Board	\$1.85	\$2,112	\$1,761
City / District Manager	\$4.30	\$4,909	\$4,093
City Clerk	\$1.58	\$1,804	\$1,504
City Attorney	\$1.15	\$1,318	\$1,098
Administrative Services	\$3.52	\$4,024	\$3,355
Human Resources	\$2.72	\$3,110	\$2,593
Financial Services	\$3.41	\$3,902	\$3,253
Property Tax Administration	\$0.54	<u>\$621</u>	<u>\$518</u>
Subtotal		\$21,799	\$18,175
<u>Parks and Recreation (City General Fund Divisions)</u>			
Parks Maintenance	\$22.28	\$25,464	\$21,231
Rec Administration	\$7.93	<u>\$9,058</u>	<u>\$7,552</u>
Subtotal		\$34,523	\$28,783
<u>Police Services</u>			
Officer Costs	Case Study	\$0	\$0
Administrative Expenditures	\$23.26	\$26,588	\$22,168
Crossing Guards	\$0.00	<u>\$0</u>	<u>\$0</u>
Subtotal		\$26,588	\$22,168
<u>Fire Services</u>			
Administration	\$8.12	\$9,285	\$7,741
Prevention	\$9.00	\$10,280	\$8,571
Training and Operations	Case Study	<u>\$10,496</u>	<u>\$8,751</u>
Subtotal		\$30,061	\$25,064
<u>Community Development</u>			
Advance Planning	\$0.00	\$0	\$0
Building Safety, Code, Plan Check	\$0.00	\$0	\$0
Current Planning	\$0.00	\$0	\$0
Ordinance Enforcement	\$1.45	\$1,654	\$1,379
Planning Administration	\$2.97	<u>\$3,396</u>	<u>\$2,831</u>
Subtotal		\$5,050	\$4,210
<u>Public Works (General Fund Divisions)</u>			
Administration and Engineering	\$8.94	\$10,215	\$8,516
Lagoon & Levees	\$0.00	\$0	\$0
Streets	\$5.88	<u>\$6,718</u>	<u>\$5,601</u>
Subtotal		\$16,932	\$14,117
<u>Other</u>			
Library Services (General Fund)	\$0.00	<u>\$0</u>	<u>\$0</u>
Subtotal		\$0	\$0
<b>Total</b>		<b>\$134,953</b>	<b>\$112,517</b>

Note: Assumes Total Persons Served equals: 1,143 953

Source: City of Foster City, California Department of Finance, ABAG, Economics Research Associates

**Table 16**  
**General Fund Impact Analysis**  
**Chess-Hatch Master Plan**

	<b>Build Out</b>	<b>Net Impact</b>
Estimated Revenues Generated from Project	\$586,166	\$520,327
Estimated Costs Generated from Project	<u>\$134,953</u>	<u>\$112,517</u>
Impact on City of Foster City General Fund	\$451,213	\$407,810

Source: Economics Research Associates