



A Tradition of Stewardship
A Commitment to Service

March 12, 2012

Fiscal Analysis Napa Pipe Site

Executive Summary

County staff revised the fiscal analysis, based upon input from the Planning Commission at the February 21st meeting of the commission. The staff revised the analysis so that it contained three alternatives:

1. The staff recommended 63 acre alternative
2. The 20 acre alternative that was included in the county's Housing Element
3. The full site, 2,052 unit development proposed by the developer

In order to estimate the revenue and costs a number of assumptions had to be made regarding the final buildout of the project. These assumptions are as follows:

Alternative 1:

- 304 moderate income residential units

Alternative 2:

- 805 units of market rate housing
- 140 units of affordable housing
- 150 unit Senior residential facility
- 150 room hotel
- 40,000 square feet of neighborhood serving retail uses
- A business park that consists of:
 - 60,000 square feet of office space
 - 1,000,000 square feet of research and development space

Alternative 3:

- 1,748 units of market rate housing
- 304 units of affordable housing
- 150 unit Senior residential facility
- 150 room hotel
- 40,000 square feet of neighborhood serving retail uses

Assuming the three scenarios identified above, the following amount of estimated tax revenues are generated under each scenario:

	<u>Alternative 1</u>	<u>Alternative 2</u>	<u>Alternative 3</u>
County share of property taxes -	\$283,000	\$ 1,765,000	\$ 2,823,000
Fire Share of property tax -	\$ 57,000	\$ 353,000	\$ 565,000
Annual Transfer tax -	\$ 13,000	\$ 56,000	\$ 118,000
Sales tax to county -	\$ 7,000	\$ 68,000	\$ 86,000
Transient Occupancy Tax -	0	\$1,495,000	\$1,495,000
Total	\$360,000	\$3,737,000	\$5,087,000

The following categories were used to estimate ongoing government expenditures that would be generated by the county under each of the scenarios:

- Public Safety
- Public Ways and Facilities
- Health and Sanitation
- Public Assistance
- Education
- Recreation and Cultural Facilities

Not included in this analysis were either one-time costs or services that would be paid for out of fees paid by either the developer or residents/businesses.

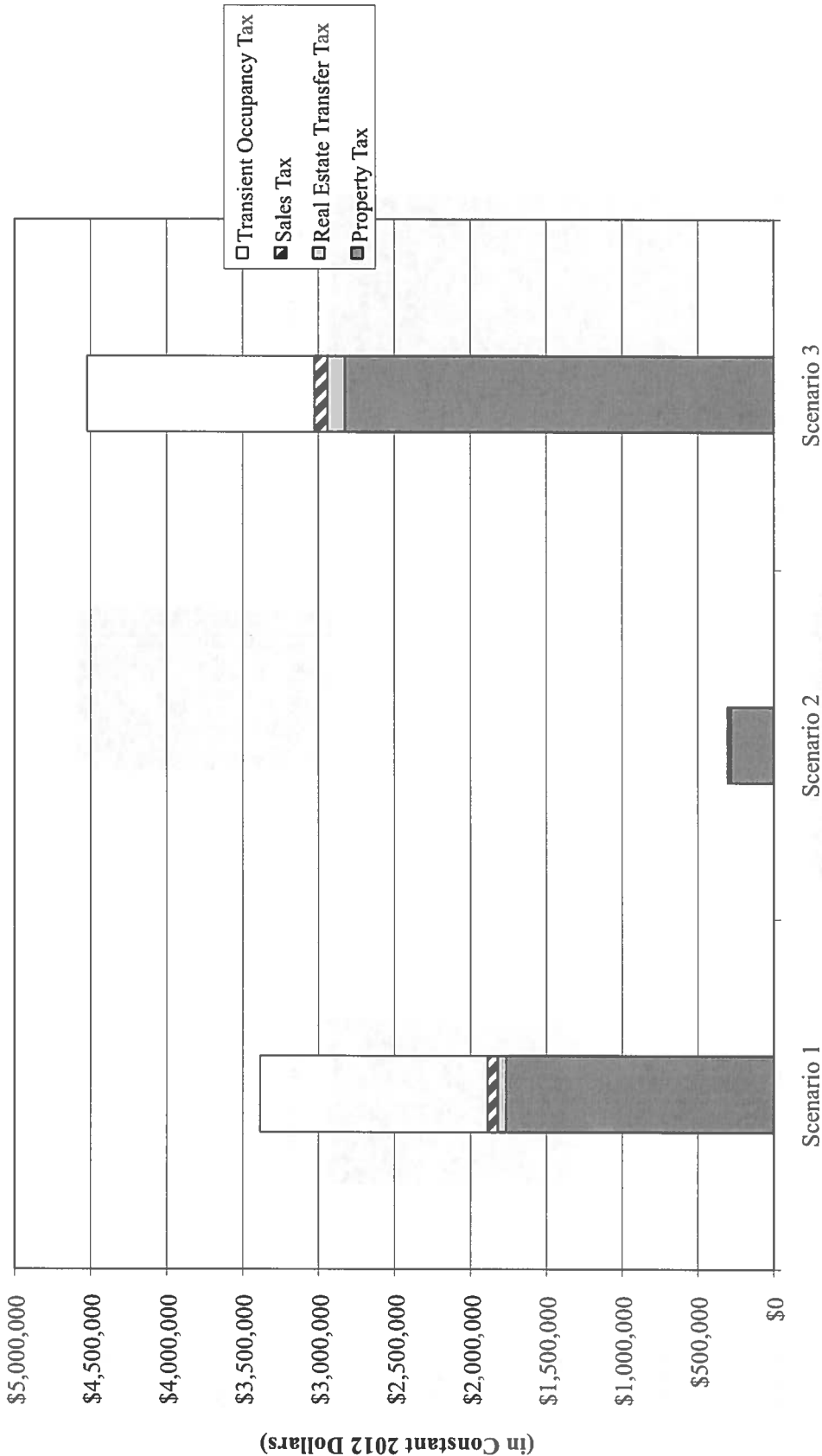
Based upon that analysis the two scenarios create the fiscal impacts as detailed below:

	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Annual General Fund Revenues	\$ 303,000	\$ 3,384,000	\$ 4,522,000
Annual Expenditures	\$ (340,000)	\$ (1,488,000)	\$ (2,175,000)
Plus Annual Fire Operations Revenue	\$ 57,000	\$ 53,000	\$ 565,000
Less Annual Fire Operations Expenditures	*\$ (1,158,000)	\$(1,158,000)	\$ 1,285,320
Net Fiscal Impacts	\$ (1,138,000)	\$ 1,091,000	\$ 1,626,680

The attached report provides greater detail into the methodology and the results of the analysis.

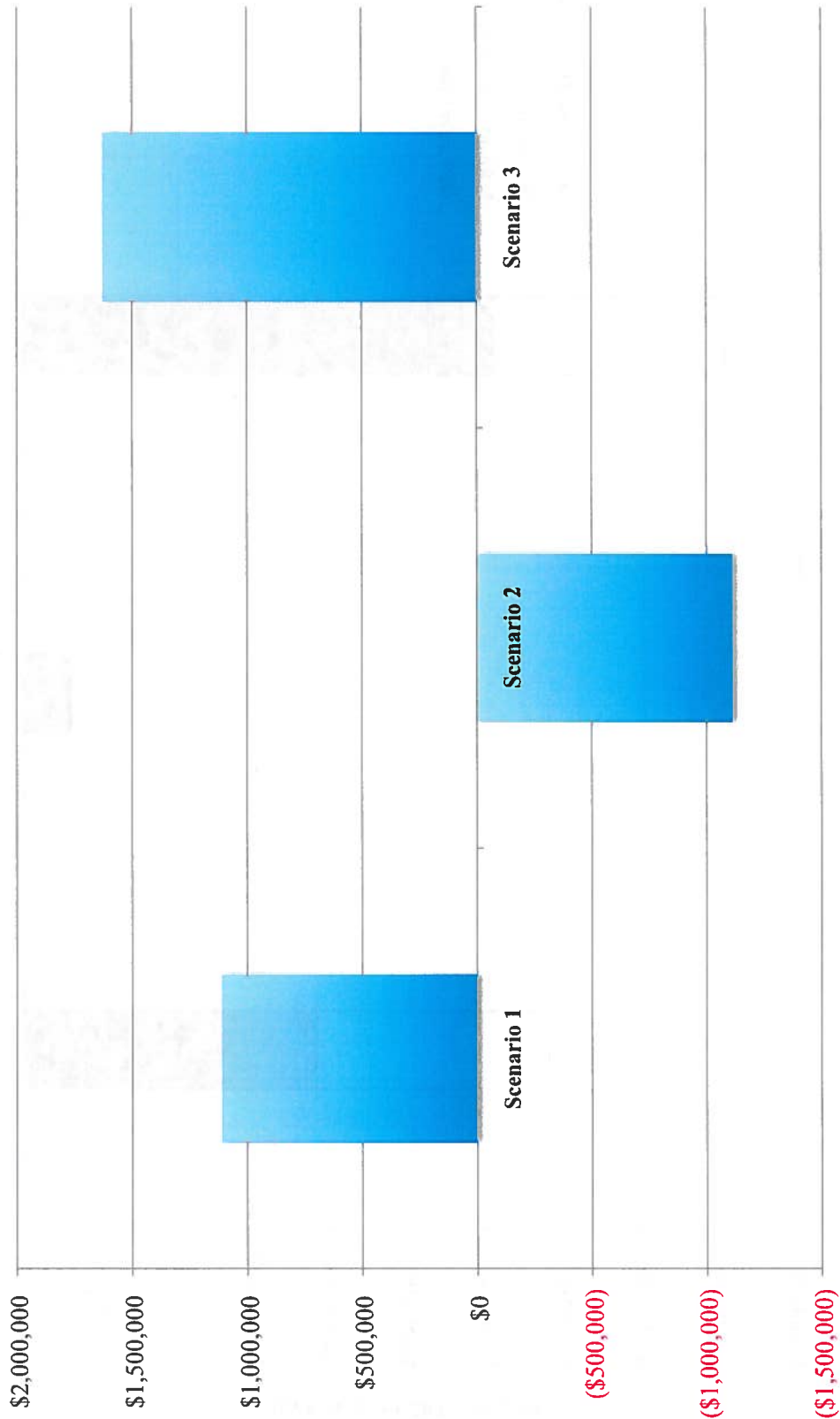
*assumes that the fire operations portion remains the same for both the 20 acre and 63 acre alternatives. This assumption would be verified in a final development plan.

Figure 1
Summary of Annual General Fund Revenues^a



a. Does not include one time sales tax revenue from construction worker spending and one time transfer tax revenues.

Figure 2
Napa Pipe Net Fiscal Impact^a



a. Does not include one-time sales tax from construction worker spending, one-time transfer tax revenues, one-time Sheriff Department and CAL Fire expenditures, or annual revenues that may be generated from establishment of a fire CFD.

Table 1
Napa County Demographic Assumptions
Napa Pipe Fiscal Impact Analysis

Napa Countywide Statistics	
2010 County Total Population	138,917
2010 County Household Population	133,705
2010 Average County Household size	2.623
2010 Employee Population	67,100
Napa County Residents working in Napa County ^a	49,692
Non-Napa County Residents working in Napa County ^a	17,408
2010 Persons Served County Population + 50% of Non-Residents working in Napa County)	147,621
Unincorporated Napa County Statistics^b	
Unincorporated County Total Population	28,683
Average Unincorporated County Household Size	2.571
2010 Employee Population ^c	22,025
Unincorporated Napa County Residents working in Unincorporated Napa County ^d	16,311
Residents Living in Incorporated Cities working in Unincorporated Napa County ^d	5,714
2010 Persons Served (Residents + 50% of City Residents working in Unincorporated Napa County (5,714))	31,540

a. Based on EDD data for Napa County employment commute patterns from the 2000 U.S. Census. 2010 commute pattern data not yet available.

b. Unincorporated Napa County statistics are a subset of Countywide statistics.

c. Based on EDD data for total Napa County jobs multiplied by the percentage of total Napa County jobs in Unincorporated Napa County from ABAG Projections 2009.

d. Based on total jobs in Unincorporated Napa County and 2000 U.S. Census commute patterns for Napa County.

Source: California Department of Finance (DOF), California Employment Development Department (EDD), Association of Bay Area Governments (ABAG), Seifel Consulting Inc.

Table 2
Proposed Land Uses at Buildout
Napa Pipe Fiscal Impact Analysis

Development Type	Scenario 1 (Proposed Alternative Development Plan)			Scenario 2 (Hypothetical As of Right Project)			Scenario 3 (2,052 unit Development Program)		
	Total Units OR Square Feet	Average Assessed Value Per Unit or Square Foot ^a	Average Unit Size (SF)	Total Units OR Square Feet	Average Assessed Value Per Unit or Square Foot ^a	Average Unit Size (SF)	Total Units OR Square Feet	Average Assessed Value Per Unit or Square Foot ^a	Average Unit Size (SF)
Residential - Market Rate									
Single Family Detached	378	\$551,855	1,832	0			752	\$564,700	1,880
Townhomes	258	\$439,642	1,547	0			629	\$436,001	1,531
Condominiums	169	\$430,690	1,275	0			367	\$430,690	1,275
Market Rate Total	805			0			1,748		
Residential - Affordable									
Single Family Detached	66	\$202,975	1,374	140	\$386,077	1,888	131	\$202,975	1,410
Townhomes	45	\$202,975	1,160	164	\$360,216	1,515	109	\$202,975	1,148
Condominiums	29	\$184,428	956	0			64	\$184,428	956
Affordable Total	140			304			304		
Residential- Total^b									
Single Family Detached	444	\$499,994	1,765	140	\$386,077	1,888	882	\$511,110	1,810
Townhomes	303	\$404,493	1,490	164	\$360,216	1,515	739	\$401,478	1,474
Condominiums	198	\$394,621	1,228	0			431	\$394,206	1,228
Residential Total	945			304			2,052		
Non-Residential^c									
CCRC (units)	150	\$262,500					150	\$262,500	
Retail									
Retail (Neighborhood)	25,000	\$225					25,000	\$225	
Restaurant	15,000	\$300					15,000	\$300	
Business Park									
Office	60,000	\$250					60,000	\$250	
R&D	1,000,000	\$137					480,000	\$137	
Hotel (Rooms)	150	\$550,000					150	\$550,000	
Non-Residential Total (SF)	1,100,000						580,000		

a. Average assessed value for residential units is a weighted average of TCG February 2012 base price for market rate and affordable units in Napa

Pipe across all residential unit types rounded to the nearest thousand.

b. Scenarios 1 and 3 include 85 percent market rate and 15 percent affordable units. Affordable unit assessed value based on 2011 Napa County income limits and affordable purchase prices, assuming an average of 50 percent and 80 percent of Area Median Income across all inclusionary units. For Scenario 2, all units are 120 percent of Area Median Income.

c. Continuing Care Retirement Community (CCRC), Retail and Office Values per NRP; R&D and Hotel Values per TCG

Source: Napa Redevelopment Partners (NRP), The Concord Group (TCG), Seifel Consulting Inc.

Table 3
Residential and Non-Residential Population at Buildout
Napa Pipe Fiscal Impact Analysis

	Persons per Household ^b	Napa Pipe Population ^a		
		Scenario 1	Scenario 2	Scenario 3
Residential				
Market Rate and Affordable Units	2.6	2,308	743	5,012
CCRC (Units)	1.5	225	0	225
Residential Total		2,533	743	5,237
	Square Feet per Employee ^b	Napa Pipe Employees		
		Scenario 1	Scenario 2	Scenario 3
Non-Residential				
CCRC (Units)	3	50		50
Retail				
Retail (Neighborhood)	500	48		48
Restaurant	200	71		71
Business Park				
Office	333	171		171
R&D	500	1,900		912
Hotel (Rooms)	1	150		150
Non-Residential Total		2,390	0	1,402
Total		4,923	743	6,639
Service Population^c		3,728	743	5,938

a. Includes a 5 percent vacancy factor for residential and non-hotel, non-CCRC commercial.

Figures rounded to the nearest whole number.

b. Average household size for Unincorporated Napa County according to 2010 DOF data.

Square feet per employee from 2011 Willdan Financial Services analysis, with hotel employment assumed at one employee per room.

c. Service population equals residential total population and 50% of non-residential employee population.

Source: DOF, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 4
Property Assessed Value
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

Development Type	Average Assessed Value Per Unit/Square Foot/Room ^a			Incremental Assessed Value ^b		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1 Total	Scenario 2 Total	Scenario 3 Total
Residential^c						
Single Family Detached	\$500,000	\$386,077	\$511,110	\$221,997,000	\$54,051,000	\$450,886,000
Townhomes	\$404,000	\$360,216	\$401,478	\$122,561,000	\$59,075,000	\$296,227,000
Condominiums	\$395,000	N/A	\$394,206	\$78,135,000	\$0	\$169,782,000
Residential Total				\$422,693,000	\$113,126,000	\$916,895,000
Non-Residential						
CCRC (units)	\$262,500		\$262,500	\$39,375,000	\$0	\$39,375,000
Retail						
Retail (Neighborhood)	\$225		\$225	\$5,625,000	\$0	\$5,625,000
Restaurant	\$300		\$300	\$4,500,000	\$0	\$4,500,000
Business Park						
Office	\$250		\$250	\$15,000,000	\$0	\$15,000,000
R&D	\$137		\$137	\$136,688,000	\$0	\$65,610,000
Hotel (Rooms)	\$550,000		\$550,000	\$82,500,000	\$0	\$82,500,000
Non-Residential Total				\$283,688,000	\$0	\$212,610,000
Total				\$706,381,000	\$113,126,000	\$1,129,505,000

Note: Calculations rounded to the nearest thousand.

a. See Table 2. Assessed value rounded to the nearest thousand and does not assume property appreciation.

b. The incremental assessed value generated by the sale of new development at buildout. For the purposes of this analysis, the existing property value is assumed to be zero.

c. Includes market rate and affordable units.

Source: TCG, Seifel Consulting Inc.

Table 5a
Annual General Fund Property Tax Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

Development Type	Annual Property Tax ^a			Annual County Share of Property Tax ^b		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Residential						
Single Family Detached	\$2,220,000	\$541,000	\$4,509,000	\$555,000	\$135,000	\$1,127,000
Townhomes	\$1,226,000	\$591,000	\$2,962,000	\$306,000	\$148,000	\$741,000
Condominiums	\$781,000	\$0	\$1,698,000	\$195,000	\$0	\$424,000
Residential Total	\$4,227,000	\$1,132,000	\$9,169,000	\$1,056,000	\$283,000	\$2,292,000
Non-Residential						
CCRC (units)	\$394,000	\$0	\$394,000	\$98,000	\$0	\$98,000
Retail						
Retail (Neighborhood)	\$56,000	\$0	\$56,000	\$14,000	\$0	\$14,000
Restaurant	\$45,000	\$0	\$45,000	\$11,000	\$0	\$11,000
Business Park						
Office	\$150,000	\$0	\$150,000	\$38,000	\$0	\$38,000
R&D	\$1,367,000	\$0	\$656,000	\$342,000	\$0	\$164,000
Hotel (Rooms)	\$825,000	\$0	\$825,000	\$206,000	\$0	\$206,000
Non-Residential Total	\$2,837,000	\$0	\$2,126,000	\$709,000	\$0	\$531,000
Total	\$7,064,000	\$1,132,000	\$11,295,000	\$1,765,000	\$283,000	\$2,823,000

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. Total property tax calculated using the 1 percent base rate. Actual property tax rate including overrides is 1.08 percent.

b. County share of property taxes is calculated using the pre-ERAF shift rate of 25 percent. Does not include SB 2557 related levies.

Source: Napa County, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 5b
Annual CAL Fire Property Tax Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

Development Type	Annual Property Tax ^a			Annual CAL Fire Share of Property Tax ^b		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Residential						
Single Family Detached	\$2,220,000	\$541,000	\$4,509,000	\$111,000	\$27,000	\$225,000
Townhomes	\$1,226,000	\$591,000	\$2,962,000	\$61,000	\$30,000	\$148,000
Condominiums	\$781,000	\$0	\$1,698,000	\$39,000	\$0	\$85,000
Residential Total	\$4,227,000	\$1,132,000	\$9,169,000	\$211,000	\$57,000	\$458,000
Non-Residential						
CCRC (units)	\$394,000	\$0	\$394,000	\$20,000	\$0	\$20,000
Retail						
Retail (Neighborhood)	\$56,000	\$0	\$56,000	\$3,000	\$0	\$3,000
Restaurant	\$45,000	\$0	\$45,000	\$2,000	\$0	\$2,000
Business Park						
Office	\$150,000	\$0	\$150,000	\$8,000	\$0	\$8,000
R&D	\$1,367,000	\$0	\$656,000	\$68,000	\$0	\$33,000
Hotel (Rooms)	\$825,000	\$0	\$825,000	\$41,000	\$0	\$41,000
Non-Residential Total	\$2,837,000	\$0	\$2,126,000	\$142,000	\$0	\$107,000
Total	\$7,064,000	\$1,132,000	\$11,295,000	\$353,000	\$57,000	\$565,000

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. Total property tax calculated using the 1 percent base rate. Actual property tax rate including overrides is 1.08 percent.

b. CAL Fire share of property taxes is calculated using the pre-ERAF shift rate of 5 percent.

Source: Napa County, TCG, Seifel Consulting Inc.

Table 6a
One Time Real Property Transfer Tax Revenue^a
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

	Scenario 1	Scenario 2	Scenario 3
Residential			
Single Family Detached			
Average Value per Unit	\$500,000	\$386,000	\$511,000
# of Units Constructed	444	140	882
Assessed Value	\$222,000,000	\$54,040,000	\$340,591,000
Property Transfer Tax Revenue	\$244,000	\$59,000	\$375,000
Townhomes			
Average Value per Unit	\$404,000	\$360,000	\$401,000
# of Units Constructed	303	164	739
Assessed Value	\$122,412,000	\$59,040,000	\$296,227,000
Property Transfer Tax Revenue	\$135,000	\$65,000	\$326,000
Condominiums			
Average Value per Unit	\$395,000		\$394,000
# of Units Constructed	198		431
Assessed Value	\$78,210,000		\$169,782,000
Property Transfer Tax Revenue	\$86,000		\$187,000
Total Residential	\$465,000	\$124,000	\$888,000
Non-Residential			
CCRC (units)			
Assessed Value	\$39,375,000		\$39,375,000
Property Transfer Tax Revenue	\$43,000		\$43,000
Retail (Neighborhood)			
Assessed Value	\$5,625,000		\$5,625,000
Property Transfer Tax Revenue	\$6,000		\$6,000
Restaurant			
Assessed Value	\$4,500,000		\$4,500,000
Property Transfer Tax Revenue	\$5,000		\$5,000
Office			
Assessed Value	\$15,000,000		\$15,000,000
Property Transfer Tax Revenue	\$17,000		\$17,000
R&D			
Assessed Value	\$136,688,000		\$65,610,000
Property Transfer Tax Revenue	\$150,000		\$72,000
Hotel (Rooms)			
Assessed Value	\$82,500,000		\$82,500,000
Property Transfer Tax Revenue	\$91,000		\$91,000
Total Non-Residential	\$312,000	\$0	\$234,000
Total	\$777,000	\$124,000	\$1,122,000

Note: Dollar figures rounded to the nearest thousand.

a. Transfer tax calculated at \$1.10 per \$1,000 of assessed value. One time transfer tax revenue generated from the initial transfer of property from the developer to the first owner.

Source: Napa County, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 6b
Annual Real Property Transfer Tax Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

	Scenario 1	Scenario 2	Scenario 3
Residential			
Single Family Detached			
Average Value per Unit	\$500,000	\$386,000	\$511,000
# Units	444	140	882
Property Transfer Tax Base Value ^b	\$22,200,000	\$5,404,000	\$45,089,000
Property Transfer Tax Revenue	\$24,000	\$6,000	\$50,000
Townhomes			
Average Value per Unit	\$404,000	\$360,000	\$401,000
# Units	303	164	739
Property Transfer Tax Base Value ^b	\$15,150,000	\$6,330,000	\$37,749,000
Property Transfer Tax Revenue	\$17,000	\$7,000	\$42,000
Condominiums			
Average Value per Unit	\$395,000	\$0	\$394,000
# Units	198	0	431
Property Transfer Tax Base Value ^b	\$9,900,000	\$0	\$22,020,000
Property Transfer Tax Revenue	\$11,000	\$0	\$24,000
Residential Total	\$52,000	\$13,000	\$116,000
Non-Residential			
Retail (Neighborhood)			
Assessed Value	\$5,625,000	\$0	\$5,625,000
Property Transfer Tax Base Value ^c	\$141,000	\$0	\$141,000
Property Transfer Tax Revenue	\$0	\$0	\$0
Restaurant			
Assessed Value	\$4,500,000	\$0	\$4,500,000
Property Transfer Tax Base Value ^c	\$113,000	\$0	\$113,000
Property Transfer Tax Revenue	\$0	\$0	\$0
Office			
Assessed Value	\$15,000,000	\$0	\$15,000,000
Property Transfer Tax Base Value ^c	\$375,000	\$0	\$375,000
Property Transfer Tax Revenue	\$0	\$0	\$0
R&D			
Assessed Value	\$136,688,000	\$0	\$65,610,000
Property Transfer Tax Base Value ^c	\$3,417,000	\$0	\$1,640,000
Property Transfer Tax Revenue	\$4,000	\$0	\$2,000
Non-Residential Total	\$4,000	\$0	\$2,000
Total	\$56,000	\$13,000	\$118,000

Note: Transfer tax figures rounded to the nearest thousand.

- a. Transfer tax calculated at \$1.10 per \$1,000 of assessed value. Annual property transfer tax revenue from ongoing property turnover; does not include transfer tax from initial sale of property. Assessed value does not assume property appreciation.
- b. Average residential turnover rate for mature communities is typically 10 percent (turnover once every 10 years).
- c. Average commercial turnover rate typically five percent (turnover once every 20 years). Assumes no turnover for Hotel and CCRC within the build out period.

Source: Napa County, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 7a
Estimated Annual Household Spending
Napa Pipe Fiscal Impact Analysis

Mortgage Interest Rate ^a					5.50%
Loan as a Percentage of Home Value					80%
Annual Mortgage as a Percentage of Household Income					32%
Annual Mortgage as a Percentage of Income for Affordable Buyers ^a					24.5%
Loan Term (years)					30
	Average Home Value ^b	Loan-to-Value Ratio	Annual Mortgage	Estimated Annual Household Income	Estimated Annual Household Spending on Taxable Sales ^c
Scenario 1					
Residential - Market Rate					
Single Family Detached	\$552,000	80%	\$30,384	\$94,951	\$25,562
Townhomes	\$440,000	80%	\$24,219	\$75,686	\$25,102
Condominiums	\$431,000	80%	\$23,724	\$74,138	\$25,102
Residential - Affordable					
Single Family Detached	\$203,000	80%	\$11,174	\$45,608	\$17,074
Townhomes	\$203,000	80%	\$11,174	\$45,608	\$17,074
Condominiums	\$184,000	80%	\$10,128	\$41,339	\$17,074
Scenario 2					
Residential - Affordable					
Single Family Detached	\$386,000	80%	\$21,247	\$86,723	\$25,562
Townhomes	\$360,000	80%	\$19,816	\$80,881	\$25,562
Condominiums					
Scenario 3					
Residential - Market Rate					
Single Family Detached	\$565,000	80%	\$31,100	\$97,188	\$25,562
Townhomes	\$436,000	80%	\$23,999	\$74,998	\$25,102
Condominiums	\$431,000	80%	\$23,724	\$74,138	\$25,102
Residential - Affordable					
Single Family Detached	\$203,000	80%	\$11,174	\$45,608	\$17,074
Townhomes	\$203,000	80%	\$11,174	\$45,608	\$17,074
Condominiums	\$184,000	80%	\$10,128	\$41,339	\$17,074

a. Based on City of Napa assumptions for calculation of affordable home prices.

b. Average assessed value for residential units is TCG February 2012 base price for market rate and affordable units in Napa Pipe rounded to the nearest thousand. For Scenarios 1 and 3, affordable unit assessed value based on 2011 Napa County income limits and affordable purchase prices, assuming a weighted average of 50 and 80 percent of Area Median Income across all inclusionary units. For Scenario 2, all units are 120 percent of Area Median Income.

c. Based on 2010 BLS Consumer Expenditure Report for household retail spending by income level. Does not include expenditures from residents of CCRC units.

Source: Bureau of Labor Statistics (BLS), Napa County, TCG, Seifel Consulting Inc.

Table 7b
Annual Household Taxable Sales Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

	Total Occupied Units ^a			Total Taxable Sales by Napa Pipe Residents Captured in Unincorporated Napa County ^b			Annual Household Sales Tax Revenue to County ^c		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Residential - Market Rate									
Single Family Detached	359		714	\$918,000		\$1,825,000	\$9,180		\$18,250
Townhomes	245		598	\$615,000		\$1,501,000	\$6,150		\$15,010
Condominiums	161		349	\$404,000		\$876,000	\$4,040		\$8,760
Market Rate Total	765		1,661	\$1,937,000		\$4,202,000	\$19,370		\$42,020
Residential - Affordable									
Single Family Detached	63	133	124	\$108,000	\$340,000	\$212,000	\$1,080	\$3,400	\$2,120
Townhomes	43	156	104	\$73,000	\$399,000	\$178,000	\$730	\$3,990	\$1,780
Condominiums	28	0	61	\$48,000	\$0	\$104,000	\$480	\$0	\$1,040
Affordable Total	134	289	289	\$229,000	\$739,000	\$494,000	\$2,290	\$7,390	\$4,940
Residential - Total									
Single Family Detached	422	133	838	\$1,026,000	\$340,000	\$2,037,000	\$10,260	\$3,400	\$20,370
Townhomes	288	156	702	\$688,000	\$399,000	\$1,679,000	\$6,880	\$3,990	\$16,790
Condominiums	189	0	410	\$452,000	\$0	\$980,000	\$4,520	\$0	\$9,800
Total	899	289	1,950	\$2,166,000	\$739,000	\$4,696,000	\$21,660	\$7,390	\$46,960

Note: Total taxable sales rounded to the nearest thousand.

a. Reflects a 5 percent vacancy factor. Number of units may not add up exactly due to computer rounding.

b. Based on 2010 BLS Consumer Expenditure Report for household spending and assumption that 10 percent of total household taxable sales are captured in Unincorporated Napa County.

c. Assumes one percent of sales tax rate accrues to Napa County.

Source: Napa County, BLS, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 7c
One Time Construction Worker Taxable Sales Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

	Scenario 1	Scenario 2	Scenario 3
Construction Worker Spending			
Annual Spending in Unincorporated Napa County (\$760) ^a			
Total Hard Construction Cost ^b	\$382,195,000	\$49,224,000	\$507,793,200
Total Labor Cost (50% of Hard Construction Cost)	\$191,097,500	\$24,612,000	\$253,896,600
Number of Construction Worker Years ^c	2,827	364	3,757
Total Construction Worker Spending	\$2,149,155	\$276,722	\$2,856,163
Total Sales Tax Revenue to Napa County (rounded)	\$21,000	\$3,000	\$29,000

a. Assumes 2007 CBRE analysis estimate of \$2,777 annual construction worker spending inflated to 2012 Dollars (1.8 percent annually) using California CPI, and CBRE assumption that 25 percent of spending captured in Unincorporated Napa County.

b. Hard construction cost based on cost per square foot from TCG and Seifel for each development type, as follows: Residential Single Family Detached at \$163,000 per unit, Townhomes at \$161,000 per unit, Condominiums at \$ 255,000 per unit, CCRC at \$ 147,000 per unit, Retail, Business Park and Hotel at \$145 per square foot.

c. Based on 2011 Q1 EDD weighted average annual wage of construction/extraction occupations in Napa County (\$54,070) plus additional 25% to account for benefits, divided by total labor cost.

Source: CBRE Consulting, EDD, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 7d
Annual Employee Taxable Sales Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

	Scenario 1	Scenario 2	Scenario 3
Permanent Employee Spending			
Annual Spending in Unincorporated Napa County (\$1,622) ^a			
% of Non-Napa Pipe Employees (40%) ^b			
CCRC (Units)			
Number of Employees ^c	50		50
Non-Napa Pipe CCRC Employees	20		20
Non-Napa Pipe CCRC Employee Spending	\$32,439		\$32,439
Sales Tax Revenue to Napa County	\$324		\$324
Retail			
Number of Employees ^c	119		119
Non-Napa Pipe Retail Employees	48		48
Non-Napa Pipe Retail Employee Spending	\$77,855		\$77,855
Sales Tax Revenue to Napa County	\$68		\$68
Business Park			
Number of Employees ^c	2,071		1,083
Non-Napa Pipe Business Park Employees	828		433
Non-Napa Pipe Business Park Employee Spending	\$1,342,990		\$702,313
Sales Tax Revenue to Napa County	\$13,430		\$7,023
Hotel			
Number of Employees ^c	150		150
Non-Napa Pipe Hotel Employees	60		60
Non-Napa Pipe Hotel Employee Spending	\$97,318		\$97,318
Sales Tax Revenue to Napa County	\$973		\$973
Annual Sales Tax Revenue to Napa County (rounded)^d	\$15,000		\$8,000

a. Assumes 2007 CBRE analysis estimate of \$3,703 average annual employee spending inflated to 2012 Dollars (1.8 percent annually) using California CPI, and CBRE assumption that 40 percent of spending captured in Unincorporated Napa County.

b. The developer anticipates that a high percentage of Napa Pipe employees will reside in the Napa Pipe development. Based on this assumption, Napa County assumes 60 percent of Napa Pipe employees are Napa Pipe residents. Spending from employees living in Napa Pipe is captured in the household sales tax analysis (Table 7b).

c. See Table 3.

d. Total annual sales tax revenue rounded to the nearest thousand.

Source: CBRE Consulting, Willdan Financial Services, TCG, Seifel Consulting Inc.

Table 7e
Annual Visitor Taxable Sales Revenue^a
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

	Average Daily per Capita Spending^b	Percent Taxable^c	Total Daily Taxable per Capita Spending in Unincorporated Napa County^d
Retail Spending			
Restaurant	\$70.93	100%	\$24.83
Groceries	\$7.02	20%	\$0.49
Retail	\$12.73	100%	\$4.46
Gas	\$7.02	100%	\$2.46
Entertainment	\$8.83	0%	\$0.00
Wine	\$36.24	100%	\$12.69
Wine Tasting	\$12.08	0%	\$0.00
Other	\$20.27	50%	\$3.55
Total	\$175.12		\$48.46
	Scenario 1	Scenario 2	Scenario 3
Total Annual Occupied Room Nights ^e	35,588		35,588
Total Annual Overnight Guests ^f	64,058		64,058
Total Annual Taxable Spending ^g	\$3,104,208		\$3,104,208
Total Sales Tax Revenue (rounded)^h	\$31,000	\$0	\$31,000

a. Does not included transient occupancy taxes, which are shown in Table 8.

b. Based on 2006 Napa County Visitor Profile for overnight visitors, inflated to 2012 Dollars (1.8 percent annually) using California CPI.

c. Estimates of percentage of taxable spending from 2008 ERA analysis.

d. Assumes 35 percent of per capita spending in Unincorporated Napa County.

e. Assumes 65 percent room occupancy rate. See Table 8.

f. Assumes 1.8 guests per room to account for some single-occupancy visits.

g. Number of guests multiplied by average per capita taxable spending.

h. Assumes one percent sales tax rate accrues to Unincorporated Napa County. Dollar figures rounded to the nearest thousand.

Source: 2006 Napa County Visitor Profile Executive Report, Willdan Financial Services,

Table 7f
Summary of Annual Taxable Sales Revenue
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

Revenue Source^a	Scenario 1	Scenario 2	Scenario 3
Napa Pipe Household Spending ^b	\$22,000	\$7,000	\$47,000
Napa Pipe Non-Resident Employee Spending ^c	\$15,000	\$0	\$8,000
Napa Pipe Hotel Guest Spending ^d	\$31,000	\$0	\$31,000
Total Annual County Sales Tax Revenue	\$68,000	\$7,000	\$86,000

Note: Dollar figures rounded to the nearest thousand.

a. Does not include one-time construction worker spending in Table 7c.

b. See Table 7b.

c. See Table 7d.

d. See Table 7e.

Source: Seifel Consulting Inc.

Table 8
Annual Transient Occupancy Tax (TOT) Revenue
In Constant 2010 Dollars
Napa Pipe Fiscal Impact Analysis

	Scenario 1	Scenario 2	Scenario 3
Number of Rooms	150	0	150
Number of Occupied Rooms (rounded)^a	98	0	98
Annual Occupied Room Nights (rounded)^b	35,588	0	35,588
Total Annual Room revenues^c	\$12,455,625	\$0	\$12,455,625
TOT Revenues to County (12% TOT)	\$1,495,000	\$0	\$1,495,000

Note: TOT revenue figures rounded to the nearest thousand.

a. Assumes 65 percent average occupancy.

b. Assumes 365 days per year.

c. Assumes average room rate of \$350 per night.

Source: Napa County, Willdan Financial Services, Seifel Consulting Inc.

Table 9a
Summary of Annual County General Fund Revenues
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

Revenue Source^a	Scenario 1	Scenario 2	Scenario 3
Property Tax ^b	\$1,765,000	\$283,000	\$2,823,000
Real Estate Transfer Tax ^c	\$56,000	\$13,000	\$118,000
Sales Tax ^d	\$68,000	\$7,000	\$86,000
Transient Occupancy Tax (TOT) ^e	\$1,495,000	\$0	\$1,495,000
Total	\$3,384,000	\$303,000	\$4,522,000

- a. Does not include all revenues to General Fund, such as charges for services, franchise fees, licenses and permits, etc.
- b. See Table 5.
- c. See Table 6b. Does not include one time real estate transfer tax revenue.
- d. See Tables 7b, 7d and 7e. Does not include construction worker sales tax revenue.
- e. Assumes existing 12 percent TOT rate. See Table 8.

Source: Seifel Consulting Inc.

Table 9b
Summary of One Time County General Fund Revenues
In Constant 2012 Dollars
Napa Pipe Fiscal Impact Analysis

Revenue Source	Scenario 1	Scenario 2	Scenario 3
One Time Real Estate Transfer Tax ^a	\$777,000	\$124,000	\$1,122,000
Construction Worker Sales Tax ^b	\$21,000	\$3,000	\$29,000
Total	\$798,000	\$127,000	\$1,151,000

a. See Table 6a.

b. See Table 7c.

Source: Seifel Consulting Inc.

Table 10a
County Expenditures and Estimating Methodologies^a

Departments	Amount	Less: Intergovernmental Transfers	Net County Costs	Gross Expenditures	Percent Variable	Net Expenditures	Methodology ^b
General Government ^c	\$32,201,273	\$5,468,409	\$26,732,864	\$181.09	0%	\$0.00	Per Person Served
Public Safety							
Sheriff's Department	\$22,318,125	\$0	\$22,318,125		0%		Case Study
All Other Public Safety Department	\$70,529,734	\$20,517,790	\$50,011,944	\$338.79	35%	\$118.58	Per Person Served
Public Ways and Facilities	\$23,542,661	\$4,849,011	\$18,693,650	\$126.63	20%	\$25.33	Per Person Served
Health and Sanitation	\$39,642,405	\$23,484,818	\$16,157,587	\$109.45	20%	\$21.89	Per Person Served
Public Assistance	\$34,553,156	\$32,611,140	\$1,942,016	\$13.98	80%	\$11.18	Per Capita (Resident)
Education	\$7,207,944	\$138,255	\$7,069,689	\$50.89	75%	\$38.17	Per Capita (Resident)
Recreation and Cultural Services	\$1,222,282	\$0	\$1,222,282	\$8.28	20%	\$1.66	Per Person Served
Debt Services	\$3,177,781	\$0	\$3,177,781		0%	\$0.00	Not Estimated
Total	\$234,395,361	\$87,069,423	\$147,325,938	\$829.11		\$167.45	Per Person Served
						\$49.35	Per Capita (Resident)

a. Based on actual expenditures per County FY 2009/10 CAFR, page 24 and Willdan estimating methodology. See Table 18 of Willdan Financial Services, January 2011 analysis.

b. Persons served assumes full County population and 1/2 non-resident employee population. County expenditures may be higher if actual persons served is less than the estimated service population.

c. Resident and employee population from Napa Pipe not expected to increase expenditures for County General Government, per Napa County staff

d. CAL Fire expenditures not include. CAL Fire one-time expenditures shown in Table 10c and annual expenditures shown in Table 11

Source: Napa County FY 2009/10 CAFR, Willdan Financial Services, Seifert Consulting Inc.

Table 10b
Ongoing Annual Napa Pipe Sheriff Department Staffing Costs

Patrolling Costs	Cost per Position	No of Positions			Cost		
		Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Sergeant Position	\$205,318	1	0	1	\$205,318	\$0	\$205,318
Deputy	\$179,079	3	1	4	\$537,237	\$179,079	\$716,316
Total Patrolling Costs		4	1	5	\$742,555	\$179,079	\$921,634
Total Patrolling Costs (Rounded)					\$743,000	\$179,000	\$922,000

Source: Napa County.

Table 10c
Ongoing Annual Napa Pipe CAL Fire Staffing Costs

Personnel	Cost per Position	No of Positions			Cost		
		Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Captain	Not Available	2	2	2			
Engineer	Not Available	6	6	7			
Firefighter	Not Available	0	0	9			
Total Personnel Cost		8	8	18	\$1,108,000	\$1,108,000	\$1,260,320
Annual Maintenance and Replacement							
Type 1 Fire Engine					\$25,000	\$25,000	\$25,000
Aerial Apparatus					\$0	\$0	\$0
Total Maintenance and Replacement Costs					\$25,000	\$25,000	\$25,000
Total Annual CAL Fire Costs					\$1,133,000	\$1,133,000	\$1,285,320

Source: Napa County.

Table 10d
One Time Sheriff Department and CAL Fire Costs

	Scenario 1	Scenario 2	Scenario 3
Sheriff Department			
Vehicles and Equipment	\$110,000	\$55,000	\$110,000
Staff Equipment	\$22,800	\$4,700	\$28,500
Sub-station	\$250,000	\$0	\$250,000
<u>Boat Dock</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$100,000</u>
Total	\$482,800	\$59,700	\$488,500
CAL Fire			
Type I Fire Engine	\$650,000	\$650,000	\$650,000
<u>Aerial Apparatus</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$650,000	\$650,000	\$650,000
Total Public Safety One Time Costs^a	\$1,133,000	\$710,000	\$1,139,000

a. Figures rounded to the nearest thousand.

Source: Napa County.

Table 10e
Estimated Annual Costs from Napa Pipe Development^a

	Scenario 1^b	Scenario 2^b	Scenario 3^b
Per Person Served Expenditure ^c	\$167.45	\$167.45	\$167.45
Per Capita Served Expenditure ^c	\$49.35	\$49.35	\$49.35
Service Population (Per Person Served) ^d	3,728	743	5,938
Service Population (Per Capita Served) ^d	2,533	743	5,237
Sheriff Department Annual Costs ^e	\$743,000	\$179,000	\$922,000
Estimated Annual Costs Generated from Project	\$1,492,000	\$340,000	\$2,175,000

- a. Utilizes Willdan Financial Services methodology. See Table 18 and 19 in Willdan January 2012 analysis. Costs rounded to the nearest thousand.
- b. See Table 10a and 10b. Assumes service population calculated in Table 3. Does not include estimated expenditures related to fire operations (See Table 11).
- c. See Table 10a.
- d. See Table 3.
- e. See Table 10b. Does not include one time costs associated with Sheriff Department equipment and facilities.

Source: Napa County, Willdan Financial Services, Seifel Consulting Inc.

Table 11
Summary of Net Annual Impact to Napa County

	Scenario 1	Scenario 2	Scenario 3
Annual General Fund Revenues ^a	\$3,384,000	\$303,000	\$4,522,000
Annual General Fund Expenditures ^b	(\$1,492,000)	(\$340,000)	(\$2,175,000)
Net General Fund Impact	\$1,892,000	(\$37,000)	\$2,347,000
Less: Annual Fire Operations Expenditures ^c	(\$1,133,000)	(\$1,133,000)	(\$1,285,320)
Plus: Fire Services Annual Property Tax Revenue ^d	\$353,000	\$57,000	\$565,000
Net Fiscal Impact	\$1,112,000	(\$1,113,000)	\$1,626,680

a. See Table 9a.

b. See Table 10e. Does not include one time costs associated with Sheriff Department equipment and facilities.

c. Based on staffing increase and annual maintenance and replacement costs for Type I engine, per Napa County staff. See Table 10c for details. Does not include one time costs associated with CAL Fire equipment.

d. See Table 5b. Annual CFD revenues not estimated.

Source: Napa County, Willdan Financial Services, Seifel Consulting Inc.

Table 12
Potential Annual Revenues Available through Mello Roos Community Facilities District

Basic County Property Tax Rate	1.0%
<u>Maximum Absorbable CFD % on Top of Property Tax Rate</u>	<u>0.5%</u>
Total Maximum Absorbable Property Tax %	1.50%
 Voter Approved Overrides	 0.08%
Maximum Supportable Mello Roos CFD %	0.42%

	Scenario 1	Scenario 2	Scenario 3
Incremental Assessed Value at Buildout	\$706,381,000	\$113,126,000	\$1,129,505,000
Annual Revenues from Mello Roos CFD ^a	\$2,967,000	\$475,000	\$4,744,000

a. Revenues rounded to the nearest thousand.

Source: TCG, Seifel Consulting Inc.

