



**REPORT TO CITY COUNCIL**

**ON A BALLOT INITIATIVE TITLED**

**“AN INITIATIVE TO REQUIRE VOTER APPROVAL**

**ON CERTAIN DEVELOPMENT PROJECTS”**

Prepared Pursuant to Election Code §9212 and at the Request of the City Council

April 5, 2016

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## **I. INTRODUCTION**

### **A. Request for an Impact Report Related to “An Initiative To Require Voter Approval on Certain Development Projects”**

On June 29, 2015, a petition was submitted to the City Clerk of the City of Costa Mesa (the “City”) that was titled, “An Initiative To Require Voter Approval On Certain Development Projects” (the “Initiative”). The date of publication of the notice of intention to circulate the Initiative petition was July 17, 2015. A Ballot Title & Summary of the Petition was prepared by the City Attorney pursuant to Section 9203 of the Elections Code. A Certificate as to Verification of Signatures on Petition has been received by the City from the Registrar of Voters of the County of Orange.

On March 15, 2016, the City Clerk, acting in the capacity of the elections official, certified to the City Council the sufficiency of the petition. The City Council directed City staff and Keyser Marston Associates, Inc. (“KMA”) to prepare a report pursuant to Section 9212 of the Elections Code to be presented at the regularly scheduled City Council meeting of April 5, 2016. The information contained in this report (the “Section 9212 Report”) is responsive to the information requested by the City Council at the March 15, 2016 City Council meeting, and is consistent with Election Code Section 9212.

### **B. Report Organization**

The following Section 9212 Report is intended to provide the City Council with an evaluation of the impact the terms of the Initiative could potentially have on future development in Costa Mesa. This Section 9212 Report is organized as follows:

1. A legal analysis of the applicability of the Initiative to the General Plan Update and an analysis of the Initiative’s triggers and exceptions;
2. An analysis of the Planning issues associated with the Initiative;
3. A survey of California growth management initiatives; and
4. The impact on the City’s General Fund and economic development opportunities.

## II. LEGAL ANALYSIS

### A. The Applicability of the Initiative to the General Plan Update

The plain language of the Initiative ordinance appears to evidence an intent that it apply retroactively to any “Major Changes in Allowable Land Use”, including the General Plan Update, that occurs on or after July 17, 2015. However, a strong argument can be made based on the definitional language of the ordinance that the Initiative would not in fact apply retroactively to the General Plan Update. This is because the Initiative ordinance specifically defines “General Plan” as the general plan “in effect as of the effective date of the ordinance”. Therefore, as discussed below, the “General Plan” would mean that general plan in effect as of November 25, 2016. If a court were to adopt this construction of the ordinance, there would be no retroactive effect to the General Plan Update. Similarly, based on case law, it is unlikely that the Initiative can legally be applied retroactively to the Update or to any General Plan amendment that occurs prior to November 25, 2016.

#### 1. The Language of the Initiative.

Every city and county in California, including charter cities, must have a comprehensive general plan.<sup>1</sup> In Costa Mesa’s case, the General Plan has not been updated since 2000. The General Plan Update is anticipated to be adopted by April, 2016. On its face, the Initiative appears to apply retroactively to certain legislative actions that meet stated threshold criteria. These legislative acts are amendment, changes to or replacement of the General Plan, the Zoning Code, a Specific Plan, or an Overlay plan. Section 4(b) provides:

Pursuant to Elections Code Section 9205, all Major Changes in Allowable Land Use approved by the Costa Mesa City Council on or after the date of publication of the notice of intention to circulate the initiative petition adding this ordinance to the City Municipal Code shall be subject to the provisions of this ordinance.  
(Emphasis added.)

The date of publication of the notice of intention to circulate the Initiative petition was July 17, 2015. The Update, as an amendment or replacement of the General Plan, coupled with its impacts, meets the definition of a “Major Change in Allowable Land Use” as defined in Section 3(f). However, Section 3(c) defines “General Plan” as:

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<sup>1</sup> Gov Code §65300; *Endangered Habitats League, Inc. v County of Orange* (2005) 131 Cal. App. 4th 777.

“General Plan” means the General Plan of the City of Costa Mesa in effect as of the effective date [sic] of this ordinance, or as may be amended pursuant to this ordinance. (Emphasis added.)

This definition is in contrast to the definition of a “Specific Plan” in Section 3(l):

“Specific Plan” means any existing Specific Plan” in effect as of January 1, 2015 or any Specific Plan as may be amended pursuant to this ordinance or any new Specific Plans which shall be approved by both the Costa Mesa City Council as well as the voters of Costa Mesa pursuant to this ordinance. (Emphasis added.)

The ordinance defines “Effective Date” [sic] in Section 4(a):

This ordinance shall be binding and effective as of the earliest date allowed by law (the “Effective Date”)... (Emphasis added).

Pursuant to Elections Code section 9217, an ordinance adopted by initiative takes effect 10 days after the election is declared by the city council.<sup>2</sup> For the upcoming general election, the earliest date the Initiative ordinance could take effect is November 25, 2016. Thus, the “effective date” and “earliest date allowed by law” for purposes of the General Plan would appear to be November 25, 2016. Therefore, by definition, the “General Plan” would mean whatever general plan is in effect as of November 25, 2016.

This interpretation of the “earliest date allowed by law” is consistent with case law regarding general plans discussed below – as well as with the “Exceptions” language of Section 7(c) that provides “[t]he provisions of this ordinance shall not apply to the extent that they would violate state or federal law.”

The Update’s Land Use Element’s amended Land Use Plan includes certain future legislative actions, such as zone changes and specific plan amendments, as discussed in Section V of this report. As discussed above, the Initiative is unlikely to apply retroactively to the General Plan Update. However, the future legislative actions contemplated by the Update – to the extent they meet the stated thresholds – would, based on the terms of the ordinance, be subject to the Initiative.

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<sup>2</sup> “If a majority of the voters voting on a proposed ordinance vote in its favor, the ordinance shall become a valid and binding ordinance of the city. The ordinance shall be considered as adopted upon the date that the vote is declared by the legislative body, and shall go into effect 10 days after that date...” Elec Code § 9217 (in part).

## 2. The Case Law.

A general plan, as a legislative act, is subject to both amendment by initiative<sup>3</sup> and the referendum power of the voters.<sup>4</sup> This power has been specifically held to be applicable to general law cities.<sup>5</sup> California Supreme Court decisions have held that both *adoption* and *amendment* of general plans are subject to referenda and the initiative process.<sup>6, 7</sup> Amendment by initiative must comply with the substantive requirements for a general plan.<sup>8</sup> Courts have generally rejected the argument that submission of a general plan to the voters could potentially frustrate the fundamental objectives of planning law by failing to keep the general plan current.<sup>9</sup>

As a general proposition, a statute or ordinance may apply retroactively, if the legislative intent to do so is clearly apparent.<sup>10</sup> Generally, such a law is invalid only if it encroaches on vested rights or impairs the obligations of contract.<sup>11</sup> However, the California Supreme Court's decision in *Leshar Communications, Inc. v. City of Walnut Creek*<sup>12</sup> and the reasoning therein suggests that subjecting a general plan to retroactive approval or disapproval by an initiative ordinance is improper:

We cannot at once accept the function of a general plan as a "constitution," or perhaps more accurately a charter for future development, and the proposition that it can be amended without notice to the electorate that such amendment is the purpose of an initiative. Implied amendments or repeals by implication are disfavored in any case \*\*\* and the doctrine may not be applied here. The

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<sup>3</sup> See *DeVita v. Napa* (1995) 9 Cal.4th 763; 8 Witkin Sum. Cal. Law Const Law § 1017 (10th 2010).

<sup>4</sup> See *O'Loane v. O'Rourke* (1965) 231 Cal.App.2d 774, 784; *Yost v. Thomas* (1984) 36 Cal.3d 561, 570 (discussing the Coastal Act).

<sup>5</sup> *O'Loane v. O'Rourke* (1965) 231 Cal.App.2d 774, 783 (general law city); see also *Committee of Seven Thousand v. Superior Court* (1988) 45 Cal.3d 491, 504 (discussing *O'Loane*).

<sup>6</sup> *Yost v. Thomas* (1984) 36 Cal.3d 561; *Committee of Seven Thousand v. Superior Court* (1988) 45 Cal.3d 491; see also *Citizens for Planning Responsibly v. County of San Luis Obispo* (2009) 176 Cal.App.4th 357, 367 (discussing cases).

<sup>7</sup> The precise issue of whether or not the housing element of the general plan, as opposed to the land use element, is subject to the initiative process has not yet been addressed by the Supreme Court. See *DeVita v. Napa* (1995) 9 Cal.4th 763, at fn. 11; see also *San Mateo County Coastal Landowners' Assn. v. County of San Mateo* (1995) 38 Cal.App.4th 523, 543 (discussing *DeVita*).

<sup>8</sup> 66 Ops. Cal. Atty. Gen. 258, 259.

<sup>9</sup> See *DeVita v. County of Napa* (1995) 9 Cal.4th 763, 792.

<sup>10</sup> *Tevis v. San Francisco* (1954) 43 Cal.2d 190, 195.

<sup>11</sup> *O'Connor v. Superior Court* (1979) 90 Cal.App.3d 107, 114; *Rosenblatt v. California State Board of Pharmacy* (1945) 69 Cal.App.2d 69, 72.

<sup>12</sup> *Leshar Communications, Inc. v. City of Walnut Creek* (1990) 52 Cal.3d 531.

Planning and Zoning Law itself precludes consideration of a zoning ordinance which conflicts with a general plan as a pro tanto repeal or implied amendment of the general plan. The general plan stands. A zoning ordinance that is inconsistent with the general plan is invalid when passed \*\*\* and one that was originally consistent but has become inconsistent must be brought into conformity with the general plan. \*\*\* The Planning and Zoning Law does not contemplate that general plans will be amended to conform to zoning ordinances. The tail does not wag the dog. The general plan is the charter to which the ordinance must conform.<sup>13</sup>

The initiative ordinance at issue in *Leshner* is not identical to the Initiative here. Nonetheless, the longstanding rule that a zoning ordinance cannot amend the general plan is applicable, as is the rule that a zoning ordinance that conflicts with a general plan is invalid at the time it is passed.<sup>14</sup>

If the Update is adopted in April, 2016, as scheduled, it then becomes the General Plan to which the Zoning Code must conform. The City and property owners are entitled to rely upon this General Plan to guide future development. Such reliance is arguably impossible if elements of the General Plan as adopted and in effect as of April, 2016, would subject to a mandatory vote of the people starting in November 2016 – which vote itself might not take place until 2018.<sup>15</sup> Further, an uncertainty could result as to which general plan would control. In theory, any plan or permit approvals that were issued consistent with the General Plan as updated in April, 2016 could become inconsistent in November, 2018. As discussed in Section IV of this report, none of the previous 24 growth management initiatives summarized in Exhibit III of this report appear to provide for retroactive application. Not surprisingly, the precise legal issue presented here – whether an initiative ordinance can apply retroactively to a general plan amendment that occurred prior to the effective date of the initiative ordinance – has not been directly addressed by the California appellate courts. However, under *Leshner*, a strong argument can be made that such a vote to undo the Update would act as an impermissible amendment to the General Plan by zoning ordinance.

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<sup>13</sup> *Id.* at 540-541 (internal citations omitted).

<sup>14</sup> *Id.* at 544; see also *deBottari v. City Council* (1985) 171 Cal.App.3d 1204, 1212; *Sierra Club v. Board of Supervisors* (1981) 126 Cal.App.3d 698, 704.

<sup>15</sup> See Section 5(c).

## **B. Triggers, Impacts and Exceptions**

### **1. Actions that “Trigger” the Initiative**

The actions that “trigger” the application of the Initiative to a specific project under Section 3(f) are a “Major Change in Allowable Land Use” – which is defined as any “proposed amendment, change or replacement” of:

- the General Plan,
- the Zoning Ordinance [Title 13 of the CMMC],
- a Specific Plan, or
- an Overlay Plan,

that meet the “conditions” specified in Section 3(f)(1) through (6).

The Initiative requires that the proposed amendments, changes, or replacements of the General Plan, Zoning Ordinance, a Specific Plan or an Overlay Plan, be submitted to the voters only after the “City Council has first approved the change pursuant to all state and local laws applicable to the approval of land use changes by the legislative body.”<sup>16</sup> Amendments, changes, or replacements of the General Plan, Zoning Ordinance, Specific Plan or Overlay Plan are generally considered legislative acts which may be voted on by the electorate.<sup>17</sup> This is in contrast to administrative acts, such as conditional use permits or variances, which may not be subject to a vote of the electorate.<sup>18</sup>

The “conditions” of Section 3(f), that, when combined with one of enumerated legislative acts, include:

- (1) a proposed change that would “significantly increase traffic, density or intensity of use above the As Built Conditions” as defined in Section 3(k);
- (2) a proposed change that would “change a public use to a private use”, including a change of use on:

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<sup>16</sup> See Section 5(a).

<sup>17</sup> See *W. W. Dean & Assocs. v. City of S. San Francisco* (1987) 190 Cal.App.3d 1368, 1374-1375; *Yost v. Thomas* (1984) 36 Cal.3d 561, 570; *Arnel Development Co. v. City of Costa Mesa* (1980) 28 Cal.3d 511, 516.

<sup>18</sup> See *id.*

- (i) “land designated for a public use or a public right of way”, provided however, “that the abandonment of a public right of way that is no longer needed” in conformity with certain state law and local requirements for such disposition;
- (3) land designated as utility right-of-way;
- (4) land donated, bequeathed or otherwise granted to Costa Mesa;
- (5) land used or designated for Costa Mesa school property; or
- (6) land owned, controlled or managed by Costa Mesa; [sic].

However, apparent inconsistencies in the definition of “Major Change in Allowable Land Use” include the above “uses” at Section 3(f)(3)-(6) that may have been intended to be exempt, similar to subsection (2)(i)’s exception for abandonment of public rights-of-way. For example, affirmatively listing “land used or designated for Costa Mesa school property” as a condition that is subject to the Initiative is in apparent conflict with the “exception” from the Initiative at Section 7 for “public schools” (see Paragraph B.2., below). As written, by not designating (3)-(6) as a sub-set of 3(f)(2), such as (ii)-(iv), and/or including a modifier such as “change of use on” as in Section 3(f)(2) dealing with “land designated for public use”, the following are “conditions” that are automatically included in the definition without any predicate action as in (1) or (2):

- (3) land designated as utility right-of-way;
- (4) land donated, bequeathed or otherwise granted to Costa Mesa;
- (5) land used or designated for Costa Mesa school property; or
- (6) land owned, controlled or managed by Costa Mesa; [sic.]

Therefore, under the language of the Initiative, a literal interpretation would be that if a project involves one of the proposed legislative changes (such as amendment to the general plan) and land enumerated in (3), (4), (5) or (6) (such as land owned by the City), then this action would be subject to the Initiative – whether or not it met any of the threshold increases of Section 3(k) (i.e., generating 200 additional average daily trips). If the Initiative passes, this inconsistency could only be clarified by a voter approved amendment to the ordinance.

## **2. Exceptions**

Certain stated exceptions to the ordinance are listed in Section 7. They include exceptions for, or make the ordinance inapplicable to:

- a. a Major Change in Allowable Land Use that is “limited to allowing the development of a public school or hospital”;

- b. a project that has acquired “vested rights” prior to the “effective date” of the ordinance (presumably, November 25, 2016);
- c. “to the extent that they would violate state or federal laws”;
- d. a prohibition against applying the ordinance “in a manner that would result in an unconstitutional taking of private property”;
- e. “to affordable housing proposals required by state or federal law”;
- f. “to a Major Change in Allowable land use of property with legal non-conforming residential units that meets specified conditions.

**The “public school” and “hospital” exception.**

School Districts may exempt themselves, under certain circumstances, from a city’s zoning ordinance, except where the use is for non-classroom facilities.<sup>19</sup> Absent this express exemption, the Initiative could apply to development of non-classroom facilities, if such development included one of the enumerated legislative changes and met the threshold criteria. Because of this express exemption, the Initiative does not apply to development of a public school – which would include any school within the Newport Mesa Unified School District. This exemption would also apply to charter schools, which, unlike school districts, do not have the option of exempting themselves from a local zoning ordinance.<sup>20</sup> This exemption also applies to development of “hospitals”, which, unlike public schools, do not normally have an ability to exempt themselves from the City’s zoning ordinance.

**Vested Rights Exception.**

A statute or ordinance may apply retroactively, if the legislative intent to do so is clearly apparent.<sup>21</sup> Generally, such a law is invalid only if it encroaches on vested rights or impairs the obligations of contract.<sup>22</sup> As discussed previously in this report, the earliest date the Initiative

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<sup>19</sup> See Gov Code § 53094; *City of Santa Cruz v. Santa Cruz Sch. Bd. of Educ.* (1989) 210 Cal.App.3d 1.

<sup>20</sup> “Notwithstanding any other provision of this article, no school district may render a city or county ordinance inapplicable to a charter school facility pursuant to this article, unless the facility is physically located within the geographical jurisdiction of that school district.” Gov Code § 53097.3.

<sup>21</sup> *Tevis v. San Francisco* (1954) 43 Cal.2d 190, 195.

<sup>22</sup> *O’Connor v. Superior Court* (1979) 90 Cal.App.3d 107, 114; *Rosenblatt v. California State Board of Pharmacy* (1945) 69 Cal.App.2d 69, 72.

would take effect is November 25, 2016.<sup>23</sup> Depending upon where in the process certain projects lie, the adoption of the Initiative could nonetheless prevent those projects going forward depending upon whether the developer has obtained a *vested right* to proceed with the project. A vested right to develop occurs fairly late in the development process. In *Avco Community Developers v. South Coast Regional Commission*<sup>24</sup>, the California Supreme Court held that a developer does not acquire a vested right to a project until building permits are issued, substantial work has been completed and the developer has incurred substantial liability in reliance on the permit. It appears that with *Avco* in mind, the Initiative authorizes completion of projects that have “vested” before the “effective date” of the ordinance<sup>25</sup> – at the earliest, November 25, 2016.

In addition, some developers and cities have circumvented application of an initiative to existing projects by entering into a development agreement that freezes zoning regulations in place at the time the agreement.<sup>26</sup> Whether a development agreement will apply to an initiative generally depends on the language of the agreement itself.<sup>27</sup> In one instance, a project was able to go forward, in spite of a newly adopted initiative that would require voter approval because a vesting tentative tract map had been approved.<sup>28</sup> In response, some initiative proponents have thwarted issuance of building permits by seeking a temporary injunction that would not be lifted until after the initiative’s effective date.<sup>29</sup>

### **Violation of State or Federal Law & Taking of Private Property.**

These appear to be a “catch all” exemptions. It is axiomatic that the Initiative could not legally be applied in a manner that would violate state or federal law. However, in practice, these exemptions may prove difficult to administer.

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<sup>23</sup> The 2016 general election will be held on November 8, 2016. With the election results declared at the following City Council meeting of November 15, 2016 and effective date 10 days thereafter.

<sup>24</sup> *Avco Community Developers v. South Coast Regional Commission* (1976) 17 Cal. 3d 785.

<sup>25</sup> Section 7(b) provides, “This ordinance shall not preclude completion of a site-specific development that depends on a Major Change in Allowable Land Use approved before the effective date of this ordinance, if before such date, the holder of any permit or other entitlement for use for such development has lawfully and in good faith acquired a vested right, under state law, to carry out the development to completion.”

<sup>26</sup> See *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 465, 466 (*Pardee* involved a stipulated judgement rather than a development agreement, but is generally regarded as instructive on the issue on whether an agreement will exempt development from an initiative’s reach).

<sup>27</sup> See *id.*

<sup>28</sup> This was a lower court decision that was not appealed - *Davidon Homes v. City of Pleasant Hill*, No. 297988, slip op. (Contra Costa Co. Sup. Ct., Sept. 23. 1987).

<sup>29</sup> *Simac Design, Inc. v. Alciati* (1979) 92 Cal.App.3d 146, 150).

### **Affordable Housing Proposals.**

In the past decade, the City has not processed an affordable housing project that applied the density bonus provisions pursuant to state law <sup>30</sup>, and there are no pending applications for new affordable housing projects. Staff is not aware of any affordable housing proposals involving density bonuses within Costa Mesa, nor any that are required by “state or federal law”. However, the broad language “affordable housing” and “required by state or federal law” – without definition – precludes a detailed analysis of this exception.

### **Major Change in Allowable Land Use of Property with Legal Non-Conforming Residential Units**

In the last decade, the City has not processed a major development site consisting of 40 dwelling units or more that involved demolition of existing non-conforming residential units. For purposes of the Initiative, the consideration of trip generation associated with “as-built” conditions would include the trips allocated to the existing non-conforming units.

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<sup>30</sup> Gov Code §§65915 – 65918.

### III. PLANNING ANALYSIS

#### A. Comparative Growth Measures

For the purposes of this analysis, the following land use change measures were evaluated:

1. The amount of development that currently exists in Costa Mesa;
2. The amount of development allowed by the current General Plan; and
3. The amount of development allowed by the General Plan Update.

The results of this comparative analysis are detailed in Attachment I, and summarized in the following table:

Land Use		Existing Conditions	Current General Plan	General Plan Update
Residential <sup>31</sup>	DUs	42,263	48,859	51,894
Office <sup>32</sup>	TSF	7,224	8,932	10,787
Commercial	TSF	9,741	11,977	11,939
Light Industrial	TSF	13,087	13,108	12,704
Lodging	Rooms	4,149	4,349	3,023
Auto Dealership	TSF	491	491	491
Public, Religious & Cultural	TSF	1,273	1,519	1,519
Health Care Facilities	Beds	920	920	570
Educational Facilities	Students	37,965	39,351	39,351
Uses Measured by the Acre		1,543	1,459	1,537
Storage (TSF)	TSF	1,171	877	530

<sup>31</sup> DUs = Dwelling Units.

<sup>32</sup> TSF = Thousands of Square Feet.

## B. Inventory of Entitled Projects

### 1. Projects with Major Changes in Allowable Land Uses in the Past Eight Years

The following table provides summaries of the projects that were approved for entitlements between 2007 and 2015 that would need to be considered for traffic-generation purposes if located within one-half mile of a development that would be defined as a Major Change in Allowable Land Use under the terms of the Initiative.

Table A: Major Changes in Allowable Land Uses 2007 – 2015				
Attachment II: Locations #1 - #6 Identified on a Citywide Map				
No.	Application No.	Date Approved	Description	Criteria Per Initiative
1	GP-11-02	11/15/2011	14850 Sunflower Ave. - Sakioka Lot 2 TRIP BUDGETS FOR SAKIOKA LOT 2	Vacant site (1,062 a.m./1,406 p.m.) Trip Budget
2	GP-12-01	7/3/2012	1726 Superior Ave. The proposed project involves: (1) Demolishing an existing 11,000 sq. ft. building (former Tower Records) and constructing a new 14,310 sq. ft. Walgreens Store	Existing Trips – 0 (vacant site) Project Trip – 1,160
3	GP-13-01	8/5/2014	125 E. Baker Street A proposal for a five-story, 240-unit apartment complex (63-foot maximum height proposed) at a density of 58 dwelling units per acre with a six-story parking structure	No. of Units - 240 Existing Trips – 506 Project Trips – 1,569 Net Increase – 1,090
4	R-10-01 PA-10-10	4/23/2010	1500 Mesa Verde Drive 224-unit Senior Housing Development	No. of Units - 224 Existing Trips – 0 (vacant site) Project Trips – 1,007
5	GP-14-04 R-14-04 PA-14-27	11/17/2015	2277 Harbor Blvd. 224-unit apartment development to replace an existing 236-room motel	No. of units – 224 Existing Trips – 1,258 (fully occupied motel) Project Trips – 1,490 Net Increase – 232 (net increase)

Table A: Major Changes in Allowable Land Uses 2007 – 2015				
Attachment II: Locations #1 - #6 Identified on a Citywide Map				
6	GP-06-03	11/20/2007	3350 Avenue of the Arts General Plan Amendment for development of a 200-room hotel and 120 luxury high-rise residential tower.	No. of Units - 120 No. of trips - 2,911 hotel Project trips – 771
Source: General Plan and Zone Change Log 2007 – 2015				

## 2. Projects not Defined as Major Changes in Allowable Land Uses in the Past Eight Years

The following table identifies projects with approved entitlements between 2007 and 2015 in the Urban Plan areas that would **not** be defined as a Major Change in Allowable Land Use under the terms of the Initiative. These projects complied with the Urban Plan or the North Costa Mesa Specific Plan.

Table B: Urban Plan or Specific Plan Project(s) 2007 - 2015				
Not Defined as Major Changes in Allowable Land Use Under the Terms of the Initiative				
No.	Application No.	Date Approved	Description	Criteria Per Initiative
A	PA-14-11	11/18/2014	595 Anton Blvd. Revised Project – 393 apartments units	Existing Trips – 1,336 (restaurant uses) Project Trips - 2,770 (apartments) Net Increase – 1,434 trips
B	PA-12-21 PA-13-07	1/14/2013 05/13/2013	1527 Newport Blvd. (Level One)	No. of Units – 60 Existing Trips – 223 Project Trips - 935
C	PA-13-22	11/12/2013	1677 Superior Pointe (Superior Pointe)	No. of Units – 49 Existing Trips – 549 Project Trips - 578
D	PA-08-04	07/28/2008	1036 W. 18 <sup>th</sup> Street	No. of Units – 30 Existing Trips – 122 Project Trips - 478
E	PA-13-21	03/04/2014	2025 Placentia Ave. (West Place)	No. of Units – 36 Existing Trips – 200 ADT Project Trips – 270 ADT

Table B: Urban Plan or Specific Plan Project(s) 2007 - 2015				
Not Defined as Major Changes in Allowable Land Use Under the Terms of the Initiative				
F	PA-14-29	05/11/2015	671 W. 17 <sup>th</sup> Street (West Gateway - former Argotech)	No. of Units – 177 Existing Trips – 598 ADT Project Trips – 1,542 ADT
G	PA-13-22	11/12/2013	1620 and 1644 Whittier Ave. (Lighthouse - former Amtech)	No. of Units – 89 Existing Trips – 524 Project Trips - 981
Source: General Plan and Zone Change Log 2007 – 2015				

The creation of the Westside Urban Plans required a General Plan Amendment, Rezone, and Zoning Code Amendment. The Urban Plans were adopted in April 2006 and the Plans themselves would have been subject to the Initiative if it existed at that time. However, although subsequent Urban Plan projects (Table B) may have involved increases in trip generation or greater than 40 residential units, none of these Westside Urban Plan projects would have been subject to the Initiative, because they complied with a previously approved Urban Plan.

Similarly, the North Costa Mesa mid-rise residential projects listed in Table B were amendments to previously approved projects, but they did not require Specific Plan amendments. Therefore, while the 250-unit mid-rise project at 580 Anton, and the Symphony Apartments involve increased trips, these projects were compliant with the Specific Plan and would not be theoretically subject to the Initiative.

### 3. Projects Approved Prior to 2007

The following table provides a summary of entitlements that were approved between 2002 and 2006. This table is provided for reference purposes to illustrate entitlements that *theoretically* would have been subject to the Initiative, and therefore theoretically would have been classified as a Major Change in Allowable Land Use.

Because these projects were approved prior to the eight-year period established in the Initiative, the traffic generation from these developments projects would not be considered for purposes of identifying whether or not a development project is subject to the Initiative.

Table C: Examples of Major Changes in Allowable Land Uses Approved Prior to 2007				
No.	Application No.	Date Approved	Description	Criteria Per Initiative
A	GP-02-04	01/20/04	1901 Newport Blvd. Create site specific FAR and site specific density (145 unit condominium development)	No. of trips – 842 No. of dwellings – 145
B	GP-02-06 R-02-03	10/18/04	1626-1640 Newport Blvd General Plan Amendment for a site specific FAR of 0.40 for a moderate traffic use in the General Commercial land use designation (76,500 SF medical building)	No. of trips (186 a.m. / 281 p.m.)
C	GP-04-01 R-04-01	05/17/04	330 - 340 W. Bay Street General Plan Amendment from General Commercial to Medium Density Residential (44 Dwelling Units)	Existing condition – 570 ADT No. of trips – 421 (44 units) Net Increase – (-149)
D	GP-04-02 R-04-02	08/02/04	1695 Superior Ave & 635 W. 17 <sup>th</sup> Street General Plan Amendment from Light Industry to Neighborhood Commercial (10,945 SF commercial building)	Net increase compared to GP – 298 Add 10,945 SF of commercial
E	GP-06-02	2006	GPA to allow High Rise Residential projects in the Cultural Arts Center, Urban Center Commercial, and High Density Residential land use designations. (described below)	No. of dwellings - 1269
F	GP-05-08 (GP-06-02)	2006	675 Anton Blvd. General Plan Amendment for 180-unit residential high-rise development at Pacific Arts Plaza in place of 67,450 SF office building	No. of dwellings – 180 No. of trips – 346 (net increase)
G	GP-05-09 (GP-06-02)	2006	605 Town Center Dr. Development of 80 residential units atop of 14,000 SF of museum and ancillary commercial uses.	No. of trips – 484 (net increase) No. of dwellings – 80

Table C: Examples of Major Changes in Allowable Land Uses Approved Prior to 2007				
H	GP-05-10 (GP-06-02)	2006	3400 Bristol Street General Plan Amendment to allow addition of a high-rise residential units in conjunction with a multi-story 200-room hotel with 220,000 SF at 3400 Bristol Street and a 21-story tower of 336,525 SF at 3420 Bristol Street	No. of trips – 525 (net increase) No. of dwellings - 275
I	GP-05-13 (GP-06-02)	2006	595 Anton Blvd. Site specific density to allow 484 units Revised Project – 393 Apartments	No. of trips – 1,336 (restaurant uses) No. of trips for apartments – 2,770 Net Increase – 1,434 trips
J	GP-05-07 (GP-06-02)	2006	580 Anton Blvd. Site specific density to allow 250 units	No. of dwelling units – 250 No. of trips – 45 (net increase)
K	R-04-03	02/23/2004	3333 Hyland Ave. South Coast Collection Demolition of 307,000 SF state Farm Building and construction of 312,540 SF for furniture, retail and food uses.	No. of trips - 3,254 Daily (net increase)

#### 4. Senior Center Affordable Housing Project

The 2008-2014 Housing Element described a potential affordable housing project at the Costa Mesa Senior Center at 695 West 19th Street. The Costa Mesa Senior Center was built by the City in 1991. This 2.7-acre site has a General Commercial land use designation and is zoned C1 (Local Business District).

The Center is currently overseen by the City's Parks & Community Services Department. The Center's mission is to maximize the quality of life among the older adult population of Costa Mesa and surrounding communities through provision of senior programs.

The City had considered (in concept only) a high-density residential development on the existing Senior Center parking lot. This 1.4-acre area could have potentially accommodated a residential low-rise building for seniors and/or families above a parking structure. The proposed project (in concept) involved a 150-unit residential development at a density of 107 - dwelling units per acre. Fifty percent (50%) of the units were earmarked as affordable to very-low/low income households, for a total of 75 affordable units.

This proposed conceptual senior/family housing project was located in the 19 West Urban Plan area, which established a mixed-use development overlay zone. In this case, the mixed uses involved the Senior Center (institutional use) and housing (residential use). Due to the location of the site in the Urban Plan area, a General Plan amendment or rezone would not have been required for this proposed project.

### **C. Timing Implications of the Initiative on Major Changes in Allowable Land Uses**

Following is the City's processing timelines for projects involving major development proposals that require a General Plan Amendment, Rezone, Zoning Code Amendment, or Specific Plan Amendment:

- For projects requiring an Initial Study/Mitigated Negative Declaration: Eight (8) to 10 months
- For projects requiring an Environmental Impact Report: 12 to 18 months

If these Major Changes in Allowable Land Uses are subject to the Initiative, following are the timing implications after the project is approved by the City Council:

- Project must be considered at the next General Election, which occurs every two years.
- Project may be considered by Special Election, which may occur anytime during the year. However, an approximately a six-month lead time for placement on ballot may be required for special elections.

## IV. COMPARISON TO A SAMPLE OF VOTER INITIATIVES

At the March 15, 2016 City Council meeting, a member of the public identified 44 growth management initiatives that have been approved by the voters in California communities over the past 43 years. Summaries of the initiatives’ characteristics are presented in Attachment III.<sup>33</sup> It is important to note that the effective date for each of the surveyed initiatives fell after the vote of the people was certified. None of these initiatives have a stated effective date that is retroactive to an earlier point in time.

After reviewing the identified initiatives, it is KMA’s opinion that only four of the initiatives are truly pertinent to the analysis of the proposed Costa Mesa Initiative. Of particular interest is Measure S (Greenlight) in the City of Newport Beach, which was approved by the voters in November 2000. A comparison of Newport Beach Measure S to the proposed Initiative follows, and summaries of the other three pertinent initiatives are presented in the following sections of this report.

### A. Comparison of Newport Beach Measure S to the Proposed Initiative

The proposed Initiative has been likened to Measure S, which was approved by the Newport Beach voters on November 7, 2000, and is codified in the Section 423 of the Newport Beach City Charter. The specific comparison is that Measure S requires voter approval on general plan amendments for certain types of projects. However, there are a number of differences between Measure S and the proposed Initiative that are worth noting. To that end, the salient characteristics of Measure S and the proposed Initiative are compared in the following multi-page table:

	Newport Beach: Measure S	Proposed Initiative
Form of Government	Charter City	General Law City
Effective Date	December 15, 2000 - 38 days after the election.	July 17, 2015 – 16 months before the election.
Voter approval required for Major Amendments to identified Planning documents	General Plan	General Plan, Zoning Code, Specific Plans, and Overlay Plans

<sup>33</sup> Twenty (20) of the identified initiatives related to the establishment of Urban Growth Boundaries. Given the lack of relevance to the proposed Initiative, summaries were only provided for the other 24 identified initiatives.

Newport Beach: Measure S		Proposed Initiative
Major Amendments are defined as any of the following:		
Trips:		
Measurement	Measured against the trip estimate for the maximum amount of floor area or dwelling units allowed by the General Plan.	Measured against “as built” conditions.
Threshold	Increase of more than 100 trips in the morning peak hour or more than 100 trips in the evening peak hour.	Increase of over 200 average trips per day, or Increase in the volume/capacity of an intersection based on specified Levels of Service (LOS) measures, or Increase in the Intersection Capacity Utilization from less than .9 to greater than .9; or Change in the LOS at any intersection or corridor from better than “D” to worse than “D”.
Residential Development	Increase of 100 dwelling units.	Increase of 40 dwelling units.
Non-Residential Development	Increase of 40,000 square feet of gross building area.	Increase of 10,000 square feet of area.
Changes that required discretionary approval on sites within the Neighborhood		
Definition of Neighborhood	Statistical Areas as defined in the Land Use Element of the General Plan.	½ mile of the proposed development site.

	Newport Beach: Measure S	Proposed Initiative
Definition of Changes	Increases created by the proposed project plus 80% of the increases related to other amendments affecting the same Neighborhood. Excludes projects that were approved by the voters.	Increases created by the proposed project and 100% of the increases created by projects that received minor changes that would not by themselves require voter approval.
Time Period	Preceding 10 years	Preceding eight years
Other instances that a vote is required	None identified	<p>Land designated as a utility right-of-way under specified circumstances.</p> <p>Land is donated, bequeathed or otherwise granted to the City.</p> <p>Land used or designated for Costa Mesa school property.</p> <p>Land owned, controlled or managed by the City.</p>
Planning Commission and City Council Approval	<p>Any required CEQA documentation must be prepared and certified.</p> <p>City Council must decide any discretionary land use approval or permit for the proposed Amendment.</p>	<p>Any required CEQA documentation must be prepared and certified.</p> <p>City Council must approve the Amendment pursuant to all state and local laws applicable to the approval of the proposed land use changes.</p>

	Newport Beach: Measure S	Proposed Initiative
Election Timing	At a noticed public hearing tied to the approval of the Amendment, the City Council must schedule an election. The election may be held at the next regular municipal election, or at a special election if the City and the proponent have entered into a written agreement to share the costs.	The election may be set for the first regular municipal election following City Council approval of the Amendment, or at a special election if the cost is borne solely by the proponent.
Initiative related requirements for receipt of a Certificate of Occupancy	None stated	All traffic impacts must be mitigated, the City must have received payment of the then current trip fees, and an enforceable agreement must have been executed that specifies any other mitigation measures.

As indicated in the preceding table, the similarities between the two growth management measures include the fact that voter approval is required for general plan amendments that generate a certain number of increased car trips, adding a certain number of dwelling units and adding non-residential floor area. However, the Initiative proposed in Costa Mesa is more expansive than Newport Beach Measure S in the following key ways:

1. The Initiative also applies to the General Plan, Zoning Ordinances, Specific Plans and Overlay plans. Measure S only applies to modifications to the General Plan.
2. The Initiative applies to residential projects with an increase of 40 units versus Measure S at 100 units.
3. The Initiative applies to an increase of 10,000 square feet for non-residential projects versus Measure S at 40,000 square feet.

4. The Initiative sets the maximum increase in trips at 200 average daily traffic versus Measure S, which sets the maximum at 100 additional morning or evening peak period trips. The Initiative also applies several Level of Service and volume/capacity tests.
5. The Initiative applies voter-approval requirements to projects where General Plan, Zoning Ordinance or Specific Plan amendments have been adopted, but the projects have not vested.
6. The Initiative prohibits issuance of a Certificate of Occupancy until impacts have been mitigated.

## **B. Summaries of Other Similar Initiatives**

### **1. City of Redondo Beach – Measure DD - 2008**

Measure DD was approved by the voters on November 4, 2008. Measure DD went into effect on December 16, 2008.

Measure DD is codified in City Charter Section 27. Measure DD requires voter approval for any “Major Change in Allowable Land Use” to the general plan, including its local coastal element and the City’s zoning ordinance. “Significant Increase” is defined as any project that requires a general plan amendment that increases traffic by more than 150 trips during the peak hours in the morning or evening; the density increase generated by the project produces more than 25 dwelling units; or 40,000 square feet of commercial area. In addition, Measure DD calculations must be applied to the cumulative amount of development, that required an amendment to the general plan, that occurred within the same neighborhood within the preceding eight years. Neighborhood is defined as all properties located either entirely or partially within 1,000 feet of any parcel or lot that is subject to a proposed change in allowable land use.

### **2. City of Encinitas – Proposition A – 2013**

Proposition A was approved by the voters on June 18, 2013. The initiative became effective on July 21, 2013.

Proposition A requires vote approval when publicly or privately initiated “Major Amendments” are proposed to a “Planning Policy Document”. Planning Policy Documents are defined as the Land Use Element and Land Use Policy Maps of the General Plan; the Zoning Code and Zoning Map; and specific plan or development agreement. Major Amendments are defined as:

1. Increases in the number of dwelling units on a residential lot;
2. Increases in the number of separate parcels that may be created from an existing parcel;
3. Changes in identified zone types;
4. Changes from residential land use to non-residential land use;
5. Increases in the maximum height of development and how height is measured;
6. Increases in the maximum allowable commercial or retail square footage on a parcel;  
and
7. An action that repeals any Planning Policy Document.

Proposition A imposes a citywide height limit of two stories or 30 feet for all buildings and structures, except for medical complex development projects and specified buildings with a public high school on a minimum 10-acre site. Proposition A also preserves agricultural lands and open space.

### **3. City of Escondido – Proposition S – 1998**

Proposition S requires a public vote for any general plan amendment or the creation of any new Specific Plan Area if it involves an increase in the residential density; a change, alteration or increase in the general plan's residential land use categories; and a change of the land use designation of any property from residential to industrial or commercial use. Proposition S essentially asked the voters to affirm the general plan in place as of 1997, and to subject any significant land use changes to a vote of the people.

## **V. FINANCIAL ANALYSIS**

### **A. Impact of Voter-Approval Requirements**

The Initiative imposes voter-approval requirements on a wide range of developments that are anticipated to occur under the auspices of the General Plan Update. The City's Planning Department staff has concluded that the implementation of the General Plan Update will require properties to be rezoned, and/or modifications will need to be made to existing specific plans. It is possible that these implementing actions will trigger the Initiative requirements for voter approval.

The voter-approval requirement adds a significant component of uncertainty in the development process that can discourage investment in new major development projects, and in the recycling of underutilized or blighted properties. This is particularly relevant to the following components of the General Plan Update:

1. The Harbor Boulevard and Newport Boulevard Residential Incentive Areas, and the Harbor Mixed-Use Overlay;
2. The LA Times site, which is located at the intersection of Harbor Boulevard and South Coast Drive;
3. The SoBECA area, which includes a land use redesignation that allows residential units to be constructed;
4. The Segerstrom Home Ranch and Sakioka Site – Lot 2 in the North Costa Mesa Specific Plan Area; and
5. The redevelopment of the Fairview Developmental Center.

The development process is fraught with several levels of risk, but in general developers seek out development opportunities in which the entitlement process is well defined and uncertainty is minimized. The imposition of a voter-approval requirement has the following key impacts:

1. It increases the inherent risk that a project will not be approved;
2. It requires developers to make a substantial investment of capital prior to placing the proposed project in front of the voters; and

3. It prolongs the development process, which increases the carrying costs incurred by the proposed project.

Measuring the impacts created by voter-approval requirements is a hotly debated issue. To date, very little empirical research on this topic has been undertaken. However, there is some anecdotal evidence of the impacts created by the growth management initiatives that KMA reviewed. The results are summarized in the following sections of this report.

## **1. Impacts Generated by Surveyed Initiatives**

### **City of Newport Beach – Measure S**

Measure S was placed into effect in December 2000. In 2001, Koll Development proposed an office tower, and in 2004 a five-star hotel was proposed on the Balboa Peninsula. Both projects required voter approval, and both projects were defeated at the ballot box. Subsequently, the Irvine Company withdrew a proposed expansion to Newport Center and Pacific Life withdrew an office expansion project. No projects that require a vote have been proposed since 2004.

On July 25, 2006, the City Council adopted a comprehensive update to the general plan. This update reduced the allowable non-residential development by 449,499 square feet, increased the allowable residential development by 1,166 dwelling units, and reduced peak hour trips by 1,121 in the morning and 958 in the evening. It was determined that this general plan update was subject to voter approval, and it was placed on the ballot as Measure V. A competing measure that was called Measure X (Greenlight II) was placed on the ballot as well. In the election, which was held on November 7, 2006, Measure X failed and Measure V passed by a 54% to 46% margin.

### **City of Redondo Beach – Proposition DD**

Proposition DD was placed into effect in December 2008. In November 2010, the City placed Measure G on the ballot. Measure G was a proposed change to the Redondo Beach Local Coastal Plan (LCP) and the Zoning Ordinance for the Coastal Plan. The amendment also called for major changes in existing policies and development standards. The modifications to the LCP and the Zoning Ordinance allowed for 400,000 square feet of development in the harbor area; 540,000 square feet of development along Catalina Avenue, and the continuation of the AES power plant and the addition of a desalination plant.

Measure G was approved by the voters in November 2010. In October 2012, the City Council selected a developer to undertake the development of a large-scale mixed-use project at King Harbor. In February 2016, a citizens group commenced a signature drive to place an initiative on the ballot to impose stricter limits on development than were imposed by Measure G.

### **City of Escondido – Proposition S**

After the initiative passed in 1998, the City attempted to identify property owners that wished to change their land use designation. Initially, 16 property owners submitted proposals to modify their land use designation. Eight developers subsequently withdrew from the process, and chose to develop under the existing land use designation for their property. The other eight property owners proceeded through the process and received City Council approval. These projects included increasing the number of residential units on four properties from 146 units to 284 units; three properties called for changing residential land to light industrial; and one changed residential to commercial use. Each of the eight ballot measures failed. This had a chilling effect on property owners applying for land use designation changes.

In May 2012, the City Council approved an update to the general plan, which was the first comprehensive update since 1990. Proposition S requires that amendments to defined components of the general plan can only occur after a vote of the people if the proposed changes increase residential density, change the general plan land use categories, or change certain residential designations to commercial or industrial designations. The general plan update was placed on the November 2012 ballot as Proposition N, and it passed 53% to 47%.

### **City of Encinitas – Proposition S**

Proposition S went into effect in July 2013. It is too early to determine what impact the voter-approval requirements will have on future development. However, it should be noted that the major residential developments that have been proposed since Proposition S was enacted have applied for the state density bonus.

## **2. Conclusions – Impact of Voter-Approval Requirements**

A review of the available scholarly literature indicates that there is consistent evidence that imposing voter-approval requirements on proposed development creates a negative impact on development opportunities. This impact is caused by the combination of the increased uncertainty involved in the development approval process, the additional costs incurred during the process, and by the fact that voters rarely approve projects that are put forward for a vote.

It is interesting to note that the general plan updates that KMA reviewed achieved voter approval. However, this finding should be considered in the context that in both Newport Beach and Redondo Beach, citizen groups placed competing initiatives on the ballot to impose even stricter development controls than were imposed by the initial growth management initiatives.

## **B. Financial Feasibility of Revitalization and Major New Development**

### **1. Revitalization**

#### **Harbor Boulevard and Newport Boulevard Overlay Areas**

The General Plan Update includes Overlays along Harbor Boulevard and Newport Boulevard that encourage the recycling of underutilized and blighted properties. The Harbor Mixed-Use Overlay allows residential development to be included in mixed-use projects at a density of up to 20-units per acre. The Residential Incentive areas on Harbor Boulevard and Newport Boulevard allow for residential development at up to 40-units per acre. These Overlay areas were created to expand development opportunities on properties that are not developed to their full potential, or that are improved with outdated buildings and underperforming uses.

Surveys of Costa Mesa property sales are presented in Attachment IV – Exhibit A. As can be seen in Exhibit A, the weighted average cost of vacant land is \$57 per square foot of land area. Comparatively, the weighted average cost of improved retail properties is \$111 per square foot of land area. This difference is attributable to the value associated with the existing improvements.

The key constraint associated with the private market recycling properties along commercial boulevards is the premium costs associated with purchasing improved properties. Unless a new development project can support a land value that is higher than the combined value of the land and existing improvements, there is no financial incentive for a developer to recycle improved properties. As a result, over time, the boulevards become characterized by functionally obsolete buildings and marginal businesses.

The ability to develop residential units on the boulevards materially increases the land value that can be supported. KMA prepared a conceptual pro forma analysis to provide an order-of-magnitude estimate of residential density that would be required to support the values for improved commercial parcels. As shown in Attachment IV – Exhibit B, the required density level is in the range of 54 units per acre.

It is clear that the residential development anticipated in these Overlay areas will exceed the 40-unit trigger established by the Initiative. Given the premium costs associated with acquiring improved properties, if development in these Overlay areas require voter approval, the potential for achieving recycling of existing underutilized and blighted properties will be severely constrained.

### **LA Times Overlay Area**

The General Plan Update calls for the LA Times site to be converted from a General Plan designation of Industrial Park, to an Overlay that allows for office and retail development. As will be discussed in the Fiscal and Economic Impact section of this report, the intensification of the land use is anticipated to generate substantially greater General Fund revenues and economic development benefits than can be generated by the existing manufacturing uses.

The land uses allowed by the proposed Overlay generate as much as 655,000 square feet of office and retail space. This is 281,000 square feet more space than the 374,000 square feet of manufacturing space that is currently located on the property, which triggers the commercial intensity trigger. Even if the project size was reduced to 374,000 square feet, the intensification of the uses would trigger the trip count limit applied in the Initiative. Therefore, if the development envisioned in the General Plan Update requires voter approval, it can be safely assumed that the existing manufacturing uses will remain in place throughout the foreseeable future.

### **SoBECA Overlay**

The current General Plan designation for the SoBECA area is General Commercial and Light Industrial. The SoBECA Overlay allows for up to a total of 450 residential units to be developed at a maximum density of 40-units per acre. The addition of high density residential development is intended to further the goal of creating an innovative, eclectic and unique mix of uses in the SoBECA area. The residential population base is anticipated to provide additional support for the local incubator-type businesses that are already located in the area.

Given the site characteristics in the SoBECA area, it is anticipated that mixed-use development will not be large scale. If the inclusion of residential development triggers a voter-approval requirement, it is unlikely that the types of developers that will be attracted to the area will have the risk profile or the financial capacity to go through an entitlement process that includes a vote of the people. Instead, it should be anticipated that development will be focused on a mix of uses that do not trigger the Initiative's voter-approval requirements.

## **2. Development of Vacant Land**

Costa Mesa is currently 99% built out. The two largest remaining vacant parcels in Costa Mesa are the Segerstrom Home Ranch site and Sakioka Site – Lot 2. Both of these properties are located in the North Costa Mesa Specific Plan area.

### **Segerstrom Home Ranch Site**

Under the requirements imposed by the North Costa Mesa Specific Plan, the property can be developed with approximately 759,000 square feet of office and office-related uses. However, in 2016, the City created a specific site floor area ratio (FAR) that increased the allowable development intensity to .64:1. This allows for up to 1.2 million square feet of building area. The site specific FAR allowance explicitly prohibits the inclusion of residential development on the property. In addition, the maximum intensity is limited by the trip budget that was set at 1,860 during the morning peak, and 1,788 during the evening peak.

It is clear that the Segerstrom Home Ranch development will be a major economic driver in Costa Mesa. It is difficult to assess how the property owner will proceed if it is ultimately determined that the FAR allowance provided in 2016 is subject to the voter-approval requirements imposed by the Initiative.

### **Sakioka Site – Lot 2**

The scope of development allowed for the Sakioka Site – Lot 2 is defined in a Development Agreement that identifies the maximum building area, FAR, trip budget and allowable uses. However, the allowable development intensity is dictated by the trip budget that was established by the North Costa Mesa Specific Plan.

The General Plan Update's land use recommendation for the property is for 660 residential units, which includes a 25% state density bonus.<sup>34</sup> In return for this density bonus, the project must include an affordable housing component that comports with state law. The currently proposed land use requires an amendment to the North Costa Mesa Specific Plan. If this triggers a voter-approval requirement, it is unclear what actions the property owner will take in regard to the development of the site.

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<sup>34</sup> The North Costa Mesa Specific Plan was adopted in 1994. At that time the state density bonus was set at 25%. In 2005, the state modified the statute to provide a sliding scale of bonus density tied to the percentage of affordable units that are provided.

### **3. Fairview Developmental Center**

The current General Plan Designation for the Fairview property is Public/Institutional. In February 2016, the State of California Department of Development Services initiated a process that will lead to the closure of the Fairview Developmental Center. As part of that process, the State and the City devised a proposed new land use designation for the property.

The proposed land use designation is called Multi-Use Center General Plan. The mix of uses identified in the General Plan Update consist of 500 residential units, 25.6 acres of park and open space, and 51.6 acres of Institutional & Recreation Uses. However, the land use designation, and corresponding Zoning District, will require a Master Plan for any future development projects, whether or not the property continues to be owned by the State or the property is sold to a private entity.

If the Initiative passes, it is possible that the future development of the Fairview site will be subject to voter approval. This adds a significant amount of entitlement risk, and potential delays in the development process, for this 102.5-acre property. This could also delay the creation of the park, open space and recreation uses identified in the General Plan Update.

### **C. Fiscal and Economic Impact**

In a draft report dated February 26, 2016, the Natelson Dale Group evaluated the fiscal impacts generated by the buildout under the General Plan Update. As part of that draft report, the Natelson Dale Group identified the assumptions and calculation methodology that was applied to estimate the fiscal impacts associated with the land uses included in the General Plan Update.

Based on the assumptions and calculation methodology applied in the draft Natelson Dale Group fiscal impact report, KMA prepared fiscal impact analyses for the Overlay areas and sites described in the preceding section of this report. In addition, KMA prepared economic impact analyses for the Overlay area and sites using the following data sources:

1. The Regional Input-Output Modeling System (RIMS II) for Orange County (2007/2013); and
2. The California Employment Development Department Occupational Employment Statistics Survey, May 2015.

The KMA analyses are detailed in Attachment V – Exhibits A – H, and the results are summarized in the following tables:

## 1. Residential Overlay Areas

	Harbor Mixed-Use Overlay		SoBECA	
	Current General Plan	General Plan Update	Current General Plan	General Plan Update
Scope of Development				
Residential Units	13	491		450
Retail Square Feet	337,500	321,000	147,300	
Industrial Square Feet			458,600	
Population (FTE's) <sup>35</sup>	195	1,390	305	1,125
Net Annual Fiscal Impact <sup>36</sup>	\$1,390,000	\$1,792,000	\$696,400	\$441,900
Change from Current General Plan		\$402,000		(\$254,500)
Direct & Indirect Economic Impact				
Change in Jobs		(9)		(487)
Change in Earnings		(\$364,000)		(\$16,508,000)

	Residential Incentive - Harbor		Residential Incentive - Newport	
	Current General Plan	General Plan Update	Current General Plan	General Plan Update
Scope of Development				
Residential Units	84	1,063	237	1,210
Retail Square Feet	356,800	178,400	582,200	291,100
Population (FTE's)	381	2,744	872	3,165
Net Annual Fiscal Impact	\$157,000	\$1,772,000	\$2,609,000	\$2,376,000
Change from Current General Plan		\$1,615,000		(\$233,800)
Direct & Indirect Economic Impact				
Change in Jobs		(102)		(165)
Change in Earnings		(\$3,869,000)		(\$6,327,000)

<sup>35</sup> FTE = Full-Time Equivalent.

<sup>36</sup> Net Annual Fiscal Impact = Estimated General Fund Revenues minus General Fund Expenditures.

As can be seen in the preceding tables, the General Plan Update development scopes all generate net annual General Fund revenues. Moreover, in both the Harbor Boulevard Mixed-Use Overlay and the Residential Incentive – Harbor areas, the net annual General Fund revenues are higher for the General Plan Update than the estimates for the current General Plan.

As would be expected, the replacement of commercial development with residential development has a negative impact on the jobs and earnings generated by development in Costa Mesa. This reduction ranges from nine to 165 jobs, and from \$364,500 to \$6.3 million in earnings. However, the policy decision was made to provide the opportunity for residential development on the boulevards in order to ameliorate the existing underutilized and blighted properties.

## 2. LA Times Site (Overlay Area)

LA Times Site		
	Current General Plan	General Plan Update
Scope of Development		
Residential Units		
Retail Square Feet		165,800
Office Square Feet		458,600
Industrial Square Feet	374,000	
Population (FTE's)	299	417
Net Annual Fiscal Impact	\$66,700	\$698,400
Change from Current General Plan		\$631,700
Direct & Indirect Economic Impact		
Change in Jobs		156
Change in Earnings		\$40,026,000

The General Plan Update calls for the existing industrial land use to be replaced by retail and office development. This modification results in an increase in net General Fund revenues that is estimated at \$631,700 per year. In addition, the modification is projected to generate 156 additional jobs and over \$40 million in additional earnings.

### 3. Vacant Sites

	Segerstrom Home Ranch	Sakioka Site – Lot 2	Fairview
Scope of Development			
Residential Units		660	500
Retail Square Feet			
Office Square Feet	1,200,000		
Population (FTE's)	883	1,650	1,383
Net Annual Fiscal Impact	\$56,700	\$601,000	\$576,400
Change from Current General Plan			
Direct & Indirect Economic Impact			
Increase in Jobs	1,516	0	0
Increase in Earnings	\$139,781,000	\$0	\$0

As shown in the preceding table, the large-scale office development on the Segerstrom Home Ranch site is not projected to generate a significant amount of net annual General Fund revenues. This is attributable to the fact that the primary General Fund revenue source is the share of the property tax received by the City. To generate significantly greater General Fund revenues, the project would need to include retail and/or hotel space.

The Sakioka Site – Lot 2 and the Fairview site are both designated to be developed with residential uses. As can be seen in the table, both sites are anticipated to generate positive net annual General Fund revenues, ranging from \$576,400 to \$601,000 per year. Given the lack of commercial development on both sites, no increase in jobs or increase in earnings are projected for the sites.

### 4. Conclusion – Fiscal and Economic Impact Analyses

The results of the fiscal impact analyses indicate that the focus areas in the General Plan Update are all projected to generate net positive annual General Fund revenues to the City. In addition, the Overlay areas and sites that include commercial uses are projected to increase the number of jobs and the earnings generated by workers in Costa Mesa.

**ATTACHMENT I**

**LAND USE AND TRIPS ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA**

ATTACHMENT I

LAND USE CHANGES  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

Land Use	Unit of Measurement	Existing Conditions	Current General Plan Amount	Updated General Plan Amount
<b>I. Residential</b>				
Low Density Residential	DU	14,210	14,788	14,791
Medium Density Residential	DU	4,370	4,791	4,992
High Density Residential	DU	23,593	28,830	31,661
Age Qualified Housing	DU	450	450	450
<b>Total Residential</b>		42,623	48,859	51,894
<b>Increase/(Decrease) from Current General Plan Amount</b>				3,035
<b>II. Office</b>				
General Office	TSF	7,112	8,820	10,675
Medical Office	TSF	112	112	112
<b>Total Office</b>		7,224	8,932	10,787
<b>Increase/(Decrease) from Current General Plan Amount</b>				1,855
<b>III. Commercial</b>				
General Commercial	TSF	5,601	7,337	7,299
Regional Commercial	TSF	4,140	4,640	4,640
<b>Total Commercial</b>		9,741	11,977	11,939
<b>Increase/(Decrease) from Current General Plan Amount</b>				(38)
<b>IV. Light Industrial</b>				
Increase/(Decrease) from Current General Plan Amount	TSF	13,087	13,108	12,704
				(404)
<b>V. Lodging</b>				
Hotel	Room	1,877	2,077	2,077
Motel	Room	2,272	2,272	946
<b>Total Lodging</b>		4,149	4,349	3,023
<b>Increase/(Decrease) from Current General Plan Amount</b>				(1,326)
<b>VI. Auto Dealership</b>				
Increase/(Decrease) from Current General Plan Amount	TSF	491	491	491
				0
<b>VII. Public, Religious &amp; Cultural Uses</b>				
City Hall	TSF	133	133	133
Performance Theater	TSF	585	691	691
Religious Facility	TSF	555	555	555
Museum	TSF	140	140	140
<b>Total Public, Religious &amp; Cultural Uses</b>		1,273	1,519	1,519
<b>Increase/(Decrease) from Current General Plan Amount</b>				0
<b>VIII. Health Care Facilities</b>				
Convalescent Care	Bed	448	448	448
Hospital	Bed	472	472	122
<b>Total Health Care Facilities</b>		920	920	570
<b>Increase/(Decrease) from Current General Plan Amount</b>				(350)

Source: City of Costa Mesa

Prepared by: Keyser Marston Associates, Inc.

File name: CM 9212\_3 30 16; GP Use Comp

ATTACHMENT I

LAND USE CHANGES  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

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Land Use	Unit of Measurement	Existing Conditions	Current General Plan Amount	Updated General Plan Amount
<b>IX. <u>Educational Facilities</u></b>				
Elementary/Middle School	Student	7,385	8,067	8,067
High School	Student	4,590	4,998	4,998
College/University	Student	25,990	26,286	26,286
<b>Total Educational Facilities</b>		37,965	39,351	39,351
<b>Increase/(Decrease) from Current General Plan Amount</b>				0
<b>X. <u>Uses Measured by the Acre</u></b>				
Golf Course	Acre	535	535	535
Public Facility	Acre	176	176	228
Fairgrounds	Acre	150	150	150
Passive Park	Acre	592	592	618
Agriculture	Acre	72	0	0
Vacant	Acre	18	6	6
<b>Total Uses Measured by the Acre</b>		1,543	1,459	1,537
<b>Increase/(Decrease) from Current General Plan Amount</b>				78
<b>XI. Storage</b>	TSF	1,171	877	530
<b>Increase/(Decrease) from Current General Plan Amount</b>				(347)

**Abbreviations**

DU - Dwelling Unit  
TSF - Thousands of Square Feet

ATTACHMENT I - TABLE 2

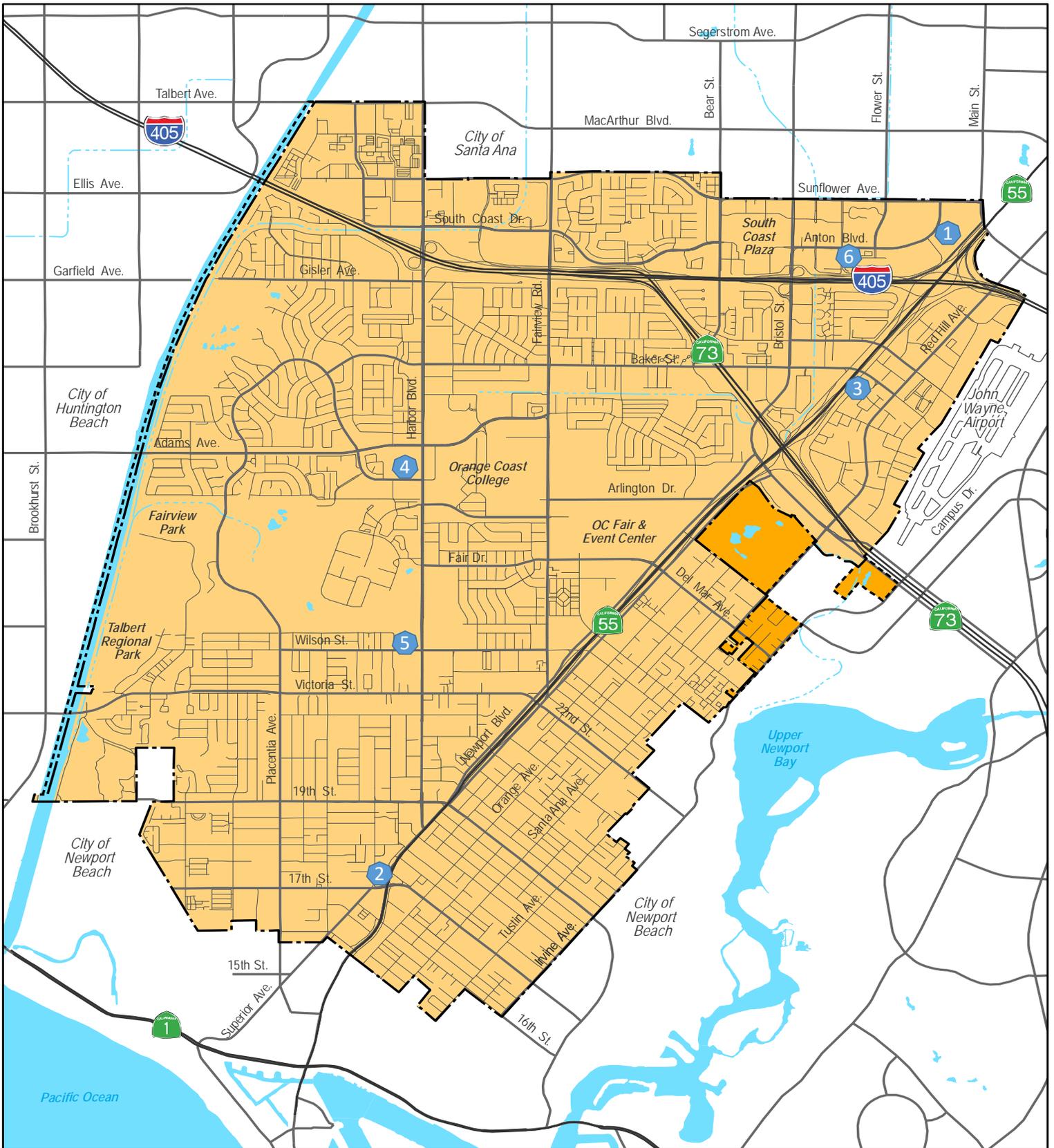
TRIP GENERATION  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

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	<u>Existing Conditions</u>	<u>Current General Plan Amount</u>	<u>Updated General Plan Amount</u>
I. Trip Generation (Daily)	1,018,790	1,229,125	1,244,140
II. Increase/(Decrease) from Current General Plan Amount			15,015
III. Percentage Change from Current General Plan Amount			1.2%

**ATTACHMENT II**

**MAP OF MAJOR CHANGES IN LAND USES 2007 - 2015  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA**



**City Boundaries**

-  Costa Mesa City Boundary
-  Costa Mesa Sphere of Influence

Source: City of Costa Mesa, 2015.



**ATTACHMENT III**

**SUMMARIES OF CALIFORNIA GROWTH MANAGEMENT INITIATIVES  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA**

## **CITY OF ALAMEDA - MEASURE A – 1973**

Measure A prohibited multiple dwelling units to be constructed anywhere in the City of Alameda. Measure A was amended in April 1986 to allow multifamily units that were destroyed by fire or other disaster to be replaced. Measure A was amended in 1991 to establish a minimum residential lot size of 2,000 square feet. In July 2011, the City Council adopted an ordinance to create new zoning districts that allow for the development of multifamily homes. This was enacted so that the City of Alameda could obtain a certified Housing Element.

## **COUNTY OF ALAMEDA – MEASURE D – 1980**

Measure D was approved by the voters in November 2000.

Measure D created a urban growth boundary around the cities of Pleasanton, Dublin and Livermore. Under Measure D, the County may not approve urban development outside the Urban Growth Boundary, or to subdivide farmland into parcels smaller than 100 acres. This requirement was also imposed on the valley between Castro Valley and Pleasanton Ridge. Any change to the changes in policies called for in Measure D require a countywide vote of the people.

## **CITY OF APPLE VALLEY – MEASURE N – 1999**

Measure N was approved by the voters in November 1999. The Measure became effective January 1, 2000.

Measure N required the City to readopt the goals and policies of the 1991 Land Use Element; to readopt the land use designations and land use map included in the 1998 Land Use Element; and to prohibit any change to the two-unit per acre density and 18,000 square foot minimum lot size for properties zoned F-SF (Single Family Residential). Any changes to these requirements require a vote of the people. The initiative requirements remain in place until January 21, 2021.

## **CITY OF DUBLIN – MEASURE M – 2000**

Measure M required a Resolution to be adopted to amend the City of Dublin General Plan to establish an Urban Limit Line in the Western Extended Planning Area for a 30-year period. Measure M prohibited residential development on preserved open space located in the Dublin Hills. Any change to the Urban Limit Line requires a vote of the people.

## **CITY OF ENCINITAS – PROPOSITION A – 2013**

Proposition A was approved by the voters on June 18, 2013. The initiative became effective on July 21, 2013.

Proposition A requires a vote of the people when publicly or privately initiated “Major Amendments” are proposed to a “Planning Policy Document”. Planning Policy Documents are defined as the Land Use Element and Land Use Policy Maps of the General Plan; the Zoning Code and Zoning Map; and specific plan or development agreement. Major Amendments are defined as:

1. Increases in the number of dwelling units on a residential lot;
2. Increases in the number of separate parcels that may be created from an existing parcel;
3. Changes in identified zone types;
4. Changes from residential land use to non-residential land use;
5. Increases in the maximum height of development and how height is measured;
6. Increases in the maximum allowable commercial or retail square footage on a parcel;  
and
7. An action that repeals any Planning Policy Document.

Proposition A imposes a citywide height limit of two stories or 30 feet for all buildings and structures, except for medical complex development projects and specified building with a public high school on a minimum 10-acre site. Proposition A also preserves agricultural lands and open space.

## **CITY OF ESCONDIDO – PROPOSITION S – 1998**

Proposition S requires a public vote for any General Plan Amendment or the creation of any new Specific Plan Area if it involves an increase in the residential density; a change, alteration or increase in the General Plan’s residential land use categories; and a change of the land use designation of any property from residential to industrial or commercial use. Proposition S essentially asked the voters to affirm the General Plan in place as of 1997, and to require any significant land use changes to a vote of the people.

After the initiative passed, the City attempted to identify property owners that wished to change their land use designation. Initially, 16 property owners submitted proposals to modify their land use designation. Eight developers subsequently withdrew from the process, and chose to develop under the existing land use designation for their property. The other eight property owners proceeded through the process and received City Council approval. These projects included increasing the number of residential units on four properties from 146 units to 284 units; three properties called for changing residential land to light industrial; and one changed residential to commercial use. Each of the eight ballot measures failed. This had a chilling effect on property owners applying for land use designation changes.

In May 2012, the City Council approved an update to the general plan, which was the first comprehensive update since 1990. Proposition S requires that amendments to defined components of the general plan can only occur after a vote of the people if the proposed changes increase residential density, change the general plan land use categories, or change certain residential designations to commercial or industrial designations. Proposition N was placed on the November 2012 ballot , and it passed with a margin of 53% to 47%.

## **CITY OF HALF MOON BAY – MEASURE D – 1999**

In 1991 Measure A established a “Residential Dwelling Unit Building Permit Allocation System” that limited population growth to 3% per year. In 1999 Measure D was adopted to reduce the allowable annual population growth to 1% plus an additional .5% for residential development in an area designated as the downtown. The allocation of units must comport with a defined allocation system.

## **CITY OF LOMA LINDA – MEASURE V – 2006**

Measure V limits development in the South Hills by limiting development to single-family homes in clusters. No commercial recreational developments are allowed on the hills' northern slopes. Residential units cannot exceed 35 feet in height and must be on lots that are at least 7,200 square feet. Measure V resulted in a new Growth Management Element of the General Plan, which can only be modified with a vote of the people.

## **CITY OF LOS ANGELES – MEASURE U – 1996**

Proposition U reduced by 50% the allowable density on commercial and industrial properties throughout Los Angeles, with the exception of Downtown. The focus of the initiative was to eliminate the potential for large, high intensity buildings to be constructed adjacent to residential neighborhoods.

## **CITY OF MARINA – MEASURE E – 2000**

In 2000, Measure E established an Urban Growth Boundary. Measure E focused growth on the property that had formerly been occupied by Fort Ord. Measure E was designed to prevent urban sprawl.

## **CITY OF MORGAN HILL – MEASURE A – 2009**

Since 1977, the City of Morgan Hill has used a Residential Development Control System (RDSCS), which is meant to ensure that new development can be served by existing infrastructure and public services. Some components of the RDSCS were established through a voter approved ballot initiative. In 2009, the voters passed an initiative that provided an exemption to the RDSCS. This exemption allows up to 500 residential allotments for the 20-block area designated by the Downtown Specific Plan.

## **CITY OF NEWPORT BEACH – MEASURE S – 2000**

Measure S was approved by the voters on November 7, 2000. The Measure became effective on December 15, 2000.

Measure S is codified in City Charter Section 423. Measure S requires voter approval for any "Major Amendment" to the General Plan. Major Amendment is defined as any project that requires a General Plan amendment that increases traffic by more than 100 trips during the

peak hours in the morning or evening; 100 dwelling units; or 40,000 square feet of commercial area. In addition, Measure S calculations must be applied to the cumulative amount of development, that required an amendment to the General Plan, that has occurred within defined Statistical Areas. This is measured by taking the proposed project plus 80% of the increase associated with projects with amendments that were processed over the previous 10 years. Projects that were subject to votes of the people are excluded from the calculations.

Koll Development proposed an office tower in 2001, and in 2004 a five-star hotel was proposed on the Balboa Peninsula. Both projects required a vote of the people, and both projects were defeated at the ballot box. Subsequently, the Irvine Company withdrew a proposed expansion to Newport Center and Pacific Life withdrew an office expansion project. No projects that require a vote have been proposed since 2004.

On July 25, 2006, the City Council adopted a comprehensive update to the General Plan. This update reduced the allowable non-residential development by 449,499 square feet, increased the allowable residential development by 1,166 dwelling units, and reduced peak hour trips by 1,121 in the morning and 958 in the evening. It was determined that this General Plan update was subject to a vote of the people, and it was placed on the ballot as Measure V. A competing measure that was called Measure X (Greenlight II) was placed on the ballot as well. In the election, which was held on November 7, 2006, Measure X failed and Measure V passed by a 54% to 46% margin.

### **CITY OF PLEASANTON – MEASURE PP – 2008**

Measure PP prohibits residential units to be constructed on slopes of 25% or greater, or within 100 vertical feet of a ridgeline. Housing developments with 10 or fewer units are exempt from the Measure PP requirements. After January 1, 2007, properties cannot be subdivided in any way to become exempt from this requirement.

### **CITY OF RANCHO MIRAGE – MEASURE N – 2006**

The City Council placed Measure N on the ballot. The Measure clarifies a 1994 ballot measure that limits most new structures to a maximum of 20 feet or one story. The clarification states that the maximum is both one story and 20 feet, with identified exceptions for larger lots and commercial development.

## **CITY OF REDLANDS – MEASURE U – 1997**

Measure U was approved by the voters on November 4, 1997, certified on December 2, 1997, and became effective on December 12, 1997. Measure U added a section to the City’s General Plan called “Principles of Managed Development”. This section included the following requirements:

1. Development projects must pay 100% of their pro rata share of the cost of infrastructure and services needs generated by the project.
2. Every project that requires a General Plan Amendment, Zoning Amendment, Subdivision Map; Specific Plan, or for projects larger than 5,000 square feet, a Conditional Use Permit, is required to submit a socio-economic analysis and cost-benefit analysis. Project approval is dependent on the study finding that the project will not create unmitigated physical blight or overburden City services, and that the City benefits outweigh the costs. With a 4/5 vote, the City Council can approve a development project that does not meet the socio-economic test if they find that the benefits to the City outweigh the negative socio-economic effects that may result.
3. Development within the City’s planning area and sphere of influence must conform to the development standards imposed within the City.
4. The density standards imposed on residential development cannot be increased, and no new residential land use classification can be added without a vote of the people. No transfer of development rights is permitted with the exception of single-family residential, which can be transferred to create or preserve agricultural, open space, school or park uses.
5. Agricultural land is to be preserved to the greatest extent possible consistent with Proposition R and Measure N that were passed in 1978 and 1987, respectively.
6. Development in San Timoteo must preserve the area in as natural a state as possible.
7. Limitations on traffic levels of service, noise levels and the size of billboards are imposed.

Exemptions to the requirements are provided to the following:

1. Any project that had a vested right prior to the Effective Date of Measure U;

2. Defined “Special Categories of Development”; and
3. Uses that directly further the institutional purposes of churches, hospitals, schools and identified organizations are exempt from traffic level service requirements and the socio-economic study requirement.

## **CITY OF REDONDO BEACH – MEASURE DD - 2008**

Measure DD was approved by the voters on November 4, 2008. Measure DD went into effect on December 16, 2008.

Measure DD is codified in City Charter Section 27. Measure DD requires voter approval for any “Major Change in Allowable Land Use” to the General Plan, including its local coastal element and the City’s zoning ordinance. “Significant Increase” is defined as any project that requires a General Plan amendment that increases traffic by more than 150 trips during the peak hours in the morning or evening; the density increase generated by the project produces more than 25 dwelling units; or 40,000 square feet of commercial area. In addition, Measure DD calculations must be applied to the cumulative amount of development, that required an amendment to the General Plan, that occurred within the same neighborhood within the preceding eight years. Neighborhood is defined as all properties located either entirely or partially within 1,000 feet of any parcel or lot that is subject to a proposed change in allowable land use.

In November 2010, the City placed Measure G on the ballot. Measure G was a proposed change to the Redondo Beach Local Coastal Plan (LCP) and the Zoning Ordinance for the Coastal Plan. The amendment called for major changes in existing policies and development standards. The modifications to the LCP and the Zoning Ordinance allowed for 400,000 square feet of development in the harbor area; 540,000 square feet of development along Catalina Avenue, and the continuation of the AES power plant and the addition of a desalination plant.

Measure G was approved by the voters in November 2010. In October 2012, the City Council selected a developer to undertake the development of a large-scale mixed-use project at King Harbor. In February 2016, a citizens group commenced a signature drive to place an initiative on the ballot to impose stricter limits on development than were imposed by Measure G.

## **CITY OF RIVERSIDE – PROPOSITION R - 1979 AND PROPOSITION C – 1987**

Proposition C was placed on the ballot in 1987 to amend the requirements imposed by Proposition R, which was adopted in 1979. Proposition C was approved by the voters in November 1987, and also went into effect in November 1987.

Proposition R set forth goals and policies for development in a 755-acre area defined and named the La Sierra Lands. In general, Proposition R required the City to apply residential agricultural and residential conservation zoning classifications to the La Sierra Lands. In 1987, Proposition C required the City to adopt a Specific Plan for the La Sierra Lands and further established planning objectives for the Specific Plan. Proposition C also modified the requirements imposed by Proposition R, to delete City Council authority to amend the Ordinance with a 2/3 vote. The modification required any amendment or repeal to the Ordinance to be subject to a vote of the people.

## **CITY OF SANTA BARBARA – MEASURE E – 1989**

Measure E was approved by the voters in November 1989. Measure E went into effect on December 6, 1989. Measure E is codified in City Charter Section 1508. Measure E limits the amount of new non-residential development within the City to 3 million square feet until 2010.

## **COUNTY OF SANTA CRUZ – MEASURE J – 1978**

Measure J was approved by the voters on June 8, 1978. Measure J called for the County to adopt a strong, comprehensive growth management program. Measure J required the Board of Supervisors to pass an implementing program within six months of the Measure's passage. The Measure imposed a requirement that the Board of Supervisors annually set a population growth rate that reflects the County's fair share of the State's growth. Measure J also required the protection of agricultural land, the adoption of an urban/rural boundary and the protection of natural resources. The implementation of Measure J also included a requirement that residential projects with more than five units are required to set-aside 15% of the units for low and moderate income households.

## **CITY OF SANTA PAULA – MEASURE L 2006**

Measure L-6 was approved by the voters on November 7, 2006.

Measure L-6 resulted in an amendment to the Land use Element of the City’s General Plan to subject the following to a vote of the people:

1. Through December 31, 2025, to allow the Land Use Element to be amended to either increase the residential or commercial density, or to intensify land use; and
2. When a development or land use designation on land that either includes 81 or more contiguous acres, or is contiguous to other land for which the City Council had amended the Land Use Element at any time during the preceding five consecutive years when the cumulative acreage exceeds 81 acres.

## **CITY OF SIERRA MADRE – MEASURE V – 2007**

Measure V was approved by the voters on April 17, 2007, and went into effect on April 18, 2007.

Measure V limits projects, in the 30-acre downtown core, to two stories and 30 feet in height. Measure V limits residential development to 13 units per acre before consideration of the density bonus allowed by California Government Code Sections 65915-65918. Any proposed project that exceeds the defined limits requires voter approval.

## **CITY OF SIMI VALLEY – MEASURE N – 2012**

Measure N was approved by the voters on November 6, 2012. Measure N extended the “Managed Growth Plan” that regulates population growth by setting the maximum number of residential building permits that can be issued at 292 units per year. Measure N is a successor to two similar measures that were adopted in 1996 and 1986.

In general, the Managed Growth Plan cannot be amended or repealed without a vote of the people. However, there is a procedure that allows for a 4/5 vote of the City Council following a review by the Neighborhood Councils and the Planning Commission.

## **CITY OF SAN DIEGO – PROPOSITION A – 1985**

Proposition A was approved by the voters in November 1985.

Proposition A requires a vote of the people before either of the following can occur:

1. The land use designation for any property cannot be changed from “future urbanizing” in the Progress Guide and General Plan to any other land use designation; and
2. The provisions restricting development in the “Future Urbanizing Area” cannot be amended.

Future Urbanizing Area is one of three planning areas designated by the City’s General Plan and Progress Guide. The Future Urbanizing Area consist of regions that are reserved fro agricultural uses and open space. These areas accounted for most of the City’s useable, undeveloped land.

During the 10 years following the passage of Proposition A, three measures to approve development were placed on the ballot, and one of these measures passed. Between 1996 and 1998, nine developments were placed on the ballot and seven passed. Since 1998, no developments have been placed on the ballot.

The Future Urbanizing Area designation is an interim designation designed to prevent premature development. The General Plan anticipated that over time the Future Urbanizing Area designation would be shifted to the planned urbanizing tier to accommodate the demand for growth. In 1992, the City adopted the North City Future Urbanizing Area Framework Plan. In 1994, a public vote approved a phase shift to precede completion of subarea plans to move to the planned urbanizing tier. This Plan recognized the impact uncertainty about future land use intensity and location have on sizing and financing an urban level of facilities and services.

## **COUNTY OF VENTURA – SOAR INITIATIVE – 1998**

The County SOAR (Save Open-Space and Agricultural Resources) initiative was enacted on November 3, 1998. The initiative requires countywide voter approval before the Ventura County Board of Supervisors can rezone for development any unincorporated land designated under the County General Plan as open space, agricultural or rural. Voter approval is also needed for changes to a General Plan goals or policies related to those land-use designations. The SOAR regulations expire at the end of 2020. However, a campaign has commenced signature collection for an initiative to place an extension of the SOAR through 2050.

**ATTACHMENT IV**

**CASE STUDY ANALYSIS  
APARTMENT DEVELOPMENT  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA**

**ATTACHMENT IV : EXHIBIT A**

**CASE STUDY ANALYSIS**

**PROPERTY SALES DATA**

ATTACHMENT IV : EXHIBIT A

CASE STUDY ANALYSIS  
 PROPERTY SALES DATA  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. Vacant Land Sales

Land Use	Address	Sale Date	Land Area (SF)	Sales Price	Price Per SF Land
Commercial	2026 Placentia Ave	10/31/2014	33,106	\$2,500,000	\$76
Commercial	125 E. Baker St	9/17/2014	182,952	\$12,300,000	\$67
Industrial	1239 Victoria St	8/31/2015	75,446	\$5,500,000	\$73
Industrial	3370 Harbor Blvd	8/10/2015	174,240	\$6,300,000	\$36
Industrial	2025 Placentia Ave	4/8/2014	40,293	\$2,024,000	\$50
Residential	2880 Mesa Verde Dr E	7/1/2015	90,169	\$4,150,000	\$46
Residential	2015 Anaheim Ave	6/5/2014	61,855	\$5,000,000	\$81
Weighted Average					\$57

II. Improved Retail Property Sales

Building Type	Address	Sale Date	Land Area (SF)	Sales Price	Price Per SF Land	Year Built	Rentable Area	Price/SF Rentable Area
Fast Food	2101 Harbor Blvd	1/14/2016	8,773	\$895,000	\$102	1967	840	\$1,065
Auto Repair	2076 Placentia Ave	10/28/2015	17,145	\$1,775,000	\$104	1969	6,900	\$257
Freestanding Retail	1603 Superior Ave	9/8/2015	16,640	\$1,775,000	\$107	1647	9,500	\$187
Auto Repair	322 E. 17th St	6/30/2015	10,751	\$2,500,000	\$233	1969	3,500	\$714
Retail Storefront	2330-2334 Newport Blvd	6/23/2015	9,017	\$1,295,000	\$144	1956	3,790	\$342
Freestanding Retail	840 W. 19th St	6/19/2015	8,712	\$760,000	\$87	1967	825	\$921
Freestanding Retail	124 E. 17th St	6/2/2015	8,712	\$1,550,000	\$178	1961	2,340	\$662
Auto Repair	3007-3013 Enterprise St	5/14/2015	30,827	\$2,840,000	\$92	1963	9,412	\$302
Freestanding Retail	3089 Bristol St	5/12/2015	56,628	\$6,150,000	\$109	1969	40,000	\$154
Auto Repair	1343 Logan Ave	5/12/2015	30,540	\$1,875,000	\$61	1960	12,020	\$156
Freestanding Retail	2710 Harbor Blvd	4/15/2015	30,056	\$3,850,000	\$128	1972	11,136	\$346
Weighted Average					\$111			\$252

Note: Sales data from 3/22/2014 - 3/22/2016; Sales covering the City of Costa Mesa; Multi-property sales, non-arms length transactions, and transactions without a sales price were excluded.

Source: Costar 3/2016

**ATTACHMENT IV: EXHIBIT B**

**CASE STUDY ANALYSIS**

**PRO FORMA ANALYSIS: APARTMENT DEVELOPMENT**

ATTACHMENT IV: EXHIBIT B - TABLE 1

ESTIMATED CONSTRUCTION COSTS  
CASE STUDY ANALYSIS  
APARTMENT DEVELOPMENT  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

<b>I. Direct Costs</b>					
On-Site Costs	180,774	Sf	\$7.00 /Sf of Land	\$1,265,000	
Structured Parking	500	Spaces	\$15,000 /Space	7,500,000	
Residential Building Costs	228,275	Sf of GBA	\$100 /Sf	22,828,000	
Contractor/DC Contingency Allowance	14.0%	Other Direct Costs		4,423,000	
<b>Total Direct Costs</b>				<b>\$36,016,000</b>	
<b>II. Indirect Costs</b>					
Arch, Engineering & Consulting	8.0%	Direct Costs		\$2,881,000	
Public Permits & Fees	1	225	Units	\$15,000 /Unit	3,375,000
Taxes, Legal & Accounting	2.0%	Direct Costs		720,000	
Insurance	225	Units	\$2,500 /Unit	563,000	
Marketing / Leasing	225	Units	\$500 /Unit	113,000	
Developer Fee	5.0%	Direct Costs		1,801,000	
Soft Cost Contingency Allowance	5.0%	Other Indirect Costs		473,000	
<b>Total Indirect Costs</b>				<b>\$9,926,000</b>	
<b>III. Financing Costs</b>					
Interest During Construction					
Land	2	18,452,000	Cost	7.0% Interest	1,937,000
Construction	3	\$52,512,000	Cost	7.0% Interest	3,308,000
Loan Origination Fees	4	\$66,234,000	Loan	2.00 Points	1,325,000
<b>Total Financing Costs</b>				<b>\$6,570,000</b>	
<b>IV. Total Construction Cost</b>	<b>228,275</b>	<b>Sf of GBA</b>	<b>\$230 /Sf</b>	<b>\$52,512,000</b>	

<sup>1</sup> Based on typical residential public permits and fees costs.

<sup>2</sup> Assumes an 18 month construction period and a 100% average outstanding balance.

<sup>3</sup> Assumes an 18 month construction period and a 60% average outstanding balance.

<sup>4</sup> Based on a 70% loan to value ratio. The value is calculated based on a 4.5% capitalization rate.

ATTACHMENT IV: EXHIBIT B - TABLE 2

STABILIZED NET OPERATING INCOME  
CASE STUDY ANALYSIS  
APARTMENT DEVELOPMENT  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

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<b>I.</b>	<b><u>Rental Income</u></b>	1			
	1 Bdrm/1 Bath		140 Units @	\$2,250 /Month	\$3,780,000
	2 Bdrm/2 Bath		85 Units @	\$3,025 /Month	3,085,500
	Laundry/Miscellaneous Income		225 Units @	\$15 /Month	40,500
	<b>Gross Income</b>				\$6,906,000
	(Less) Vacancy & Collection Allowance		5.0% Gross Income		<u>(345,300)</u>
	<b>Residential Effective Gross Income</b>				\$6,560,700
<b>II.</b>	<b><u>Operating Expenses</u></b>				
	General Operating Expenses		225 Units @	\$4,000 /Unit	\$900,000
	Property Management		5% Residential Effective Gross Income		328,000
	Property Taxes	2	225 Units @	\$4,627 /Unit	1,041,000
	Reserves Deposits		225 Units @	\$150 /Unit	<u>33,800</u>
	<b>Total Operating Expenses</b>		225 Units @	(\$8,777) /Unit	(\$2,302,800)
<b>IV.</b>	<b>Stabilized Net Operating Income</b>				<b>\$4,257,900</b>

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<sup>1</sup> Rents range from \$2.75 to \$3.00/Sf of GLA.

<sup>2</sup> Based on a 4.5% capitalization rate and a 1.1% property tax rate.

ATTACHMENT IV: EXHIBIT B - TABLE 3

ESTIMATED LAND VALUE  
CASE STUDY ANALYSIS  
APARTMENT DEVELOPMENT  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

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I.	<b><u>Supportable Private Investment</u></b>			
	Stabilized Net Operating Income	See ATTACHMENT IV: EXHIBIT B - TABLE 2	\$4,257,900	
	Threshold Return on Cost		6.0%	
	<b>Total Supportable Private Investment</b>			\$70,965,000
II.	<b>Total Construction Cost</b>	See ATTACHMENT IV: EXHIBIT B - TABLE 1		\$52,512,000
III.	<b>Estimated Land Value</b>	180,774 Sf of Land	\$102 /Sf of Land	\$18,453,000

**ATTACHMENT V**

**FISCAL & ECONOMIC IMPACT ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA**

**ATTACHMENT V: EXHIBIT A-1**

**HARBOR MIXED-USE OVERLAY: CURRENT GENERAL PLAN**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT A-1 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 HARBOR MIXED-USE OVERLAY: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Residential Population**

Number of Units	13
Average Number of Persons Per Unit	2.50

**Total Residential Population**

**33**

II. **Employment Population**

A. **General Retail**

Gross Building Area	337,500	
Estimated Square Feet Per Employee	<u>500</u>	
Estimated Number of Employees		675
Employment Based Resident Equivalent		<u>24%</u>
<b>Estimated General Retail Employees</b>		<b>162</b>

B. **Office**

Gross Building Area		
Estimated Square Feet Per Employee	<u>326</u>	
Estimated Number of Employees		0
Employment Based Resident Equivalent		<u>24%</u>
<b>Estimated Office Employees</b>		<b>0</b>

**Total Employment Population**

**162**

III. **Visitor Population (Motel Guests)**

Number of Rooms		
Visitors Per Room	1.75	
Average Occupancy Rate	<u>40%</u>	
Estimated Number of Visitors		0
Visitor Conversion to Resident Equivalent		75%

**Total Visitor Population (Motel Guests)**

**0**

IV. **Total Population (Full-Time Equivalents)**

**195**

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT A-1 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
HARBOR MIXED-USE OVERLAY: CURRENT GENERAL PLAN  
FISCAL & ECONOMIC IMPACT ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	13 Units		\$675,000 /Unit	\$8,775,000
General Retail	337,500 Sq. Ft.		\$200 /Sq. Ft.	67,500,000
Office	0 Sq. Ft.		\$150 /Sq. Ft.	0
Motels	0 Rooms		\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$76,275,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$953,400</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$139,700</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup> 13 Units		\$11,879 /Unit	\$154,400
General Commercial	337,500 Sq. Ft.		\$400 /Sq. Ft.	135,000,000
<b>Total Taxable Sales</b>				<b>\$135,154,400</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$1,351,500</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup> 0 Rooms		\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
--	------------

IV. **Other Revenues**

Electric Franchise Fee	195 R+E+V		\$9.57 /Person	\$1,900
Cable Television Franchise Fee	33 Residents		\$11.74 /Person	400
Gas Franchise Fee	195 R+E+V		\$1.88 /Person	400
Solid Waste Hauler Franchise Fee	195 R+E+V		\$14.63 /Person	2,900
Business License	162 Employees		\$10.80 /Person	1,700
Licenses and Permits	33 Residents		\$1.26 /Person	0
Fines & Forfeitures	195 R+E+V		\$8.95 /Person	1,700
Fees and Charges	33 Residents		\$18.30 /Person	600
Other Government Agencies	33 Residents		\$9.44 /Person	300

<b>Total Other Revenues</b>	<b>\$9,900</b>
-----------------------------	----------------

<b>V. Total Annual General Fund Revenues</b>	<b>\$1,501,100</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT A-1 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
HARBOR MIXED-USE OVERLAY: CURRENT GENERAL PLAN  
FISCAL & ECONOMIC IMPACT ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	195	R+E+V	\$305.75	/Person	\$59,600
Fire	28.79	Incidents	\$3,145	/Incident	90,500
Parks	33	Residents	\$8.46	/Person	300
Development Services	195	R+E+V	\$19.28	/Person	3,800
Public Services	195	R+E+V	\$83.27	/Person	16,200
Administrative Overhead	32.68%	Other General Fund Expenditures			55,700

<b>Total Annual Expenditures</b>	<b>\$110,800</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$1,501,100
(Less) Total Annual Expenditures	(\$110,800)

<b>Net Fiscal Impact</b>	<b>\$1,390,300</b>
--------------------------	--------------------

III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	162	Direct Jobs	1.1917	Multiplier	193
Office	0	Direct Jobs	1.7165	Multiplier	0

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>193</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$7,374,400
Office	\$89,400	Average Salary	1.7707	Multiplier	0

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$7,374,400</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT A-2**

**HARBOR MIXED-USE OVERLAY: GENERAL PLAN UPDATE**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT A-2 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
HARBOR MIXED-USE OVERLAY: GENERAL PLAN UPDATE  
FISCAL & ECONOMIC IMPACT ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

<b>I. <u>Residential Population</u></b>			
Number of Units		491	
Average Number of Persons Per Unit		2.50	
<b>Total Residential Population</b>			<b>1,228</b>
<b>II. <u>Employment Population</u></b>			
<b>A. <u>General Retail</u></b>			
Gross Building Area		321,000	
Estimated Square Feet Per Employee	<sup>1</sup>	<u>500</u>	
Estimated Number of Employees		642	
Employment Based Resident Equivalent		<u>24%</u>	
<b>Estimated General Retail Employees</b>			<b>154</b>
<b>B. <u>Office</u></b>			
Gross Building Area			
Estimated Square Feet Per Employee	<sup>2</sup>	<u>326</u>	
Estimated Number of Employees		0	
Employment Based Resident Equivalent		<u>24%</u>	
<b>Estimated Office Employees</b>			<b>0</b>
 <b>Total Employment Population</b>			 <b>154</b>
<b>III. <u>Visitor Population (Motel Guests)</u></b>			
Number of Rooms			
Visitors Per Room		1.75	
Average Occupancy Rate		<u>40%</u>	
Estimated Number of Visitors		0	
Visitor Conversion to Resident Equivalent		75%	
 <b>Total Visitor Population (Motel Guests)</b>			 <b>0</b>
<b>IV. <u>Total Population (Full-Time Equivalents)</u></b>			<b>1,382</b>

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT A-2 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
HARBOR MIXED-USE OVERLAY: GENERAL PLAN UPDATE  
FISCAL & ECONOMIC IMPACT ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	491	Units	\$675,000 /Unit	\$331,425,000
General Retail	321,000	Sq. Ft.	\$200 /Sq. Ft.	64,200,000
Office	0	Sq. Ft.	\$150 /Sq. Ft.	0
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$395,625,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$4,945,300</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$724,700</b>
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II. **Sales Tax Revenue**

Taxable Sales					
Taxable Sales Generated by Residents	1	491	Units	\$11,879 /Unit	\$5,832,800
General Commercial		321,000	Sq. Ft.	\$400 /Sq. Ft.	128,400,000
<b>Total Taxable Sales</b>					<b>\$134,232,800</b>
Sales Tax Rate					1.0%

<b>Total Sales Tax Revenue</b>	<b>\$1,342,300</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	2	0	Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate					8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	1,382	R+E+V	\$9.57 /Person	\$13,200
Cable Television Franchise Fee	1,228	Residents	\$11.74 /Person	14,400
Gas Franchise Fee	1,382	R+E+V	\$1.88 /Person	2,600
Solid Waste Hauler Franchise Fee	1,382	R+E+V	\$14.63 /Person	20,200
Business License	154	Employees	\$10.80 /Person	1,700
Licenses and Permits	1,228	Residents	\$1.26 /Person	1,500
Fines & Forfeitures	1,382	R+E+V	\$8.95 /Person	12,400
Fees and Charges	1,228	Residents	\$18.30 /Person	22,500
Other Government Agencies	1,228	Residents	\$9.44 /Person	11,600

<b>Total Other Revenues</b>	<b>\$100,100</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$2,167,100</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT A-2 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
HARBOR MIXED-USE OVERLAY: GENERAL PLAN UPDATE  
FISCAL & ECONOMIC IMPACT ANALYSIS  
ELECTION CODE 9212 REPORT  
COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	1,382	R+E+V	\$305.75	/Person	\$422,500
Fire	70.79	Incidents	\$3,145	/Incident	222,600
Parks	1,228	Residents	\$8.46	/Person	10,400
Development Services	1,382	R+E+V	\$19.28	/Person	26,600
Public Services	1,382	R+E+V	\$83.27	/Person	115,100
Administrative Overhead	32.68%	Other General Fund Expenditures			260,500

<b>Total Annual Expenditures</b>	<b>\$374,700</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$2,167,100
(Less) Total Annual Expenditures	<u>(\$374,700)</u>

<b>Net Fiscal Impact</b>	<b>\$1,792,400</b>
--------------------------	--------------------

III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	154	Direct Jobs	1.1917	Multiplier	184
Office	0	Direct Jobs	1.7165	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>184</b>
---	------------

B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$7,010,200
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$7,010,200</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT B-1**

**RESIDENTIAL INCENTIVE - HARBOR: CURRENT GENERAL PLAN**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT B-1 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 RESIDENTIAL INCENTIVE - HARBOR: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

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I. **Residential Population**

Number of Units	84
Average Number of Persons Per Unit	2.50

**Total Residential Population** **210**

II. **Employment Population**

A. **General Retail**

Gross Building Area	356,800	
Estimated Square Feet Per Employee	<sup>1</sup> 500	
Estimated Number of Employees		714
Employment Based Resident Equivalent		24%
<b>Estimated General Retail Employees</b>		<b>171</b>

B. **Office**

Gross Building Area		
Estimated Square Feet Per Employee	<sup>2</sup> 326	
Estimated Number of Employees		0
Employment Based Resident Equivalent		24%
<b>Estimated Office Employees</b>		<b>0</b>

**Total Employment Population** **171**

III. **Visitor Population (Motel Guests)**

Number of Rooms		
Visitors Per Room	1.75	
Average Occupancy Rate	40%	
Estimated Number of Visitors		0
Visitor Conversion to Resident Equivalent		75%

**Total Visitor Population (Motel Guests)** **0**

<b>IV.</b>	<b>Total Population (Full-Time Equivalents)</b>	<b>381</b>
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<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.  
<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT B-1 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 RESIDENTIAL INCENTIVE - HARBOR: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	84 Units		\$675,000 /Unit	\$56,700,000
General Retail	356,800 Sq. Ft.		\$200 /Sq. Ft.	71,360,000
Office	0 Sq. Ft.		\$150 /Sq. Ft.	0
Motels	0 Rooms		\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$128,060,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$1,600,800</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$234,600</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup> 84 Units		\$11,879 /Unit	\$997,900
General Commercial	356,800 Sq. Ft.		\$400 /Sq. Ft.	142,720,000
<b>Total Taxable Sales</b>				<b>\$143,717,900</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$1,437,200</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup> 0 Rooms		\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	381 R+E+V		\$9.57 /Person	\$3,600
Cable Television Franchise Fee	210 Residents		\$11.74 /Person	2,500
Gas Franchise Fee	381 R+E+V		\$1.88 /Person	700
Solid Waste Hauler Franchise Fee	381 R+E+V		\$14.63 /Person	5,600
Business License	171 Employees		\$10.80 /Person	1,800
Licenses and Permits	210 Residents		\$1.26 /Person	300
Fines & Forfeitures	381 R+E+V		\$8.95 /Person	3,400
Fees and Charges	210 Residents		\$18.30 /Person	3,800
Other Government Agencies	210 Residents		\$9.44 /Person	2,000

<b>Total Other Revenues</b>	<b>\$23,700</b>
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<b>V. Total Annual General Fund Revenues</b>	<b>\$1,695,500</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT B-1 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 RESIDENTIAL INCENTIVE - HARBOR: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	381	R+E+V	\$305.75	/Person	\$116,500
Fire	36.81	Incidents	\$3,145	/Incident	115,800
Parks	210	Residents	\$8.46	/Person	1,800
Development Services	381	R+E+V	\$19.28	/Person	7,300
Public Services	381	R+E+V	\$83.27	/Person	31,700
Administrative Overhead	32.68%	Other General Fund Expenditures			89,200

<b>Total Annual Expenditures</b>	<b>\$156,600</b>
----------------------------------	------------------

II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$1,695,500
(Less) Total Annual Expenditures	(\$156,600)

<b>Net Fiscal Impact</b>	<b>\$1,538,900</b>
--------------------------	--------------------

III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	171	Direct Jobs	1.1917	Multiplier	204
Office	0	Direct Jobs	1.7165	Multiplier	0

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>204</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$7,784,100
Office	\$89,400	Average Salary	1.7707	Multiplier	0

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$7,784,100</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT B-2**

**RESIDENTIAL INCENTIVE - HARBOR: GENERAL PLAN UPDATE**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT B-2 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 RESIDENTIAL INCENTIVE - HARBOR: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Residential Population**

Number of Units	1,063
Average Number of Persons Per Unit	2.50

**Total Residential Population** **2,658**

II. **Employment Population**

A. **General Retail**

Gross Building Area	178,400	
Estimated Square Feet Per Employee	<sup>1</sup> 500	
Estimated Number of Employees		357
Employment Based Resident Equivalent		24%
<b>Estimated General Retail Employees</b>		<b>86</b>

B. **Office**

Gross Building Area		
Estimated Square Feet Per Employee	<sup>2</sup> 326	
Estimated Number of Employees		0
Employment Based Resident Equivalent		24%
<b>Estimated Office Employees</b>		<b>0</b>

**Total Employment Population** **86**

III. **Visitor Population (Motel Guests)**

Number of Rooms		
Visitors Per Room	1.75	
Average Occupancy Rate	40%	
Estimated Number of Visitors		0
Visitor Conversion to Resident Equivalent		75%

**Total Visitor Population (Motel Guests)** **0**

IV. **Total Population (Full-Time Equivalents)** **2,744**

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT B-2 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 RESIDENTIAL INCENTIVE - HARBOR: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	1,063	Units	\$675,000 /Unit	\$717,525,000
General Retail	178,400	Sq. Ft.	\$200 /Sq. Ft.	35,680,000
Office	0	Sq. Ft.	\$150 /Sq. Ft.	0
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$753,205,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$9,415,100</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$1,379,700</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup>	1,063 Units	\$11,879 /Unit	\$12,627,800
General Commercial		178,400 Sq. Ft.	\$400 /Sq. Ft.	71,360,000
<b>Total Taxable Sales</b>				<b>\$83,987,800</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$839,900</b>
--------------------------------	------------------

III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup>	0 Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	2,744	R+E+V	\$9.57 /Person	\$26,300
Cable Television Franchise Fee	2,658	Residents	\$11.74 /Person	31,200
Gas Franchise Fee	2,744	R+E+V	\$1.88 /Person	5,200
Solid Waste Hauler Franchise Fee	2,744	R+E+V	\$14.63 /Person	40,100
Business License	86	Employees	\$10.80 /Person	900
Licenses and Permits	2,658	Residents	\$1.26 /Person	3,300
Fines & Forfeitures	2,744	R+E+V	\$8.95 /Person	24,600
Fees and Charges	2,658	Residents	\$18.30 /Person	48,600
Other Government Agencies	2,658	Residents	\$9.44 /Person	25,100

<b>Total Other Revenues</b>	<b>\$205,300</b>
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<b>V. Total Annual General Fund Revenues</b>	<b>\$2,424,900</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT B-2 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 RESIDENTIAL INCENTIVE - HARBOR: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	2,744	R+E+V	\$305.75	/Person	\$839,000
Fire	111.01	Incidents	\$3,145	/Incident	349,100
Parks	2,658	Residents	\$8.46	/Person	22,500
Development Services	2,744	R+E+V	\$19.28	/Person	52,900
Public Services	2,744	R+E+V	\$83.27	/Person	228,500
Administrative Overhead	32.68%	Other General Fund Expenditures			487,600

<b>Total Annual Expenditures</b>	<b>\$653,000</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$2,424,900
(Less) Total Annual Expenditures	<u>(\$653,000)</u>

<b>Net Fiscal Impact</b>	<b>\$1,771,900</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	86	Direct Jobs	1.1917	Multiplier	102
Office	0	Direct Jobs	1.7165	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>102</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$3,914,800
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$3,914,800</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT C-1**

**RESIDENTIAL INCENTIVE - NEWPORT: CURRENT GENERAL PLAN**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT C-1 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 RESIDENTIAL INCENTIVE - NEWPORT: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Residential Population**

Number of Units	237
Average Number of Persons Per Unit	2.50

**Total Residential Population**

**593**

II. **Employment Population**

A. **General Retail**

Gross Building Area	582,200	
Estimated Square Feet Per Employee	<u>1</u> 500	
Estimated Number of Employees		1,164
Employment Based Resident Equivalent		<u>24%</u>
<b>Estimated General Retail Employees</b>		<b>279</b>

B. **Office**

Gross Building Area		
Estimated Square Feet Per Employee	<u>2</u> 326	
Estimated Number of Employees		0
Employment Based Resident Equivalent		<u>24%</u>
<b>Estimated Office Employees</b>		<b>0</b>

**Total Employment Population**

**279**

III. **Visitor Population (Motel Guests)**

Number of Rooms		
Visitors Per Room	1.75	
Average Occupancy Rate	<u>40%</u>	
Estimated Number of Visitors		0
Visitor Conversion to Resident Equivalent		75%

**Total Visitor Population (Motel Guests)**

**0**

IV. **Total Population (Full-Time Equivalents)**

**872**

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT C-1 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 RESIDENTIAL INCENTIVE - NEWPORT: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	237	Units	\$675,000 /Unit	\$159,975,000
General Retail	582,200	Sq. Ft.	\$200 /Sq. Ft.	116,440,000
Office	0	Sq. Ft.	\$150 /Sq. Ft.	0
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$276,415,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$3,455,200</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$506,300</b>
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II. **Sales Tax Revenue**

Taxable Sales					
Taxable Sales Generated by Residents	1	237	Units	\$11,879 /Unit	\$2,815,400
General Commercial		582,200	Sq. Ft.	\$400 /Sq. Ft.	232,880,000
<b>Total Taxable Sales</b>					<b>\$235,695,400</b>
Sales Tax Rate					1.0%

<b>Total Sales Tax Revenue</b>	<b>\$2,357,000</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	2	0	Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate					8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
--	------------

IV. **Other Revenues**

Electric Franchise Fee	872	R+E+V	\$9.57 /Person	\$8,300
Cable Television Franchise Fee	593	Residents	\$11.74 /Person	7,000
Gas Franchise Fee	872	R+E+V	\$1.88 /Person	1,600
Solid Waste Hauler Franchise Fee	872	R+E+V	\$14.63 /Person	12,800
Business License	279	Employees	\$10.80 /Person	3,000
Licenses and Permits	593	Residents	\$1.26 /Person	700
Fines & Forfeitures	872	R+E+V	\$8.95 /Person	7,800
Fees and Charges	593	Residents	\$18.30 /Person	10,900
Other Government Agencies	593	Residents	\$9.44 /Person	5,600

<b>Total Other Revenues</b>	<b>\$57,700</b>
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<b>V. Total Annual General Fund Revenues</b>	<b>\$2,921,000</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT C-1 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 RESIDENTIAL INCENTIVE - NEWPORT: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	872	R+E+V	\$305.75	/Person	\$266,600
Fire	69.12	Incidents	\$3,145	/Incident	217,400
Parks	593	Residents	\$8.46	/Person	5,000
Development Services	872	R+E+V	\$19.28	/Person	16,800
Public Services	872	R+E+V	\$83.27	/Person	72,600
Administrative Overhead	32.68%	Other General Fund Expenditures			189,000

<b>Total Annual Expenditures</b>	<b>\$311,800</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$2,921,000
(Less) Total Annual Expenditures	<u>(\$311,800)</u>

<b>Net Fiscal Impact</b>	<b>\$2,609,200</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	279	Direct Jobs	1.1917	Multiplier	332
Office	0	Direct Jobs	1.7165	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>332</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$12,700,400
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$12,700,400</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT C-2**

**LA TIMES SITE: GENERAL PLAN UPDATE**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT C-2 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 LA TIMES SITE: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

<b>I. <u>Residential Population</u></b>			
Number of Units		1,210	
Average Number of Persons Per Unit		2.50	
<b>Total Residential Population</b>			<b>3,025</b>
<b>II. <u>Employment Population</u></b>			
<b>A. <u>General Retail</u></b>			
Gross Building Area		291,100	
Estimated Square Feet Per Employee	<sup>1</sup>	<u>500</u>	
Estimated Number of Employees		582	
Employment Based Resident Equivalent		<u>24%</u>	
<b>Estimated General Retail Employees</b>			<b>140</b>
<b>B. <u>Office</u></b>			
Gross Building Area			
Estimated Square Feet Per Employee	<sup>2</sup>	<u>326</u>	
Estimated Number of Employees		0	
Employment Based Resident Equivalent		<u>24%</u>	
<b>Estimated Office Employees</b>			<b>0</b>
 <b>Total Employment Population</b>			 <b>140</b>
<b>III. <u>Visitor Population (Motel Guests)</u></b>			
Number of Rooms			
Visitors Per Room		1.75	
Average Occupancy Rate		<u>40%</u>	
Estimated Number of Visitors		0	
Visitor Conversion to Resident Equivalent		75%	
 <b>Total Visitor Population (Motel Guests)</b>			 <b>0</b>
<b>IV. <u>Total Population (Full-Time Equivalents)</u></b>			<b>3,165</b>

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT C-2 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 LA TIMES SITE: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	1,210	Units	\$675,000 /Unit	\$816,750,000
General Retail	291,100	Sq. Ft.	\$200 /Sq. Ft.	58,220,000
Office	0	Sq. Ft.	\$150 /Sq. Ft.	0
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$874,970,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$10,937,100</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$1,602,700</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup>	1,210 Units	\$11,879 /Unit	\$14,374,100
General Commercial		291,100 Sq. Ft.	\$400 /Sq. Ft.	116,440,000
<b>Total Taxable Sales</b>				<b>\$130,814,100</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$1,308,100</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup>	0 Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	3,165	R+E+V	\$9.57 /Person	\$30,300
Cable Television Franchise Fee	3,025	Residents	\$11.74 /Person	35,500
Gas Franchise Fee	3,165	R+E+V	\$1.88 /Person	6,000
Solid Waste Hauler Franchise Fee	3,165	R+E+V	\$14.63 /Person	46,300
Business License	140	Employees	\$10.80 /Person	1,500
Licenses and Permits	3,025	Residents	\$1.26 /Person	3,800
Fines & Forfeitures	3,165	R+E+V	\$8.95 /Person	28,300
Fees and Charges	3,025	Residents	\$18.30 /Person	55,400
Other Government Agencies	3,025	Residents	\$9.44 /Person	28,600

<b>Total Other Revenues</b>	<b>\$235,700</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$3,146,500</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT C-2 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 LA TIMES SITE: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	3,165	R+E+V	\$305.75	/Person	\$967,700
Fire	133.56	Incidents	\$3,145	/Incident	420,000
Parks	3,025	Residents	\$8.46	/Person	25,600
Development Services	3,165	R+E+V	\$19.28	/Person	61,000
Public Services	3,165	R+E+V	\$83.27	/Person	263,500
Administrative Overhead	32.68%	Other General Fund Expenditures			567,900

<b>Total Annual Expenditures</b>	<b>\$770,100</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$3,146,500
(Less) Total Annual Expenditures	<u>(\$770,100)</u>

<b>Net Fiscal Impact</b>	<b>\$2,376,400</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	140	Direct Jobs	1.1917	Multiplier	167
Office	0	Direct Jobs	1.7165	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>167</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$6,372,900
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$6,372,900</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT D-1**

**LA TIMES SITE: CURRENT GENERAL PLAN**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT D-1 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 LA TIMES SITE: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

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I. **Residential Population**

Number of Units

Average Number of Persons Per Unit

**Total Residential Population**

**0**

II. **Employment Population**

A. **General Retail**

Gross Building Area

Estimated Square Feet Per Employee

<sup>1</sup> 500

Estimated Number of Employees

0

Employment Based Resident Equivalent

24%

**Estimated General Retail Employees**

0

B. **Manufacturing**

Gross Building Area

374,000

Estimated Square Feet Per Employee

<sup>2</sup> 300

Estimated Number of Employees

1,247

Employment Based Resident Equivalent

24%

**Estimated Manufacturing Employees**

299

**Total Employment Population**

**299**

III. **Visitor Population (Motel Guests)**

Number of Rooms

Visitors Per Room

1.75

Average Occupancy Rate

40%

Estimated Number of Visitors

0

Visitor Conversion to Resident Equivalent

75%

**Total Visitor Population (Motel Guests)**

**0**

IV. **Total Population (Full-Time Equivalents)**

**299**

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<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT D-1 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 LA TIMES SITE: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	0	Units	/Unit	\$0
General Retail	0	Sq. Ft.	\$200 /Sq. Ft.	0
Office	374,000	Sq. Ft.	\$150 /Sq. Ft.	56,100,000
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$56,100,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$701,300</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$102,800</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	1	0	Units	/Unit
General Commercial		0	Sq. Ft.	\$400 /Sq. Ft.
<b>Total Taxable Sales</b>				<b>\$0</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$0</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	2	0	Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate					8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	299	R+E+V	\$9.57 /Person	\$2,900
Cable Television Franchise Fee	0	Residents	\$11.74 /Person	0
Gas Franchise Fee	299	R+E+V	\$1.88 /Person	600
Solid Waste Hauler Franchise Fee	299	R+E+V	\$14.63 /Person	4,400
Business License	299	Employees	\$10.80 /Person	3,200
Licenses and Permits	0	Residents	\$1.26 /Person	0
Fines & Forfeitures	299	R+E+V	\$8.95 /Person	2,700
Fees and Charges	0	Residents	\$18.30 /Person	0
Other Government Agencies	0	Residents	\$9.44 /Person	0

<b>Total Other Revenues</b>	<b>\$13,800</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$116,600</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT D-1 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 LA TIMES SITE: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	299	R+E+V	\$305.75	/Person	\$91,400
Fire	6.10	Incidents	\$3,145	/Incident	19,200
Parks	0	Residents	\$8.46	/Person	0
Development Services	299	R+E+V	\$19.28	/Person	5,800
Public Services	299	R+E+V	\$83.27	/Person	24,900
Administrative Overhead	32.68%	Other General Fund Expenditures			46,200

<b>Total Annual Expenditures</b>	<b>\$49,900</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$116,600
(Less) Total Annual Expenditures	(\$49,900)

<b>Net Fiscal Impact</b>	<b>\$66,700</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	0	Direct Jobs	1.1917	Multiplier	0
Manufacturing	299	Direct Jobs	1.7286	Multiplier	517

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>517</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$0
Manufacturing	\$34,100	Average Salary	1.6638	Multiplier	16,963,800

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$16,963,800</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT D-2**

**LA TIMES SITE: GENERAL PLAN UPDATE**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT D-2 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 LA TIMES SITE: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

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I. **Residential Population**

Number of Units  
 Average Number of Persons Per Unit

**Total Residential Population** **0**

II. **Employment Population**

A. **General Retail**

Gross Building Area		165,800			
Estimated Square Feet Per Employee	<sup>1</sup>	500			
Estimated Number of Employees				332	
Employment Based Resident Equivalent				24%	
<b>Estimated General Retail Employees</b>					<b>80</b>

B. **Office**

Gross Building Area		458,600			
Estimated Square Feet Per Employee	<sup>2</sup>	326			
Estimated Number of Employees				1,406	
Employment Based Resident Equivalent				24%	
<b>Estimated Office Employees</b>					<b>337</b>

**Total Employment Population** **417**

III. **Visitor Population (Motel Guests)**

Number of Rooms					
Visitors Per Room		1.75			
Average Occupancy Rate		40%			
Estimated Number of Visitors				0	
Visitor Conversion to Resident Equivalent				75%	

**Total Visitor Population (Motel Guests)** **0**

<b>IV. Total Population (Full-Time Equivalents)</b>	<b>417</b>
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<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.  
<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT D-2 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 LA TIMES SITE: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	0	Units	/Unit	\$0
General Retail	165,800	Sq. Ft.	\$200 /Sq. Ft.	33,160,000
Office	458,600	Sq. Ft.	\$150 /Sq. Ft.	68,790,000
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$101,950,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$1,274,400</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$186,700</b>
-----------------------------------	------------------

II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	1	0	Units	/Unit
General Commercial		165,800	Sq. Ft.	\$400 /Sq. Ft.
<b>Total Taxable Sales</b>				<b>\$66,320,000</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$663,200</b>
--------------------------------	------------------

III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	2	0	Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate					8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
--	------------

IV. **Other Revenues**

Electric Franchise Fee	417	R+E+V	\$9.57 /Person	\$4,000
Cable Television Franchise Fee	0	Residents	\$11.74 /Person	0
Gas Franchise Fee	417	R+E+V	\$1.88 /Person	800
Solid Waste Hauler Franchise Fee	417	R+E+V	\$14.63 /Person	6,100
Business License	417	Employees	\$10.80 /Person	4,500
Licenses and Permits	0	Residents	\$1.26 /Person	0
Fines & Forfeitures	417	R+E+V	\$8.95 /Person	3,700
Fees and Charges	0	Residents	\$18.30 /Person	0
Other Government Agencies	0	Residents	\$9.44 /Person	0

<b>Total Other Revenues</b>	<b>\$19,100</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$869,000</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT D-2 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 LA TIMES SITE: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	417	R+E+V	\$305.75	/Person	\$127,500
Fire	40.67	Incidents	\$3,145	/Incident	127,900
Parks	0	Residents	\$8.46	/Person	0
Development Services	417	R+E+V	\$19.28	/Person	8,000
Public Services	417	R+E+V	\$83.27	/Person	34,700
Administrative Overhead	32.68%	Other General Fund Expenditures			97,400

<b>Total Annual Expenditures</b>	<b>\$170,600</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$869,000
(Less) Total Annual Expenditures	(\$170,600)

<b>Net Fiscal Impact</b>	<b>\$698,400</b>
--------------------------	------------------

III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	80	Direct Jobs	1.1917	Multiplier	95
Office	337	Direct Jobs	1.7165	Multiplier	578

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>673</b>
---	------------

B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$3,641,700
Office	\$89,400	Average Salary	1.7707	Multiplier	53,348,000

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$56,989,700</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT E-1**

**SOBECA: CURRENT GENERAL PLAN**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT E-1 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 SOBECA: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

---

I. **Residential Population**

Number of Units

Average Number of Persons Per Unit

**Total Residential Population**

**0**

II. **Employment Population**

A. **General Retail**

Gross Building Area

147,300

Estimated Square Feet Per Employee

<sup>1</sup> 500

Estimated Number of Employees

295

Employment Based Resident Equivalent

24%

**Estimated General Retail Employees**

71

B. **Light Industry**

Gross Building Area

458,600

Estimated Square Feet Per Employee

<sup>2</sup> 470

Estimated Number of Employees

976

Employment Based Resident Equivalent

24%

**Estimated Light Industry Employees**

234

**Total Employment Population**

**305**

III. **Visitor Population (Motel Guests)**

Number of Rooms

Visitors Per Room

1.75

Average Occupancy Rate

40%

Estimated Number of Visitors

0

Visitor Conversion to Resident Equivalent

75%

**Total Visitor Population (Motel Guests)**

**0**

IV. **Total Population (Full-Time Equivalents)**

**305**

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<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT E-1 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 SOBECA: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	0	Units	/Unit	\$0
General Retail	147,300	Sq. Ft.	\$200 /Sq. Ft.	29,460,000
Office	458,600	Sq. Ft.	\$150 /Sq. Ft.	68,790,000
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$98,250,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$1,228,100</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$180,000</b>
-----------------------------------	------------------

II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	1	0	Units	/Unit
General Commercial		147,300	Sq. Ft.	\$400 /Sq. Ft.
<b>Total Taxable Sales</b>				<b>\$58,920,000</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$589,200</b>
--------------------------------	------------------

III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	2	0	Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate					8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
--	------------

IV. **Other Revenues**

Electric Franchise Fee	305	R+E+V	\$9.57 /Person	\$2,900
Cable Television Franchise Fee	0	Residents	\$11.74 /Person	0
Gas Franchise Fee	305	R+E+V	\$1.88 /Person	600
Solid Waste Hauler Franchise Fee	305	R+E+V	\$14.63 /Person	4,500
Business License	305	Employees	\$10.80 /Person	3,300
Licenses and Permits	0	Residents	\$1.26 /Person	0
Fines & Forfeitures	305	R+E+V	\$8.95 /Person	2,700
Fees and Charges	0	Residents	\$18.30 /Person	0
Other Government Agencies	0	Residents	\$9.44 /Person	0

<b>Total Other Revenues</b>	<b>\$14,000</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$783,200</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT E-1 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 SOBECA: CURRENT GENERAL PLAN  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	305	R+E+V	\$305.75	/Person	\$93,300
Fire	17.65	Incidents	\$3,145	/Incident	55,500
Parks	0	Residents	\$8.46	/Person	0
Development Services	305	R+E+V	\$19.28	/Person	5,900
Public Services	305	R+E+V	\$83.27	/Person	25,400
Administrative Overhead	32.68%	Other General Fund Expenditures			58,900

<b>Total Annual Expenditures</b>	<b>\$86,800</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$783,200
(Less) Total Annual Expenditures	(\$86,800)

<b>Net Fiscal Impact</b>	<b>\$696,400</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	71	Direct Jobs	1.1917	Multiplier	85
Light Industry	234	Direct Jobs	1.7165	Multiplier	402

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>487</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$3,232,000
Light Industry	\$34,100	Average Salary	1.6638	Multiplier	13,276,000

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$16,508,000</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).  
<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT E-2**

**SOBECA: GENERAL PLAN UPDATE**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT E-2 - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 SOBECA: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

<b>I. <u>Residential Population</u></b>			
Number of Units		450	
Average Number of Persons Per Unit		2.50	
<b>Total Residential Population</b>			<b>1,125</b>
<b>II. <u>Employment Population</u></b>			
<b>A. <u>General Retail</u></b>			
Gross Building Area			
Estimated Square Feet Per Employee	<sup>1</sup>	500	
Estimated Number of Employees			0
Employment Based Resident Equivalent			24%
<b>Estimated General Retail Employees</b>			<b>0</b>
<b>B. <u>Office</u></b>			
Gross Building Area			
Estimated Square Feet Per Employee	<sup>2</sup>	326	
Estimated Number of Employees			0
Employment Based Resident Equivalent			24%
<b>Estimated Office Employees</b>			<b>0</b>
<b>Total Employment Population</b>			<b>0</b>
<b>III. <u>Visitor Population (Motel Guests)</u></b>			
Number of Rooms			
Visitors Per Room		1.75	
Average Occupancy Rate		40%	
Estimated Number of Visitors			0
Visitor Conversion to Resident Equivalent			75%
<b>Total Visitor Population (Motel Guests)</b>			<b>0</b>
<b>IV. <u>Total Population (Full-Time Equivalents)</u></b>			<b>1,125</b>

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT E-2 - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 SOBECA: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	450 Units		\$675,000 /Unit	\$303,750,000
General Retail	0 Sq. Ft.		\$200 /Sq. Ft.	0
Office	0 Sq. Ft.		\$150 /Sq. Ft.	0
Motels	0 Rooms		\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$303,750,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$3,796,900</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$556,400</b>
-----------------------------------	------------------

II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup> 450 Units		\$11,879 /Unit	\$5,345,700
General Commercial	0 Sq. Ft.		\$400 /Sq. Ft.	0
<b>Total Taxable Sales</b>				<b>\$5,345,700</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$53,500</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup> 0 Rooms		\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
--	------------

IV. **Other Revenues**

Electric Franchise Fee	1,125 R+E+V		\$9.57 /Person	\$10,800
Cable Television Franchise Fee	1,125 Residents		\$11.74 /Person	13,200
Gas Franchise Fee	1,125 R+E+V		\$1.88 /Person	2,100
Solid Waste Hauler Franchise Fee	1,125 R+E+V		\$14.63 /Person	16,500
Business License	0 Employees		\$10.80 /Person	0
Licenses and Permits	1,125 Residents		\$1.26 /Person	1,400
Fines & Forfeitures	1,125 R+E+V		\$8.95 /Person	10,100
Fees and Charges	1,125 Residents		\$18.30 /Person	20,600
Other Government Agencies	1,125 Residents		\$9.44 /Person	10,600

<b>Total Other Revenues</b>	<b>\$85,300</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$695,200</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT E-2 - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 SOBECA: GENERAL PLAN UPDATE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	1,125	R+E+V	\$305.75	/Person	\$344,000
Fire	40.82	Incidents	\$3,145	/Incident	128,400
Parks	1,125	Residents	\$8.46	/Person	9,500
Development Services	1,125	R+E+V	\$19.28	/Person	21,700
Public Services	1,125	R+E+V	\$83.27	/Person	93,700
Administrative Overhead	32.68%	Other General Fund Expenditures			195,200

<b>Total Annual Expenditures</b>	<b>\$253,300</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$695,200
(Less) Total Annual Expenditures	<u>(\$253,300)</u>

<b>Net Fiscal Impact</b>	<b>\$441,900</b>
--------------------------	------------------

III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	0	Direct Jobs	1.1917	Multiplier	0
Office	0	Direct Jobs	1.7165	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>0</b>
---	----------

B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$0
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$0</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT F**

**SEGERSTROM HOME RANCH**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT F - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 SEGERSTROM HOME RANCH  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

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I. **Residential Population**

Number of Units

Average Number of Persons Per Unit

**Total Residential Population**

**0**

II. **Employment Population**

A. **General Retail**

Gross Building Area

Estimated Square Feet Per Employee

<sup>1</sup> 500

Estimated Number of Employees

0

Employment Based Resident Equivalent

24%

**Estimated General Retail Employees**

**0**

B. **Office**

Gross Building Area

1,200,000

Estimated Square Feet Per Employee

<sup>2</sup> 326

Estimated Number of Employees

3,680

Employment Based Resident Equivalent

24%

**Estimated Office Employees**

**883**

**Total Employment Population**

**883**

III. **Visitor Population (Motel Guests)**

Number of Rooms

0

Visitors Per Room

1.75

Average Occupancy Rate

40%

Estimated Number of Visitors

0

Visitor Conversion to Resident Equivalent

75%

**Total Visitor Population (Motel Guests)**

**0**

IV. **Total Population (Full-Time Equivalents)**

**883**

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<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT F - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 SEGERSTROM HOME RANCH  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	0	Units	/Unit	\$0
General Retail	0	Sq. Ft.	\$200 /Sq. Ft.	0
Office	1,200,000	Sq. Ft.	\$150 /Sq. Ft.	180,000,000
Motels	0	Rooms	\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$180,000,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$2,250,000</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$329,700</b>
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II. **Sales Tax Revenue**

Taxable Sales					
Taxable Sales Generated by Residents	1	0	Units	/Unit	\$0
General Commercial		0	Sq. Ft.	\$400 /Sq. Ft.	0
<b>Total Taxable Sales</b>					<b>\$0</b>
Sales Tax Rate					1.0%

<b>Total Sales Tax Revenue</b>	<b>\$0</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	2	0	Rooms	\$12,775 /Room	\$0
Transient Occupancy Rate					8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
--	------------

IV. **Other Revenues**

Electric Franchise Fee	883	R+E+V	\$9.57 /Person	\$8,500
Cable Television Franchise Fee	0	Residents	\$11.74 /Person	0
Gas Franchise Fee	883	R+E+V	\$1.88 /Person	1,700
Solid Waste Hauler Franchise Fee	883	R+E+V	\$14.63 /Person	12,900
Business License	883	Employees	\$10.80 /Person	9,500
Licenses and Permits	0	Residents	\$1.26 /Person	0
Fines & Forfeitures	883	R+E+V	\$8.95 /Person	7,900
Fees and Charges	0	Residents	\$18.30 /Person	0
Other Government Agencies	0	Residents	\$9.44 /Person	0

<b>Total Other Revenues</b>	<b>\$40,500</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$370,200</b>
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<sup>1</sup> Average household income is estimated based on the \$675,000 for new High Density Residential and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT F - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 SEGERSTROM HOME RANCH  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	883	R+E+V	\$305.75	/Person	\$270,000
Fire	70.92	Incidents	\$3,145	/Incident	223,000
Parks	0	Residents	\$8.46	/Person	0
Development Services	883	R+E+V	\$19.28	/Person	17,000
Public Services	883	R+E+V	\$83.27	/Person	73,500
Administrative Overhead	32.68%	Other General Fund Expenditures			190,700

<b>Total Annual Expenditures</b>	<b>\$313,500</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$370,200
(Less) Total Annual Expenditures	<u>(\$313,500)</u>

<b>Net Fiscal Impact</b>	<b>\$56,700</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	0	Direct Jobs	1.1917	Multiplier	0
Office	883	Direct Jobs	1.7165	Multiplier	<u>1,516</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>1,516</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$0
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>139,781,200</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$139,781,200</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT G**

**SAKIOKA SITE - LOT 2**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT G - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)  
 SAKIOKA SITE - LOT 2  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

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I. **Residential Population**

Number of Units	660
Average Number of Persons Per Unit	2.50

**Total Residential Population** **1,650**

II. **Employment Population**

A. **General Retail**

Gross Building Area		
Estimated Square Feet Per Employee	<sup>1</sup> 500	
Estimated Number of Employees		0
Employment Based Resident Equivalent		24%
<b>Estimated General Retail Employees</b>		<b>0</b>

B. **Office**

Gross Building Area		
Estimated Square Feet Per Employee	<sup>2</sup> 326	
Estimated Number of Employees		0
Employment Based Resident Equivalent		24%
<b>Estimated Office Employees</b>		<b>0</b>

**Total Employment Population** **0**

III. **Visitor Population (Motel Guests)**

Number of Rooms		
Visitors Per Room	1.75	
Average Occupancy Rate	40%	
Estimated Number of Visitors		0
Visitor Conversion to Resident Equivalent		75%

**Total Visitor Population (Motel Guests)** **0**

<b>IV.</b>	<b>Total Population (Full-Time Equivalents)</b>	<b>1,650</b>
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<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.  
<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT G - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 SAKIOKA SITE - LOT 2  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	660 Units		\$626,227 /Unit	\$413,310,000
General Retail	0 Sq. Ft.		\$200 /Sq. Ft.	0
Office	0 Sq. Ft.		\$150 /Sq. Ft.	0
Motels	0 Rooms		\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$413,310,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$5,166,400</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$757,100</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup> 660 Units		\$11,161 /Unit	\$7,366,500
General Commercial	0 Sq. Ft.		\$400 /Sq. Ft.	0
<b>Total Taxable Sales</b>				<b>\$7,366,500</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$73,700</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup> 0 Rooms		\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	1,650 R+E+V		\$9.57 /Person	\$15,800
Cable Television Franchise Fee	1,650 Residents		\$11.74 /Person	19,400
Gas Franchise Fee	1,650 R+E+V		\$1.88 /Person	3,100
Solid Waste Hauler Franchise Fee	1,650 R+E+V		\$14.63 /Person	24,100
Business License	0 Employees		\$10.80 /Person	0
Licenses and Permits	1,650 Residents		\$1.26 /Person	2,100
Fines & Forfeitures	1,650 R+E+V		\$8.95 /Person	14,800
Fees and Charges	1,650 Residents		\$18.30 /Person	30,200
Other Government Agencies	1,650 Residents		\$9.44 /Person	15,600

<b>Total Other Revenues</b>	<b>\$125,100</b>
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V. **Total Annual General Fund Revenues**

<b>Total Annual General Fund Revenues</b>	<b>\$955,900</b>
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<sup>1</sup> Average household income for the market-rate units is estimated based on the \$675,000 average sales price for new High Density Residential and 35% of income spent on housing expenses. Maximum income for the very-low income units is estimated at \$39,250. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT G - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 SAKIOKA SITE - LOT 2  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Annual Expenditures**

Police	1,650	R+E+V	\$305.75	/Person	\$504,500
Fire	54.60	Incidents	\$3,145	/Incident	171,700
Parks	1,650	Residents	\$8.46	/Person	14,000
Development Services	1,650	R+E+V	\$19.28	/Person	31,800
Public Services	1,650	R+E+V	\$83.27	/Person	137,400
Administrative Overhead	32.68%	Other General Fund Expenditures			280,900

<b>Total Annual Expenditures</b>	<b>\$354,900</b>
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II. **Net Fiscal Impact**

Total Annual General Fund Revenues	\$955,900
(Less) Total Annual Expenditures	<u>(\$354,900)</u>

<b>Net Fiscal Impact</b>	<b>\$601,000</b>
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III. **Economic Impact**

1

A. **Direct & Indirect Increase in Jobs**

General Retail	0	Direct Jobs	1.1917	Multiplier	0
Office	0	Direct Jobs	1.7165	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Jobs</b>	<b>0</b>
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B. **Direct & Indirect Increase in Earnings**

2

General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$0
Office	\$89,400	Average Salary	1.7707	Multiplier	<u>0</u>

<b>Total Direct &amp; Indirect Increase in Earnings</b>	<b>\$0</b>
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<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).

<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.

**ATTACHMENT V: EXHIBIT H**

**FAIRVIEW SITE**

**FISCAL & ECONOMIC IMPACT ANALYSIS**

ATTACHMENT V: EXHIBIT H - TABLE 1

POPULATION ESTIMATES (FULL-TIME EQUIVALENTS)

FAIRVIEW SITE

FISCAL & ECONOMIC IMPACT ANALYSIS

ELECTION CODE 9212 REPORT

COSTA MESA, CALIFORNIA

I. Residential Population

Number of Units	500
Average Number of Persons Per Unit	2.77

**Total Residential Population**

**1,383**

II. Employment Population

A. General Retail

Gross Building Area		
Estimated Square Feet Per Employee	<sup>1</sup> 500	
Estimated Number of Employees		0
Employment Based Resident Equivalent		24%
<b>Estimated General Retail Employees</b>		<b>0</b>

B. Office

Gross Building Area		
Estimated Square Feet Per Employee	<sup>2</sup> 326	
Estimated Number of Employees		0
Employment Based Resident Equivalent		24%
<b>Estimated Office Employees</b>		<b>0</b>

**Total Employment Population**

**0**

III. Visitor Population (Motel Guests)

Number of Rooms		
Visitors Per Room	1.75	
Average Occupancy Rate	40%	
Estimated Number of Visitors		0
Visitor Conversion to Resident Equivalent		75%

**Total Visitor Population (Motel Guests)**

**0**

IV. **Total Population (Full-Time Equivalents)**

**1,383**

<sup>1</sup> General Plan measures against net leasable area - 10% discount from gross floor area.

<sup>2</sup> General Plan measures against the gross floor area minus an 8% vacancy rate.

ATTACHMENT V: EXHIBIT H - TABLE 2

ANNUAL GENERAL FUND REVENUES  
 FAIRVIEW SITE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

I. **Property Tax Revenue**

Assessed Value				
Residential	500 Units		\$765,000 /Unit	\$382,500,000
General Retail	0 Sq. Ft.		\$200 /Sq. Ft.	0
Office	0 Sq. Ft.		\$150 /Sq. Ft.	0
Motels	0 Rooms		\$50,000 /Room	0
<b>Total Assessed Value</b>				<b>\$382,500,000</b>
Property Tax Rate				1.25%
<b>Total Property Tax Revenue</b>				<b>\$4,781,300</b>
City Share of Property Tax Revenue				14.65%

<b>Total Property Tax Revenue</b>	<b>\$700,600</b>
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II. **Sales Tax Revenue**

Taxable Sales				
Taxable Sales Generated by Residents	<sup>1</sup> 500 Units		\$13,463 /Unit	\$6,731,700
General Commercial	0 Sq. Ft.		\$400 /Sq. Ft.	0
<b>Total Taxable Sales</b>				<b>\$6,731,700</b>
Sales Tax Rate				1.0%

<b>Total Sales Tax Revenue</b>	<b>\$67,300</b>
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III. **Transient Occupancy Tax Revenue**

Room Sales Revenue	<sup>2</sup> 0 Rooms		\$12,775 /Room	\$0
Transient Occupancy Rate				8.0%

<b>Total Transient Occupancy Tax Revenue</b>	<b>\$0</b>
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IV. **Other Revenues**

Electric Franchise Fee	1,383 R+E+V		\$9.57 /Person	\$13,200
Cable Television Franchise Fee	1,383 Residents		\$11.74 /Person	16,200
Gas Franchise Fee	1,383 R+E+V		\$1.88 /Person	2,600
Solid Waste Hauler Franchise Fee	1,383 R+E+V		\$14.63 /Person	20,200
Business License	0 Employees		\$10.80 /Person	0
Licenses and Permits	1,383 Residents		\$1.26 /Person	1,700
Fines & Forfeitures	1,383 R+E+V		\$8.95 /Person	12,400
Fees and Charges	1,383 Residents		\$18.30 /Person	25,300
Other Government Agencies	1,383 Residents		\$9.44 /Person	13,100

<b>Total Other Revenues</b>	<b>\$104,700</b>
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<b>V. Total Annual General Fund Revenues</b>	<b>\$872,600</b>
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<sup>1</sup> Average household income is estimated based on the \$900,000 average sales price for new Medium Density Residential and \$675,000 for new High Density Residential; and 35% of income spent on housing expenses. Assumes that 30% of income is spent on retail goods; 70% of those sales are taxable; and 45% of the sales occur in existing Costa Mesa establishments.

<sup>2</sup> Based on an average daily room rate of \$50.00 and an average occupancy rate of 40%.

ATTACHMENT V: EXHIBIT H - TABLE 3

ANNUAL GENERAL FUND EXPENDITURES, NET FISCAL IMPACT & ECONOMIC IMPACT  
 FAIRVIEW SITE  
 FISCAL & ECONOMIC IMPACT ANALYSIS  
 ELECTION CODE 9212 REPORT  
 COSTA MESA, CALIFORNIA

<b>I. Annual Expenditures</b>					
Police	1,383	R+E+V	\$305.75	/Person	\$422,900
Fire	45.35	Incidents	\$3,145	/Incident	142,600
Parks	1,383	Residents	\$8.46	/Person	11,700
Development Services	1,383	R+E+V	\$19.28	/Person	26,700
Public Services	1,383	R+E+V	\$83.27	/Person	115,200
Administrative Overhead	32.68%	Other General Fund Expenditures			235,000
<b>Total Annual Expenditures</b>					<b>\$296,200</b>

<b>II. Net Fiscal Impact</b>	
Total Annual General Fund Revenues	\$872,600
(Less) Total Annual Expenditures	(\$296,200)
<b>Net Fiscal Impact</b>	<b>\$576,400</b>

<b>III. Economic Impact</b>		1			
<b>A. Direct &amp; Indirect Increase in Jobs</b>					
General Retail	0	Direct Jobs	1.1917	Multiplier	0
Office	0	Direct Jobs	1.7165	Multiplier	0
<b>Total Direct &amp; Indirect Increase in Jobs</b>					<b>0</b>
<b>B. Direct &amp; Indirect Increase in Earnings</b>			2		
General Retail	\$33,000	Average Salary	1.3794	Multiplier	\$0
Office	\$89,400	Average Salary	1.7707	Multiplier	0
<b>Total Direct &amp; Indirect Increase in Earnings</b>					<b>\$0</b>

<sup>1</sup> Source for multipliers: Regional Input-Output Modeling System (RIMS II) - RIMS II Multipliers for Orange County (2007/2013).  
<sup>2</sup> Source for salaries: California Employment Development Department Occupational Employment Statistics Survey, May 2015. Direct & Indirect Increase in Earnings estimated by multiplying the Direct Jobs times the Average Salary and the applicable Multiplier.