

Lytle Creek Project Plan for Service and Fiscal Impact Analysis City of Rialto

Prepared for:

City of Rialto
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October 9, 2014

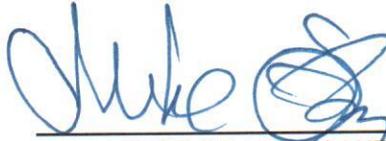
SRHA Job #1271

CERTIFICATION

The City of Rialto hereby certifies that this document presents the data and information required for the Plan for Service and Fiscal Impact Analysis for the *Lytle Creek Project* to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

10/9/14

A handwritten signature in blue ink, appearing to read "Mike Story", written over a horizontal line.

SIGNATURE OF APPLICANT

Mike Story, City Administrator
City of Rialto, California

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EXECUTIVE SUMMARY

This report provides an assessment of public service delivery capabilities of the City of Rialto and other agencies or special districts affected by the proposed annexation of a portion of the Lytle Creek Project into the City of Rialto. The proposed annexation portion of the Lytle Creek Project is located within the City's sphere of influence in unincorporated San Bernardino County. The remaining portion of the Lytle Creek project is located within the city limits of Rialto.

This report is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as a "Plan for Service" required by California Government Code Section 56653. Currently, the City of Rialto provides a limited number of public services to the Project Area within the City including fire and paramedic services. The County of San Bernardino provides many other services to the unincorporated area of the project, including general government, development services, sheriff patrol, public library, regional parks and recreation, street lighting, transportation, flood control and drainage, and health and welfare.

After annexation, the City of Rialto would provide services including general government, community development, fire and paramedic services, police protection, local parks and recreation, community services and public works services to the annexed area. The County of San Bernardino will continue to provide Countywide services such as regional parks and recreation, regional flood control and drainage, law and justice, health and welfare.

Based on an analysis of current service delivery capabilities, the City is equipped to handle additional demand from the proposed Annexation Area and the portion of the Lytle Creek Project that is currently in the City. This report explains the transfer of service requirements upon annexation, estimates development impact fees and other cost responsibilities.

In addition to projecting the fiscal impacts to the City for the Annexation Area Only and the Total Project, the recurring fiscal impacts to the City include projected impacts with and without the current City utility user tax. Rialto voters approved a five year extension of the utility user tax (UUT) on March 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before buildout of the Lytle Creek Project, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT.

As shown in Table 1, a recurring annual surplus is projected for both the Annexation Area Only and the Total Project with the utility user tax after buildout. Without the utility user tax, after buildout an annual recurring deficit is projected for the Annexation Area Only and a recurring annual surplus is projected for the Total Project. However, it should be noted that the fiscal impact of the Total Project area is positive under both scenarios, with and without Utility Users Tax, and this is the relevant geography for fiscal analysis since both the annexation area and the area already within the City of Rialto are essential for a viable development. The fiscal analysis of the Annexation Area Only is included in Chapter 5 and the fiscal analysis of the Total Project is presented in Appendix B.

Table 1
Summary of Projected Fiscal Impacts after Buildout
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Lytle Creek Project	Annual Recurring Revenues	Annual Recurring Costs	Annual Recurring Surplus	Revenue/ Cost Ratio
<u>WITH UTILITY USER TAX</u>				
<u>Annexation Area Only</u>	\$6,689,174	\$6,174,653	\$514,521	1.08
<i>Annual Surplus per Unit</i>			\$161	
<u>Total Project</u>	\$13,735,912	\$11,368,214	\$2,367,698	1.21
<i>Annual Surplus per Unit</i>			\$378	
<u>WITHOUT UTILITY USER TAX</u>				
<u>Annexation Area Only</u>	\$5,683,405	\$6,174,655	(\$491,250)	0.92
<i>Annual Surplus or (Deficit) per Unit</i>			(\$154)	
<u>Total Project</u>	\$11,737,949	\$11,368,215	\$369,734	1.03
<i>Annual Surplus per Unit</i>			\$59	

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 1 INTRODUCTION

The annexing portion of the Lytle Creek Project is located within the City's sphere of influence in unincorporated San Bernardino County on the northern boundary of the City of Rialto in the foothills of the San Bernardino Mountains, as shown in Figure 1-1. The remaining portion of the Lytle Creek project is located within the city limits of Rialto.

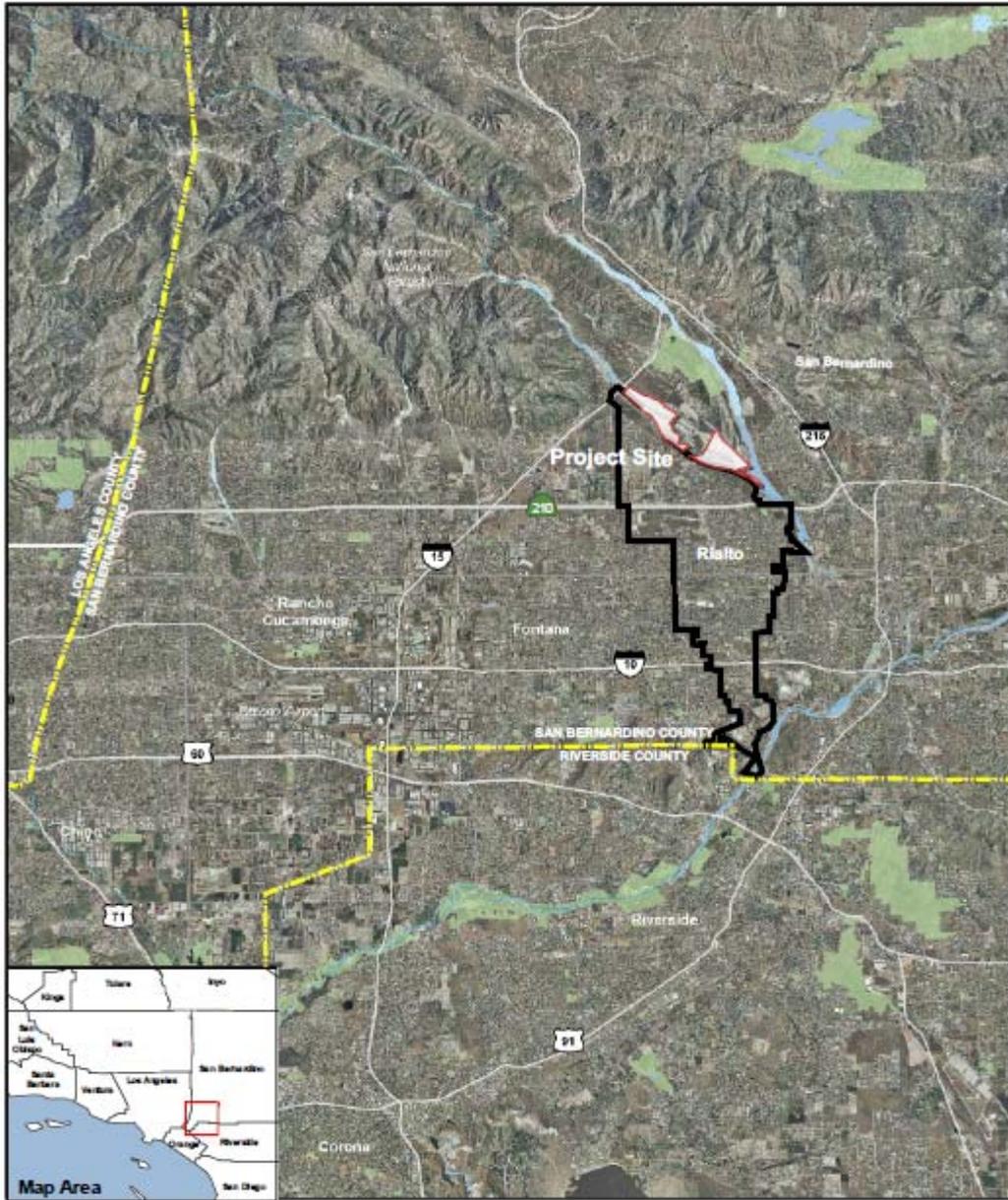
Regionally, the City of Rialto is located approximately 60 miles east of downtown Los Angeles and 103 miles north of San Diego, in the western portion of the San Bernardino Valley. The primary regional transportation linkages include the Foothill Freeway (State Route 210), which traverses through the central portion of the City in an east-west direction, and the Ontario Freeway (Interstate 15), which borders the City to the north, providing regional access to the project area. Secondary regional transportation access is provided by the Interstate 215 Freeway to the northeast. From the I-15, direct access to the project site is provided by Sierra and Riverside Avenues. Riverside Avenue runs along the southwestern boundary of the site. Access to the site from State Route 210 is available via an interchange at Riverside Avenue.

1.1 Purpose of the Study

The Local Agency Formation Commission (LAFCO) for San Bernardino County requires a Plan for Service and Fiscal Impact Analysis be prepared and certified when a jurisdiction is affected by a proposed change of organization or reorganization (e.g., annexation, formation). The unincorporated portion of the proposed project intends to annex into the City of Rialto, which requires the City to show that the necessary infrastructure improvements and services can be provided to the proposed development. Per the LAFCO August 2012 *Policy and Procedure Manual*, the Plan for Service must include the following components:

- a. *A description of the level and range of each service to be provided to the affected territory.*
- b. *An indication of when those services can feasibly be extended to the affected territory.*
- c. *An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.*
- d. *The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.*

Figure 1-1
Lytle Creek Project Regional Location¹



 **KTGY GROUP, INC.**
Architecture • Planning

Note: 1. The solid black line represents the Rialto City boundary.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company
KTGY Group, Inc.

- e. *An indication of whether the affected territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.*
- f. *If retail water service is to be provided through this change of organization, provide a description of the timely availability of water for projected needs within the area based upon the factors identified in Government Code Ch3 65352.5.*

1.2 Overview of the City of Rialto

The City of Rialto is an ethnically diverse community with a 2014 population of 101,429. The City has its own Police and Fire Departments, a City owned Racquet and Fitness Center, Performing Arts Theater, Community Center and new Senior Center. The City has a diversified mix of manufacturing, distribution, service and retail businesses. Major employers in the city include the Rialto City Unified School District, Fed Ex – Ground, Target Distribution Center, Staples Distribution Center, Eagle Roofing Products, Toys R Us, Wal-Mart, Bisco America Corporation, Crestview Convalescent Hospital and Home Depot.

1.3 Organization of the Report

Chapter 2 contains the description of the Annexation Area and the Total Project Area. The analysis of existing public service delivery in the Annexation Area and upon annexation into the City is presented in Chapter 3. Chapter 4 discusses the development impact fees and charges for infrastructure associated with the proposed project. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Annexation Area is provided in Chapter 5. Chapter 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes the phased project descriptions for the annexation area and the total project area. Appendix B includes the fiscal impact analysis for the total Lytle Creek Project, Supporting tables for the fiscal assumptions appear in Appendix C, and Appendix D lists the project contacts and references used in the preparation of this study.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the development description for the Lytle Creek Project analyzed in this report after buildout for the Annexation Area Only and the Total Project. As shown in Figure 2-1, Neighborhoods 2 and 3 are included in the total Lytle Creek Project. Within these Neighborhoods 2 and 3, the Annexation Area is identified with gray hatch marks and the portion of the project already within the City of Rialto is identified with black dots. While Neighborhoods 1 and 4 are shown in Figure 2-1, they will remain located in unincorporated San Bernardino County and are not included in the project analyzed in this report.

The total Lytle Creek Project includes 1,655 gross acres with 1,078 of these acres included in the Annexation Area Only, as shown in Table 2-1. Detailed development descriptions for the first five years after annexation for the Annexation Area Only and the Total Project are included in Appendix A.

2.1 Residential Development

Annexation Area Only. As shown in Panel B of Table 2-1, the Annexation Area includes 3,187 housing units of varying densities after buildout. The projected population for the Annexation Area is projected at 9,304 after buildout. The first five-year phasing for the Annexation Area is presented in Appendix Table A-1.

Total Project. As also shown in Panel B of Table 2-1, a total of 6,260 units are included in the total Lytle Creek Project after buildout. The buildout population of the entire project is project at 18,272. The residential phasing for the first five years of the Total Project is presented in Appendix Table A-2.

2.2 Commercial Development

Annexation Area Only. The Annexation Area includes 235,645 of commercial square feet, as shown in Panel C of Table 2-1. Assuming 500 square feet per employee, employment for the Annexation Area is estimated at about 470 after buildout. Sales and use tax is projected at about \$589,584 for the proposed commercial square feet in the Annexation Area after buildout. The commercial development description for the first five years for the Annexation Area is included in Appendix Table A-3.

Figure 2-1
Lytle Creek Project (Neighborhood 2 and Neighborhood 3)

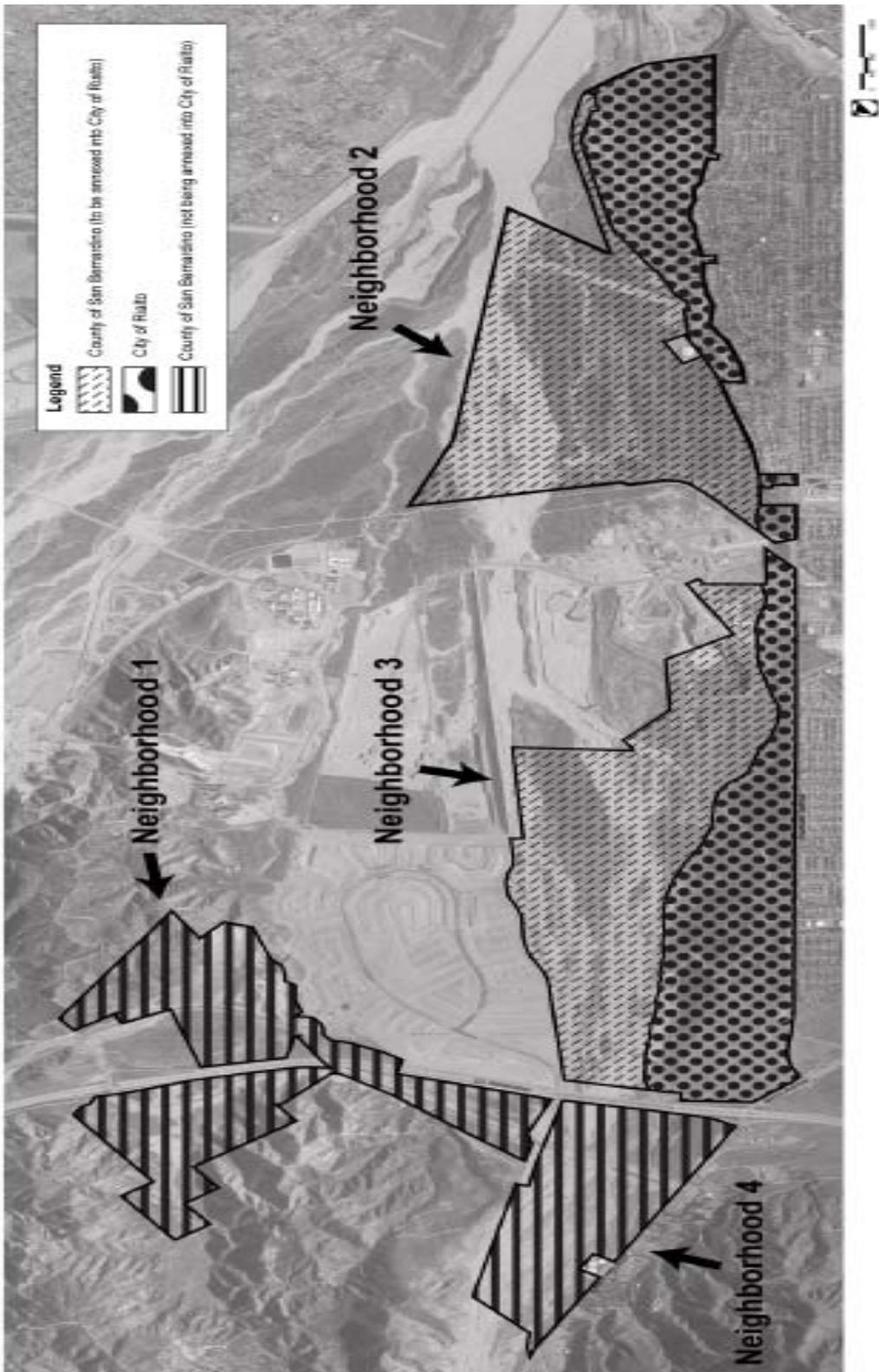


Table 2-1
 Development Description after Buildout
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

Category	Annexation Area Only	Total Project
A. GROSS ACRES	1,078	1,655
B. RESIDENTIAL DEVELOPMENT		
<u>Units</u>		
Single Family 1 (2-5 du/acre)	149	467
Single Family 2 (5-8 du/acre)	1,095	1,908
Single Family 3 (8-14 du/acre)	1,380	1,937
Multi-Family (14-28 du/acre)	199	959
High Density (25-35 du/acre)	<u>364</u>	<u>989</u>
Units	3,187	6,260
<u>Population</u>	9,304	18,272
C. COMMERCIAL DEVELOPMENT		
<u>Commercial Square Feet</u>	235,645	668,732
<u>Employment</u>	470	1,340
<u>Sales and Use Tax</u>	\$589,584	\$1,673,167
D. NET ASSESSED VALUATION INCREASE		
New Residential Valuation	\$1,134,482,491	\$2,209,528,535
New Retail Valuation	<u>70,693,500</u>	<u>200,619,600</u>
Total New Assessed Valuation	\$1,205,175,991	\$2,410,148,135
Existing Valuation	\$3,442,879	\$14,520,605
Total Net Assessed Valuation Increase	\$1,201,733,112	\$2,395,627,530
E. COMMUNITY PARK ACRES	35.7	35.7
F. PUBLIC ROADS		
Arterial Road Miles	0.55	2.75
Local Road Miles	<u>16.63</u>	<u>18.83</u>
Total Public Road Miles	17.18	21.58

Sources: Stanley R. Hoffman Associates, Inc.
 Lytle Development Company, May 2014

Total Project. The Lytle Creek Total Project proposes 668,732 commercial square feet, as shown in Panel C of Table 2-1. At 500 square feet per employee, employment is estimated at 1,340 after buildout of the total project. Sales and use tax for the total project is projected at about \$1.67 million after buildout. Appendix Table A-4 includes the commercial description for the first five years of the Lytle Creek Total Project.

2.3 Net Assessed Valuation Increase

Annexation Area Only. As shown in Panel D of Table 2-1, the net increase in assessed valuation for the Annexation Area Only after buildout is projected at about \$1.20 billion. This projection is based on projected new valuation of about \$1.21 billion minus the County Assessor's 2014 existing assessed valuation of about \$3.44 million for the Annexation Area, as shown in Table 2-2.

The projected new valuation of about \$1.21 billion for the Annexation Area includes new residential valuation projected at about \$1.13 billion, based on average values per unit type provided by the developer and shown in Appendix Table A-5. Retail valuation is projected at about \$70.69 million after buildout based on an assumption of \$300 per square foot. As shown in Table 2-3, a commercial website currently lists a portfolio of 5 retail properties for sale in Tudor Plaza in Rialto. The average sales price for these properties is about \$360 per square foot. While these properties are similar to retail uses planned for the Lytle Creek Project, the fiscal analysis assumes a conservative estimated value of \$300 per square foot because the final sale price of the listed properties is unknown and the exact mix of retail tenants for Lytle Creek is unknown at this time. The assessed valuation for the first five years of development in the Annexation Area is presented in Appendix Table A-5.

Total Project. The net increase in assessed valuation for the Lytle Creek Total Project after buildout is projected at about \$2.40 billion. As shown in Panel D of Table 2-1, this projection is based on projected new valuation of about \$2.41 billion minus the County Assessor's 2014 existing assessed valuation of about \$14.52 million for the Total Project, as shown in Table 2-2.

The Total Project new valuation of about \$2.41 billion includes new residential valuation projected at about \$2.21 billion, based on average values per unit type provided by the developer and shown in Appendix Table A-6. Retail valuation projected at about \$200.62 million after buildout, based on an assumption of \$300 per square foot. The assessed valuation for the Total Project for the first five years of development is presented in Appendix Table A-6.

2.4 Community Park

As shown in Panel E of Table 2-1, a 35.7-acre community park is planned for the Annexation Area. The community park is planned for year seven of development.

Table 2-2 (page 1 of 2)
 Estimated Existing Assessed Valuation
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

Holding Area	Tax Rate Area	Parcel Number	Acres	2013-2014 Assessed Valuation		
				City	Annexation Area	Total
NEIGHBORHOOD II						
<u>East Lytle</u>						
	6003	0264-011-34-0000	3.07	\$23,784		\$23,784
		0264-011-36-0000	<u>3.15</u>	<u>42,014</u>		<u>42,014</u>
		TRA Subtotal	6.22	\$65,798		\$65,798
	6049	0264-011-10-0000	8.20	\$55,491		\$55,491
	106000	0262-071-28-0000	54.05		\$214,236	\$214,236
		0262-071-35-0000	7.15		0	0
		0262-071-39-0000	<u>52.43</u>		<u>203,281</u>	<u>203,281</u>
		TRA Subtotal	113.63		\$417,517	\$417,517
	107014	0262-031-06-0000	4.86		\$19,262	\$19,262
		0262-031-12-0000	21.11		83,671	83,671
		0262-071-15-0000	349.04		1,383,478	1,383,478
		0262-031-31-0000	57.73		228,821	228,821
		0262-031-34-0000	<u>1.32</u>		<u>5,470</u>	<u>5,470</u>
		TRA Subtotal	434.06		\$1,720,702	\$1,720,702
	Total East Lytle		562.11	\$121,289	\$2,138,219	\$2,259,508
<u>Golf Course</u>						
	6003	0264-421-31-0000	44.16	\$2,782,080		\$2,782,080
	6104	0264-421-12-0000	9.71	\$464,400		\$464,400
		0264-421-29-0000	<u>127.55</u>	<u>2,641,630</u>		<u>2,641,630</u>
		TRA Subtotal	137.26	\$3,106,030		\$3,106,030
	6105	0264-421-20-0000	3.17	\$94,656		\$94,656
	6106	0264-011-19-0000	5.19	\$152,320		\$152,320
		0264-011-22-0000	1.03	30,464		30,464
		0264-421-21-0000	6.44	189,312		189,312
		0264-781-12-0000	<u>3.47</u>	<u>104,447</u>		<u>104,447</u>
		TRA Subtotal	16.13	\$476,543		\$476,543
	106027	0264-482-12-0000	0.43		\$13,056	\$13,056
		0264-482-13-0000	0.09		3,264	3,264
		0264-631-08-0000	<u>0.25</u>		<u>64,000</u>	<u>64,000</u>
		TRA Subtotal	0.77		\$80,320	\$80,320
	106028	0264-421-30-0000	1.36		\$5,441	\$5,441
	Total Golf Course		202.85	\$6,459,309	\$85,761	\$6,545,070
TOTAL NEIGHBORHOOD II			764.96	\$6,580,598	\$2,223,980	\$8,804,578

Table 2-2 (page 2 of 2)
 Estimated Existing Assessed Valuation
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

Holding Area	Tax Rate Area	Parcel Number	Acres	2013-2014 Assessed Valuation		
				City	Annexation Area	Total
NEIGHBORHOOD III						
	6003	0239-094-31-0000	107.80	\$733,794		\$733,794
		0239-094-32-0000	22.00	166,773		166,773
		0239-111-08-0000	8.35	62,919		62,919
		0239-111-11-0000	32.39	133,707		133,707
		0239-111-12-0000	114.77	394,185		394,185
		0239-111-15-0000	22.01	125,157		125,157
		0239-181-01-0000	4.93	36,386		36,386
		0239-181-02-0000	4.44	22,744		22,744
		TRA Subtotal	316.69	\$1,675,665		\$1,675,665
	6044	0239-094-28-0000	7.46	\$27,289		\$27,289
		0239-094-29-0000	1.26	4,548		4,548
		0239-094-40-0000	1.09	8,336		8,336
		TRA Subtotal	9.81	\$40,173		\$40,173
	6054	0239-181-03-0000	6.81	\$30,318		\$30,318
		0239-181-17-0000	7.74	62,943		62,943
		0239-181-16-0000	8.98	2,593,860		2,593,860
		0239-181-18-0000	11.58	94,169		94,169
		TRA Subtotal	35.11	\$2,781,290		\$2,781,290
	106003	0239-121-06-0000	40.13		\$158,550	\$158,550
		0239-121-19-0000	94.00		208,991	208,991
		TRA Subtotal	134.13		\$367,541	\$367,541
	106004	0239-063-31-0000	125.06		\$274,902	\$274,902
	107014	0239-121-23-0000	269.10		\$576,456	\$576,456
TOTAL NEIGHBORHOOD III			889.90	\$4,497,128	\$1,218,899	\$5,716,027
TOTAL PROJECT			1,654.86	\$11,077,726	\$3,442,879	\$14,520,605

Sources: Stanley R. Hoffman Associates, Inc.
 Lytle Development Company, May 2014

Table 2-3
Estimated Average Retail Price per Square Foot in Rialto
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Retail Property	Address	Year Built	Building Square Feet	Sale Price		Listing Status
				Total Price	Price per Building Square Foot	
Tudor Plaza, City of Rialto - Portfolio of 5 Properties						
Fast Food - El Polo Loco	1220 W. Foothill Boulevard	2006	2,795	n/a	n/a	
Fast Food - Wendy's	1260 W. Foothill Boulevard	2006	3,425	n/a	n/a	
Retail - Sprint, In-Line Stores	1270 W. Foothill Boulevard	2006	13,926	n/a	n/a	
Drug Store - Walgreens	1280 W. Foothill Boulevard	2005	14,820	n/a	n/a	
Fast Food - Starbucks	1290 W. Foothill Boulevard	2006	1,500	n/a	n/a	
Total of Tudor Plaza Portfolio Properties			36,466	\$13,150,000	\$360	8/2014 - Active
Average Price per Building Square Foot ¹					\$360	

Note: 1. Average price per building square foot is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
www.showcase.com, August 2014

2.5 Public Roads

Annexation Area Only. The publicly maintained roads for the Annexation Area are presented in Panel F of Table 2-1. A total of 17.18 miles of arterial and local roads are planned for the Annexation Area Only. The first five-year phasing of these roads is included in Appendix Table A-7.

Total Project. As also shown in Panel F of Table 2-1, a total of 21.58 miles of publicly maintained roads are planned for the Total Project. The phasing of these roads over the first five years for the Total Project is presented in Appendix Table A-8.

CHAPTER 3 PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This chapter describes the existing and anticipated future service providers for the proposed Lytle Creek Annexation project area. The level and range of the services for the annexation area are described, if they are known. The following services are detailed in this chapter:

- General Government
- Development Services
- Fire Prevention and Protection
- Emergency Medical Services
- County Sheriff/Police Services
- Library
- Parks and Recreation
- Animal Control
- Street Lighting
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management

Table 3-1 presents current and anticipated service providers in the Lytle Creek annexation area. In many cases, such as general government, community development, economic development, fire and paramedic, and sheriff/police, among others, responsibilities shift from the County of San Bernardino to the City of Rialto. Other services, like water and utilities, remain unchanged before and after annexation. These changes are detailed in subsequent sections of this chapter.

3.1 General Government

Before Annexation

The County of San Bernardino provides general government services, including: all Administrative services, Community Development services, and Economic Development services to the annexation area. In addition, the County provides health and welfare services that are provided to all residents whether they reside in the unincorporated area or a City.

After Annexation

After the annexation, the City of Rialto will provide the general government services which

Table 3-1
Current and Anticipated Service Providers in the Lytle Creek Annexation Area
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Service Type	Current Service Provider	Anticipated Service Provider
General Government:		
Administrative Services	County of San Bernardino	City of Rialto
Development Services		
Planning	County of San Bernardino	City of Rialto
Building Services	County of San Bernardino	City of Rialto
Development Review	County of San Bernardino	City of Rialto
Code Compliance	County of San Bernardino	City of Rialto
Business Licensing	County of San Bernardino	City of Rialto
Fire Prevention and Protection	San Bernardino County Fire Protection District - Valley Service Zone	City of Rialto Fire Department
Emergency Medical	American Medical Response, SBCFPD	City of Rialto Fire Department
Sheriff/Police	County of San Bernardino Sheriff's Department	City of Rialto Police Department
Library	County of San Bernardino Library District	County of San Bernardino Library District
Parks and Recreation:		
Local Facilities	none	City of Rialto
Regional Facilities	County of San Bernardino	County of San Bernardino
Animal Control	San Bernardino County Animal Care and Control	City of Rialto Police Department
Street Lighting and Landscaping	CSA (SL-1) provides installation and maintenance for a small portion of the project. Lighting powered by Southern California Edison.	Lighting and Landscape Maintenance District or Homeowners' Association (HOA)
Landscape Maintenance	Forest/Natural	HOA
Water	San Bernardino Valley Municipal Water District West Valley Water District (WVWD) for a portion of the project.	San Bernardino Valley Municipal Water District Entire project must annex to the West Valley Water District (WVWD)
Sewer	none	City of Rialto
Transportation:		
Freeways and Interchanges	Cal Trans	Cal Trans
Arterials and Collectors	San Bernardino County - Public Works	City of Rialto Public Works Department
Local Roads	San Bernardino County - Public Works	City of Rialto Public Works Department
Transit	Omnitrans	Omnitrans
Flood Control and Drainage:		
Local Facilities	San Bernardino County Flood Control District	City of Rialto Public Works Department
Regional Facilities	San Bernardino County Flood Control District, U.S. Army Corp of Engineers	San Bernardino County Flood Control District, U.S. Army Corp of Engineers
Utilities:		
Cable/Internet Provider/Phone	Time Warner, AT&T Uverse	Time Warner, AT&T U-verse
Telephone	AT&T	AT&T
Power	Southern California Edison	Southern California Edison
Natural Gas	Southern California Gas Company	Southern California Gas Company
Schools	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District
Solid Waste Management	Burrtec Waste Industries	Burrtec Waste Industries has exclusive franchise with City of Rialto

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Website
Lytle Creek Ranch Specific Plan, March 2010
San Bernardino County Local Agency Formation Commission

include administrative services as well as General Governance, Community Development and Economic Development. The County of San Bernardino will continue to provide Countywide law, justice, health and welfare services that are provided to all residents of the County whether they reside in a City or the unincorporated area.

3.2 Fire and Paramedic

Before Annexation

Currently, the annexation area is serviced by San Bernardino County Fire Protection District and its Valley Service Zone. A new fire station is planned as part of the adjacent Rosena Ranch unincorporated community to the north. A portion of the Annexation Area falls within the response time radius of the new County fire station.

After Annexation

Upon annexation, the project area will be detached from the San Bernardino Fire Protection District and its Valley Service Zone. The Rialto City Fire Department will be the service provider for fire prevention, protection and EMS, i.e. paramedic services after the annexation. City fire codes and fire abatement requirements will be addressed during the entitlement and permitting process.

There are four fire stations in Rialto; Station 202, located at 1925N. Riverside Avenue, is the closest station to the Lytle Creek project site. Station 202 has one fire engine and two paramedic ambulances (one in reserve). The fire station will provide wildland and structural fire protection, and response to 911 medical aid call, traffic accidents and hazardous materials.

Additional support may be provided by Fire Station 204, located at N. Alder in Rialto. Fire Station 204 has two fire engines (one in reserve), one water tender, and two specialized units.

3.3 Sheriff/Police

Before Annexation

The San Bernardino County Sheriff-Coroner's Department provides public safety services to the unincorporated areas. The Sheriff's Department and the City Police Department provide mutual backup services upon request within both the City and unincorporated areas. The California Highway Patrol provides traffic patrol on State Highways within the unincorporated areas of the County. The Highway Patrol can also provide emergency response backup to the City Police and the County Sheriff upon request.

After Annexation

After the annexation, the City of Rialto Police Department will be providing the public safety services for the Lytle Creek Project. The Department currently employs 140.5 total employees, with 101 sworn and 39.5 non-sworn personnel. In addition to patrol services, the Police Department offers K-9, School Resource Officer (SRO), Street Crime Attach Team (SCAT), investigations, traffic enforcement, narcotics enforcement, training and background checks, community services, animal control services and re-entry support services. The Rialto Police Department is also part of the Four-City Regional SWAT Team (IVS) and Air-Support Unit.

3.4 Library

Before Annexation

Currently, the annexation area is served by the San Bernardino County Library system. The nearest County library is the Carter Branch Library located at 2630 North Linden Drive in Rialto.

After Annexation

The annexation area would continue to receive library services from the San Bernardino County Library system library upon annexation. In addition to the Carter Branch Library, the Rialto Branch Library is located at 251 West 1st Street in Rialto.

3.5 Parks and Recreation

Before Annexation

The County Regional Parks Department provides regional park services to all residents within the County, including unincorporated areas. The County Regional Parks system includes the following parks: Glen Helen, Yucaipa, Lake Gregory, Cucamonga, Guasti, and Prado. The closest regional park is Glen Helen Regional Park which has various recreation areas with amenities for fishing, boating, and picnicking. However, the County does not provide local park services, and, currently, there are no local parks within the annexation area.

After Annexation

Rialto has a variety of parks and recreation facilities for public use. Park facilities include picnic areas, ball fields, basketball courts, walking tracks and shelters. The Rialto Community Center and Rialto Senior Center have rooms available to rent for meetings, seminars and private parties. The Lytle Creek Project will contain both private and public parks and open space.

3.6 Animal Control

Before Annexation

The San Bernardino County Animal Care and Control Program currently offers field services, animal licensing and education for dog owners in the unincorporated areas of the County. The Program operates two animal shelters. Big Bear Animal Shelter is located at Northshore Road, Big Bear City and Devore Animal Shelter is located at 19777 Shelter Way, Devore.

After Annexation

The Humane Services section of the Rialto Police Department is responsible for handling animal related services for the City. These services include picking up strays, response to complaints or attacks, licensing and ordinance enforcement. The City contracts with the County for animal shelter services only. The annexation area will receive services from the City, which will be financed by the General Fund and various user fees.

3.7 Street Lighting

Before Annexation

Street lighting services in a small portion of the annexation area are funded through property tax revenues accruing to the CSA SL-1 Valley Area. Current street light improvements are powered by Southern California Edison.

After Annexation

Upon annexation, the City of Rialto will provide installation, maintenance and street lighting improvements. Based on information provided by LAFCO staff, the portion of the project within the CSA SL-1 will be detached from CSA SL-1 upon annexation to the City. The property tax revenues that would accrue to the County for CSA SL-1 will then be allocated between the County General Fund and the City of Rialto per the estimated property tax allocation rates shown in Appendix Table C-4.

3.8 Landscape Maintenance

Before Annexation

Currently, the County of San Bernardino is responsible for any road pavement and minimal landscaping maintenance in the annexation area.

After Annexation

Upon annexation, the Master Homeowners' Association or other private association, or a

Lighting and Landscaping District will be responsible for installation and maintenance of all common landscape areas, hardscape areas, and irrigation systems in the Lytle Creek Project.

3.9 Water

Before Annexation

Currently, San Bernardino Valley Municipal Water District is the wholesale water service provider and State water contractor for the project area. The West Valley Water District provides domestic and recycled water, and maintains water quality for a portion of the annexation area.

After Annexation

Upon annexation, the entire project must annex into the West Valley Water District (WVWD). The WVWD *Water Supply Assessment for the Lytle Creek Ranch Development*, dated March 4, 2008, was prepared by Engineering Resources of Southern California and will be submitted with the annexation application.

The backbone water facilities and infrastructure will be owned, operated and serviced by the WVWD. All waterlines and water facilities will be designed and installed in accordance with the WVWD requirements and specifications. The fair share cost of designing and constructing the water system will be financed by the project master developer, project area builders, and/or other financing mechanisms acceptable to the City.

The water system for Neighborhood II will consist of a series of new waterlines of varying widths, a new 8.6 MG reservoir with an approximate site area of three acres, and a new booster system. Two additional reservoirs are currently in place near Neighborhood II.

The water system for Neighborhood III will include a series of new waterlines of varying widths, two new reservoirs and two new booster stations. A 10.7 MG reservoir and a 10.1 MG reservoir, each covering a site area of 3.5 acres, are planned for the neighborhood. Two additional reservoirs currently exist near Neighborhood III.

3.10 Sewer

Before Annexation

Sewer service is not currently provided in the Lytle Creek Project area.

After Annexation

Upon annexation to the City the backbone sewer facilities and infrastructure will be owned and

operated by the City of Rialto. The fair share cost of designing and constructing the sewer system will be financed by the master developer, project area builders and/or other financing mechanisms acceptable to the City.

3.11 Transportation

Before Annexation

Current transportation services for the City of Rialto include freeways and interchanges serviced by Cal Trans; arterials and collectors serviced by the Public Works Department of San Bernardino County; local roads also serviced by the Public Works Department of San Bernardino County; and public transit serviced by Omnitrans.

After Annexation

Cal Trans will continue to provide their services post annexation for freeways and interchanges, and Omnitrans for public transit. All arterials and collectors and on-site street local roads will be maintained by the City public works department or by a homeowner's association. The developer, in cooperation with the City of Rialto, will be responsible for improvements of all necessary public streets, both on- and off-site.

3.12 Flood Control and Drainage

Before Annexation

On a regional level, the San Bernardino County Flood Control District intercepts and manages flood flows through and away from developed areas throughout the County. The Flood Control District is also responsible for water conservation and storm drain construction.

After Annexation

The Lytle Creek Project proposes a master drainage plan for the project site to protect the proposed development from the 100-year flood potential from Lytle Creek. The proposed plan utilizes the project streets, storm drains, and the "Grand Paseo" bioswale to carry stormwater through the site.

This local storm drain system will be funded and constructed by the master developer, project area builders, and/or other financing mechanisms acceptable to the City of Rialto. The regional storm drain system and flood control improvements associated with Lytle Creek Wash is expected to be funded and constructed by a Community Facilities District or other similar mechanism, based on the March 2010 *Draft Lytle Creek Specific Plan*.

In addition to storm drains in streets, the reconfigured golf course in the project area will accommodate much of the drainage flow in its neighborhood. Eight vegetated basins and six water quality treatment basins are planned as a series of water features in the golf course.

The adjoining Neighborhood III will include catchments areas located at node locations which will channel the water through a system of urban storm drain piping and terminate in twelve water quality treatment basins within the Grand Paseo. These basins will detain and treat all first flush water runoff and ultimately discharge into a system of urban storm drains within the Riverside Avenue right-of-way and into the water quality basin system to the east.

3.13 Utilities

Before and After Annexation

Utilities include cable television, internet, telephone, electric power, and natural gas. Currently, Time Warner and AT&T Uverse are the cable television and internet service providers. AT&T maintains telephone service to the annexation area. Electricity is provided by Southern California Edison, while natural gas is supplied by the Southern California Gas Company. These service providers are not anticipated to change upon annexation.

3.14 Schools

Before and After Annexation

The Lytle Creek Project is located within three different school districts: the Rialto Unified School District, the San Bernardino Unified School District and the Fontana Unified School District. Based on the March 2010 *Draft Lytle Creek Specific Plan*, it is anticipated that these School Districts will have sufficient capacity to serve the new students.

Students in the north and northeastern portions of the project area will attend existing schools in the San Bernardino Unified School District. Students in the southern portion of the project will attend schools in the Rialto Unified School District. The project proposes a 10-acre elementary school and a 14-acre elementary/middle school in the Rialto Unified School District. It is anticipated that high school students will attend Carter High School or other high schools in the Rialto Unified School District. Students in the northwestern portion of the project will attend school in the Fontana Unified School District.

The Lytle Creek Project will pay its fair share of impact fees to each school district as required by California State law and/or the project master developer will enter into a mitigation agreement with the appropriate school district.

3.15 Solid Waste Management

Before Annexation

The San Bernardino County Solid Waste Management Division, under the Department of Public Works, oversees the operation and management of the County's solid waste disposal system, which includes five regional landfills and nine transfer stations. The waste hauler for the project area is Burrtec Industries.

After Annexation

Solid waste collection in the City of Rialto is mandatory and Burrtec Industries has an exclusive franchise agreement with the City. Burrtec Industries offers integrated waste removal and recycling programs to residential and commercial customers. Per the franchise agreement with the City, Burrtec Industries utilizes the County owned landfill located in the City of Rialto for the disposal of solid waste collected in the City. All collection services are supported on a user fee basis.

CHAPTER 4 FINANCING PUBLIC FACILITIES AND INFRASTRUCTURE

Table 4-1 presents the list of infrastructure improvements for the Lytle Creek Project. The majority of the infrastructure will be constructed by the project's master developer with interior neighborhood walls and fences constructed by merchant builders. Table 4-1 also identifies the jurisdiction, special district or private association responsible for maintenance of each facility and the ownership of each facility. The projected annual fiscal impacts to the City for provision of services to the Lytle Creek Project are presented in Chapter 5.

4.1 Development Impact Fees

While the developer is responsible for constructing the facility and infrastructure improvements for the Lytle Creek Project, the developer will also pay one-time development impact fees (DIF) to offset the additional public capital costs required of new development. Per Section 5.2 of the 2012 *Pre-Annexation and Development Agreement Between the City of Rialto and Lytle Development Company*, the City will charge and impose only the fees listed in "Exhibit C" of the development agreement, except for the fees for wastewater treatment and regional traffic impact fees. Wastewater treatments fees and regional traffic fees are based on the applicable City fee in effect at the time the fee is due. For purposes of estimating the fees in this report, wastewater treatment fees and traffic impact fees are based on the fees that will be effective July 1, 2015 as included in City's *Development Fee Schedule, February 10, 2014*.

Except for wastewater treatment and traffic mitigation fees, the development impact fees included in "Exhibit C" of the development agreement are fixed for a period commencing on the issuance of the first grading permit for the project and ending ten years later or June 30, 2025, whichever occurs first. After the end of the fixed fee period, all development impact fees will charged per the City fee schedule at the time, and an agreement can be made to reset the fixed fee period.

Table 4-2 presents the estimate done-time development impact fees that would be collected per the fees currently listed in "Exhibit C" of the development agreement and the wastewater treatment and traffic fees in the City fee schedule. As shown in Table 4-2, development impact fees for the Lytle Creek Annexation Area Only are estimated at about \$33.61 million after buildout, and Total Project DIFs are estimated at about \$67.80 million after buildout.

**Table 4-1
Lytle Creek Facilities and Infrastructure
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto**

Type	Developed By	Maintained By ¹	Owned By ¹
<u>Streetscape</u>			
Primary and Secondary Entry Roads	Master Developer/City	City	City
Primary and Secondary Local Roads and Cul-de-sacs	Master Developer/City	City/HOA	City/HOA
Landscaping	HOA/LLMD	HOA /LLMD	HOA/LLMD
Street Lighting	Master Developer	SCE/LLMD	LLMD/HOA
Community Walls and Fences	Master Developer	HOA	HOA
Interior Neighborhood Walls and Fence	Guest Builder	Homeowner	Homeowner
<u>Parks and Open Space</u>			
Private Parks	Master Developer	HOA/LLMD	HOA/LLMD
Public Parks	Master Developer	HOA/LLMD	City
<u>Infrastructure</u>			
Local Storm Drain System	Master Developer	City	City
Regional Storm Drain and Flood Control	CFD/Similar Mechanism	SBCFCD	SBCFCD
Sewer Systems (on-site and off-site)	Master Developer	City	City
Water Systems (on-site and off-site)	Master Developer/WVWD	WVWD	WVWD
Utilities	Utility Companies	Utility Companies	Utility Companies

Note: 1. LLMD = Landscape and Lighting District or special maintenance district
HOA = Homeowners' Association (Master or Neighborhood)
SCE = Southern California Edison
CFD = Community Facilities District
SBCFCD = San Bernardino Flood Control District
WVWD = West Valley Water District
Certain facilities and improvements may be subject to reimbursement agreements.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, *Lytle Creek Ranch Specific Plan*, March 2010

Table 4-2 (page 1 of 2)
 Estimated One-Time Development Impact Fees
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

A. Development Description	Lytle Creek Neighborhoods 2 and 3	
	Annexation Area Only	Total Project
Development Category		
Residential Units		
Single Family Units	619	1,745
Multi-Family Units	563	1,948
Senior Single Family Units	<u>2,005</u>	<u>2,567</u>
Total Units	3,187	6,260
Commercial Square Feet	235,645	668,732

B. Estimated Fees ¹	Fee Per Unit or Commercial Square Foot	Lytle Creek Neighborhoods 2 and 3	
		Annexation Area Only	Total Project
Development Agreement Fees			
Single Family	\$1,030.00	\$637,570	\$1,797,350
Multi-Family	\$1,030.00	\$579,890	\$2,006,440
Senior Single Family Units	\$830.00	\$1,664,150	\$2,130,610
Commercial	\$0.00	\$0	\$0
Subtotal		\$2,881,610	\$5,934,400
General Facilities			
Single Family	\$990.00	\$612,810	\$1,727,550
Multi-Family	\$990.00	\$557,370	\$1,928,520
Senior Single Family Units	\$600.00	\$1,203,000	\$1,540,200
Commercial	\$0.10	\$23,565	\$66,873
Subtotal		\$2,396,745	\$5,263,143
Police Facilities			
Single Family	\$870.00	\$538,530	\$1,518,150
Multi-Family	\$870.00	\$489,810	\$1,694,760
Senior Single Family Units	\$540.00	\$1,082,700	\$1,386,180
Commercial	\$0.11	\$25,921	\$73,561
Subtotal		\$2,136,961	\$4,672,651
Fire Facilities			
Single Family	\$420.00	\$259,980	\$732,900
Multi-Family	\$420.00	\$236,460	\$818,160
Senior Single Family Units	\$260.00	\$521,300	\$667,420
Commercial	\$0.13	\$30,634	\$86,935
Subtotal		\$1,048,374	\$2,305,415
Library Facilities			
Single Family	\$250.00	\$154,750	\$436,250
Multi-Family	\$250.00	\$140,750	\$487,000
Senior Single Family Units	\$150.00	\$300,750	\$385,050
Commercial	\$0.00	\$0	\$0
Subtotal		\$596,250	\$1,308,300
Street Medians			
Single Family	\$70.00	\$43,330	\$122,150
Multi-Family	\$70.00	\$39,410	\$136,360
Senior Single Family Units	\$50.00	\$100,250	\$128,350
Commercial	\$0.20	\$47,129	\$133,746
Subtotal		\$230,119	\$520,606
Wastewater Collection ²			
Single Family	\$1,440.00	\$891,360	\$2,512,800
Multi-Family	\$1,440.00	\$810,720	\$2,805,120
Senior Single Family Units	\$1,440.00	\$2,887,200	\$3,696,480
Commercial	n/a	n/a	n/a
Subtotal		\$4,589,280	\$9,014,400

Table 4-2 (page 2 of 2)
 Estimated One-Time Development Impact Fees
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

A. Development Description		Lytle Creek Neighborhoods 2 and 3		
		Annexation Area Only	Total Project	
Development Category				
Residential Units				
Single Family Units		619	1,745	
Multi-Family Units		563	1,948	
Senior Single Family Units		<u>2,005</u>	<u>2,567</u>	
Total Units		3,187	6,260	
Commercial Square Feet		235,645	668,732	
B. Estimated Fees ¹				
Fee Category		Fee Per Unit or Commercial Square Foot	Lytle Creek Neighborhoods 2 and 3	
			Annexation Area Only	Total Project
Wastewater Treatment ³				
Single Family		\$3,126.20	\$1,935,118	\$5,455,219
Multi-Family		\$2,433.97	\$1,370,325	\$4,741,374
Senior Single Family Units		\$3,126.20	\$6,268,031	\$8,024,955
Commercial		n/a	n/a	n/a
	Subtotal		\$9,573,474	\$18,221,548
Regional Traffic Fees ⁴				
Single Family		\$2,858.44	\$1,769,374	\$4,987,978
Multi-Family		\$1,980.30	\$1,114,909	\$3,857,624
Senior Single Family Units		\$2,858.44	\$5,731,172	\$7,337,615
Commercial		\$6.54	<u>\$1,541,118</u>	<u>\$4,373,507</u>
	Subtotal		\$10,156,574	\$20,556,725
Storm Drain Facilities ⁵			n/a	n/a
Parks and Open Space ⁶			n/a	n/a
TOTAL DEVELOPMENT IMPACT FEES			\$33,609,386	\$67,797,188

- Note: 1. Per Section 5.2 of the *Pre-Annexation and Development Agreement*, the City will charge and impose only the fees listed in "Exhibit C, Development Impact Fees" of the development agreement for Lytle Creek, except for the fees for wastewater treatment and traffic impact fees.
2. Per Section 5.4 of the *Pre-Annexation and Development Agreement*, wastewater collection fees are fixed according to "Exhibit C, Development Impact Fees" of the development agreement. For commercial uses, wastewater collection fees are \$48 per frontage foot, which is not available at this time.
3. Per Section 5.4 of the *Pre-Annexation and Development Agreement*, wastewater treatment fees are based on the applicable City fee in effect at the time the fee is due. For purposes of this table, wastewater treatment fees are based on the current City fee schedule amounts that will be effective 07/1/2015. For commercial uses, the wastewater treatment fee will be based on the specific commercial use as listed in the City Fee Schedule. Therefore, wastewater treatment fees for commercial uses are not calculated in this table.
4. Per Section 5.6 of the *Pre-Annexation and Development Agreement*, regional traffic fees are based on the applicable City fee in effect at the time the fee is due. For purposes of this table, regional traffic fees are based on the current City fee schedule amounts that will be effective 07/1/2015.
5. Per Section 5.3 of the *Pre-Annexation and Development Agreement*, Lytle Creek is responsible for treating all storm water within the project boundaries without discharge to off-site drainage systems. Per the agreement, Lytle Creek is exempt from all City storm drain fees, charges, hook-up fees or other similar charges.
6. Per Section 5.5 of the *Pre-Annexation and Development Agreement*, Lytle Creek is responsible for constructing, installing and improving the park and recreation facilities listed in the development agreement. Per the agreement, Lytle Creek will not be responsible for City park fees if these facilities are constructed and installed.

Sources: Stanley R. Hoffman Associates, Inc.
 Lytle Development Company
Pre-Annexation and Development Agreement Between The City of Rialto and Lytle Development Company,
 Recorded in Official Records, County of San Bernardino, Doc#: 2012-0346185, 8/27/2012
 City of Rialto, *Development Fee Schedule*, Effective February 10, 2014

4.2 Schools

School Impact Fees are charged for both residential and commercial development. These fees will be based on the unit size and the amount of commercial square feet. These fees are not estimated in this report.

4.3 Utilities

Cable television, internet, power, and gas utilities are enterprise services, where fees and charges are determined by each company's rate structure.

CHAPTER 5 FISCAL IMPACTS OF ANNEXATION AREA

This chapter presents the fiscal analysis of the Annexation Area portion of the Lytle Creek Project. The focus of this analysis is on the impacts for the Annexation Area. However because the Lytle Creek project site is located partially within unincorporated San Bernardino County and partially within the city limits of Rialto, fiscal impacts are also projected for the Total Project. The projected fiscal impacts for the Total Project are included in Appendix B of this report.

As discussed earlier, Rialto voters approved a five year extension of the utility user tax (UUT) on March 5, 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before projected buildout of the Lytle Creek Project in 2026, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT. Fiscal impacts are shown in constant 2014 dollars with no adjustment for possible future inflation.

As shown in summary Table 5-1, a recurring annual surplus is projected for the Annexation Area with and without the UUT after buildout.

Table 5-1
Summary of Projected Fiscal Impacts after Buildout: Annexation Area
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Annexation Area	Annual Recurring Revenues	Annual Recurring Costs	Annual Recurring Surplus	Revenue/ Cost Ratio
<u>With Utility User Tax</u>	\$6,689,174	\$6,174,653	\$514,521	1.08
<i>Annual Surplus per Unit</i>			\$161	
<u>Without Utility User Tax</u>	\$5,683,405	\$6,174,655	(\$491,250)	0.92
<i>Annual Surplus per Unit</i>			(\$154)	

Source: Stanley R. Hoffman Associates, Inc.

The projected impacts for the first five years after annexation for both scenarios are included in the following sections of this chapter. No development is assumed during the first year after annexation, with development beginning in the second year after annexation.

5.1 Annexation Area – With Utility User Tax

As shown in Table 5-2, property tax to the City is projected at \$5,040 during the first year after annexation based on the existing valuation of the annexing area and the share of the basic one percent property tax levy allocated to the City. With the projected interest on the property tax, total revenues are projected at \$5,074 during the first year after annexation. Any recurring public costs are assumed to be minimal during this first year of pre-development activities. A recurring surplus is projected to the General Fund for the next four years of development and after buildout for the Annexation Area with the utility user tax (UUT).

As shown in Table 5-2, a surplus of \$30,898 is projected for the second year after annexation (2017) when development begins. With development of some of the high density units in 2018, the projected surplus is \$23,652. By the year 2019, the projected surplus is \$33,073. With the increased pace of development, the projected surplus is \$319,471 by the following year (2020). The projected surplus increases over the next five years to a projected \$514,521 after buildout of the Annexation Area Only with the UUT.

Projected Recurring Revenues With Utility User Tax

About seventy-four percent of the total projected revenues after buildout of the Annexation Area with the UUT are comprised of property tax, property tax in lieu of vehicle license fees VLF, UUT and sales and use tax.

Projected Recurring Costs With Utility User Tax

Police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 83 percent of total projected recurring costs for the Lytle Creek Annexation Area after buildout.

5.2 Annexation Area – Without Utility User Tax

As shown in Table 5-3, the same revenues of \$5,074 to the City are projected during the first year after annexation without the UUT. When development begins in the second year (2017), a surplus of \$5,698 is projected. A deficit of \$69,239 is projected for the following year (2018) in the Annexation Area without the UUT, and by the year 2019 the deficit is projected at \$214,073. The projected deficit is about \$124,107 by year 2020. After buildout of the Annexation Area Only, a recurring deficit of \$491,250 is projected without the utility user tax.

Table 5-2
Detailed Projected Recurring Fiscal Impacts: Annexation Area Only With Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	ANNEXATION AREA ONLY WITH UTILITY USER TAX						Buildout (2026)	Percent of Buildout
	2016	2017	2018	2019	2020			
Recurring Revenues								
Property tax: general	\$5,040	\$34,383	\$123,429	\$337,208	\$674,024	\$1,761,123	26.3%	
On-site retail sales and use tax	0	20,598	20,598	20,598	125,996	442,188	6.6%	
In lieu property tax (sales & use tax)	0	6,866	6,866	6,866	41,999	147,396	2.2%	
Property transfer tax-turnover	0	61	758	2,438	6,472	32,779	0.5%	
In lieu property tax (VLF)	0	36,575	122,986	334,613	667,121	1,739,069	26.0%	
Franchise fees	0	6,639	24,474	65,116	116,870	264,993	4.0%	
SB509 sales tax	0	1,090	4,159	11,152	19,789	44,473	0.7%	
Utility users tax	0	25,033	92,276	245,511	440,642	999,115	14.9%	
Business licenses	0	1,590	1,590	1,590	9,684	33,967	0.5%	
Animal licenses and fees	0	378	1,444	3,873	6,872	15,445	0.2%	
Fines, forfeits and penalties	0	1,028	3,788	10,079	18,090	41,018	0.6%	
County LF excavation charges	0	509	1,877	4,993	8,961	20,318	0.3%	
Charges for current services	0	5,499	20,361	54,230	97,185	220,102	3.3%	
Rents and concessions	0	468	1,727	4,594	8,246	18,696	0.3%	
Administrative/passport/misc. fees	0	1,361	5,194	13,928	24,716	55,545	0.8%	
Transfer from Gas Tax Fund	0	3,363	12,833	34,412	61,065	137,234	2.1%	
Other transfers	0	8,386	31,999	85,808	152,269	342,201	5.1%	
Lytle Creek CFD fees	0	8,112	30,992	83,096	147,472	331,448	5.0%	
Interest on invested revenues	34	1,025	3,173	8,238	16,517	42,064	0.6%	
Total Projected Revenues	\$5,074	\$162,965	\$510,523	\$1,328,342	\$2,643,989	\$6,689,174	100.0%	
Recurring Costs								
Fire protection	\$0	\$35,828	\$132,071	\$351,389	\$630,671	\$1,429,991	23.2%	
Police protection	0	58,132	214,286	570,131	1,023,268	2,320,171	37.6%	
Recreation	0	2,829	10,797	28,953	51,377	115,463	1.9%	
Development services-engineering	0	944	3,480	9,259	16,618	37,679	0.6%	
Development services-business licensing	0	122	122	122	741	2,599	0.0%	
Development services-code enforcement	0	1,644	6,061	16,127	28,944	65,628	1.1%	
Public works-administration	0	1,037	3,824	10,173	18,258	41,399	0.7%	
Public works-community building maintenance	0	2,600	9,585	25,503	45,772	103,784	1.7%	
Public works-park maintenance	0	0	0	0	0	771,120	12.5%	
Public works-graffiti removal	0	272	1,004	2,672	4,796	10,874	0.2%	
Public works-engineering services & projects	0	717	2,643	7,032	12,621	28,617	0.5%	
Public works-traffic safety/street maintenance	0	7,603	28,025	74,563	133,825	303,436	4.9%	
Public works-storm drain program	0	872	3,216	8,556	15,356	34,817	0.6%	
General government	0	13,176	48,575	129,112	231,580	615,043	10.0%	
Subtotal Recurring Costs	\$0	\$125,778	\$463,687	\$1,233,589	\$2,213,827	\$5,880,622	95.2%	
5% Contingency/Reserves	\$0	\$6,289	\$23,184	\$61,680	\$110,691	\$294,031	4.8%	
Total Recurring Costs	\$0	\$132,067	\$486,871	\$1,295,269	\$2,324,518	\$6,174,653	100.0%	
Net Recurring Surplus	\$5,074	\$30,898	\$23,652	\$33,073	\$319,471	\$514,521		
Revenue/Cost Ratio	n/a	1.23	1.05	1.03	1.14	1.08		

Source: Stanley R. Hoffman Associates, Inc.

Table 5-3
Detailed Projected Recurring Fiscal Impacts: Annexation Area Only Without Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	ANNEXATION AREA ONLY WITHOUT UTILITY USER TAX						Buildout (2026)	Percent of Buildout
	2016	2017	2018	2019	2020			
Recurring Revenues								
Property tax: general	\$5,040	\$34,383	\$123,429	\$337,208	\$674,024	\$1,761,123	31.0%	
On-site retail sales and use tax	0	20,598	20,598	20,598	125,996	442,188	7.8%	
In lieu property tax (sales & use tax)	0	6,866	6,866	6,866	41,999	147,396	2.6%	
Property transfer tax-turnover	0	61	758	2,438	6,472	32,779	0.6%	
In lieu property tax (VLF)	0	36,575	122,986	334,613	667,121	1,739,069	30.6%	
Franchise fees	0	6,639	24,474	65,116	116,870	264,993	4.7%	
SB509 sales tax	0	1,090	4,159	11,152	19,789	44,473	0.8%	
Utility users tax	0	0	0	0	0	0	0.0%	
Business licenses	0	1,590	1,590	1,590	9,684	33,967	0.6%	
Animal licenses and fees	0	378	1,444	3,873	6,872	15,445	0.3%	
Fines, forfeits and penalties	0	1,028	3,788	10,079	18,090	41,018	0.7%	
County LF excavation charges	0	509	1,877	4,993	8,961	20,318	0.4%	
Charges for current services	0	5,499	20,361	54,230	97,185	220,102	3.9%	
Rents and concessions	0	468	1,727	4,594	8,246	18,696	0.3%	
Administrative/passport/misc. fees	0	1,361	5,194	13,928	24,716	55,545	1.0%	
Transfer from Gas Tax Fund	0	3,363	12,833	34,412	61,065	137,234	2.4%	
Other transfers	0	8,386	31,999	85,808	152,269	342,201	6.0%	
Lytle Creek CFD fees	0	8,112	30,992	83,096	147,472	331,448	5.8%	
Interest on invested revenues	34	858	2,558	6,604	13,583	35,409	0.6%	
Total Projected Revenues	\$5,074	\$137,765	\$417,632	\$1,081,197	\$2,200,413	\$5,683,405	100.0%	
Recurring Costs								
Fire protection	\$0	\$35,828	\$132,071	\$351,389	\$630,671	\$1,429,991	23.2%	
Police protection	0	58,132	214,286	570,131	1,023,268	2,320,171	37.6%	
Recreation	0	2,829	10,797	28,953	51,377	115,463	1.9%	
Development services-engineering	0	944	3,480	9,259	16,618	37,679	0.6%	
Development services-business licensing	0	122	122	122	741	2,599	0.0%	
Development services-code enforcement	0	1,644	6,061	16,127	28,944	65,628	1.1%	
Public works-administration	0	1,037	3,824	10,173	18,258	41,399	0.7%	
Public works-community building maintenance	0	2,600	9,585	25,503	45,772	103,784	1.7%	
Public works-park maintenance	0	0	0	0	0	771,120	12.5%	
Public works-graffiti removal	0	272	1,004	2,672	4,796	10,874	0.2%	
Public works-engineering services & projects	0	717	2,643	7,032	12,621	28,617	0.5%	
Public works-traffic safety/street maintenance	0	7,603	28,025	74,563	133,825	303,436	4.9%	
Public works-storm drain program	0	872	3,216	8,556	15,356	34,817	0.6%	
General government	0	13,176	48,575	129,112	231,580	615,043	10.0%	
Subtotal Recurring Costs	\$0	\$125,778	\$463,687	\$1,233,590	\$2,213,828	\$5,880,623	95.2%	
5% Contingency/Reserves	\$0	\$6,289	\$23,184	\$61,680	\$110,692	\$294,032	4.8%	
Total Recurring Costs	\$0	\$132,067	\$486,871	\$1,295,270	\$2,324,520	\$6,174,655	100.0%	
Net Recurring Surplus	\$5,074	\$5,698	(\$69,239)	(\$214,073)	(\$124,107)	(\$491,250)		
Revenue/Cost Ratio	n/a	1.04	0.86	0.83	0.95	0.92		

Source: Stanley R. Hoffman Associates, Inc.

Projected Recurring Revenues Without Utility User Tax

About seventy percent of the total project revenues after buildout of the Annexation Area Only without the UUT is comprised of property tax, property tax in lieu of VLF, and sales and use tax.

Projected Recurring Costs Without Utility User Tax

Police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 83 percent of total projected recurring costs for the Lytle Creek Annexation Area after buildout without the UUT.

5.3 Potential Community Facilities District Maintenance Revenues

Per Section 7 of the *Pre-Annexation and Development Agreement between The City of Rialto and Lytle Development Company, El Rancho Verde Golf, LLC and Pharris Sycamore Flats, LLC* recorded 8/27/2012, a community facilities district (CFD) is planned to be established to finance certain police, fire and park maintenance costs (incurred as a result of development of the Property). The financing of these maintenance costs would be through the levy of a special tax on residential units located within the boundaries of the CFD. Final terms and conditions regarding the formation of the CFD shall be determined jointly by the City and Owner provided that the aggregate special tax levy on any parcel when established shall not exceed 2 percent of the value of such property. The City will determine, in its sole discretion, whether to form the CFD, and either party may terminate the CFD with 30 days written notice prior to the termination date of the CFD formation agreement.

CHAPTER 6 CITY OF RIALTO FISCAL ASSUMPTIONS

This Chapter presents the revenue and cost assumptions for the Lytle Creek Project Area fiscal analysis. Revenue and cost assumptions are based on the *City of Rialto, Fiscal Year 2013/2014 Budget*, with adjustments based on the *City's Mid-Year Presentation FY 13-14, City Council Approved Adjustments, 2/25/2014*, discussions with City finance staff, and the general assumptions presented in this Chapter.

The general City demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors, such as per unit or per acre, based on the available data. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2013/2014 adjusted budget categories by the City's resident population, employment, total service population, or acres where appropriate. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Rialto's total population of 101,429 is based on the State Department of Finance (DOF) estimate as of January 1, 2014. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvended gas taxes.

Employment

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. Total employment for the City is estimated at 24,590. Payroll jobs for 2011 are estimated at 22,468 based on the relationship between the 2008 Census Longitudinal Employer-Household Dynamic (LEHD) and 2008 jobs provided by the City from the California Employment Development Department (EDD). Based on the Census 2009-2011 American Community Survey (ACS) Public Use Microdata Sample (PUMS), the self-employed by industry category for San Bernardino County

Table 6-1
City Population, Housing and Employment Assumptions
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Assumption	Description
	<u>Population and Housing</u> ¹
100,982	Household Population
447	<u>Group Quarters Population</u>
101,429	Total Population
	<u>Employment</u> ²
22,468	Estimated Payroll Jobs
2,121	<u>Additional Estimated Self-Employed</u>
24,590	Total Estimated City Employment
11,234	Employment Weighted at 50% (excludes self-employed) ³
	<u>Population and Employment</u>
112,663	Service Population (Population + Weighted Employment)

- Note: 1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2014
2. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between 2008 LEHD primary jobs and 2008 EDD total payroll jobs. Estimated rates of self-employed by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-2011 Public Use Microdata Sample, (PUMS), as shown in Appendix Table B-1.
3. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population. The self-employed are not included because these jobs are assumed to be represented in the population estimate.

Sources: Stanley R. Hoffman Associates, Inc.

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011-2014*, Sacramento, May 2014

City of Rialto, Economic Development Department

California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*

Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011

Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

is applied to each EDD industry category. As shown in Appendix Table C-1, the self-employed for Rialto are estimated at 2,121. With the estimated self-employed, total employment is estimated 24,590 for the City.

Service Population

Fiscal factors that are impacted by both population and employment growth are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the total estimated City

employment. Employment is weighted at 50 percent to account for the estimated less frequent use of City services by employment versus population.

As shown in Table 6-1, the service population for the City is estimated at 112,663. The service population estimate includes the resident population of 101,429 and the weighted employment of 11,234 (50 percent of 22,468). The self-employed are not included in the weighted employment estimate because they are assumed to be represented in the population estimate.

6.2 City Revenue Assumptions

The General Fund Fiscal Year (FY) 2013/2014 adjusted revenues are presented in Appendix Table C-2. Since the adoption of the FY 2013/2014 Budget, City Council approved revenue amendments of \$3,097,443 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager these revenues amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of \$1,783,079 were made to the City Budget, and these revenue adjustments are included in the appropriate revenue category, as shown in Appendix Table C-2.

Projected recurring revenues to the City General Fund include property tax; in lieu property tax (VLF); sales and use tax; in lieu property tax (sales and use tax); property transfer tax; franchise fees; SB509 sales tax-safety; utility user tax; business licenses and permits; animal licenses and permits; fines, forfeits and penalties; County Landfill excavation charges; charges for current services; interest on investments; rents and concessions; administrative fees; transfer from Gas Tax Fund; and other transfers to the General Fund.

The revenue factors for the recurring revenues projected in the fiscal analysis are summarized in Table 6-2 and described in the remainder of this section. These factors are based on the City's Fiscal Year (FY) 2013/2014 adjusted revenues shown in Appendix Table C-2 and the City's population and service population estimates that are presented in Table 6-1.

Property Tax

General Fund property tax is projected based on assessed valuation times the allocation of the basic one percent property tax levy for the tax rate area (TRA) in which a project is located. Neighborhoods II and III include areas already in the City of Rialto and unincorporated areas that will annex into the City. The calculations of the estimated property tax allocations are based on the formula and methodology provided by the San Bernardino County LAFCO.

Table 6-2
General Fund Recurring Revenue Factors
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Revenue Source	FY 2013-2014 Adjusted Budget	Projection Basis ¹	Projection Factor ¹
<u>Tax Revenue</u>			
Property Taxes ²	\$5,765,000	Assessed Valuation	14.52% Neighborhood II - Total area 14.87% Neighborhood II - Unincorporated area 13.99% Neighborhood III - Total area 14.22% Neighborhood III - Unincorporated area
In Lieu Property Tax (VLF)	\$8,561,000	Case Study	\$1,443 per \$1,000,000 assessed valuation
Sales and Use Tax	\$7,849,000	Taxable Sales	75% of 1% of projected sales and use tax
In Lieu Property Tax (Sales Tax)	\$2,588,000	Taxable Sales	25% of 1% of projected sales and use tax
Use Tax Factor		Use Tax as Percent of Sales Tax	11.2% of sales tax
Property Transfer Tax	\$250,000	Property turnover and valuation assumptions	5.0% Residential turnover rate 5.0% Non-residential turnover rate \$0.55 per \$1,000 assessed valuation
Franchise Fees	\$3,130,000	Service Population = 112,663	\$27.78 per service population
SB509 Sales Tax-Safety	\$485,000	Population = 101,429	\$4.78 per capita
Utility User Tax	\$11,800,000	Service Population = 112,663	\$104.74 per service population
<u>Licenses and Permits</u>			
Business/Contractors/Truckers Licenses	\$1,777,000	Employment = 24,590	\$72.27 per employee
Dog Licenses	\$155,000	Population = 101,429	\$1.53 per capita
<u>Fines, Forfeits & Penalties</u>	\$484,000	Service Population = 112,663	\$4.30 per service population
<u>Revenue From Other Agencies</u>			
Motor Vehicle in Lieu Tax	\$0	Population = 101,429	\$0.00 per capita
County LF Excavation Charges ³	\$240,000	Service Population = 112,663	\$2.13 per service population
<u>Charges for Current Services</u>			
Animal Control Fees	\$13,000	Population = 101,429	\$0.13 per capita
Other Police Related Fees ⁴	\$297,433	Service Population = 112,663	\$2.64 per service population
Fire Related Inspections ⁵	\$300,000	Population = 101,429	\$2.96 per capita
Ambulance Service Fees/Subscriptions	\$1,860,000	Service Population = 112,663	\$16.51 per service population
Weed & Lot Cleaning	\$98,000	Service Population = 112,663	\$0.87 per service population
Other Current Services	\$4,100	Service Population = 112,663	\$0.04 per service population
<u>Interest on Investments</u>	\$358,850	Percent of Recurring Revenues	0.67% of projected recurring revenues
<u>Rents & Concessions</u>	\$221,000	Service Population = 112,663	\$1.96 per service population
<u>Administrative/Passport/Misc. Fees</u>	\$605,150	Population = 101,429	\$5.97 per capita
<u>Transfers In</u>			
Gas Tax Fund Transfer	\$1,496,080	Population = 101,429	\$14.75 per capita
Other Transfers ⁶	\$3,730,114	Population = 101,429	\$36.78 per capita
<u>Lytle Creek CFD Fees</u> ⁷	n/a	Case Study	\$104.00 per unit

- Note: 1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied, which represents the total population plus 50 percent of the total employment estimate.
2. The fiscal analysis projects property tax at the average of the basic one percent property tax allocations for tax rate areas (TRAs) for each Neighborhood. The calculation of the property tax allocations for each Neighborhood is presented in Appendix C.
3. This revenue is provided by City administrative staff, and represents the estimated share of total County Landfill revenues that are contributed from disposal by City residents.
4. The other police related fees category includes crime report copying, fingerprinting, reproduction charges, police false alarm responses, accident reports, general services, impound fees and crime analysis charges.
5. Fire related inspections include inspections for multi-family rentals.
6. The other transfers in category includes transfers to the General Fund from other funds, such as engineering, CFDs, CDBG and water.
7. Per Section 7 of the pre-annexation development agreement between the City and Lytle Development Company, a community facilities district (CFD) may be established to finance police, fire and park maintenance costs. The special tax levy is set at \$104 per unit.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*
Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)
Pre-Annexation and Development Agreement Between The City of Rialto and Lytle Development Company, Recorded in Official Records, County of San Bernardino, Doc#: 2012-0346185, 8/27/2012

Appendix Tables A-7 and A-8 present the projected property tax to the City General Fund for the first five years of the development period and after buildout for Neighborhood II and Neighborhood III for the Annexation Area Only and for the Total Project. The property tax is based on the estimated assessed valuation for each neighborhood and the following property tax allocation rates.

Neighborhood II. The average property tax allocation of the basic one percent property tax levy to the Rialto General Fund is 14.52 percent for the portion of Neighborhood II already within the city limits; the average for the unincorporated part of Neighborhood II is 14.87 percent upon annexation to the City. Appendix Table C-3 presents the TRA allocations in Neighborhood II and the calculation of the estimated property tax allocation for Neighborhood II upon annexation is presented in Appendix Tables C-4.

Neighborhood III. The estimated property tax allocation of the one percent basic levy to the Rialto General Fund for Neighborhood III is 13.99 percent for the portion already within the city limits; the average for the unincorporated area within Neighborhood III is 14.22 percent upon annexations. Appendix Table C-5 includes the TRA allocations for Neighborhood III and Table C-6 presents the calculation of the estimated property tax allocation for Neighborhood III upon annexation to Rialto.

In Lieu Property Tax (VLF)

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This property tax in lieu of VLF is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. Property tax in lieu of VLF revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table C-7, the property tax in lieu of VLF in the City is projected to increase at \$1,443 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in property tax in lieu of VLF in the City over the period from fiscal year 2004-2005 to fiscal year 2013-2014. The change over the period from fiscal year 2004-2005 to fiscal year 2013-2014 is used to represent an average of the economic upturns and downturns.

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for

new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table C-8 presents the City sales and use tax for calendar year 2013 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$1,070,015 of total sales and use tax was made from levies designated as use tax and the remaining \$9,519,326 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Rialto are estimated at an additional 11.2 percent of point-of-sale sales tax.

Sales and use tax is projected at 75.0 percent of the total sales and use tax generated because the State has reduced the local sales tax allocation (1.0 percent) by 25.0 percent and replaced this with a dollar-for-dollar allocation of local property tax from County ERAF funds.

Real Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2008-2012 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 5.0 percent per year (Appendix Table C-9). While change of ownership data is not available for businesses, non-residential development is also assumed to change ownership at an average rate of 5.0 percent per year.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and wastewater businesses within Rialto for use of public rights-of-way. Based on the City Fiscal Year (FY) 2013-2014 adjusted franchise revenues of \$3,130,000, franchise taxes are projected at \$27.78 per service population (112,663), as shown in Table 6-2.

SB509 Sales Tax – Safety

These revenues are projected at \$4.78 per capita based on the City FY 2013/2014 adjusted revenue amount of \$485,000 and the population estimate of 101,429.

Utility User Tax

Rialto levies a utility user tax on the sale of electricity, natural gas, telephone/mobile, water,

wastewater and cable/satellite services within the City. As shown in Table 6-2, based on the City FY 2013/2014 adjusted revenue amount of \$11,800,000 and the City's estimated service population of 112,663, utility user taxes are projected at \$104.74 per service population. This tax will sunset in 2018 unless it is renewed by a majority vote of the residents of Rialto.

Licenses and Permits

Business/contractors/truckers licenses and dog licenses are included in this category.

Business Licenses. Business/contractors/truckers licenses are projected at \$72.27 per employee based on FY 2013/2014 adjusted business license revenues of \$1,777,000 and the City employment estimate of 24,590.

Dog Licenses. Dog licenses are projected at \$1.53 per capita based on the FY 2013/2014 adjusted revenue amount of \$155,000 and the existing City population estimate of 101,429. These projected revenues are combined with projected animal control fees in the projected fiscal impacts for the annexation.

Fines, Forfeits and Penalties

As shown in Table 6-2, these revenues are projected at \$4.30 per service population based on FY 2013/2014 adjusted revenues of \$484,000 thousand and the service population estimate of 112,663. Revenues in this category include parking fines, court fines, and other fines/forfeits/penalties.

County Landfill Charges

City Finance Department staff estimates that about 10 percent of the FY 2013/2014 adjusted County landfill revenues of \$2,400,000, or \$240,000, are from disposal fees from City residents. Based on this estimate of \$240,000 of revenues and the City's estimated service population of 112,663, these revenues are projected at \$2.13 per service population, as shown in Table 6-2.

Based on discussion with the City Finance Manager, these revenues are the City's portion of tonnage fees collected at the County-owned landfill located in the City. The City's waste hauler, Burrtec Industries, has an exclusive franchise with the City and part of the franchise agreement is that Burrtec Industries will dispose of the waste collected from City residents at the County-owned landfill located in the City. Therefore, these revenues are assumed to increase with the growth planned for the Lytle Creek Annexation Area.

Charges for Current Services

Current service charges include animal control, other police department fees, ambulance service fees/subscriptions, weed and lot cleaning and other current services. Based on the City FY

2013/2014 adjusted revenue amounts these revenues for current services are projected as follows.

Animal Control Fees. These fees are projected at \$0.13 per capita based on revenues of \$13,000 and the current city population estimate of 101,429. Projected animal control fees are combined with future dog licenses in the projected fiscal impacts for the annexation.

Other Police Related Fees. These revenues are projected at \$2.64 per service population based on FY 2013/2014 adjusted revenues of \$297,433 and the estimated current City service population of 112,663.

Ambulance Service Fees/Subscriptions. These revenues are projected at \$16.51 per service population based on FY 2013/2014 adjusted revenues of \$1,860,000 and the estimated current City service population, as shown in Table 6-2.

Weed and Lot Cleaning Fees. These revenues are projected at \$0.87 per service population based on FY 2013/2014 revenues of \$98,000 and the estimated current City service population.

Other Current Services. These revenues are not projected because of the small amount of \$500 in the FY 2013/2014 adjusted revenues.

Interest on Investments

These revenues are projected at 0.67percent of the projected recurring General Fund revenues in the fiscal analysis based on FY 2013/2014adjusted estimated interest earnings of \$358,850 and non-interest General Fund projected recurring revenues of \$52,715,300.

Rents and Concessions

As shown in Table 6-2, these revenues are projected at \$1.96 per service population based on FY 2013/2014adjusted revenues of \$221,000 and the City service population estimate of 112,663.

Administrative, Passport and Miscellaneous Fees

These revenues are projected at \$5.97per capita based on FY 2013/2014adjusted revenues of \$605,150 and the City population estimate of 101,429.

Transfers In

These revenues include transfers to the City General Fund from the Gas Tax Fund and other appropriate City funds.

Gas Tax Fund Transfer. Gas tax revenues are earmarked for road related costs including capital and maintenance functions. State gasoline taxes transferred to the General Fund are projected at \$14.75per capita based on the FY 2013/2014adjusted revenue amount of \$1,496,080 and the City population estimate of 101,429.

Other Transfers. These revenues include transfers to the General Fund from other funds, such as engineering, community facility districts (CFDs), Community Development

Block Grant (CDBG), landscaping maintenance and water. As shown in Table 6-2, other transfers to the General Fund are projected at \$36.78 per capita based on the FY 2013/2014 adjusted revenue amount of \$3,730,114 and the City's estimated population.

Lytle Creek CFD Fees

Per Section 7 of the 2012 pre-annexation agreement between the City and Lytle Development Company, a community facilities district (CFD) may be established to finance annual police, fire and park maintenance costs. The special tax levy per the development agreement is \$104 per residential unit.

6.3 City Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the Lytle Creek Annexation are presented in Table 6-3. These factors are based on the adjustments to the City's Fiscal Year (FY) 2013/2014 Budget shown in Table 6-4 and the City's population and service population estimates that are presented in Table 6-1.

Since the adoption of the FY 2013/2014 Budget, City Council approved expense amendments of \$4,624,853 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager these amendments are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. The mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs. In addition, City administrative staff made increases to fire, police and public works costs in order to reflect a budget with normalized staffing and service levels.

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of fire, police, recreation, development services, and public works. The fiscal analysis also projects contingency costs at 5 percent of recurring costs and includes the projected street maintenance cost funded through the City Gas Tax Fund.

General Government

General government costs such as City Administrator, City Council, City Clerk, City Treasurer, Human Resources, Finance, the City Cemetery and Non-Departmental expenditures, provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental line costs such as police, fire and public

Table 6-3
General Fund Recurring Cost Factors
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Cost Category	FY 2013-2014 Budget		Projection Basis ¹	Cost Factor ¹
	Total	Adjusted		
GENERAL FUND				
General Government	\$9,151,138	\$6,863,354	Percent of General Fund Costs	11.7% of direct department costs, at a 75% marginal rate
Fire	\$15,488,832	\$16,888,832	Service Population = 112,663	\$149.91 per service population
Police	\$25,002,777	\$27,402,777	Service Population = 112,663	\$243.23 per service population
Recreation	\$1,258,356	\$1,258,356	Population = 101,429	\$12.41 per capita
Development Services:				
Engineering ²	\$1,973,988	\$444,942	Service Population = 112,663	\$3.95 per service population
Business Licensing	\$136,026	\$136,026	Employment = 24,590	\$5.53 per employee
Code Enforcement ³	\$826,337	\$775,337	Service Population = 112,663	\$6.88 per service population
Public Works:				
Public Works Administration	\$392,720	\$488,897	Service Population = 112,663	\$4.34 per service population
Community Building Maintenance	\$984,338	\$1,225,403	Service Population = 112,663	\$10.88 per service population
Park Maintenance ⁴	\$2,319,939	\$2,888,092	City Park Acres = 134	\$21,600 per acre
Graffiti Removal	\$102,880	\$128,075	Service Population = 112,663	\$1.14 per service population
Engineering Services and Projects ⁵	\$1,440,648	\$337,848	Service Population = 112,663	\$3.00 per service population
Street Maintenance - MOE	\$2,168,835	\$2,699,983	Service Population = 112,663	\$23.97 per service population
Traffic Safety	\$709,954	\$883,822	Service Population = 112,663	\$7.84 per service population
Storm Drain Program	\$330,688	\$411,674	Service Population = 112,663	\$3.65 per service population
Contingency	n/a	n/a	Case Study	5.0% of total recurring costs
GAS TAX FUND				
Street Maintenance ⁶	\$1,496,080	\$1,496,080	Service Population = 112,663	\$13.28 per service population

- Note: 1. For cost factors that are based on population and employment, the estimated Rialto service population is used to calculate the cost factor. The service population factor is applied to the estimated City Lytle Creek Specific Plan service population.
2. Net development services - engineering costs of \$444,942 are the budgeted costs of \$1,973,988 minus projected one-time fees, permits, and charges for services revenues of \$1,529,046, as shown in Panel A of Table C-10.
3. Net code enforcement costs of \$775,337 are the budgeted costs of \$826,337 minus projected one-time charges for services of \$51,000, as shown in Panel B of Table C-10.
4. Based on the park maintenance cost in the City budget and the 134 City park acres, park costs are projected at \$21,600 per acre.
5. Net public works engineering services and projects costs of \$337,848 are the service level adjusted budget costs of \$1,440,648 minus projected one-time fees for services revenues of \$1,102,800, as shown in Table C-11.
6. Traffic/street sweeping/street maintenance funding is provided through the Gas Tax Fund. According to the City's Fiscal Policy for New Development and Annexations, the City requires that new development annex into Landscaping and Lighting Maintenance District No. 2, or other appropriate financing district, for landscape maintenance of arterials and street lighting.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, Rialto*
Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table 6-4
Calculation of City General Government Overhead Rate
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

A. CURRENT GENERAL FUND EXPENDITURES AND OVERHEAD RATE

General Fund Expenditures	Fiscal Year 2013/2014				Revised Expenditure Amount		
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Service Level Budget Adjustments ²	Total Revised Budget	Not Projected in Fiscal Analysis ¹	General Government	Non-General Government
General Government							
City Administrator	\$560,592	\$0	\$0	\$560,592		\$560,592	
City Council	313,525	0	0	313,525		313,525	
City Clerk	1,017,145	0	0	1,017,145		1,017,145	
City Treasurer	323,057	0	0	323,057		323,057	
Human Resources	526,119	0	0	526,119		526,119	
Finance	1,536,026	0	0	1,536,026		1,536,026	
Cemetery	12,400	0	0	12,400		12,400	
Non-Department Expenditures	4,316,675	0	0	4,316,675		4,316,675	
Budget Amendments: Grants and Carry-Forwards ³	0	4,624,853	0	4,624,853	\$4,624,853		
Mid-Year Budget Adjustment	0	545,599	0	545,599		545,599	
Non-General Government							
Engineering and Development Services	\$1,973,988	\$0	\$0	\$1,973,988			\$1,973,988
Development Services - Business Licensing	136,026	0	0	136,026			136,026
Development Services - Code Enforcement	826,337	0	0	826,337			826,337
Fire	15,488,832	0	1,400,000	16,888,832			16,888,832
Police	25,002,777	0	2,400,000	27,402,777			27,402,777
Public Works:							
Administration	392,720	0	96,177	488,897			488,897
Building Maintenance	733,188	0	179,558	912,746			912,746
Park Maintenance	2,319,939	0	568,153	2,888,092			2,888,092
Graffiti	102,880	0	25,195	128,075			128,075
Community Buildings	251,150	0	61,507	312,657			312,657
Engineering Services	737,854	0	180,701	918,555			918,555
Engineering - Projects	419,386	0	102,708	522,094			522,094
Street Maintenance/Street Sweeping/Traffic Signals	2,168,835	0	531,148	2,699,983			2,699,983
Traffic Safety	709,954	0	173,868	883,822			883,822
Storm Drain Program	330,688	0	80,986	411,674			411,674
Public Works Total	8,166,594	0	2,000,000	10,166,594			10,166,594
Recreation	1,258,356	0	0	1,258,356			1,258,356
Landscape maintenance	0	0	0	0			0
GRAND TOTAL GENERAL FUND	\$61,458,449	\$5,170,452	\$5,800,000	\$72,428,901	\$4,624,853	\$9,151,138	\$58,652,910

B. GENERAL FUND OVERHEAD RATE

Current General Government Overhead Rate

General Government Expenditures			\$9,151,138
		<i>divided by</i>	
Direct General Fund Expenditures			\$58,652,910
		<i>equals</i>	
Current General Government Overhead Rate			15.6%
Overhead Rate At 75% Marginal Increase			11.7%

- Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved expense amendments of about \$4.6 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these expense amendments of \$4.6 million are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. These mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs.
2. The City administrative staff have provided cost estimates that would restore staff levels in police, fire and public works departments to 2010 service levels.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014
City of Rialto, City Administrator and Development Services Department

works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Panel B of Table 6-4, FY 2013/2014 revised general government costs of \$9,151,138 represent about 15.6 percent of revised direct line costs of \$58,652,910. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 11.7 percent of direct costs.

Fire

As shown previously in Table 6-3, fire protection costs are projected at \$149.91 per service population based on FY 2013/2014 revised expenditures of \$16,888,832 and the City's estimated 112,663 service population.

Police

Police costs are projected at \$243.23 per service population, as shown in Table 6-3, based on FY 2013/2014 revised expenditures of \$27,402,777 and the City's service population estimate of 112,663.

Recreation

As shown in Table 6-3, recreation costs are projected at \$12.41 per capita based on FY 2013/2014 expenditures of \$1,258,356 and the City's population estimate of 101,429.

Development Services

Development services include engineering, business licensing and code enforcement. Based on the City FY 2013/2014 amounts these revenues for development services are projected as follows.

Engineering. Based on FY 2013/2014 net engineering costs of \$444,942 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.95 per service population. As shown in Table 6-3, the total General Fund engineering costs of \$1,973,988 are offset by one-time development related permit and fee revenues of \$1,529,046. Panel A of Appendix Table C-10 presents the calculation of the net engineering cost factor.

Business Licensing. Non-fee supported business licensing costs are estimated at \$5.53 per employee based on FY 2013/2014 business licensing costs of \$136,026 and the City employment estimate of 24,590.

Code Enforcement. Code enforcement costs are projected at \$6.88 per service population based on FY 2013/2014 net code enforcement costs of \$775,337 and the City's service

population estimate of 112,663. As shown in Table 6-3, budgeted code enforcement costs of \$826,337 are offset by one-time development related permit and fee revenues of \$51,000. Panel B of Appendix Table C-10 presents the calculation of the net code enforcement cost factor.

Public Works

Public works costs include department administration, community building maintenance, park maintenance, graffiti removal, engineering services and projects, street maintenance/street sweeping/traffic signals, traffic safety and storm drain program costs.

Administration. As shown previously in Table 6-3, public works administration costs are projected at \$4.34 per service population based on FY 2013/2014 revised costs of \$488,897 and the City service population estimate of 112,663.

Community Building Maintenance. Public works community building maintenance and operations costs are projected at \$10.88 per service population. These costs are based on FY 2013/2014 adjusted budget costs of \$1,225,403 and the current City service population.

Park Maintenance. Public works park maintenance costs are projected at \$21,600 per acre for the planned community park in the Lytle Creek Project Area. This cost factor is based on FY 2013/2014 adjusted budget costs of \$2,888,092 for park maintenance for the existing 134 City park acres.

Graffiti Removal. Public works costs for graffiti removal are projected at \$1.14 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$128,075 and the City service population estimate of 112,663, as shown in Table 6-3.

Engineering Services and Projects. Based on adjusted FY 2013/2014 public works net engineering costs of \$337,848 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.00 per service population. Total General Fund public works engineering costs of \$1,440,648 are offset by one-time development related permit and fee revenues of \$1,102,800, as shown in Appendix Table C-11.

Street Maintenance/Street Sweeping/Traffic Signals. Based on FY 2013/2014 adjusted costs of \$2,699,983 and the City service population estimate of 112,663, General Fund street maintenance/street sweeping/traffic signal costs are estimate at \$23.97 per service population, as shown in Table 6-3.

Traffic Safety. Public works costs for traffic safety are projected at \$7.84 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$883,822 and the City service population estimate of 112,663.

Storm Drain Program. Costs for the public works storm drain program are projected at \$3.65 per service population based on FY 2013/2014 adjusted costs of \$411,674 and the current City service population estimate of 112,663.

Contingency

The fiscal analysis assumes a 5 percent contingency cost factor, based on discussion with city finance staff, to account for unanticipated costs that may be incurred due to economic and State

Budget uncertainties. The 5 percent contingency factor is applied to the projected total costs, including general government.

Gas Tax Fund

As shown previously in Table 6-3, part of the funding for Citywide traffic safety operations, street maintenance, street sweeping and traffic signals costs are provided through the Gas Tax Fund. The costs funded through the Gas Tax Fund are projected at \$13.28 per service population based on FY 2013/2014 budget costs of \$1,496,080 and the City service population estimate of 112,663.

APPENDIX A PHASED LAND USE TABLES

Table A-1
Phased Residential Development Description: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					Buildout (2026)
	2016	2017	2018	2019	2020	
A. RESIDENTIAL UNITS						
Incremental Units						
Single Family 1 (2-5 du/acre)	0	0	0	21	28	149
Single Family 2 (5-8 du/acre)	0	0	0	48	182	1,095
Single Family 3 (8-14 du/acre)	0	78	156	178	258	1,380
Multi-Family (14-28 du/acre)	0	0	0	54	51	199
High Density (25-35 du/acre)	0	0	64	200	100	364
Total Incremental Units	0	78	220	501	619	3,187
Cumulative Units	0	78	298	799	1,418	
B. POPULATION (@ 2.919 per unit)						
Total Incremental Population	0	228	642	1,463	1,807	9,304
Cumulative Population	0	228	870	2,333	4,140	

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, *Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community, Rialto, CA, October 2008 Update*

Table A-2
Phased Residential Development Description: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					Buildout (2026)
	2016	2017	2018	2019	2020	
A. RESIDENTIAL UNITS						
Incremental Units						
Single Family 1 (2-5 du/acre)	0	0	28	33	42	467
Single Family 2 (5-8 du/acre)	0	87	146	166	264	1,908
Single Family 3 (8-14 du/acre)	0	114	228	196	258	1,937
Multi-Family (14-28 du/acre)	0	0	0	54	108	959
High Density (25-35 du/acre)	0	0	64	200	100	989
Total Incremental Units	0	201	466	649	772	6,260
Cumulative Units	0	201	667	1,316	2,088	
B. POPULATION (@ 2.919 per unit)						
Total Incremental Population	0	587	1,360	1,894	2,253	18,272
Cumulative Population	0	587	1,947	3,841	6,094	

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, *Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community, Rialto, CA, October 2008 Update*

Table A-3
Phased Non-Residential Development Description: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					Buildout (2026)
	2016	2017	2018	2019	2020	
A. COMMERCIAL SQUARE FEET						
Total Incremental Square Feet	0	10,977	0	0	56,167	235,645
<i>Cumulative Square Feet</i>	0	10,977	10,977	10,977	67,144	
B. EMPLOYMENT (@ 500 square feet per employee)						
Neighborhood II	0	22	0	0	0	22
Neighborhood III	0	0	0	0	112	448
Total Incremental Employment	0	22	0	0	112	470
<i>Cumulative Employment</i>	0	22	22	22	134	
C. ON-SITE SALES AND USE TAX ¹						
Neighborhood II	\$0	\$27,464	\$0	\$0	\$0	\$27,464
Neighborhood III	0	0	0	0	140,530	562,120
Total On-Site Sales and Use Tax ²	\$0	\$27,464	\$0	\$0	\$140,530	\$589,584
<i>Cumulative Sales and Use Tax</i>	\$0	\$27,464	\$27,464	\$27,464	\$167,994	

Note: 1. Sales tax is projected at \$225 per square foot and use tax is estimated at 11.2 percent of sales tax.
2. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the fiscal projections at buildout show on-site sales and use tax at 75% of the total, or \$442,188, and the remaining amount of \$147,396 as in lieu property tax (sales and use tax).

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, *Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community*,
Rialto, CA, October 2008 Update

Table A-4
Phased Non-Residential Development Description: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					Buildout (2026)
	2016	2017	2018	2019	2020	
A. COMMERCIAL SQUARE FEET						
Neighborhood II		54,885	18,295	29,272	0	102,452
Neighborhood III		0	115,478	115,478	83,831	566,280
Total Incremental Square Feet	0	54,885	133,773	144,750	83,831	668,732
<i>Cumulative Square Feet</i>	0	54,885	188,658	333,408	417,239	
B. EMPLOYMENT (@ 500 square feet per employee)						
Total Incremental Employment	0	110	268	290	168	1,340
<i>Cumulative Employment</i>	0	110	378	668	836	
C. SALES AND USE TAX ¹						
Neighborhood II		\$137,322	\$45,774	\$73,239	\$0	\$256,335
Neighborhood III		0	288,926	288,926	209,745	1,416,832
Total On-Site Sales and Use Tax ²	\$0	\$137,322	\$334,700	\$362,165	\$209,745	\$1,673,167
<i>Cumulative Sales and Use Tax</i>	\$0	\$137,322	\$472,022	\$834,187	\$1,043,932	

Note: 1. Sales tax is projected at \$225 per square foot and use tax is estimated at 11.2 percent of sales tax.
2. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the fiscal projections at buildout show on-site sales and use tax at 75% of the total, or \$1,254,875, and the remaining amount of \$418,292 as in lieu property tax (sales and use tax).

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, *Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community*,
Rialto, CA, October 2008 Update

Table A-5
Phased Assessed Valuation: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					Buildout (2026)
	2016	2017	2018	2019	2020	
A. NEW RESIDENTIAL ASSESSED VALUATION						
	Average Value per Unit					
Total New Residential Valuation						
Single Family 1 (2-5 du/acre)	\$598,742	\$0	\$0	\$11,812,500	\$15,750,000	\$89,212,500
Single Family 2 (5-8 du/acre)	\$437,197	0	0	21,341,290	79,057,194	478,730,973
Single Family 3 (8-14 du/acre)	\$314,533	0	22,053,358	45,803,128	55,885,172	83,394,408
Multi-Family (14-28 du/acre)	\$263,332	0	0	13,618,494	13,376,388	52,403,052
High Density (25-35 du/acre)	\$220,000	0	0	14,080,000	44,000,000	22,000,000
Total New Residential Valuation	\$355,972	\$0	\$22,053,358	\$59,883,128	\$146,657,457	\$213,577,990
Cumulative New Residential Valuation		\$0	\$22,053,358	\$81,936,486	\$228,593,943	\$442,171,933
B. NEW RETAIL ASSESSED VALUATION (@ \$300 per square foot)						
Incremental Retail Assessed Valuation		\$0	\$3,293,100	\$0	\$0	\$16,850,100
Cumulative New Retail Valuation		\$0	\$3,293,100	\$3,293,100	\$3,293,100	\$20,143,200
C. NET ASSESSED VALUATION INCREASE						
New Residential Valuation		\$0	\$22,053,358	\$59,883,128	\$146,657,457	\$213,577,990
New Retail Valuation		0	3,293,100	0	0	16,850,100
Total New Assessed Valuation		\$0	\$25,346,458	\$59,883,128	\$146,657,457	\$230,428,090
Existing Valuation		\$3,442,879	\$2,223,980	\$0	\$1,218,899	\$0
Total Net Assessed Valuation Increase		\$3,442,879	\$23,122,478	\$59,883,128	\$145,438,558	\$230,428,090
Cumulative Net Assessed Valuation Increase		\$3,442,879	\$23,122,478	\$83,005,606	\$228,444,164	\$458,872,254

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-6
Phased Assessed Valuation: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					Buildout (2026)
	2016	2017	2018	2019	2020	
A. NEW RESIDENTIAL ASSESSED VALUATION						
	Average Value per Unit					
Total New Residential Valuation						
Single Family 1 (2-5 du/acre)	\$565,242	\$0	\$10,150,000	\$16,162,500	\$23,625,000	\$263,968,000
Single Family 2 (5-8 du/acre)	\$468,637	0	49,957,060	89,570,000	80,511,984	116,515,566
Single Family 3 (8-14 du/acre)	\$300,947	0	22,053,358	45,803,128	55,885,172	83,394,408
Multi-Family (14-28 du/acre)	\$261,614	0	0	13,618,494	28,326,469	250,887,427
High Density (25-35 du/acre)	\$220,000	0	0	14,080,000	44,000,000	22,000,000
Total New Residential Valuation	\$352,960	\$0	\$72,010,418	\$159,603,128	\$210,178,151	\$273,861,443
Cumulative New Residential Valuation		\$0	\$72,010,418	\$231,613,546	\$441,791,697	\$715,653,140
B. NEW RETAIL ASSESSED VALUATION (@ \$300 per square foot)						
Incremental Retail Assessed Valuation		\$0	\$16,465,500	\$40,131,900	\$43,425,000	\$25,149,300
Cumulative New Retail Valuation		\$0	\$16,465,500	\$56,597,400	\$100,022,400	\$125,171,700
C. NET ASSESSED VALUATION INCREASE						
New Residential Valuation		\$0	\$72,010,418	\$159,603,128	\$210,178,151	\$273,861,443
New Retail Valuation		0	16,465,500	40,131,900	43,425,000	25,149,300
Total New Assessed Valuation		\$0	\$88,475,918	\$199,735,028	\$253,603,151	\$299,010,743
Existing Valuation		\$14,520,605	\$8,804,578	\$5,716,027	\$0	\$0
Total Net Assessed Valuation Increase		\$14,520,605	\$79,671,340	\$194,019,001	\$253,603,151	\$299,010,743
Cumulative Net Assessed Valuation Increase		\$14,520,605	\$79,671,340	\$273,690,341	\$527,293,492	\$826,304,235

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-7
Phased Property Tax: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					
	2016	2017	2018	2019	2020	Buildout (2026)
Neighborhood II - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$22,053,358	\$59,883,128	\$107,342,672	\$141,180,000	\$804,909,159
New Retail Valuation	0	3,293,100	0	0	0	3,293,100
Neighborhood II New Assessed Valuation	\$0	\$25,346,458	\$59,883,128	\$107,342,672	\$141,180,000	\$808,202,259
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$2,223,980	\$2,223,980	\$0	\$0	\$0	\$2,223,980
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood II Net Assessed Valuation (AV)	\$2,223,980	\$23,122,478	\$59,883,128	\$107,342,672	\$141,180,000	\$805,978,279
Cumulative Net AV	\$2,223,980	\$23,122,478	\$83,005,606	\$190,348,279	\$331,528,279	
1% Property Tax Levy	\$22,240	\$231,225	\$830,056	\$1,903,483	\$3,315,283	\$8,059,783
	Share of					
	1 Percent					
General Fund Property Tax	\$3,307	\$34,383	\$123,429	\$283,048	\$492,983	\$1,198,490
	14.87%					
Neighborhood III - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$0	\$0	\$39,314,784	\$72,397,990	\$329,573,332
New Retail Valuation	0	0	0	0	16,850,100	67,400,400
Neighborhood III New Assessed Valuation	\$0	\$0	\$0	\$39,314,784	\$89,248,090	\$396,973,732
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$1,218,899	\$0	\$0	\$1,218,899	\$0	\$1,218,899
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood III Net Assessed Valuation (AV)	\$1,218,899	\$0	\$0	\$38,095,885	\$89,248,090	\$395,754,833
Cumulative Net AV	\$1,218,899	\$0	\$0	\$38,095,885	\$127,343,975	
1% Property Tax Levy	\$12,189	\$0	\$0	\$380,959	\$1,273,440	\$3,957,548
	Share of					
	1 Percent					
General Fund Property Tax	\$1,733	\$0	\$0	\$54,160	\$181,041	\$562,633
	14.22%					
Total Project General Fund Property Tax						
	Neighborhood II	\$3,307	\$34,383	\$123,429	\$283,048	\$492,983
	Neighborhood III	\$1,733	\$0	\$0	\$54,160	\$181,041
Total Project		\$5,040	\$34,383	\$123,429	\$337,208	\$674,024
						\$1,761,123

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-8
Phased Property Tax: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					
	2016	2017	2018	2019	2020	Buildout (2026)
Neighborhood II - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$72,010,418	\$159,603,128	\$164,417,672	\$169,840,000	\$1,040,321,219
New Retail Valuation	0	16,465,500	5,488,500	8,781,600	0	30,735,600
Neighborhood II New Assessed Valuation	\$0	\$88,475,918	\$165,091,628	\$173,199,272	\$169,840,000	\$1,071,056,819
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$8,804,578	\$8,804,578	\$0	\$0	\$0	\$8,804,578
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood II Net Assessed Valuation (AV)	\$8,804,578	\$79,671,340	\$165,091,628	\$173,199,272	\$169,840,000	\$1,062,252,241
Cumulative Net AV	\$8,804,578	\$79,671,340	\$244,762,968	\$417,962,241	\$587,802,241	
1% Property Tax Levy	\$88,046	\$796,713	\$2,447,630	\$4,179,622	\$5,878,022	\$10,622,522
	Share of 1 Percent					
General Fund Property Tax	14.52%	\$12,787	\$115,705	\$355,464	\$606,997	\$853,652
		\$12,787	\$115,705	\$355,464	\$606,997	\$853,652
Neighborhood III - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$0	\$0	\$45,760,479	\$104,021,443	\$1,169,207,317
New Retail Valuation	0	0	34,643,400	34,643,400	25,149,300	169,884,000
Neighborhood III New Assessed Valuation	\$0	\$0	\$34,643,400	\$80,403,879	\$129,170,743	\$1,339,091,317
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$5,716,027	\$0	\$5,716,027	\$0	\$0	\$5,716,027
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood III Net Assessed Valuation (AV)	\$5,716,027	\$0	\$28,927,373	\$80,403,879	\$129,170,743	\$1,333,375,290
Cumulative Net AV	\$5,716,027	\$0	\$28,927,373	\$109,331,252	\$238,501,995	
1% Property Tax Levy	\$57,160	\$0	\$289,274	\$1,093,313	\$2,385,020	\$13,333,753
	Share of 1 Percent					
General Fund Property Tax	13.99%	\$7,997	\$0	\$40,474	\$152,972	\$333,703
		\$7,997	\$0	\$40,474	\$152,972	\$333,703
Total Project General Fund Property Tax		\$12,787	\$115,705	\$355,464	\$606,997	\$853,652
Neighborhood II		\$12,787	\$115,705	\$355,464	\$606,997	\$853,652
Neighborhood III		\$7,997	\$0	\$40,474	\$152,972	\$333,703
Total Project		\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355
		\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-9
Phased Community Park and Public Roads: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					
	2016	2017	2018	2019	2020	Buildout (2026)
A. COMMUNITY PARK ACRES						
<u>Incremental Community Park Acres</u> ¹	0.0	0.0	0.0	0.0	0.0	35.7
<i>Cumulative Community Park Acres</i>	0.0	0.0	0.0	0.0	0.0	
B. TOTAL PUBLIC ROADS ²						
<u>Incremental Public Road Miles</u>	0.00	0.55	0.00	2.11	3.62	17.18
<i>Cumulative Total Public Road Miles</i>	0.00	0.55	0.55	2.66	6.28	

Note: 1. The community park is proposed for year eight (or 2023) of the development period.
2. Road phasing is provided by Lytle Development Company.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-10
Phased Community Park and Public Roads: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					
	2016	2017	2018	2019	2020	Buildout (2026)
A. COMMUNITY PARK ACRES						
<u>Incremental Community Park Acres</u> ¹	0.0	0	0	0	0	35.7
<i>Cumulative Community Park Acres</i>	0.0	0	0	0	0	
B. TOTAL PUBLIC ROADS ²						
<u>Incremental Total Public Road Miles</u>	0.00	2.75	0.00	2.79	5.15	21.58
<i>Cumulative Total Public Road Miles</i>	0.00	2.75	2.75	5.54	10.69	

Note: 1. The community park is proposed for year eight (or 2023) of the development period.
2. Road phasing is provided by Lytle Development Company.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

APPENDIX B FISCAL IMPACTS OF TOTAL PROJECT

The projected fiscal impacts of the total Lytle Creek Project are presented in this appendix, including the development both within the existing city and within the unincorporated annexation area. The fiscal analysis for the Annexation Area is included separately in Chapter 5 of this report.

As discussed earlier, Rialto voters approved a five year extension of the utility user tax (UUT) on March 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before projected buildout of the Lytle Creek Project in 2026, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT. Fiscal impacts are shown in constant 2014 dollars with no adjustment for possible future inflation.

As shown in Table B-1, a recurring annual surplus is projected for the Total Project with and without UUT after buildout.

Table B-1
Summary of Projected Fiscal Impacts after Buildout: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Total Project	Annual Recurring Revenues	Annual Recurring Costs	Annual Recurring Surplus	Revenue/ Cost Ratio
<u>With Utility User Tax</u>	\$13,735,912	\$11,368,214	\$2,367,698	1.21
<i>Annual Surplus per Unit</i>			\$378	
<u>Without Utility User Tax</u>	\$11,737,949	\$11,368,215	\$369,734	1.03
<i>Annual Surplus per Unit</i>			\$59	

Source: Stanley R. Hoffman Associates, Inc.

The projected impacts for the first five years after annexation for both scenarios are included in the following sections of this chapter. No development is assumed during the first year after annexation, with development beginning in the second year after annexation.

B.1 Total Project – With Utility User Tax

As shown in Table B-2, property tax to the City for the Total Project is projected at \$20,784 during the first year after annexation based on the existing valuation of the Total Project area and

Table B-2
Detailed Projected Recurring Fiscal Impacts: Total Project With Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	TOTAL PROJECT WITH UTILITY USER TAX						Buildout (2026)	Percent of Buildout
	2016	2017	2018	2019	2020			
Recurring Revenues								
Property tax: general	\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355	\$3,408,292	24.8%	
On-site retail sales and use tax	0	102,992	354,018	625,641	782,950	1,254,876	9.1%	
In lieu property tax (sales & use tax)	0	34,331	118,007	208,548	260,984	418,293	3.0%	
Property transfer tax-turnover	0	242	2,832	7,215	14,189	64,361	0.5%	
In lieu property tax (VLF)	0	127,671	415,888	781,838	1,213,311	3,477,844	25.3%	
Franchise fees	0	17,835	59,366	116,037	180,959	526,264	3.8%	
SB509 sales tax	0	2,806	9,307	18,360	29,129	87,340	0.6%	
Utility users tax	0	67,243	223,829	437,499	682,277	1,984,195	14.4%	
Business licenses	0	7,950	27,318	48,276	60,418	96,842	0.7%	
Animal licenses and fees	0	974	3,232	6,376	10,116	30,332	0.2%	
Fines, forfeits and penalties	0	2,761	9,189	17,961	28,010	81,459	0.6%	
County LF excavation charges	0	1,367	4,552	8,897	13,875	40,351	0.3%	
Charges for current services	0	14,692	48,884	95,659	149,501	436,477	3.2%	
Rents and concessions	0	1,258	4,189	8,187	12,767	37,130	0.3%	
Administrative/passport/misc. fees	0	3,504	11,624	22,931	36,381	109,084	0.8%	
Transfer from Gas Tax Fund	0	8,658	28,718	56,655	89,887	269,512	2.0%	
Other transfers	0	21,590	71,611	141,272	224,137	672,044	4.9%	
Lytle Creek CFD fees	0	20,904	69,368	136,864	217,152	651,040	4.7%	
Interest on invested revenues	144	3,689	12,411	23,326	34,533	90,176	0.7%	
Total Projected Revenues	\$20,929	\$556,173	\$1,870,280	\$3,521,512	\$5,227,931	\$13,735,912	100.0%	
Recurring Costs ¹								
Fire protection	\$0	\$96,242	\$320,358	\$626,174	\$976,514	\$2,839,895	25.0%	
Police protection	0	156,154	519,783	1,015,972	1,584,400	4,607,749	40.5%	
Recreation	0	7,285	24,162	47,667	75,627	226,756	2.0%	
Development services-engineering	0	2,536	8,441	16,499	25,730	74,829	0.7%	
Development services-business licensing	0	608	2,090	3,694	4,623	7,410	0.1%	
Development services-code enforcement	0	4,417	14,703	28,738	44,816	130,335	1.1%	
Public works-administration	0	2,786	9,275	18,128	28,271	82,217	0.7%	
Public works-community building maintenance	0	6,985	23,251	45,446	70,872	206,111	1.8%	
Public works-park maintenance	0	0	0	0	0	771,120	6.8%	
Public works-graffiti removal	0	732	2,436	4,762	7,426	21,596	0.2%	
Public works-engineering services & projects	0	1,926	6,411	12,531	19,542	56,832	0.5%	
Public works-traffic safety/street maintenance	0	20,422	67,978	132,870	207,210	602,609	5.3%	
Public works-storm drain program	0	2,343	7,800	15,246	23,776	69,146	0.6%	
General government	0	35,390	117,750	230,008	358,480	1,130,269	9.9%	
Subtotal Recurring Costs	\$0	\$337,826	\$1,124,437	\$2,197,735	\$3,427,288	\$10,826,871	95.2%	
5% Contingency/Reserves	\$0	\$16,891	\$56,222	\$109,887	\$171,364	\$541,343	4.8%	
Total Recurring Costs	\$0	\$354,717	\$1,180,659	\$2,307,622	\$3,598,652	\$11,368,214	100.0%	
Net Recurring Surplus	\$20,929	\$201,456	\$689,621	\$1,213,890	\$1,629,279	\$2,367,699		
Revenue/Cost Ratio	n/a	1.57	1.58	1.53	1.45	1.21		

Note: 1. Any recurring public costs are assumed to be minimal during this first year of pre-development activities.

Source: Stanley R. Hoffman Associates, Inc.

the share of the basic one percent property tax levy allocated to the City. With the projected interest on the property tax, total revenues are projected at \$20,929 during the first year after annexation. Public service costs are assumed to be minimal during this first year of pre-development activities. A recurring surplus is projected to the General Fund for the next four

years of development and after buildout for the Total Project with the utility user tax (UUT). As shown in Table B-2, a surplus of \$201,456 is projected for the second year after annexation (2017) of the Total Project with the UUT. The projected surplus more than triples to \$689,621 in 2018, and increases to a projected surplus of about \$1.21 million by year 2019. The projected surplus is about \$1.63 million by 2020. The projected surplus increases over the next five years to a projected \$2.37 million after buildout of the Total Project with the UUT.

Projected Recurring Revenues With Utility User Tax

About 74 percent of the total revenues after buildout of the Total Project with the UUT is comprised of property tax, property tax in lieu of vehicle license fees VLF, UUT and sales and use tax.

Projected Recurring Costs With Utility User Tax

As shown above in Table B-2, police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 82 percent of total projected recurring costs for the Total Project after buildout.

B.2 Total Project - Without Utility User Tax

As shown in Table B-3, the same revenues of \$20,784 to the City are projected during the first year after annexation without the UUT. Again, public service costs are assumed to be minimal during this first year of pre-development activities. When development begins in the second year (2017), a surplus of \$133,746 is projected. A surplus of \$464,238 is projected for the following year (2018) without UUT, and by the year 2019 the projected surplus increases to about \$773,354 for the Total Project. By year five (2020), a surplus of about \$942,266 is projected for the Total Project without the UUT. The projected surplus decreases over the next five years to a projected \$369,734 after buildout of the Total Project without the UUT.

Projected Recurring Revenues Without Utility User Tax

About seventy percent of the total revenues after buildout of the Total Project without the UUT is comprised of property tax, property tax in lieu of VLF, and sales and use tax.

Projected Recurring Costs Without Utility User Tax

Police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 82 percent of total projected recurring costs for the Lytle Creek Annexation Area after buildout without the UUT.

Table B-3
Detailed Projected Recurring Fiscal Impacts: Total Project Without Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	TOTAL PROJECT WITHOUT UTILITY USER TAX						
	2016	2017	2018	2019	2020	Buildout (2026)	Percent of Buildout
Recurring Revenues							
Property tax: general	\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355	\$3,408,292	29.0%
On-site retail sales and use tax	0	102,992	354,018	625,642	782,951	1,254,877	10.7%
In lieu property tax (sales & use tax)	0	34,331	118,007	208,548	260,984	418,293	3.6%
Property transfer tax-turnover	0	242	2,832	7,215	14,189	64,361	0.5%
In lieu property tax (VLF)	0	127,671	415,888	781,838	1,213,310	3,477,844	29.6%
Franchise fees	0	17,835	59,366	116,037	180,959	526,264	4.5%
SB509 sales tax	0	2,806	9,307	18,360	29,129	87,340	0.7%
Utility users tax	0	0	0	0	0	0	0.0%
Business licenses	0	7,950	27,318	48,276	60,418	96,842	0.8%
Animal licenses and fees	0	974	3,232	6,376	10,116	30,332	0.3%
Fines, forfeits and penalties	0	2,761	9,189	17,961	28,010	81,459	0.7%
County LF excavation charges	0	1,367	4,552	8,897	13,875	40,351	0.3%
Charges for current services	0	14,692	48,884	95,659	149,501	436,477	3.7%
Rents and concessions	0	1,258	4,189	8,187	12,767	37,130	0.3%
Administrative/passport/misc. fees	0	3,504	11,624	22,931	36,381	109,084	0.9%
Transfer from Gas Tax Fund	0	8,658	28,718	56,655	89,887	269,512	2.3%
Other transfers	0	21,590	71,611	141,272	224,137	672,044	5.7%
Lytle Creek CFD fees	0	20,904	69,368	136,864	217,152	651,040	5.5%
Interest on invested revenues	144	3,222	10,858	20,290	29,798	76,407	0.7%
Total Projected Revenues	\$20,929	\$488,463	\$1,644,898	\$3,080,976	\$4,540,919	\$11,737,949	100.0%
Recurring Costs ¹							
Fire protection	\$0	\$96,242	\$320,358	\$626,175	\$976,514	\$2,839,895	25.0%
Police protection	0	156,154	519,783	1,015,972	1,584,401	4,607,749	40.5%
Recreation	0	7,285	24,162	47,667	75,627	226,756	2.0%
Development services-engineering	0	2,536	8,441	16,499	25,730	74,829	0.7%
Development services-business licensing	0	608	2,090	3,694	4,623	7,410	0.1%
Development services-code enforcement	0	4,417	14,703	28,738	44,816	130,335	1.1%
Public works-administration	0	2,786	9,275	18,128	28,271	82,217	0.7%
Public works-community building maintenance	0	6,985	23,251	45,446	70,872	206,111	1.8%
Public works-park maintenance	0	0	0	0	0	771,120	6.8%
Public works-graffiti removal	0	732	2,436	4,762	7,426	21,596	0.2%
Public works-engineering services & projects	0	1,926	6,411	12,531	19,542	56,832	0.5%
Public works-traffic safety/street maintenance	0	20,422	67,978	132,870	207,210	602,609	5.3%
Public works-storm drain program	0	2,343	7,800	15,246	23,776	69,146	0.6%
General government	0	35,390	117,750	230,008	358,480	1,130,269	9.9%
Subtotal Recurring Costs	\$0	\$337,826	\$1,124,438	\$2,197,735	\$3,427,289	\$10,826,872	95.2%
5% Contingency/Reserves	\$0	\$16,891	\$56,222	\$109,887	\$171,364	\$541,343	4.8%
Total Recurring Costs	\$0	\$354,717	\$1,180,660	\$2,307,622	\$3,598,653	\$11,368,215	100.0%
Net Recurring Surplus	\$20,929	\$133,746	\$464,238	\$773,354	\$942,266	\$369,734	
Revenue/Cost Ratio	n/a	1.38	1.39	1.34	1.26	1.03	

Note: 1. Any recurring public costs are assumed to be minimal during this first year of pre-development activities.

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX C SUPPORTING FISCAL TABLES

Table C-1
City Employment Estimate
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

A. ESTIMATED CITY EMPLOYMENT IN 2011				
Category	Estimated Payroll Jobs ¹	Estimated Self-Employed ²	Total Employment	Self-Employed Rate ³
Construction	994	249	1,243	20.0%
Manufacturing	2,052	76	2,128	3.6%
Wholesale Trade	1,162	63	1,225	5.2%
Retail Trade	2,740	176	2,916	6.0%
Transportation & Warehousing	5,412	240	5,651	4.2%
Information	80	9	89	10.2%
Finance & Insurance	272	52	324	16.1%
Real Estate & Rental & Leasing	127	37	164	22.5%
Professional, Scientific, & Technical Services	274	43	317	13.5%
Admin. & Support & Waste Mgmt. & Remediation	660	194	854	22.7%
Health Care & Social Assistance	1,118	70	1,189	5.9%
Arts, Entertainment, & Recreation	160	33	194	17.3%
Accommodation & Food Services	1,451	49	1,499	3.2%
Other Services	1,196	484	1,681	28.8%
Public Admin and Education	4,385	0	4,385	0.0%
Balance Employment ⁴	<u>386</u>	<u>345</u>	<u>732</u>	47.2%
Total	22,468	2,121	24,590	8.6%
B. SUMMARY DISTRIBUTION OF TOTAL EMPLOYMENT				
Retail/Service	5,547	742	6,289	11.8%
Office/Corporate Center	673	132	805	16.4%
Business Park/Light Industrial	7,138	840	7,977	10.5%
General Industrial/Employment	4,725	407	5,132	7.9%
Public Admin and Education	<u>4,385</u>	<u>0</u>	<u>4,385</u>	0.0%
Total	22,468	2,121	24,590	8.6%

- Note: 1. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between LEHD primary jobs and EDD total payroll jobs.
 2. Self-employment is estimated by applying self-employment rates by industry.
 3. Estimated rates of self-employment by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-11 Public Use Microdata Sample (PUMS).
 4. The balance of employment includes non-classified jobs and suppressed data on agriculture, mining, utilities and management of companies.

Sources: Stanley R. Hoffman Associates, Inc.
 City of Rialto, Economic Development Department
 California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*
 Census Longitudinal Employer-Household Dynamic (LEHD) program.
 Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table C-2 (page 1 of 3)
 General Fund Revenues, Fiscal Year 2013-2014
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto
 (In Constant 2014 Dollars)

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
<u>Tax Revenue</u>					
Property Taxes	\$4,891,000	\$548,000	\$5,439,000	\$0	\$5,439,000
In Lieu Property Tax (VLF)	8,400,000	161,000	8,561,000	0	8,561,000
Sales Tax	7,218,000	631,000	7,849,000	0	7,849,000
In Lieu Property Tax (Sales Tax)	2,396,000	192,000	2,588,000	0	2,588,000
Transient Lodging Tax	120,000	0	120,000	120,000	0
Unitary Property Tax	326,000	0	326,000	0	326,000
Franchise Fees	2,980,000	10,000	2,990,000	0	2,990,000
Franchise Fees-PD	150,000	(10,000)	140,000	0	140,000
SB509 Sales Tax-Safety	435,000	50,000	485,000	0	485,000
Property Transfer Tax	211,000	39,000	250,000	0	250,000
UUT-Telephone/Mobile	3,598,000	(48,000)	3,550,000	0	3,550,000
UUT-Gas/Electric	5,530,000	120,000	5,650,000	0	5,650,000
UUT-Water	1,200,000	50,000	1,250,000	0	1,250,000
UUT-Cable/Satellite	473,000	(13,000)	460,000	0	460,000
UUT-Wastewater	941,000	(51,000)	890,000	0	890,000
Subtotal Tax Revenue	\$38,869,000	\$1,679,000	\$40,548,000	\$120,000	\$40,428,000
<u>Licenses and Permits</u>					
Business Licenses	\$1,600,000	\$100,000	\$1,700,000	\$0	\$1,700,000
Contractors Licenses	60,000	0	60,000	0	60,000
Truck Delivery Licenses	17,000	0	17,000	0	17,000
Dog Licenses	155,000	0	155,000	0	155,000
Earthquake Fee	13,000	(11,000)	2,000	2,000	0
Building Permits	509,000	0	509,000	509,000	0
Plumbing Permits	28,000	22,000	50,000	50,000	0
Electrical Permits	30,000	30,000	60,000	60,000	0
Mechanical Permits	18,000	42,000	60,000	60,000	0
Overload Permits	20,000	0	20,000	20,000	0
State Business License Fee	3,000	0	3,000	3,000	0
Energy No-Fee Permits	5,000	0	5,000	5,000	0
SB 1473 State Revolving Fund Fee	5,000	(3,000)	2,000	2,000	0
Alarm Installation Permits	48,000	3,000	51,000	51,000	0
Fire Permits	110,000	0	110,000	110,000	0
Certificates of Occupancy	12,000	(3,000)	9,000	9,000	0
Mobile Home Park State OPS Permit	25,000	0	25,000	25,000	0
Temporary Sign Permits	2,000	0	2,000	2,000	0
Fire Sprinkler Permits	8,000	0	8,000	8,000	0
Other Licenses and Permits	10,000	0	10,000	10,000	0
Total Licenses & Permits	\$2,678,000	\$180,000	\$2,858,000	\$926,000	\$1,932,000
<u>Fines, Forfeits & Penalties</u>					
Parking Fines (City)	\$220,000	\$15,000	\$235,000	\$0	\$235,000
Court Fines (County)	141,000	22,000	163,000	0	163,000
Other Fines/Forfeits/Penalties	40,000	46,000	86,000	0	86,000
Total Fines, Forfeits & Penalties	\$401,000	\$83,000	\$484,000	\$0	\$484,000
<u>Use of Money & Property</u>					
Interest Income From Other Sources	\$58,850	\$0	\$58,850	\$0	\$58,850
Rents & Concessions	250,000	(29,000)	221,000	0	221,000
Investment Income	225,300	74,700	300,000	0	300,000
Total Use of Money & Property	\$534,150	\$45,700	\$579,850	\$0	\$579,850
<u>Revenue From Other Agencies</u>					
Motor Vehicle In Lieu Tax	\$0	\$0	\$0	\$0	\$0
Disaster Assistance	10,000	0	10,000	10,000	0
State Mandated Reimbursements	20,000	28,600	48,600	48,600	0
POST	50,000	(35,000)	15,000	15,000	0
RUSD-Fiscal Affairs/DARE	40,000	(40,000)	0	0	0
State Assistance/CalPers Medicare Part D Subsidy	0	28,340	28,340	28,340	0
DUI Emergency Response	8,500	0	8,500	8,500	0
County Reimbursement	8,840	0	8,840	8,840	0
County Waste Rebate	56,000	(38,360)	17,640	17,640	0
County LF Excavation Charges ³	3,490,000	(1,090,000)	2,400,000	2,160,000	240,000
Total Revenue From Outside Agencies	\$3,683,340	(\$1,146,420)	\$2,536,920	\$2,296,920	\$240,000

Table C-2 (page 2 of 3)
 General Fund Revenues, Fiscal Year 2013-2014
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto
 (In Constant 2014 Dollars)

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
Charges For Current Services					
Planning Variance Reviews	\$1,100	\$1,141	\$2,241	\$2,241	\$0
Lot Lines and Lot Splits	2,000	0	2,000	2,000	0
Development Agreements	4,000	0	4,000	4,000	0
Specific Plan Reviews/Changes	2,000	0	2,000	2,000	0
Annexation Reviews	0	9,127	9,127	9,127	0
Issuance Fees	40,000	0	40,000	40,000	0
Tentative Map Reviews	5,000	3,678	8,678	8,678	0
Sale of Maps/Publications	3,000	0	3,000	0	3,000
Conditional Development Reviews	23,000	21,000	44,000	44,000	0
Environmental Reviews	16,000	4,000	20,000	20,000	0
Animal Control Fees	10,000	3,000	13,000	0	13,000
Building Plan Check	500,000	100,000	600,000	600,000	0
Energy Plan Check	3,000	5,000	8,000	8,000	0
Public Improvement Inspection	250,000	75,000	325,000	325,000	0
Grading Inspection	15,000	0	15,000	15,000	0
Fingerprinting	1,000	0	1,000	0	1,000
Reproduction Charges	5,400	68,000	73,400	0	73,400
Precise Plan Review	74,000	(14,000)	60,000	60,000	0
Fire False Alarm Response	500	0	500	0	500
Police False Alarm Response	85,000	6,000	91,000	0	91,000
Police Accident Reports	48,000	0	48,000	0	48,000
Engineering General Services	50,000	20,000	70,000	70,000	0
Police General Services	5,000	20,533	25,533	0	25,533
Engineering Improvement Plan Check	250,000	0	250,000	250,000	0
Special Investigation Fee	10,000	0	10,000	10,000	0
Ambulance Service Fees	1,800,000	0	1,800,000	0	1,800,000
Ambulance Subscriptions	60,000	0	60,000	0	60,000
Weed & Lot Cleaning	98,000	0	98,000	0	98,000
Grading Plan Check Fee	10,000	0	10,000	10,000	0
Fire Plan Check Fee	80,000	(10,000)	70,000	70,000	0
Traffic Study Fee	4,000	0	4,000	4,000	0
Nuisance Review	51,000	0	51,000	51,000	0
On Site Improvement Inspection	0	200,000	200,000	200,000	0
Environmental Inspection Fee	0	40,000	40,000	40,000	0
Planning General Services	5,000	2,000	7,000	7,000	0
Inspections for Multi-Family Rentals	300,000	0	300,000	300,000	0
Police Impound Fees	58,000	0	58,000	0	58,000
Other Charges for Current Services	3,600	0	3,600	0	3,600
Department-Premium Engineering	172,800	0	172,800	172,800	0
<i>Total Charges for Current Services</i>	<i>\$4,045,400</i>	<i>\$554,479</i>	<i>\$4,599,879</i>	<i>\$2,324,846</i>	<i>\$2,275,033</i>
Other Revenue					
Gain on Disposition	\$0	\$8,310	\$8,310	\$8,310	\$0
Damage/Recovery Restitution	\$37,000	38,630	75,630	75,630	0
RUA Lease Payments	2,000,000	0	2,000,000	2,000,000	0
RUA Contract Payments	824,040	0	824,040	824,040	0
Administrative Fee	275,000	200,000	475,000	0	475,000
Passport Service Fee	50,000	0	50,000	0	50,000
PEG Access Funding	102,300	0	102,300	102,300	0
Miscellaneous Revenue	60,150	20,000	80,150	0	80,150
<i>Total Other Revenue</i>	<i>\$3,348,490</i>	<i>\$266,940</i>	<i>\$3,615,430</i>	<i>\$3,010,280</i>	<i>\$605,150</i>

Table C-2 (page 3 of 3)
 General Fund Revenues, Fiscal Year 2013-2014
 Lytle Creek Annexation Area Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
Transfers In					
Transfers-Gas Tax	\$1,496,080	\$0	\$1,496,080	\$0	\$1,496,080
Transfers-Waste Management	38,490	0	38,490	0	38,490
Transfers-Fire Development	1,260	0	1,260	0	1,260
Transfers-Landscaping & Lighting District No. 2	34,005	0	34,005	0	34,005
Transfers-AQMD 2766	5,220	0	5,220	0	5,220
Transfers-Local Drainage	10	0	10	0	10
Transfers-CDBG	91,402	20,380	111,782	0	111,782
Transfers-PERS Property Tax	200	0	200	200	0
Transfers-Traffic Development	51,300	0	51,300	0	51,300
Transfers-Successor Agency	219,990	0	219,990	0	219,990
Transfers-Casa Grande Debt Service	12,610	0	12,610	0	12,610
Transfers-Water Administration/Utility	0	100,000	100,000	0	100,000
Transfers-Airport	51,440	0	51,440	0	51,440
Transfers-Utility Billing	62,720	0	62,720	0	62,720
Transfers-Engineering	2,889,007	0	2,889,007	0	2,889,007
Transfers-CFD 87-1	36,940	0	36,940	0	36,940
Transfers-CFD 2006-1	115,340	0	115,340	0	115,340
<i>Total Transfers In</i>	\$5,106,014	\$120,380	\$5,226,394	\$200	\$5,226,194
<i>Total Mid-Year Adjustments</i>		\$1,783,079			
Budget Amendments: Grants and Carry-Forwards ³	\$0	\$3,097,443	\$3,097,443	\$3,097,443	\$0
General Fund Total	\$58,665,394	\$4,880,522	\$63,545,916	\$11,475,689	\$52,070,227

- Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved revenue amendments of about \$3.1 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these revenue amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of about \$1.8 million were made to the City budget. These mid-year revenue adjustments are included in the fiscal analysis.
2. Certain revenues are not projected in the fiscal analysis. These include the estimated \$3.1 million revenue amendment (for grants and carry-forwards), revenues that are fixed payments and grants. Development-related one-time fee revenues are deducted from projected departmental costs for development services and engineering.
3. City administrative staff estimates that about 10 percent, or \$240,000, of the total County Landfill revenues that are contributed from disposal by City residents.

Sources: Stanley R. Hoffman Associates, Inc.
 City of Rialto, *Budget Fiscal Year 2013/2014*
 City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*

Table C-3
Current Tax Rate Area (TRA) Allocations: Neighborhood II
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Agency Code	Agency	Neighborhood II										Weighted Average
		City of Rialto					County of San Bernardino					
		6003	6049	6104	6105	6106	106000	106027	106028	107014	Weighted Average	
AB01 GA01	San Bernardino County General Fund	0.14882541	0.14888228	0.14874533	0.14867690	0.14852663	0.15160313	0.13607659	0.13607460	0.14674114	0.14770464	
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.22533592	0.22496422	0.22523590	0.22513083	0.22490427	0.229565308	0.20605219	0.20604917	0.22220082	0.22365979	
BF02 GA01	Flood Control Zone 2	0.02641980	0.02630438	0.02640291	0.02642485	0.02640578	0.02681448	0.02415659	0.02415610	0.02660479	0.02622116	
BL01 GA01	Flood Control District, Administration, 1 & 2	0.00185778	0.00186494	0.00185671	0.00184330	0.00185715	0.00189239	0.00169862	0.00169860	0.00183175	0.00184327	
BS01 GA01	San Bernardino County Free Library	0.01441134	0.01450752	0.01440262	0.01437532	0.01441055	0.01467940	0.01317683	0.01317650	0.01420650	0.01430281	
BS01 GA02	San Bernardino County Schools, Countywide	0.00510668	0.00509607	0.00510398	0.00509693	0.00509711	0.00520202	0.00466923	0.00466915	0.00503517	0.00506823	
BS01 GA03	County Superintendent of Schools, Regional Occupational Program	0.00087552	0.00088910	0.00087428	0.00087635	0.00087583	0.00089188	0.00080052	0.00080051	0.00086327	0.00086894	
BS01 GA04	County Superintendent of Schools, Physically Handicapped	0.00200873	0.00199506	0.00200787	0.00201651	0.00200579	0.00200718	0.00183663	0.00183662	0.00200000	0.00200305	
BS01 GA05	County Superintendent of Schools, Mentally Handicapped	0.00161290	0.00160472	0.00161182	0.00162062	0.00161104	0.00164300	0.00147474	0.00147470	0.00200000	0.00200342	
CC28 GA01	County Superintendent of Schools, Development Center	0.00052655	0.00052045	0.00052627	0.00053196	0.00052550	0.00053651	0.00048144	0.00048143	0.00200000	0.00200357	
SC54 GA01	City of Rialto	0.13642183	0.13622761	0.13633715	0.13628098	0.13635623	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	
SU50 GA01	Rialto Unified	0.05230497	0.05226778	0.05227291	0.05221877	0.05230332	0.05328102	0.04782445	0.04782331	0.05157254	0.05191110	
SU54 GA01	San Bernardino Unified	0.32765956	0.32695060	0.32736596	0.32724259	0.32739847	0.33369597	0.29950283	0.29950283	0.35885736	0.35885736	
UD15 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.07012444	
UD50 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.28330295	
UD38 GA01	CSA SL-1 Valley Area (Streetslights)	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.12008917	
UF05 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.02633728	
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00053300	0.00212517	0.00112263	0.00158351	0.00157403	0.00019575	0.00045489	0.00047331	0.00049385	0.00043214	
WU23 GA01	San Bernardino Valley Municipal Water	0.02691611	0.02688988	0.02689902	0.02685784	0.02689907	0.02741938	0.02461041	0.02460888	0.02653919	0.02671362	
WW28 GA01	West San Bernardino County Water District	0.02325290	0.02321022	0.02323484	0.02323074	0.02323805	0.00000000	0.02674701	0.02674646	0.00000000	0.00010382	
	Total	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	
	Total Acreage for General Fund	50.38	8.20	137.26	3.17	16.13	113.63	0.77	1.36	434.06	549.82	
	Percent of Total for General Fund	23.4%	3.8%	63.8%	1.5%	7.5%	20.7%	0.1%	0.2%	78.9%	100.0%	
	Detaching Districts											
	CSA SL-1 Allocations	0.00	0.00	0.00	0.00	0.00	0.00000000	0.01415485	0.01415458	0.00000000	0.01415468	
	CSA SL-1 Acreage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.77	1.36	0.0%	2.13	
	Percent of Total for CSA SL-1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	36.2%	63.8%	0.0%	100.0%	
	Total Fire Districts' Allocations	n/a	n/a	n/a	n/a	n/a	0.15043555	0.19627617	0.19627225	0.14560562	0.14560010	
	Total Fire Districts' Acreage	n/a	n/a	n/a	n/a	n/a	113.63	0.77	1.36	434.06	549.82	
	Percent of Total for Fire Districts	n/a	n/a	n/a	n/a	n/a	20.7%	0.1%	0.2%	78.9%	100.0%	

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations

Table C-4
Tax Rate Area (TRA) Allocations upon Annexation: Neighborhood II
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Property Tax Recipient ¹	Tax Rate Area Allocations ²					
	Current County Area				Current City Area	Total Area ⁴
	Prior to Annexation		Upon Annexation ³		City of Rialto	City of Rialto
	San Bernardino County General Fund	San Bernardino County Funds/Districts	San Bernardino County General Fund	City of Rialto		
General Fund	0.1477		0.1600	0.1487	0.1364	0.1452
San Bernardino County Fire District		0.1468				
CSA SL-1 Valley Area (Streetlights)		<u>0.0142</u>				
Total	0.1477	0.1610	0.1600	0.1487	0.1364	0.1452
Acres	549.82	549.82	0.00	549.82	215.14	764.96
Percent of Total	71.9%	71.9%		71.9%	28.1%	100.0%

- Note: 1. Only the property tax allocations for the funds analyzed in this report are presented in this table.
2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
3. Although a Master Property Tax Exchange Agreement does not exist between the City of Rialto and the County of San Bernardino, the tax rate allocation for the City of Rialto is based on a formula provided by LAFCO. Upon annexation, the City will receive the allocations for the detaching districts minus 50 percent of the remainder when the total of the historic City allocation of 0.1364 is subtracted from the total of the detaching districts. The formula the City upon annexation is: $0.1610 - ((0.1610 - 0.1364)/2)$. Therefore, 0.1487 will be transferred to the City General Fund from the detaching districts upon annexation of Neighborhood II. The formula for the County upon annexation is: $0.1477 + ((0.1610 - 0.1364)/2)$. Therefore, the County General Fund will receive 0.0123 of the property tax from the detaching districts when the City annexes Neighborhood II. The total property tax allocation for the County General Fund upon annexation is estimated at 0.1600, or 0.1477 plus 0.0123.
4. The total area allocation for the City represents a weighted average of the area that will be annexed with the area that is currently located in the City.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations
San Bernardino County Local Agency Formation Commission (LAFCO), March 2010

Table C-5
Current Tax Rate Area (TRA) Allocations: Neighborhood III
Lytle Creek Project Area Fiscal Analysis, City of Rialto

Agency Code	Agency ¹	Neighborhood III									
		City of Rialto			County of San Bernardino				Weighted Average		
		6003	6044	6054	106003	106004	107014	107014	Weighted Average		
AB01 GA01	San Bernardino County General Fund	0.14882541	0.14866814	0.14907068	0.15113995	0.15131050	0.14674114	0.14893966			
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.22535692	0.23991382	0.22512004	0.22866376	0.22911984	0.22270082	0.22553042			
BF02 GA01	Flood Control Zone 2	0.02641980	0.02813614	0.02637705	0.026865919	0.02686598	0.02644851	0.02644851			
BF07 GA01	Flood Control District, Administration, 1 & 2	0.00185778	0.00197492	0.00185310	0.00188702	0.00188895	0.00183175	0.00185932			
BL01 GA01	San Bernardino County Free Library	0.01441134	0.01515812	0.01435926	0.01442654	0.01470179	0.01465487	0.014420950			
BS01 GA01	County Superintendent of Schools, Countywide	0.00510668	0.00543743	0.00509832	0.00511484	0.00518932	0.00503517	0.00511137			
BS01 GA02	County Superintendent of Schools, Regional Occupational Program	0.00087552	0.00092334	0.00087178	0.00087645	0.00089045	0.00086327	0.00087830			
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00200873	0.00215445	0.00200829	0.00201264	0.00203397	0.00204298	0.00200000			
BS01 GA04	County Superintendent of Schools, Mentally Retarded	0.00161290	0.00171844	0.00161119	0.00163955	0.00163989	0.00000000	0.00100004			
BS01 GA05	County Superintendent of Schools, Development Center	0.00052655	0.00000000	0.00052490	0.00051211	0.00053362	0.00053565	0.00000000			
CC28 GA01	City of Rialto	0.13642183	0.14496396	0.13662789	0.00000000	0.00000000	0.00000000	0.00000000			
SC16 GA01	Chaffey Community College	0.00000000	0.04570520	0.00000000	0.00123992	0.00000000	0.00000000	0.00000000			
SC54 GA01	San Bernardino Community College	0.05230497	0.00000000	0.05221094	0.05087688	0.05323888	0.05157254	0.05237728			
SU26 GA01	Fontana Unified	0.00000000	0.29359563	0.00000000	0.00796486	0.00000000	0.00000000	0.00000000			
SU50 GA01	Rialto Unified	0.32756956	0.00000000	0.32694941	0.31862282	0.33321475	0.00000000	0.16345491			
SUS4 GA01	San Bernardino Unified	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.35885736			
UD15 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.12305884	0.11926834			
UD50 GA01	San Bernardino County Fire District	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.02719947	0.02633728			
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00053300	0.00225705	0.00212240	0.00073409	0.00216544	0.00203378	0.00049385			
WU23 GA01	San Bernardino Valley Municipal Water	0.02691611	0.02854651	0.02686999	0.02695586	0.02737734	0.02653919	0.02694908			
WW28 GA01	West San Bernardino County Water District	0.02925290	0.03108569	0.02919778	0.02929727	0.00000000	0.00000000	0.00000000			
	Total	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000			
	Total Acreeage for General Fund	316.69	9.81	35.11	134.13	125.06	269.10	528.29			
	Percent of Total for General Fund	87.6%	2.7%	9.7%	25.4%	23.7%	50.9%	100.0%			
	Detaching Districts										
	Total Fire Districts Allocations	n/a	n/a	n/a	0.15025831	0.15016870	0.14560562	0.14786711			
	Total Fire Districts Acreeage	0.00	0.00	0.00	134.13	125.06	269.10	528.29			
	Percent of Total for Fire Districts	0.0%	0.0%	0.0%	25.4%	23.7%	50.9%	100.0%			

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations

Table C-6
 Tax Rate Area (TRA) Allocations upon Annexation: Neighborhood III
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto

Property Tax Recipient ¹	Tax Rate Area Allocations ²					
	Current County Area				Current City Area	Total Area ⁴
	Prior to Annexation		Upon Annexation ³		City of Rialto	City of Rialto
	San Bernardino County General Fund	San Bernardino County Funds/Districts	San Bernardino County General Fund	City of Rialto		
General Fund	0.1489		0.1546	0.1422	0.1366	0.1399
San Bernardino County Fire District		0.1479				
Acres	528.29	528.29	0.00	528.29	361.61	889.90
Percent of Total	59.4%	59.4%		59.4%	40.6%	100.0%

- Note: 1. Only the property tax allocations for the funds analyzed in this report are presented in this table.
 2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
 3. Although a Master Property Tax Exchange Agreement does not exist between the City of Rialto and the County of San Bernardino, the tax rate allocation for the City of Rialto is based on a formula provided by LAFCO. Upon annexation, the City will receive the allocations for the detaching districts minus 50 percent of the remainder when the total of the historic City allocation of 0.1364 is subtracted from the total of the detaching districts. The formula for the City upon annexation is: $0.1479 - ((0.1479 - 0.1364)/2)$. Therefore, 0.1422 will be transferred to the City General Fund from the detaching districts upon annexation of Neighborhood III. The formula for the County upon annexation is: $0.1489 + ((0.1479 - 0.1364)/2)$. Therefore, the County General Fund will receive 0.0057 of the property tax from the detaching districts when the City annexes Neighborhood III. The total property tax allocation for the County General Fund upon annexation is estimated at 0.1546, or 0.1489 plus .0057.
 4. The total area allocation for the City represents a weighted average of the area that will be annexed with the area that is currently located in the City.

Sources: Stanley R. Hoffman Associates, Inc.
 San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations
 San Bernardino County Local Agency Formation Commission (LAFCO), March 2010

Table C-7
Estimated In Lieu Property Tax of Vehicle License Fees (VLF) Factor
Lytle Creek Annexation Area Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	FY 2004-2005	FY 2013-2014	Change
A. Nominal Dollars			
In Lieu Property Tax - VLF	\$5,562,151	\$8,561,000	\$2,998,849
Assessed Valuation	\$3,842,110,300	\$5,917,583,374	\$2,075,473,074
VLF Increase divided by Assessed Valuation (AV)			0.001445
VLF Increase per \$1,000,000 increase in AV			\$1,445
B. Consumer Price Index (Annual 2004 and 2013)			
	193.20	239.21	1.24
C. Constant Dollars			
In Lieu Property Tax - VLF	\$6,886,674	\$8,561,000	\$1,674,326
Assessed Valuation	\$4,757,037,674	\$5,917,583,374	\$1,160,545,700
VLF Increase divided by Assessed Valuation (AV)			0.001443
VLF Increase per \$1,000,000 increase in AV			\$1,443

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section 97.7001(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005*
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
San Bernardino County Assessor, *2013 Annual Report, 2013 Property Assessment Roll*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, January CPI, April 2014*

Table C-8
Calculation of Use Tax Factor
Lytle Creek Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Rialto	Amount
<u>Use Tax</u>	
County Pool	\$1,064,180
State Pool	<u>5,835</u>
Total Use Tax	\$1,070,015
	<i>divided by</i>
<u>Point-of-Sale Sales Tax</u>	\$9,519,326
	<i>equals</i>
Use Tax Rate¹	11.2%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Source: The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2013*

Table C-9
 Estimated Annual Residential Turnover
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto

City of Rialto	Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	15,169	
Moved in 2010 or later	900	
Moved in 2000 to 2009	<u>6,406</u>	
Total Moved 2000 to 2010	7,306	
Annual Turnover Rate: 2000 to 2010 ¹	731	5%

Note: 1. The annual turnover rate is based on the assumption of ten years for the 2000 to 2010 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2008-2012 American Community Survey Tenure by Year Householder Moved Into Unit

Table C-10
 General Fund Net Development Cost Factors
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto
 (In Constant 2014 Dollars)

Category	Amount
A. General Fund Development Services Engineering Costs	
<u>Development Services & Engineering Costs (includes Building and Planning Divisions)</u>	\$1,973,988
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Earthquake Fee	\$2,000
Building Permits	509,000
Plumbing Permits	50,000
Electrical Permits	60,000
Mechanical Permits	60,000
Energy No-Fee Permits	5,000
Certificates of Occupancy	9,000
Mobile Home Park State OPS Permit	25,000
Temporary Sign Permits	<u>2,000</u>
Total One-Time Licenses and Permits	\$722,000
	<i>minus</i>
<u>One-Time Charges for Current Services</u>	
Planning Variance Reviews	\$2,241
Lot Lines and Lot Splits	2,000
Development Agreements	4,000
Specific Plan Reviews/Changes	2,000
Annexation Reviews	9,127
Issuance Fees	40,000
Tentative Map Reviews	8,678
Conditional Development Reviews	44,000
Environmental Reviews	20,000
Building Plan Check	600,000
Energy Plan Check	8,000
Precise Plan Review	60,000
Planning General Services	<u>7,000</u>
Total One-Time Charges for Services	\$807,046
	<i>equals</i>
Recurring Net Development Services & Engineering Costs	\$444,942
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services & Engineering Costs per Service Population	\$3.95
 B. General Fund Development Services - Code Enforcement Costs	
<u>Development Services - Code Enforcement</u>	\$826,337
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Nuisance Review	\$51,000
	<i>equals</i>
Recurring Net Development Services-Code Enforcement Costs	\$775,337
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services Costs per Service Population	\$6.88

Sources: Stanley R. Hoffman Associates, Inc.
 City of Rialto, Budget Fiscal Year 2013/2014
 City of Rialto, Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014
 City of Rialto, City Administrator and Development Services Department

Table C-11
 General Fund Net Public Works Engineering Costs
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto
 (In Constant 2014 Dollars)

Category	Amount
<u>Total General Fund Public Works Engineering Services and Projects</u>	
Engineering Services	\$918,555
Engineering - Projects	<u>522,094</u>
Total Public Works Engineering Services and Projects Costs	\$1,440,648
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Overload Permits	\$20,000
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Public Improvement Inspection	\$325,000
Grading Inspection	15,000
Engineering General Services	70,000
Engineering Improvement Plan Check	250,000
Grading Plan Check Fee	10,000
On Site Improvement Inspection	200,000
Environmental Inspection Fee	40,000
Department-Premium Engineering	<u>172,800</u>
Total One-Time Charges for Service	\$1,082,800
	<i>equals</i>
Recurring Net Development Services Costs	\$337,848
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Public Works Engineering Costs per Service Population	\$3.00

Sources: Stanley R. Hoffman Associates, Inc.
 City of Rialto, Budget Fiscal Year 2013/2014
 City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
 City of Rialto, City Administrator and Development Services Department

APPENDIX D PROJECT REFERENCES

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