

# Fiscal Impact Analysis General Plan Update City of Huntington Beach

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Prepared for:

City of Huntington Beach  
2000 Main Street  
Huntington Beach, CA 92648

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## EXECUTIVE SUMMARY

The Executive Summary presents a summary of the projected fiscal impacts to the City of Huntington Beach General Fund and projected recurring gas tax revenues for the proposed General Plan Update. The General Plan Update provides the proposed housing and job growth for the City for the next 25 years. Fiscal impacts for the General Plan Update are presented in constant 2016 dollars, with no adjustment for future inflation.

As shown in Table 1, the General Plan Update includes 7,228 new housing units with an estimated population of 24,732. New non-residential development proposed in the General Plan Update would add an estimated 12,386 new jobs to the City.

**Table 1**  
**Summary of Demographics**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Category	Existing <sup>1</sup>	2040 <sup>2</sup>	Change
<b>Housing Units</b>	78,175	85,403	7,228
<b>Population</b>	196,009	220,741	24,732
<b>Employment</b>	81,013	93,399	12,386

Note: 1. Existing housing unit and population estimates are for the year 2014 provided by the General Plan project team. Existing employment is for the year 2015 and is estimated by the fiscal consultant based on an analysis of Census and SCAG data.  
2. 2040 housing unit and population estimates are provided by the City's General Plan Team. 2040 employment is projected by the fiscal consultant based on the estimated built square feet for commercial, office and industrial uses provided by the General Plan team.

Sources: Stanley R. Hoffman Associates, Inc.  
Michael Baker International

As summarized in Table 2, the projected net increase to the General Fund for the proposed General Plan Update is about \$12.2 million and Gas Tax Fund net recurring state gasoline tax revenues are projected at \$420,940.

**Table 2**  
**Summary of Projected Fiscal Impacts**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
**(In Constant 2016 Dollars)**

Category	Fiscal Year 2015-2016 Budget	2040 Projection	Change
<b>A. GENERAL FUND</b>			
Total Annual Recurring Revenues	\$216,484,367	\$254,158,746	\$37,674,379
Total Annual Recurring Costs	<u>\$216,484,367</u>	<u>\$241,914,096</u>	<u>\$25,429,729</u>
Annual Net Surplus	\$0	\$12,244,650	\$12,244,650
Revenue/Cost Ratio	n/a	1.05	1.48
<b>B. GAS TAX FUND</b>			
Annual Recurring State Gasoline Tax	\$3,377,537	\$3,798,477	\$420,940

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*

The top three recurring revenues projected for the new growth for the General Plan Update are property tax; transient occupancy tax and sales and use tax. The top three projected recurring costs for the new growth are police, fire and general government.

# CHAPTER 1 INTRODUCTION

This report presents the fiscal impact analysis of the proposed General Plan Update after buildout to the City of Huntington Beach's General Fund and projects recurring gas tax revenues to the City's Gas Tax Fund. The fiscal analysis is based on review of the City's *Adopted Municipal Budget for Fiscal Year 2015-16*. Fiscal impacts are presented in constant 2016 dollars.

## 1.1 Background

Huntington Beach is located in the northwestern portion of Orange County along the Pacific Ocean. As shown in Figure 1-1, Huntington Beach is bounded by the City of Seal Beach to the northwest, the City of Westminster to the north, the City of Fountain Valley to the northeast and the cities of Newport and Costa Mesa to the east. The southwestern border of the City is the Pacific Ocean.

## 1.2 Approach

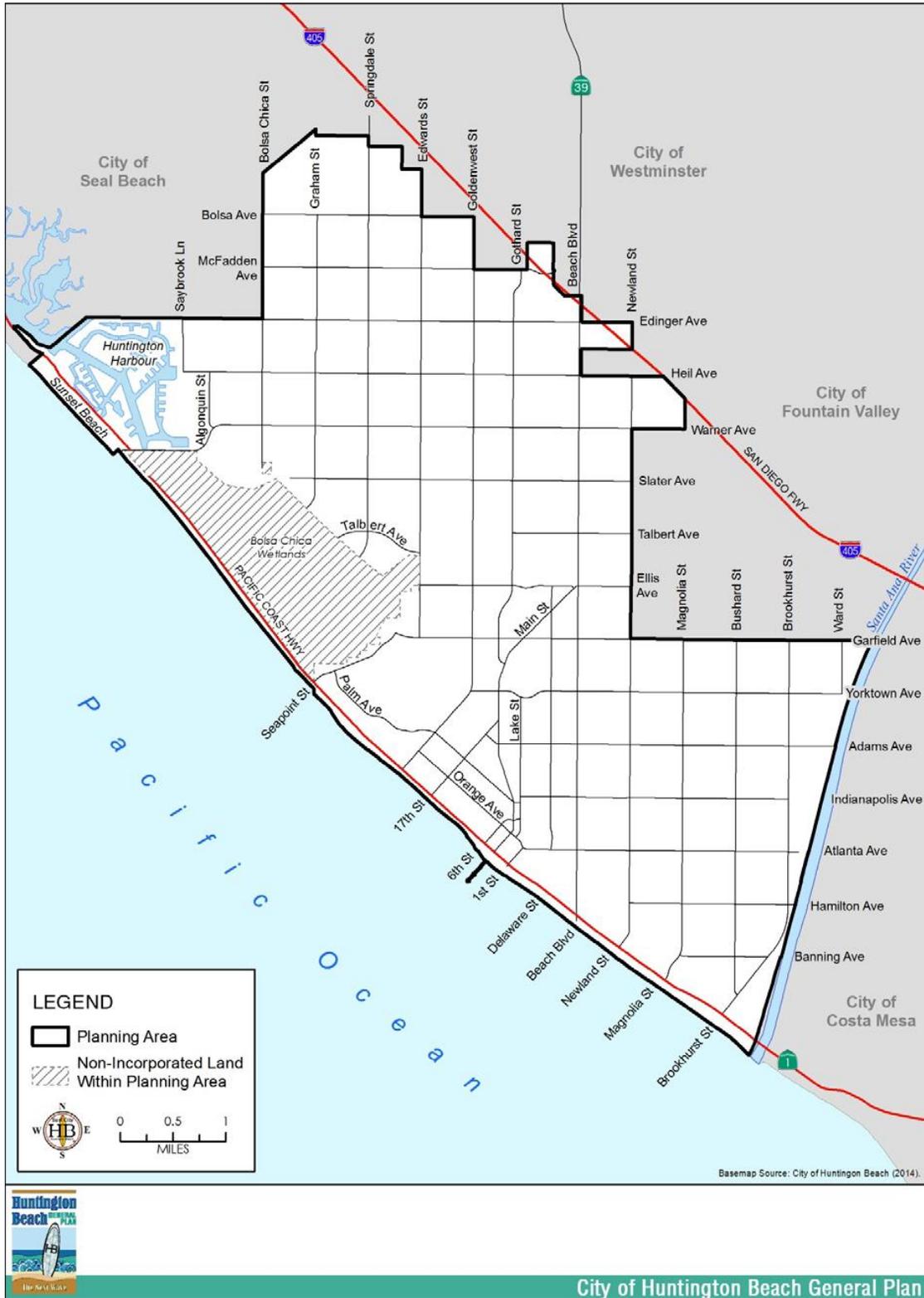
The analysis in this report is based on the following methodology and assumptions:

1. Land uses and population for the General Plan Update are based on information provided by Michael Baker International.
2. Cost and revenue factors for the City General Fund and City Gas Tax Fund were derived through an analysis of the *City of Huntington Beach Proposed Budget Fiscal Year 2015-2016*.
3. All revenue and cost projections are presented in constant 2016 dollars with no adjustments for possible future inflation in either revenues or costs.

## 1.3 Organization of the Report

The General Plan Update background and overview are described in Chapter 1. Chapter 2 explains the project description and Chapter 3 presents the fiscal analysis for the City's General Fund, as well as projected recurring gas tax revenues to the City's Gas Tax Fund. Chapter 4 includes the revenue and cost assumptions used in preparing this fiscal impact report. Appendix A presents an estimate of the City's employment and Appendix B is an analysis of the current residential and non-residential market valuation estimates. Supporting tables for the fiscal assumptions used for projecting the impacts of the General Plan Update are included in Appendix C and the list of project references used in the preparation of this analysis are presented in Appendix D.

**Figure 1-1  
General Plan Planning Area  
General Plan Update Fiscal Impact Analysis, City of Huntington Beach**



Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *General Plan Administrative Draft*, November 2015

## CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the land use and market assumptions for the General Plan Update.

### 2.1 Land Uses

Table 2-1 summarizes the development description for the General Plan Update which includes 7,228 new residential units, with an estimated new population of 24,732 by the year 2040. New non-residential uses include commercial, office, industrial and hotel space of about 7.6 million square feet, with an estimated 1,464 new hotel rooms and 12,386 new jobs. Major development opportunity sites are presented in Figure 2-1 and Figure 2-2 includes the proposed land use designation for the proposed General Plan Update. An inventory of existing hotel rooms is included in Table 2-2.

Housing units, population, non-residential square feet and hotel rooms are provided by the General Plan team. Employment is estimated by the fiscal consultant, and is included in Appendix A.

**Table 2-1  
Development Description  
General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Category	Existing <sup>1</sup>	2040 <sup>2</sup>	Change
<b><u>Residential Units</u></b>			
Low Density	36,206	36,571	365
Medium Density	14,754	17,693	2,939
Medium High Density	24,048	26,421	2,374
High Density	<u>3,168</u>	<u>4,717</u>	<u>1,550</u>
<b>Total Units</b>	78,175	85,403	7,228
<b><u>Population (@ 2.58 pph)</u></b>			
	196,009	220,741	24,732
<b><u>Non-Residential Square Feet</u></b>			
Commercial	12,664,303	14,232,423	1,568,121
Office	2,958,445	3,130,277	171,832
Industrial	<u>19,029,508</u>	<u>24,749,405</u>	<u>5,719,897</u>
Subtotal	34,652,256	42,112,105	7,459,849
Hotel	<u>1,953,706</u>	<u>2,066,710</u>	<u>113,004</u>
Total	36,605,962	44,178,815	7,572,853
<b><u>Hotel Rooms<sup>3</sup></u></b>			
	1,959	3,423	1,464
<b><u>Employment</u></b>			
	81,013	93,399	12,386
<b><u>Service Population<sup>4</sup></u></b>			
Population	196,009	220,741	24,732
Employment @ 50%	<u>40,507</u>	<u>46,699</u>	<u>6,192</u>
Total Service Population	236,516	267,440	30,924

- Note: 1. Existing housing unit and population estimates are for the year 2014 provided by the General Plan project team. Existing employment is for the year 2015 and is estimated by the fiscal consultant based on an analysis of Census and SCAG data, as presented in Appendix A.
2. 2040 housing unit and population estimates are provided by the City's General Plan Team. 2040 employment is projected by the fiscal consultant based on the estimated built square feet for commercial, office and industrial uses provided by the General Plan team.
3. Existing hotel rooms are estimated based on the inventory presented in Table 2-2. The number of hotel rooms for 2040 is provided by the General Plan project team.
4. For fiscal factors that are based on population and employment, an estimated service population factor is utilized. The service population represents the total population plus 50% of the estimated employment to account for the less frequent use of City public services by employment versus population.

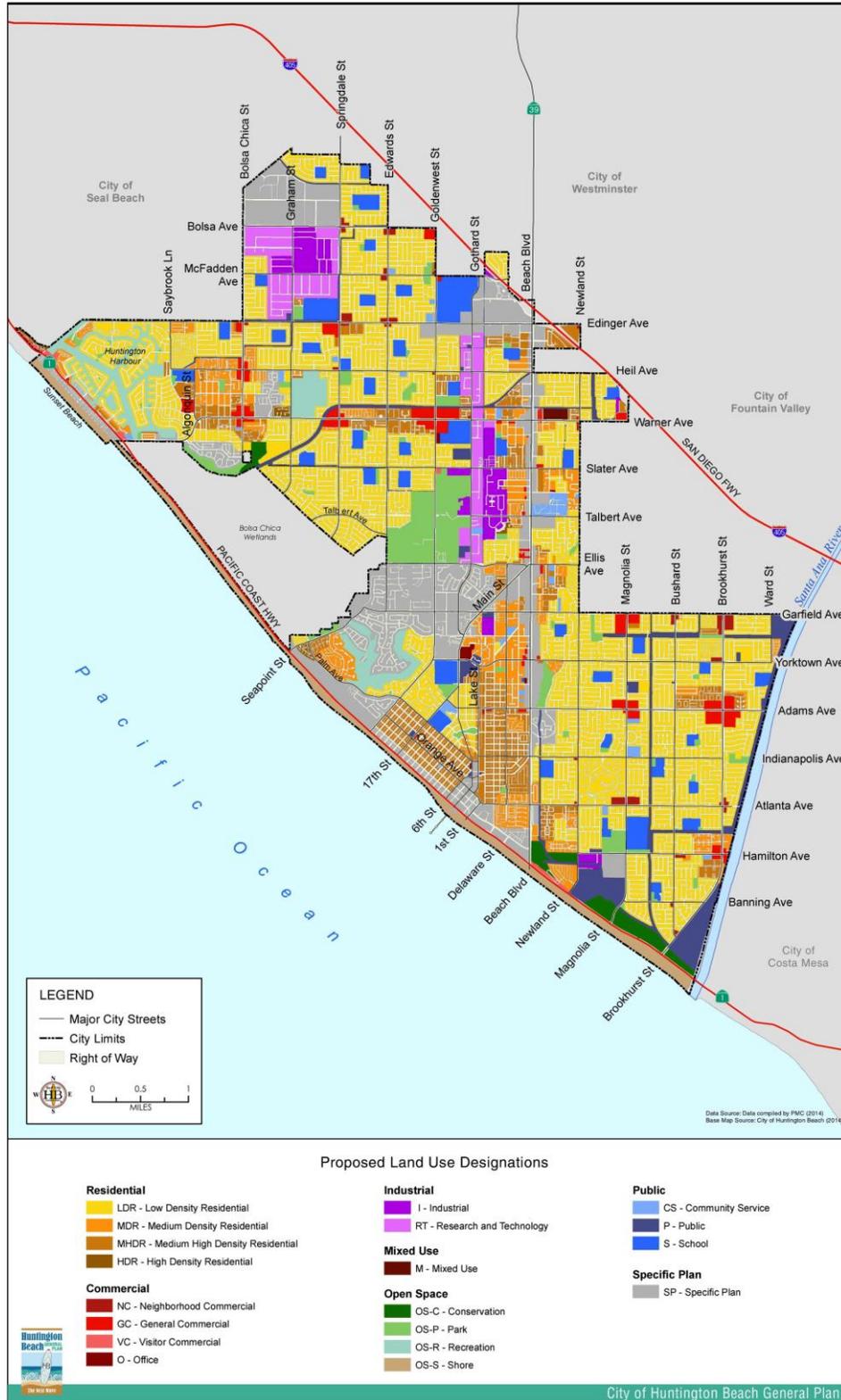
Sources: Stanley R. Hoffman Associates, Inc.  
Michael Baker International

**Figure 2-1**  
**Major Development Opportunity Sites**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**



Sources: Stanley R. Hoffman Associates, Inc.  
 City of Huntington Beach, *General Plan Administrative Draft*, November 2015

**Figure 2-2**  
**Proposed Land Use Designations**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**



Sources: Stanley R. Hoffman Associates, Inc.  
 City of Huntington Beach, *General Plan Administrative Draft*, November 2015

**Table 2-2**  
**Hotel Room Inventory**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Hotel Name	Number of Rooms	Rate		Status	Address
		High	Low		
<b>PANEL A. EXISTING HOTELS</b>					
Oceanview Motel	29	\$125	\$60	Completed	16196 Pacific Coast Hwy., Huntington Beach, CA 92649
Pacific View Inn and Suites	18	\$110	\$60	Completed	16220 Pacific Coast Hwy., Huntington Beach, CA 92649
777 Motor Inn	42	\$50	\$50	Completed	16240 Pacific Coast Hwy., Huntington Beach, CA 92649
Sunset Suites	10	\$135	\$110	Completed	16401 Pacific Coast Hwy., Huntington Beach, CA 92649
Ocean Surf Inn & Suites <sup>1</sup>	23	\$150	\$79	Completed	16555 Pacific Coast Hwy., Huntington Beach, CA 92649
Oceanside Motel	11	\$700	\$700	Completed	16711 Pacific Coast Hwy., Huntington Beach, CA 92649
Best Western Harbour Inn and Suites	27	\$189	\$98	Completed	16912 Pacific Coast Hwy., Huntington Beach, CA 92649
Beso Del Sol (Bed & Breakfast)	11	\$110	\$85	Completed	17101 Pacific Coast Hwy., Huntington Beach, CA 92649
Travelodge Ocean Front	50	\$119	\$89	Completed	17205 Pacific Coast Hwy., Huntington Beach, CA 92649
Sun 'n Sands Motel	17	\$269	\$129	Completed	1102 Pacific Coast Hwy., Huntington Beach, CA 92648
Best Western Huntington Beach Inn	25	\$179	\$161	Completed	800 Pacific Coast Hwy., Huntington Beach, CA 92648
Huntington Surf Inn	9	\$149	\$149	Completed	720 Pacific Coast Hwy., Huntington Beach, CA 92648
Shorebreak Hotel	196	\$405	\$244	Completed	500 Pacific Coast Hwy., Huntington Beach, CA 92648
Hilton Waterfront Beach Resort	290	\$309	\$199	Completed	21100 Pacific Coast Hwy., Huntington Beach, CA 92648
Hyatt Regency Huntington Beach Resort	517	\$596	\$247	Completed	21500 Pacific Coast Hwy., Huntington Beach, CA 92648
Extended Stay America	104	\$124	\$104	Completed	5050 Skylab Rd., Huntington Beach, CA 92647
Hotel Huntington Beach	224	\$170	\$140	Completed	7667 Center Ave., Huntington Beach, CA 92647
Comfort Suites Huntington Beach	106	\$119	\$79	Completed	16301 Beach Blvd., Huntington Beach, CA 92647
Howard Johnson Express Inn & Suites	85	\$99	\$63	Completed	17251 Beach Blvd., Huntington Beach, CA 92647
Starlight Inn	35	\$55	\$50	Completed	18382 Beach Blvd., Huntington Beach, CA 92648
Best Western Regency Inn	64	\$169	\$89	Completed	19360 Beach Blvd., Huntington Beach, CA 92648
Huntington Suites	66	\$138	\$68	Completed	727 Yorktown Ave., Huntington Beach, CA 92648
<b>Total Existing Rooms</b>	<b>1,959</b>				
<i>Average</i>		\$203	\$139		
<hr style="border-top: 1px dashed black;"/>					
<b>PANEL B. FUTURE AND PLANNED HOTELS</b>					
Pasea Hotel & Spa	250	\$409	\$249	Expected Opening: July 2016	21080 Pacific Coast Hwy., Huntington Beach, CA 92648
Springhill Marriott	126	n/a	n/a	Under Construction	7872 Edinger Ave., Huntington Beach, CA 92647
The Waterfront Beach Resort, a Hilton Hotel (expansion)	156	n/a	n/a	Plan Check Phase: Grading Begun	21100 Pacific Coast Hwy., Huntington Beach, CA 92648
<b>Total Future/Planned Rooms</b>	<b>532</b>				

Note: 1. Ocean Surf Inn and Suites was formerly Sanatra Inn.

Source: Stanley R. Hoffman Associates, Inc.

## **2.2 Estimated Valuation and Projected Property Tax**

### **New Assessed Valuation**

New assessed valuation is estimated based on the residential and non-residential market evaluation included in Appendix B. Based on the average value per unit by unit type, residential valuation for the 7,228 new units is estimated at about \$3.57 billion, as shown in Panel A of Table 2-3. The average value per unit is \$493,447.

As shown in Panel B of Table 2-3, non-residential valuation is estimated at about \$2.41 billion for the proposed 7.5 million square feet of new uses. Total residential and non-residential valuation for the new development is estimated at about \$5.98 billion, as shown in Panel C of Table 2-3.

### **Property Tax**

The estimated 1 percent property tax for the valuation of the new development for the General Plan Update is estimated at about \$59.8 million, as shown in Panel D of Table 2-3. Based on the average citywide allocation of 17.082 percent of the basic one percent levy, recurring property tax to the General Fund is projected at about \$10.2 million for the new development.

### **Property Tax in-Lieu of Vehicle License Fees (VLF)**

California began to allocate property tax revenues to cities and counties in 2004-2005 to offset the State reduction of VLF revenue. The VLF amount received is calculated by the State and grows in proportion to the change in gross assessed valuation of taxable property from the prior year within a jurisdiction.

As shown in Panel E of Table 2-3, property tax in-lieu of VLF in the City is projected to increase at an estimated \$520 per million dollars of new assessed valuation (AV). Based on this factor and the projected net increase in AV, property tax in-lieu VLF is projected to increase by about \$3.1 million.

## **2.3 Projected Sales and Use Tax**

Sales and use tax for the new taxable square feet in the General Plan Update are projected at about \$4.5 million. Retail taxable sales per square foot are based on the report by HdL Companies, *2012-2013 California Retail Analytics, Expanding Retailers and Retail Store Sales Estimates*. The calculation of industrial taxable sales per square foot is presented in Appendix Table C-7.

**Table 2-3**  
**Estimated Valuation and Projected Property Tax**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

**A. New Residential Units and Valuation**

Category	Average Value Per New Unit	Incremental Units	Estimated New Valuation
Low Density	\$764,000	365	\$278,482,847
Medium Density	\$650,000	2,939	1,910,581,541
Medium High Density	\$385,000	2,374	913,962,059
High Density	\$299,000	1,550	463,365,486
<b>Total New Residential Valuation</b>		<b>7,228</b>	<b>\$3,566,391,934</b>
<i>Average Value per Unit</i>			<i>\$493,447</i>

**B. New Non-Residential Square Feet and Valuation**

Category	Average Value Per New Square Foot	New Square Feet	Estimated Valuation
Retail	\$780	1,568,121	\$1,223,134,085
Office	\$220	171,832	37,802,933
Industrial	\$170	5,719,897	972,382,449
<b>Subtotal</b>		<b>7,459,849</b>	<b>\$2,233,319,467</b>
	Average Value per Room	Number of New Rooms	Estimated Valuation
Hotels	\$120,000	1,464	\$175,680,000
<b>Total New Non-Residential Valuation</b>			<b>\$2,408,999,467</b>

**C. Total New Valuation**

New Residential	\$3,566,391,934
New Non-Residential	<u>\$2,408,999,467</u>
<b>Total New Valuation</b>	<b>\$5,975,391,401</b>

**D. Estimated New Property Tax**

1% Property Tax Levy of New Valuation		\$59,753,914
	<i>times</i>	
Average City Allocation of 1% Property Tax		17.082%
	<i>equals</i>	
<b>Estimated New City Property Tax</b>		<b>\$10,207,164</b>

**E. Estimated New Property Tax in Lieu VLF**

New Assessed Valuation in Millions		\$5,975
	<i>times</i>	
Increase in Property Tax VLF per Million Dollars		\$520
	<i>equals</i>	
<b>Estimated New Property Tax in VLF</b>		<b>\$3,107,204</b>

Sources: Stanley R. Hoffman Associates, Inc.  
Michael Baker International

**Table 2-4  
Projected Sales and Use Tax  
General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Category	Factor	Incremental Growth
<b><u>Incremental Non-Residential Taxable Square Feet</u></b>		
<u>Retail</u>		
Neighborhood		68,153
General		818,023
Visitor		528,388
Mixed Use - Retail		<u>153,557</u>
Total Retail Square Feet		1,568,121
<u>Industrial</u>		
Total Incremental Non-Residential Taxable Square Feet		5,719,897
		7,288,017
	<b>Taxable Sales per Square Foot</b>	
<b><u>Incremental Taxable Sales</u></b>		
<u>Retail</u>		
Neighborhood <sup>1</sup>	\$180	\$12,267,460
General <sup>1</sup>	\$220	179,965,084
Visitor <sup>1</sup>	\$300	158,516,470
Mixed Use - Retail <sup>2</sup>	\$22	<u>3,378,248</u>
Total Retail Taxable Sales		\$354,127,263
Industrial <sup>3</sup>	\$21	\$120,117,832
Total Taxable Sales		\$474,245,095
<b><u>On-Site Sales and Use Tax</u></b>		
Sales Tax (@1% of taxable sales)		\$4,742,451
Use Tax (@ 12.0% of sales tax) <sup>4</sup>		\$569,094
<b>Total On-Site Sales and Use Tax</b>		<b>\$5,311,545</b>

- Note: 1. Retail taxable sales for each retail category in the Huntington Beach General Plan Update are based on taxable sales included in the HdL report cited below.
2. Mixed use taxable sales per square foot are projected based on the estimated taxable sales of \$220 per general retail square foot. The fiscal analysis assumes that about ten percent of the mixed use space in the plan will generate taxable sales. Therefore, mixed use taxable sales are projected at \$22 per square foot ( $\$220 * 10\% = \$22$ ).
3. Industrial taxable sales per square foot are projected based on estimated taxable sales of \$21 per non-retail square foot, as shown in Appendix Table C-7.
4. The calculation of the use tax factor is included in Appendix Table C-6.

Sources: Stanley R. Hoffman Associates, Inc.  
HdL Companies, *2012-2013 California Retail Analytics, Expanding Retailers and Retail Store Sales Estimates*, April 2012

## 2.4 Projected Transient Occupancy Tax

Based on the City budget, transient occupancy tax is projected at 10 percent of gross room receipts. Hotel room receipts are projected at about \$97.3 million for the new 1,464 rooms in the General Plan Update. Based on information in the lodging forecast prepared by PKF Consulting, receipts are estimated based on a room rate of \$260 per night and an occupancy rate of 70 percent.

**Table 2-5**  
**Projected Transient Occupancy Tax**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

<b>Number of New Rooms</b>	<b>Average Nightly Room Rate <sup>1</sup></b>	<b>Annual Room Receipts at 70% <sup>1</sup> Occupancy</b>	<b>Estimated Annual TOT at 10% of Room Receipts</b>
1,464	\$260	\$97,253,520	<b>\$9,725,352</b>

Note: 1. The average room rate and occupancy rate are based on the PKF Consulting report cited below.

Sources: Stanley R. Hoffman Associates, Inc.  
PKF Consulting USA, 2013 *Southern California Lodging Forecast*

## CHAPTER 3 FISCAL IMPACTS

This chapter presents the projected recurring fiscal impacts to the City of Huntington Beach’s General Fund and the recurring gas tax revenues to the City Gas Tax Fund. Fiscal impacts are presented in constant 2016 dollars. Selected revenues and costs are projected based on a per capita or per service population basis and are based on the City’s Fiscal Year 2015-2016 Annual Budget. The service population is the City’s population plus employment weighted at 50.0 percent. This weighting accounts for the estimated less frequent use of City public services by employment versus the resident population. The fiscal factors used to project the annual recurring impacts are presented in Chapter 4.

### 3.1 City General Fund

Panel A of Table 3-1 summarizes the projected recurring General Fund fiscal impacts of the General Plan Update. The projected net recurring surplus to the General Fund is about \$12.2 million for the proposed General Plan Update. As shown in Panel A, this represents a revenue/cost ratio of 1.05 in the year 2040, meaning that \$1.05 of revenue is projected for every \$1.00 of cost. The proposed new development for the General Plan Update is projected to generate about \$1.48 of revenue for every dollar of cost, or a revenue/cost ratio of 1.48.

**Table 3-1**  
**Summary of Projected Fiscal Impacts**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Category	Fiscal Year 2015-2016 Budget	2040 Projection	Change
<b>A. GENERAL FUND</b>			
Total Annual Recurring Revenues	\$216,484,367	\$254,158,746	\$37,674,379
Total Annual Recurring Costs	<u>\$216,484,367</u>	<u>\$241,914,096</u>	<u>\$25,429,729</u>
Annual Net Surplus	\$0	\$12,244,650	\$12,244,650
Revenue/Cost Ratio	n/a	1.05	1.48
<b>B. GAS TAX FUND</b>			
Annual Recurring State Gasoline Tax	\$3,377,537	\$3,798,477	\$420,940

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*

### **Major Recurring Revenues**

As shown in Table 3-2, the top three recurring revenues for the General Plan Update are property tax; transient occupancy tax and sales and use tax. These three revenues represent about 67 percent of the total projected revenues for the new development.

### **Major Recurring Costs**

As also shown in Table 3-2, police, fire and general government are the top three recurring costs for the General Plan Update. These three costs are about 82 percent of the total projected recurring costs for the new development in the General Plan Update.

It should be noted that based on the Fiscal Year 2015-2016 City Budget, community development costs are assumed to be offset by one-time planning and building licenses and permits and one-time building charges for services. However, one-time community development fees can be lower in a particular year based on the cycle of development and when fees are actually paid. Generally, community development costs are not fully offset by one-time fees. In future years, a fiscal analysis may reflect net community development costs.

### **3.2 City Gas Tax Fund**

The City maintains a separate Gas Tax Fund for State gasoline tax revenues received by the City from the State. Due to the lower amount of State gas tax revenues allocated to the City, no gas tax revenues are transferred to the City General Fund for street related expenditures, leaving the remainder in the Gas Tax Fund. The revenues remaining in the Gas Tax Fund are earmarked for street related expenditures not related to the General Fund costs.

According to the FY 2015-2016 City Budget, the total State gas tax revenues allocated to the City are \$3,377,537. State gas tax revenues are projected at \$17.02 per capita based on the revenues of \$3,377,537 and the City's estimated population of 198,389. By 2040, the gas taxes are projected to reach \$3,798,477, or an increase of \$420,940.

**Table 3-2**  
**Detailed Projected Recurring Fiscal Impacts**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Categories	Fiscal Year <sup>1</sup> 2015-2016	2040 General Plan	Change 2015-2040	Share of Projected Amounts		
				Fiscal Year <sup>1</sup> 2015-2016	2040 General Plan	Change 2015-2040
<b>Annual Projected Recurring Revenues</b>						
Property Tax	\$50,659,270	\$60,866,434	\$10,207,164	27.0%	27.0%	27.1%
Real Property Transfer Tax	1,073,400	1,220,140	146,740	0.6%	0.5%	0.4%
Property Tax in Lieu of VLF	17,966,137	21,073,341	3,107,204	9.6%	9.4%	8.2%
Sales and Use Tax	38,301,117	43,612,662	5,311,545	20.4%	19.4%	14.1%
Public Safety Sales Tax	2,415,000	2,715,989	300,989	1.3%	1.2%	0.8%
Franchise Fees	7,441,308	8,434,898	993,590	4.0%	3.7%	2.6%
Transient Occupancy Tax	10,300,000	20,025,352	9,725,352	5.5%	8.9%	25.8%
Utility Users Tax	20,674,384	23,434,975	2,760,591	11.0%	10.4%	7.3%
Business Licenses	2,480,240	2,859,424	379,184	1.3%	1.3%	1.0%
Fines and Forfeitures	4,361,188	4,943,488	582,300	2.3%	2.2%	1.5%
Lease and Concession Income	1,074,000	1,207,800	133,800	0.6%	0.5%	0.4%
Parking Revenue	8,088,078	9,167,946	1,079,868	4.3%	4.1%	2.9%
Booking Fees	216,000	242,958	26,958	0.1%	0.1%	0.1%
State Mandated and POST Revenues	45,000	50,688	5,688	0.0%	0.0%	0.0%
Library Revenues	289,550	325,659	36,109	0.2%	0.1%	0.1%
Special City Services	51,000	57,430	6,430	0.0%	0.0%	0.0%
Recreation and Special Events	4,007,600	4,507,188	499,588	2.1%	2.0%	1.3%
Utility Charges	202,511	229,415	26,904	0.1%	0.1%	0.1%
Fire Medical Fees	6,918,000	7,780,407	862,407	3.7%	3.5%	2.3%
Emergency, Hazmat and Fire Charges	955,009	1,082,416	127,407	0.5%	0.5%	0.3%
Charges to Other Funds	8,071,562	9,149,266	1,077,704	4.3%	4.1%	2.9%
Miscellaneous and Other Revenue	1,137,507	1,279,222	141,715	0.6%	0.6%	0.4%
Interest Earnings	665,000	800,141	135,141	0.4%	0.4%	0.4%
Total Projected Revenues	\$187,392,861	\$225,067,240	\$37,674,379	100.0%	100.0%	100.0%
Other Recurring Revenues (Not Projected)	\$29,091,506	\$29,091,506	\$0			
Total Revenues	\$216,484,367	\$254,158,746	\$37,674,379			
<b>Total Annual Recurring Costs</b>						
General Government	\$58,295,424	\$63,811,505	\$5,516,081	26.9%	26.4%	21.7%
Community Development <sup>2</sup>	6,987,570	6,987,570	0	3.2%	2.9%	0.0%
Community Services	9,416,054	10,589,902	1,173,848	4.3%	4.4%	4.6%
Fire	44,647,169	50,608,401	5,961,232	20.6%	20.9%	23.4%
Library Services	4,604,986	5,179,064	574,078	2.1%	2.1%	2.3%
Police	70,071,362	79,427,437	9,356,075	32.4%	32.8%	36.8%
Public Works	22,461,802	25,310,218	2,848,416	10.4%	10.5%	11.2%
Total Annual Recurring Costs	\$216,484,367	\$241,914,096	\$25,429,729	100.0%	100.0%	100.0%
<b>Annual Surplus</b>	<b>\$0</b>	<b>\$12,244,650</b>	<b>\$12,244,650</b>			
Revenue/Cost Ratio	n/a	1.05	1.48			

Note: 1. The Fiscal Year 2015-2016 recurring revenues and costs are from the current City budget, as cited below.

2. Fiscal Year 2015-2016 proposed community development costs are offset by one-time planning and building licenses and permits and one-time building charges for services. Therefore, community development costs are not projected for the new growth. However, one-time community development fees can be lower in a particular year based on the cycle of development and when fees are actually paid. Generally, community development costs are not fully offset by one-time fees. In future years, a fiscal analysis may reflect net community development costs.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*

## **CHAPTER 4 FISCAL ASSUMPTIONS**

This chapter presents the general assumptions and the revenue and cost factors used to prepare the projected annual fiscal impacts of the proposed General Plan Update on the City of Huntington Beach's General Fund after buildout. Supporting tables for the fiscal and market assumptions are included in Appendix A through Appendix C.

### **4.1 General Assumptions**

Table 4-1 provides the general assumptions used for this fiscal analysis. Fiscal impacts are projected based on a per capita, per employee, per service population or case study basis. Per capita, per employee and per service population revenue and cost factors were estimated by dividing the City of Huntington Beach Proposed Budget *Fiscal Year 2015/2016 Municipal Budget* categories by the City's resident population, employment or total service population where appropriate.

#### **Population**

The City's population of 198,389 is based on the California State Department of Finance (DOF) estimates as of January 1, 2015.

#### **Employment**

The City's total employment is estimated at 81,013 for 2015 by the fiscal consultant based on the latest Southern California Association of Governments (SCAG) and the U.S. Census Bureau 2013 Longitudinal Employer-Household Dynamic (LEHD), as presented in Appendix A. Some of these City jobs are filled by people who reside in the City, and the impacts of these workers are included in the projected impacts from population. To account for workers who commute into the City, the estimated share of workers from outside the City is used as the employment estimate.

Based on the U.S. Census Bureau 2013 Longitudinal Employer-Household Dynamic (LEHD) report for the City, about 82 percent of the total workers in the City are commuting from outside the City, as shown in Appendix Tables C-1 and C-2. When this share is applied to the total employment estimate of 81,013, workers that commute into the City are estimated at 66,431.

#### **Service Population**

Several revenues and costs are impacted by both population and employment growth. Therefore, these fiscal factors are estimated by allocating total budgeted revenues or costs to both population and weighted employment, or a service population.

**Table 4-1  
Summary of General City Assumptions  
General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Assumption	Description
	<b><u>Population and Housing</u></b> <sup>1</sup>
197,499	Household Population
890	<u>Group Quarters</u>
198,389	Total Resident Population
79,896	Total Housing Units
	<b><u>Employment</u></b>
81,013	Total Employment in the City <sup>2</sup>
82%	Estimated Share of Total Employment Commuting into the City <sup>3</sup>
66,431	Estimated Employment Commuting into the City <sup>3</sup>
	<b><u>Service Population</u></b> <sup>4</sup>
198,389	Total Population
33,216	Estimated Employment (at 50 percent of 66,431 workers commuting into the City)
231,605	Estimated City Service Population

- Note: 1. Population estimates are from the California Department of Finance (DOF).  
2. Total City employment is estimated by the fiscal consultant.  
3. Based on the 2013 U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) report for the City, about 82 percent of the total workers in the City commute into the City. Therefore, workers that commute into the City are estimated at 66,431.  
4. For fiscal factors that are based on population and employment, an estimated service population factor is utilized. The service population represents the total population plus 50% of the employment that commutes into the City to account for less frequent use of City public services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.  
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2015, May 2015*  
U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), *OnTheMap for Huntington Beach, California, 2013*  
Southern California Association of Governments (SCAG), *2016 Regional Transportation Plan (RTP)*

The service population is the City's population plus employment weighted at 50.0 percent. The City's employment was weighted by 50.0 percent to account for the estimated less frequent use of City public services by employment versus the resident population. As shown in Table 4-1, an estimated service population of 231,605 was used to calculate the fiscal factors that apply to both population and employment. The service population estimate of 231,605 includes the resident population of 198,389 and the estimated weighted employment of 33,216 (50 percent of the 66,431 estimated employment commuting into the city).

#### 4.2 Revenue Assumptions

Revenue factors are projected primarily on the basis of: 1) per capita; 2) per employee; or, 3) per

service population. One-time and non-recurring revenues, such as grant monies and permit fees, are typically excluded from the recurring General Fund revenue estimates. Table 4-2 presents the revenue factors developed from the City's Fiscal Year 2015-2016 revenues included in Appendix Table C-3.

### **General Fund**

**Property Tax.** Property tax revenues are projected by multiplying 1 percent times the tax allocation percentage for each jurisdiction or special district within a tax rate area (TRA) by the project's assessed value in constant dollars. For the General Plan Update, property tax is projected at 17.082 percent of the basic one percent levy which represents the citywide direct property tax allocation over the fiscal years from 2009-2010 through 2013-2014, as reported in the *City Comprehensive Annual Financial Report for the Year Ended September 30, 2014*.

**Property Transfer Tax.** The County receives property transfer tax revenues on the sale of real property at the rate of \$1.10 per \$1,000 of transferred value. The City receives 50.0 percent of this amount, or \$0.55 per \$1,000 of transferred value. Based on the U.S. Census Bureau, 2010-2014 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 3.0 percent per year (Appendix Table C-4). While survey data is not available for commercial development, the fiscal analysis assumes that non-residential development will change ownership at the same average rate of about 3.0 percent per year.

**Property Tax in-lieu of VLF.** Cities began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced vehicle license tax in 2004. Based on information from the State Controller, 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 revenues is in addition to other property tax apportionments. Property taxes in-lieu of VLF revenues have increased at \$520 per \$1,000,000 increase in AV Citywide over the last five years, as shown in Appendix Table C-5.

**Sales and Use Tax.** Sales and use taxes provide a major revenue source for most municipalities in California. All cities and counties in the State levy a basic one percent (1.0 percent) sales tax. In addition to sales tax revenue, the City receives revenues from 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 specific geographical location.

**Table 4-2**  
**Summary of Recurring Revenue Factors**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Revenue Source	Fiscal Year 2015/16 Proposed	Projection Basis <sup>1</sup>	Annual Projection Factors or Amounts
<b>GENERAL FUND</b>			
<u>Property Tax</u>	\$50,659,270	Case Study: Project Valuation	17.082% of basic 1% property tax levy <sup>2</sup>
<u>Property Transfer Tax</u>	\$1,073,400	Property Turnover and Valuation Assumptions	3% residential turnover rate 3% non-residential turnover rate \$0.55 per \$1,000 assessed valuation
<u>Property Tax in-Lieu of VLF <sup>3</sup></u>	\$17,966,137	Case Study	\$520 per \$1,000,000 assessed valuation
<u>Sales and Use Tax <sup>4</sup></u>	\$38,301,117	Taxable Sales	1.0% Sales tax is 1.0% of taxable sales 12.0% Use tax is 12.0% of Sales Tax
<u>Public Safety Sales Tax</u>	\$2,415,000	Population = 198,389	\$12.17 per capita
<u>Franchise Fees</u>	\$7,441,308	Service Population = 231,605	\$32.13 per service population
<u>Transient Occupancy Tax</u>	\$10,300,000	Room Receipts	10% of room receipts
<u>Utility Users Tax</u>	\$20,674,384	Service Population = 231,605	\$89.27 per service population
<u>Business Licenses</u>	\$2,480,240	Employment = 81,013	\$30.62 per employee
<u>Fines and Forfeitures, except Library</u>	\$4,361,188	Service Population = 231,605	\$18.83 per service population
<u>Lease and Concession Income</u>	\$1,074,000	Population = 198,389	\$5.41 per capita
<u>Parking Revenue</u>	\$8,088,078	Service Population = 231,605	\$34.92 per service population
<u>Booking Fees</u>	\$216,000	Population = 198,389	\$1.09 per capita
<u>State Mandated and POST Revenues</u>	\$45,000	Population = 198,389	\$0.23 per capita
<u>Library Revenues</u>	\$289,550	Population = 198,389	\$1.46 per capita
<u>Special City Services</u>	\$51,000	Population = 198,389	\$0.26 per capita
<u>Recreation and Special Events</u>	\$4,007,600	Population = 198,389	\$20.20 per capita
<u>Utility Charges</u>	\$202,511	Service Population = 231,605	\$0.87 per service population
<u>Fire Medical Fees</u>	\$6,918,000	Population = 198,389	\$34.87 per capita
<u>Emergency, Hazmat and Fire Charges</u>	\$955,009	Service Population = 231,605	\$4.12 per service population
<u>Charges to Other Funds</u>	\$8,071,562	Service Population = 231,605	\$34.85 per service population
<u>Miscellaneous and Other Revenue</u>	\$1,137,507	Population = 198,389	\$5.73 per capita
<u>Interest Earnings</u>	\$665,000	Share of General Fund Projected Non- Interest Recurring Revenues of \$186,727,861	0.36% of projected recurring revenues
<b>GAS TAX FUND</b>			
<u>State Gas Tax <sup>5</sup></u>	\$3,377,537	Population = 198,389	\$17.02 per capita

- Note: 1. For revenue factors that are based on population and employment, the estimated Huntington Beach service population is used. The service population factor is applied to the estimated service population of the project.
2. The 17.082 percent of the basic one percent property tax levy represents the direct tax levy for the City over the 5 fiscal years from fiscal year 2009-2010 through fiscal year 2013-2014, as reported in the City CAFR cited below.
3. The State has lowered the VLF rate, which reduces the amount of VLF received by cities and counties. However, the State is providing property taxes to offset the VLF reduction. VLF is estimated to change according to the City's increase in assessed valuation, as shown in Appendix Table C-5.
4. On July 1, 2004, the State 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. In 2016 this reduction of sales tax ends and the City will receive the entire one percent allocation of taxable sales.
5. Based on the City Fiscal Year 2015-2016 Budget, a portion of the Gas Tax Fund revenues are for annual street improvements and rehabilitation expenditures.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*  
City of Huntington Beach, *Comprehensive Annual Financial Report for the Year Ended September 30, 2014*  
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2015, May 2015*  
Southern California Association of Governments (SCAG), *2016 Regional Transportation Plan (RTP)*

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. Use tax revenues to the City of Huntington Beach are estimated at an additional 12.0 percent of point-of-sale taxable sales, as shown in Appendix Table C-6.

**Public Safety Sales Tax.** As shown in Table 4-2, public safety sales tax is projected at \$12.17 per capita based on the 2015-2016 City Annual Budget revenues of \$2,415,000 and the City's estimated population of 198,389.

**Franchise Fees.** Franchise fees are charged to cable, utility, refuse and recycling entities in exchange for the exclusive right to operate franchises within the City's jurisdiction. As shown in Table 4-2, these revenues are allocated to the service population. Based on the 2015-2016 City Annual Budget revenues of \$7,441,308 in franchise fees, and a total service population of 231,605, franchise fees are projected at \$32.13 per service population.

**Transient Occupancy Tax (TOT).** Transient occupancy tax accrues to the City General Fund at the rate of 10.0 percent of gross lodging room receipts.

**Utility Users Tax.** A utility users tax is charged to companies providing electricity, natural gas, telephone/mobile, water, and cable services within the City. Based on the City FY 2015-2016 revenue amount of \$20,674,384 and the City's estimated service population of 231,605, utility users tax is projected at \$89.27 per service population, as shown in Table 4-2.

**Business Licenses.** Based on the City FY 2015-2016 business license revenue amount of \$2,480,240 and the City's estimated employment of 81,013, business licenses are projected at \$30.62 per employee.

**Fines and Forfeitures (except Library Fines).** These court fines, traffic fines and parking citations are projected at \$18.83 per service population based on the 2015-2016 Budget revenues of \$4,361,188 and the City's service population of 231,605.

**Lease and Concession Income.** As shown in Table 4-2, these revenues are projected at \$5.41 per capita based on FY 2015-2016 revenues of \$1,074,000 and the total City population estimate of 198,389.

**Parking Revenue.** Based on the 2015-2016 City Budget parking revenues of \$8,088,788 and the City's service population of 231,605, these revenues are projected at \$34.92 per service population.

**Booking Fees.** Booking fees are projected at \$1.09 per capita based on budget revenues of 216,000 and the City's estimated population of 198,389.

**State Mandated and POST Revenues.** As shown in Table 4-2, these revenues are projected at \$0.23 per capita based on FY 2015-2016 revenues of \$45,000 and the total City population estimate.

**Library Revenues.** Library revenues are projected at \$1.46 per capita based on FY 2015-2016 library revenues of \$289,550 and the City's estimated population of 198,389, as shown in Table 4-2.

**Special City Services.** Based on the FY 2015-2016 budget estimate of \$51,000, and the City's estimated population, revenues for special city services are projected at \$0.26 per capita. Weed abatement, video production, banners and pennants are included in this category.

**Recreation and Special Events.** These revenues are projected at \$20.20 per capita, based on the FY 2015-2016 City Budget revenues of \$4,007,600 and the City's estimated population of 198,389.

**Utility Charges.** Projected revenues in this category include water sales and convenience/processing fees. Based on the 2015-2016 City Budget revenues of \$202,511 and the City's service population of 231,605, these revenues are projected at \$0.87 per service population, as shown in Table 4-2.

**Fire Medical Fees.** These billing and membership revenues are projected at \$34.87 per capita, based on the 2015-2016 City Budget revenues of \$6,918,000 and the City's population of 198,389.

**Emergency, Hazmat and Fire Charges.** Based on the 2015-2016 City Budget revenues of \$955,009 and the City's service population of 231,605, these revenues are projected at \$4.12 per service population.

**Charges to Other Funds.** As shown in Table 4-2, these revenues are projected at \$34.85 per service population based on FY 2015-2016 revenues of \$8,071,562 and the City's estimated service population of 231,305. These revenues include charges to Water, WMP, Refuse and Sewer funds.

**Miscellaneous and Other Revenue.** Revenues for general sales of maps and documents, sponsorship revenues, reimbursables, credit card processing fees, passport fees, and other miscellaneous revenues are included in this category. Based on the 2015-2016 City Budget revenues of \$1,137,507 and the City's population of 198,389, these revenues are projected at \$5.73 per capita.

**Interest Earnings.** These revenues are projected at 0.36 percent of the projected recurring General Fund revenues in the fiscal analysis based on FY 2015-2016 estimated interest earnings of \$665,000 and non-interest General Fund projected recurring revenues of \$186,727,861.

## Gas Tax Fund

According to the FY 2015-2016 City Budget, the total State gas tax revenues allocated to the City are \$3,377,537, with no gas tax revenue transferred to the City General Fund. State gas tax revenues are projected at \$17.02 per capita based on the revenues of \$3,377,537 and the City's estimated population of 198,389.

### 4.3 Cost Assumptions

Table 4-3 provides a summary of the recurring General Fund cost factors developed from the City's General Fund FY 2015-2016 adopted expenditures as presented in Table 4-4. Cost factors are projected primarily on a per capita or a per service population basis. Figure 4-1 presents the location of the key public facilities in the City.

**General Government.** The general government cost allocation is based on information from the 2015-2016 City Budget. General government functions such as City Council, City Manager, City Attorney, City Clerk, City Treasurer, Finance, Human Resources, Information Services and Non-Departmental provide generalized services and cannot be directly linked to a specific development project. General government costs arise from administration and support of departmental line costs such as community development and public works. These costs are typically viewed as Citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Table 4-4, general government costs are estimated at \$58,295,424, or at 36.9 percent of non-general government costs of \$48,034,440. City overhead costs are not assumed to increase on a one-to-one basis for the General Plan Update. Therefore, general government overhead is projected to increase at a marginal rate of 75 percent, or at 27.7 percent of non-general government costs.

**Community Development.** The Community Development Department includes department administration, current planning, advanced planning, neighborhood preservation, code enforcement, inspection services, permit services and plan check services. Proposed FY 2015-2016 costs related to these services are estimated at about \$6.99 million, and are offset by one-time planning and building licenses and permits and one-time building charges for services, as shown in Panel A of Appendix Table C-9. Therefore, community development costs are not projected for this fiscal analysis. However, sometimes community development related fees can be lower in a particular year based on the cycle of development and when fees are paid. Generally, community development costs, such as long-range planning, are not fully offset by fees and in future years, a fiscal analysis may reflect those net community development costs.

**Table 4-3**  
**Summary of Recurring General Fund Cost Factors**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Cost Category	Fiscal Year 2015-2016		Projection Basis	Annual Projection Factors
	Proposed <sup>1</sup>	Net Cost		
General Government <sup>2</sup>	\$58,295,424	\$43,721,568	Case Study	27.7% of direct line costs
Community Development <sup>3</sup>	\$6,987,570	\$0	Service Population = 231,605	\$0.00 per service population
Community Services	\$9,416,054	\$9,416,054	Population = 198,389	\$47.46 per capita
Fire	\$44,647,169	\$44,647,169	Service Population = 231,605	\$192.77 per service population
Library Services	\$4,604,986	\$4,604,986	Population = 198,389	\$23.21 per capita
Police	\$70,071,362	\$70,071,362	Service Population = 231,605	\$302.55 per service population
Public Works <sup>4</sup>	\$22,461,802	\$21,333,802	Service Population = 231,605	\$92.11 per service population

- Note: 1. The number shown in this column is from the Proposed Budget, Fiscal Year 2015/2016.  
2. General government costs for the proposed project are not assumed to increase on a one-to-one basis. Therefore, the fiscal analysis projects general government at a marginal rate of 75 percent of 36.9 percent, or at 27.7 percent of direct line costs.  
3. Community development services include planning, code enforcement, inspection services and permit/plan check services. Net costs are not projected for community development because the FY 2015-2016 Budget estimates of one-time community development licenses and permit revenues offset community development services, as shown in Panel A of Appendix Table C-9.  
4. Public works services include department administration, engineering, street maintenance, landscape maintenance, tree maintenance, water and sewer utilities and maintenance and maintenance of the City's fleet and facilities. Net costs for public works are projected at \$92.11 per service population based on Citywide public works of \$21,333,802 and the City service population of 231,605. Citywide net public works' costs represent the initial FY 2015-2016 Budget costs of \$22,461,802 minus one-time public works' licenses, permits and charges for services, as shown in Panel B of Appendix Table C-9.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*  
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2015, May 2015*  
Southern California Association of Governments (SCAG), *2016 Regional Transportation Plan (RTP)*

**Table 4-4**  
**General Fund Expenditures, Fiscal Year 2015-2016**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

General Fund Expenditures	Total	General Government	Non-General Government
<b><u>General Government</u></b>			
City Council	\$352,389	\$352,389	
City Manager	2,175,938	2,175,938	
City Attorney	2,450,613	2,450,613	
City Clerk	811,023	811,023	
City Treasurer	204,687	204,687	
Finance	5,728,945	5,728,945	
Human Resources	5,414,059	5,414,059	
Information Services	6,833,066	6,833,066	
Non-Departmental	34,324,704	34,324,704	
<b><u>Non-General Government</u></b>			
Community Development	\$6,987,570		\$6,987,570
Community Services	9,416,054		9,416,054
Fire	44,647,169		44,647,169
Library Services	4,604,986		4,604,986
Police	70,071,362		70,071,362
Public Works	22,461,802		22,461,802
<b>General Fund Total</b>	<b>\$216,484,367</b>	<b>\$58,295,424</b>	<b>\$158,188,943</b>

**Current General Government Overhead Rate**

General Government Expenditures		\$58,295,424
	<i>divided by</i>	
Direct General Fund Expenditures		\$158,188,943
	<i>equals</i>	
Current General Government Overhead Rate		36.9%

**Marginal Increase in General Government Costs @ 75%<sup>1</sup>** **27.7%**

Note: 1. General government costs for the General Plan are not assumed to increase on a one-to-one basis. Therefore, the fiscal analysis projects general government at a marginal rate of 75 percent of 36.9 percent, or 27.7 percent of non-general government costs. Overhead rates are rounded to one decimal point.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*

**Figure 4-1**  
**Location of Police, Fire, Library and School Facilities**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**



Sources: Stanley R. Hoffman Associates, Inc.  
 City of Huntington Beach, *General Plan Administrative Draft*, November 2015

**Community Services.** As shown in Table 4-3, community services costs are projected at \$47.46 per capita based on 2015-2016 City Budget General Fund expenditures of \$9,416,054 and the City's population of 198,389. The Community Services Department provides recreational activities, cultural programs, human services programs, maintenance of City parks, beaches, pier, harbor and community facilities. The department also provides the annual U.S. Open of Surfing and the Surf City Marathon. Revenue collection for all beach parking lots and parking meters is also done by the Community Services Department.

**Fire Services.** The Huntington Beach Fire Department provides fire services, marine safety services and emergency medical services. As shown in Table 4-3, based on budgeted FY 2015-2016 General Fund fire expenditures of \$44,647,169 and the City's service population of 231,605, fire services are projected at \$192.77 per service population.

**Library Services.** The Huntington Beach Public Library and Cultural Center provides traditional library services, literacy programs, meeting and event space, a 300-seat theater, a children's theater and an art gallery. As shown in Table 4-3, library services are projected at \$23.21 per capita based on 2015-2016 City Budget General Fund expenditures of \$4,604,986 and the City's population estimate of 198,389.

**Police Services.** Costs related to City police protection services are estimated on a per service population basis and include patrol services, traffic enforcement, air support (helicopter), parking enforcement, police investigation, crime prevention, narcotics enforcement, jail services, training communications, forensic services, and public information services. As shown in Table 4-3, based on budgeted FY 2015-2016 General Fund police expenditures of \$70,071,362 and the City's service population of 231,605, police protection costs are projected at \$302.55 per service population.

**Public Works.** The Public Works Department provides public works administration, engineering, street maintenance, landscape maintenance, tree maintenance, water and sewer utilities and maintenance of the City's fleet and facilities. As shown in Panel B of Appendix Table C-9, net Public Works costs are projected at \$92.11 per service population based on net Citywide public works costs of \$21,333,802 and the City service population estimate of 231,605. Citywide net public works costs represent the initial FY 2015-2016 Budget costs of \$22,461,802 minus one-time public works permit and fee revenues of \$1,128,000.

## APPENDIX A EMPLOYMENT PROJECTIONS

The City of Huntington Beach employment is projected to increase by 12,386 jobs over the 2015 to 2040 period, as shown in Table A-1. The projected employment of 93,399 jobs for year 2040 represents an increase of about 15.3 percent over the 81,013 jobs estimated for year 2015.

The sectors that are projected to add over 1,000 new jobs over the 2015-2040 period are highlighted in Table A-1. The Professional, Scientific and Technical (2,028 new jobs) and Other Services (2,006 new jobs, excluding Public Administration) sectors are projected to add the largest number of new jobs over the 2015-2040 period. The Information sector is projected to add 1,446 new jobs over the 2015-2040 period. The next largest numbers of new jobs are projected for the Transportation and Warehousing (1,177 new jobs); Accommodation (1,114 new jobs); and Retail Trade (1,082 new jobs) sectors.

**Table A-1  
Projected Employment Growth: 2015 and 2040  
General Plan Update, City of Huntington Beach**

Category	2015	2040	2015-2040 Change <sup>1</sup>
Agriculture, Forestry, Fishing and Hunting	45	48	3
Mining, Quarrying, and Oil and Gas Extraction	47	50	3
Utilities	252	268	16
Construction	4,493	4,375	-118
Manufacturing	16,283	16,465	182
Wholesale Trade	4,167	3,871	-296
Retail Trade	9,851	10,933	1,082
Transportation and Warehousing	1,588	2,765	1,177
Information	1,339	2,785	1,446
Finance and Insurance	2,723	3,307	584
Real Estate and Rental and Leasing	1,371	1,953	582
Professional, Scientific, and Technical Services	5,283	7,311	2,028
Management of Companies and Enterprises	570	833	263
Administration & Support, Waste Management and Remediation	5,681	6,040	359
Educational Services	5,579	6,073	493
Health Care and Social Assistance	6,550	6,686	136
Arts, Entertainment, and Recreation	1,121	1,685	564
Accommodation and Food Services	10,550	12,346	1,796
Accommodation	1,469	2,583	1,114
Food Services	9,081	9,763	682
Other Services (excluding Public Administration)	2,559	4,567	2,008
Public Administration	962	1,038	76
<b>TOTAL EMPLOYMENT</b>	<b>81,013</b>	<b>93,399</b>	<b>12,386</b>

Note: 1. The sectors that are projected to add over 1,000 new jobs over the 2015-2040 period are highlighted.

Sources: Stanley R. Hoffman Associates, Inc.  
U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household Dynamics (LEHD)  
Origin-Destination Employment Statistics, Huntington Beach, California  
Southern California Association of Governments

## Methodology for Employment Projections

Employment projections for Huntington Beach for the year 2040 were developed based on a combination of inputs, including land use capacities provided by the City's General Plan team, the historical distribution of jobs in Huntington Beach by NAICS sectors, and the relationship between city employment in selected sectors and population.

The methodology for the employment projections is presented in the following Step 1 through Step 5:

- **Step 1.** Developing the projections involved estimating the base year 2015 distribution of jobs by sector for the city. These estimations were developed from data obtained from the Census Longitudinal Employer Household Dynamics (LEHD) for the year 2012 and applying historical growth rates projecting forward over the period between 2012 and 2015. The final step involved controlling the LEHD based 2015 estimates to the historical relationship between the LEHD employment data and the Southern California Association of Governments (SCAG) total employment estimates, which account for all other jobs, including self-employment in the city. The 2012 and 2015 projections are included in Table A-2.
- **Step 2.** The projections process involved analyzing land use data at buildout provided by the City's General Plan team that included estimates of total built square feet for commercial, office and industrial uses. Square feet of uses were translated to equivalent employment numbers by applying appropriate square feet per employee factors, as shown in Table A-3. These numbers are representative of the total private sector jobs connected to land uses, and account for about 87 percent of all projected jobs in 2040.
- **Step 3.** In Step 3 the land use generated equivalent employment estimates at buildout were allocated to NAICS sectors based on the historical composition of jobs by sector in each land use category.
- **Step 4.** A few other sectors with more public sector orientation and not associated with private sector land uses (most prominently, portions of education and health care and public administration) were projected on a per capita basis based on historical relationships between such jobs and city population and then applied to the projected 2040 population for the city.
- **Step 5.** The balance of the jobs that are projected in agriculture, mining and utilities and a portion of construction jobs are not tied directly to private sector building square feet and were estimated based on their relationship to the total private sector jobs in the base year and then applied to the year 2040.

**Table A-2**  
**Projected Employment: 2012 and 2015**  
**General Plan Update, City of Huntington Beach**

Category	SCAG Adjusted		Change 2012-2015
	2012	2015	
Agriculture, Forestry, Fishing and Hunting	74	45	-29
Mining, Quarrying, and Oil and Gas Extraction	68	47	-21
Utilities	315	252	-64
Construction	3,700	4,493	792
Manufacturing	16,292	16,283	-9
Wholesale Trade	4,135	4,167	32
Retail Trade	9,206	9,851	645
Transportation and Warehousing	1,365	1,588	223
Information	1,358	1,339	-19
Finance and Insurance	2,190	2,723	533
Real Estate and Rental and Leasing	1,401	1,371	-30
Professional, Scientific, and Technical Services	4,288	5,283	995
Management of Companies and Enterprises	605	570	-35
Administration & Support, Waste Management and Remediation	4,910	5,681	771
Educational Services	5,878	5,579	-298
Health Care and Social Assistance	5,469	6,550	1,080
Arts, Entertainment, and Recreation	896	1,121	225
Accommodation and Food Services	9,249	10,550	1,301
Accommodation	1,288	1,469	181
Food Services	7,961	9,081	1,120
Other Services (excluding Public Administration)	3,119	2,559	-560
Public Administration	<u>1,321</u>	<u>962</u>	<u>-358</u>
<b>TOTAL EMPLOYMENT</b>	<b>75,839</b>	<b>81,013</b>	<b>5,174</b>

Sources: Stanley R. Hoffman Associates, Inc.  
U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household Dynamics  
(LEHD) Origin-Destination Employment Statistics, Huntington Beach, California, 2012  
Southern California Association of Governments

**Table A-3**  
**Projected 2040 Employment**  
**General Plan Update, City of Huntington Beach**

Category	Projected 2040 Employment			Percent of Total Employment
	Square Feet	Square Feet per Employee	Employment	
<b>A. PRIVATE SECTOR JOBS</b>				
<b><u>Commercial</u></b>				
Neighborhood	1,084,971	350	3,100	3%
General	10,529,405	450	23,399	25%
Visitor	774,000	350	2,211	2%
Overnight Accommodations - 3,423 rooms <sup>1</sup>	2,066,710	800	2,583	3%
Mixed Use - Retail	<u>1,844,047</u>	350	<u>5,269</u>	<u>6%</u>
Total Commercial	16,299,133		36,562	39%
<b><u>Office</u></b>				
Office	1,286,230	300	4,287	5%
Mixed Use - Office	<u>1,844,047</u>	300	<u>6,147</u>	<u>7%</u>
Total Office	3,130,277		10,434	12%
<b><u>Industrial</u></b>				
Research and Technology	12,583,300	550	22,879	24%
Industrial	<u>12,166,105</u>	1,100	<u>11,060</u>	<u>12%</u>
Total Industrial	24,749,405		33,939	36%
<b>Total Private Sector</b>	<b>44,178,815</b>		<b>80,935</b>	<b>87%</b>
<b>B. PUBLIC SECTOR JOBS <sup>2</sup></b>				
Educational Services			3,287	4%
Health Care and Social Assistance			3,951	4%
Public Administration			<u>1,038</u>	<u>1%</u>
<b>Total Public Sector Jobs</b>			<b>8,276</b>	<b>9%</b>
<b>C. OTHER JOBS <sup>3</sup></b>				
<b>TOTAL NON-RESIDENTIAL</b>			<b>93,399</b>	<b>100%</b>

- Note: 1. Hotel employment is estimated at 0.75 employees per room, or about 800 square feet per employee.  
2. Public sector jobs for 2040 are estimated based on their per capita ratios with existing population in the base year.  
3. Other jobs include agriculture, mining, utilities and a share of construction jobs are not tied directly to private sector building square feet. These jobs are estimated for 2040 based on their relationship to total private sector jobs in the base year.

Sources: Stanley R. Hoffman Associates, Inc.  
Michael Baker International

## **APPENDIX B**

### **RESIDENTIAL AND NON-RESIDENTIAL MARKET VALUATION ESTIMATES**

#### **B.1 Introduction**

For the purpose of preparing a fiscal impact analysis for the Huntington Beach General Plan Update, market valuation estimates are required for both residential and non-residential land uses. This appendix provides market information and analysis on recent sales prices for residential and non-residential properties. The residential properties in this appendix include: single family houses, townhomes, condos, fourplexes, and apartments. The non-residential properties include: retail, office, warehouse & distribution, and flex/ research & development. Data was collected through two online sources: Redfin and Reis Reports, Inc. Redfin is a residential real estate company that provides a web based real estate database. Reis Reports provides information on commercial real estate properties and apartments, including trends, analysis, and market research.

In order to analyze the data, sample sizes were taken for each type of property. For all residential properties, except fourplexes, a sample size of twenty properties sold in the last three months was taken through Redfin. In order to analyze fourplexes, ten properties that were sold in the last six months were selected. Through Reis Reports, Inc., a sample size of ten properties was selected for the non-residential properties listed above.

#### **B.2 Market Valuation Summary**

Table B-1 presents the sales prices per unit for owner-occupied and renter-occupied residential properties. As shown in Panel A of Table B-1, single-family houses were reported as having the widest total price range (a low of \$505,000 to a high of \$2.4 million) and the highest median price, (\$764,000), among the residential properties. Sales prices for townhomes ranged from a low of \$280,000 to a high of \$1.6 million and a median price of \$650,000. Finally, condos had the smallest price range (a low of \$286,000 and a high of \$1.0 million) and the lowest median price (\$384,500).

As shown in Panel B of Table B-1, fourplexes had a higher median price per unit (about \$298,750) than apartments (about \$293,750). Apartments had a wider price range per unit (a low of \$212,500 to a high of about \$356,000) than fourplexes (a low of about \$278,000 to a high of \$410,000). Figure B-1 displays the range of all residential properties with the highest median sales price belonging to single-family houses, and the lowest median sales price belonging to apartments.

Table B-2 presents the sales prices per square foot for non-residential properties. Retail properties had the widest price range per square foot (a low of about \$320 per square foot to a high of about \$2,800 per square foot) and the highest median price per square foot of about \$780. The prices for office buildings ranged from a low of about \$120 per square foot to a high of about \$700 per square foot, and a median of about \$220 per square foot. Sales prices for warehouse and distribution buildings ranged from a low of about \$100 per square foot to a high of about \$260, and a median of about \$170. Finally, the sales prices for Flex/R&D buildings ranged from a low of about \$120 per square foot to a high of about \$920, and a median of about \$170. Figure B-2 displays the range of sales prices per square foot for the non-residential properties.

**Table B-1**  
**Estimated Residential For-Sale Prices (Per Unit)**  
**City of Huntington Beach**

**Panel A. Owner-Occupied For-Sale Prices<sup>1</sup>**

<b>Category</b>	<b>Low</b>	<b>Median</b>	<b>High</b>
Single Family Houses	\$505,000	\$764,000	\$2,400,000
Townhomes	\$280,000	\$650,000	\$1,580,000
Condos	\$286,000	\$384,500	\$1,010,000

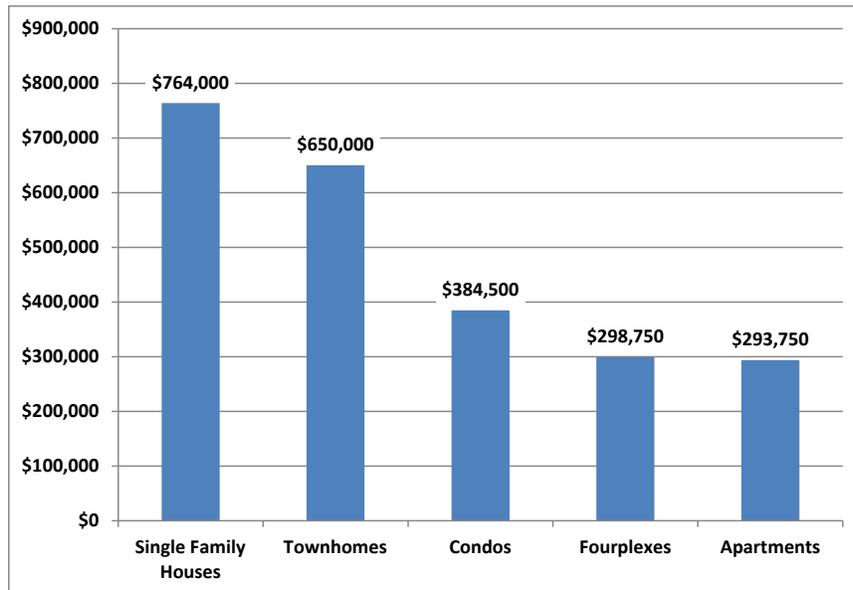
**Panel B. Renter-Occupied For-Sale Prices**

Fourplexes <sup>2</sup>	\$277,813	\$298,750	\$410,000
Apartments <sup>3</sup>	\$212,500	\$293,750	\$356,250

1. Sales prices for single family houses, condos, and townhomes were accessed through sales records on Redfin.com for the last three months of 2015.
2. Sales prices for fourplexes were accessed through sales records on Redfin.com for the last six months of 2015.
3. Sales prices for multi-family apartments were accessed through Reis Reports, Inc. and are reported as of September 30, 2015.

Source: Stanley R. Hoffman Associates, Inc.  
 Redfin.com  
 Reis Reports, Inc.

**Figure B-1**  
**Estimated Median Residential For-Sale Prices (Per Unit)**  
**City of Huntington Beach**



Source: Stanley R. Hoffman Associates, Inc.

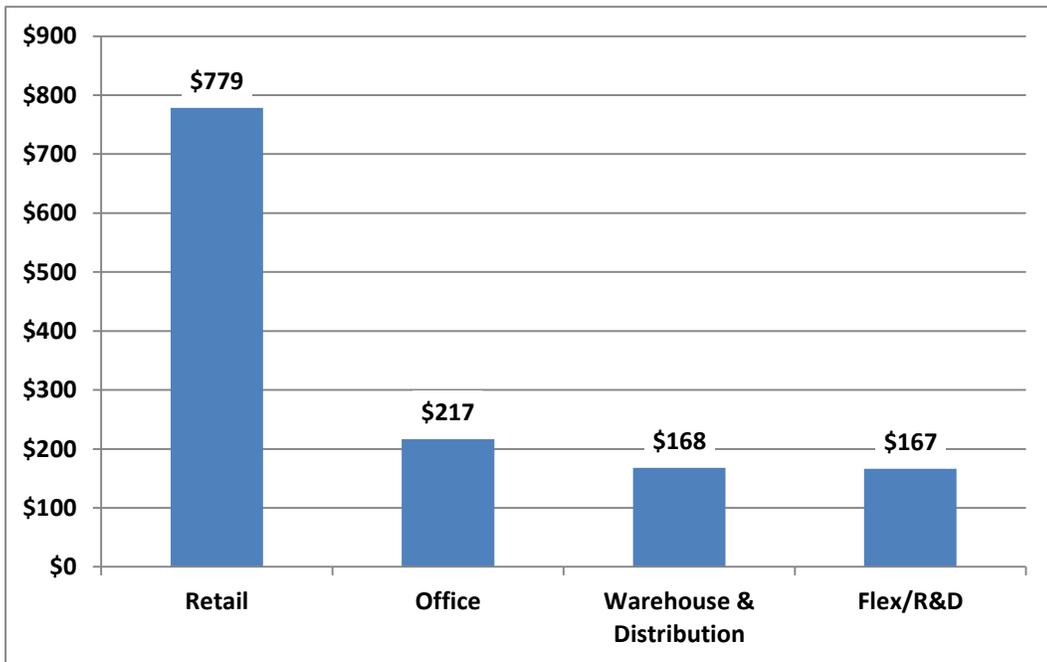
**Table B-2  
Non-Residential For-Sale Prices (Per Square Foot)  
City of Huntington Beach**

<b>Category</b>	<b>Low</b>	<b>Median</b>	<b>High</b>
Retail	\$316	\$779	\$2,778
Office	\$119	\$217	\$694
Warehouse & Distribution	\$101	\$168	\$257
Flex/R&D	\$123	\$167	\$922

1. Sales prices for non-residential real estate properties were accessed through Reis Reports, Inc. and are reported as of September 30, 2015.
2. In order to gather ten properties for the Flex/R&D category, sales prices were gathered from surrounding areas as well including Costa Mesa, Santa Ana, Westminster, and Seal Beach.

Source: Stanley R. Hoffman Associates, Inc.  
Reis Reports, Inc.

**Figure B-2  
Estimated Median Non-Residential Values (Per Square Foot)  
City of Huntington Beach**



Source: Stanley R. Hoffman Associates, Inc.

### **B.3 Residential Market Valuation**

Table B-3 provides further detailed information on the twenty different properties that were selected through Redfin.com for each owner-occupied category. The table includes the price per square foot and the total price for each property selected. The high, low and median sales prices per unit and price per square foot are also shown.

Table B-4 provides further detailed information on the ten different properties that were selected through Redfin.com for each renter-occupied category. The table includes the total price and the price per unit for each property. The high, low and median values are also shown.

### **B.4 Non-Residential Market Valuation**

Table B-5 provides further detailed information on the ten properties that were selected for the Flex/R&D and warehouse and distribution categories through the Reis Reports, Inc. The table includes the price per square foot and the total prices for the properties selected. The high, low and median values are also shown.

Table B-6 provides further detailed information on the ten properties that were selected for the office and retail categories through the Reis Reports, Inc. The table includes the price per square foot and the total prices for the properties selected. The high, low and median values are also shown.

**Table B-3  
Owner-Occupied For-Sale Prices  
City of Huntington Beach**

	<b>Single Family Houses</b>		<b>Condos</b>		<b>Townhomes</b>	
	<b>PSF</b>	<b>Total Price</b>	<b>PSF</b>	<b>Total Price</b>	<b>PSF</b>	<b>Total Price</b>
1	\$348	\$690,000	\$572	\$286,000	\$307	\$654,000
2	\$341	\$795,000	\$419	\$367,000	\$368	\$405,000
3	\$424	\$785,000	\$436	\$470,000	\$373	\$675,000
4	\$316	\$751,000	\$414	\$347,000	\$291	\$635,000
5	\$445	\$1,110,000	\$440	\$337,500	\$542	\$1,175,000
6	\$287	\$777,000	\$414	\$369,000	\$395	\$534,900
7	\$723	\$2,400,000	\$395	\$435,000	\$368	\$405,000
8	\$448	\$1,152,000	\$426	\$325,000	\$563	\$1,580,000
9	\$497	\$682,000	\$398	\$368,500	\$388	\$777,000
10	\$496	\$563,000	\$449	\$335,000	\$444	\$840,000
11	\$348	\$985,000	\$475	\$523,000	\$428	\$650,000
12	\$464	\$1,100,000	\$397	\$426,500	\$466	\$280,000
13	\$531	\$679,000	\$344	\$1,010,000	\$428	\$650,000
14	\$472	\$646,500	\$387	\$400,000	\$466	\$280,000
15	\$442	\$505,000	\$443	\$540,000	\$348	\$870,000
16	\$577	\$987,500	\$379	\$400,000	\$465	\$512,000
17	\$580	\$665,000	\$369	\$406,000	\$374	\$420,000
18	\$347	\$670,000	\$684	\$322,500	\$343	\$779,000
19	\$356	\$1,085,000	\$387	\$479,000	\$409	\$819,000
20	\$286	\$700,000	\$519	\$349,500	\$306	\$337,000
<b>Low</b>	<b>\$286</b>	<b>\$505,000</b>	<b>\$344</b>	<b>\$286,000</b>	<b>\$291</b>	<b>\$280,000</b>
<b>Median</b>	<b>\$447</b>	<b>\$764,000</b>	<b>\$417</b>	<b>\$384,500</b>	<b>\$392</b>	<b>\$650,000</b>
<b>High</b>	<b>\$723</b>	<b>\$2,400,000</b>	<b>\$684</b>	<b>\$1,010,000</b>	<b>\$563</b>	<b>\$1,580,000</b>

1. All data was accessed through sales records on Redfin.com for the last three months of 2015.

Source: Stanley R. Hoffman Associates  
Redfin.com

**Table B-4**  
**Renter-Occupied For-Sale Prices**  
**City of Huntington Beach**

	<b>Fourplex<sup>1</sup></b>		<b>Apartment<sup>2</sup></b>	
	<b>Total Price</b>	<b>Per Unit</b>	<b>Total Price</b>	<b>Per Unit</b>
1	\$1,195,000	\$298,750	\$1,150,000	\$287,500
2	\$1,640,000	\$410,000	\$900,000	\$225,000
3	\$1,150,000	\$287,500	\$1,225,000	\$306,250
4	\$1,125,000	\$281,250	\$895,000	\$223,750
5	\$1,150,000	\$287,500	\$1,911,500	\$318,583
6	\$1,300,000	\$325,000	\$2,080,000	\$346,667
7	\$1,111,250	\$277,813	\$898,000	\$224,500
8	\$1,560,000	\$390,000	\$1,425,000	\$356,250
9	\$1,195,000	\$298,750	\$850,000	\$212,500
10	\$1,634,000	\$408,500	\$1,200,000	\$300,000
<b>Low</b>	<b>\$1,111,250</b>	<b>\$277,813</b>	<b>\$850,000</b>	<b>\$212,500</b>
<b>Median</b>	<b>\$1,195,000</b>	<b>\$298,750</b>	<b>\$1,175,000</b>	<b>\$293,750</b>
<b>High</b>	<b>\$1,640,000</b>	<b>\$410,000</b>	<b>\$2,080,000</b>	<b>\$356,250</b>

1. The sales prices for fourplexes were accessed through sales records on Redfin.com

2. The sales prices for apartments were accessed through Reis Reports, Inc. and were reported as of September 30, 2015.

Source: Stanley R. Hoffman Associates  
Redfin.com  
Reis Reports, Inc.

**Table B-5**  
**Flex/R&D and Warehouse & Distribution For-Sale Prices**  
**City of Huntington Beach**

	Flex/R&D		Warehouse & Distribution	
	PSF	Total Price	PSF	Total Price
1	\$166	\$2,800,000	\$147	\$1,774,000
2	\$160	\$10,022,500	\$131	\$36,750,000
3	\$185	\$1,785,000	\$189	\$2,244,500
4	\$165	\$5,756,190	\$192	\$1,440,000
5	\$167	\$2,500,000	\$257	\$750,000
6	\$922	\$2,200,000	\$129	\$1,235,000
7	\$264	\$2,992,500	\$101	\$50,000,000
8	\$286	\$33,700,000	\$200	\$1,070,000
9	\$123	\$21,100,000	\$196	\$8,200,000
10	\$141	\$1,410,000	\$140	\$1,623,000
<b>Low</b>	<b>\$123</b>	<b>\$1,410,000</b>	<b>\$101</b>	<b>\$750,000</b>
<b>Median</b>	<b>\$167</b>	<b>\$2,896,250</b>	<b>\$168</b>	<b>\$1,698,500</b>
<b>High</b>	<b>\$922</b>	<b>\$33,700,000</b>	<b>\$257</b>	<b>\$50,000,000</b>

1. The sales prices for Flex/R&D and warehouse and distribution were accessed through Reis Reports, Inc. and were reported as of September 30, 2015.
2. In order to gather ten properties for the Flex/R&D category, sales prices were gathered from surrounding areas as well including Costa Mesa, Santa Ana, Westminster, and Seal Beach.

Source: Stanley R. Hoffman Associates  
 Reis Reports, Inc.

**Table B-6**  
**Office & Retail For-Sale Prices**  
**City of Huntington Beach**

	Office		Retail	
	PSF	Total Price	PSF	Total Price
1	\$694	\$4,750,000	\$413	\$2,025,000
2	\$163	\$7,800,000	\$672	\$3,900,000
3	\$244	\$93,669,000	\$885	\$6,107,000
4	\$350	\$2,485,000	\$2,198	\$3,600,000
5	\$198	\$76,000,000	\$316	\$2,500,000
6	\$119	\$3,300,000	\$1,162	\$16,000,000
7	\$172	\$9,775,156	\$497	\$5,202,000
8	\$127	\$3,100,000	\$480	\$4,320,000
9	\$273	\$1,400,000	\$914	\$4,390,000
10	\$235	\$2,000,000	\$2,778	\$450,000
<b>Low</b>	<b>\$119</b>	<b>\$1,400,000</b>	<b>\$316</b>	<b>\$450,000</b>
<b>Median</b>	<b>\$217</b>	<b>\$4,025,000</b>	<b>\$779</b>	<b>\$4,110,000</b>
<b>High</b>	<b>\$694</b>	<b>\$93,669,000</b>	<b>\$2,778</b>	<b>\$16,000,000</b>

1. The sales prices for office and retail properties were accessed through Reis Reports, Inc. and were reported as of September 30, 2015.

Source: Stanley R. Hoffman Associates  
 Reis Reports, Inc.

## APPENDIX C SUPPORTING TABLES FOR FISCAL ASSUMPTIONS

**Table C-1  
Share of Total Employment Working and Living in City of Huntington Beach: 2013**

Category	City Total	Working and Living in Huntington Beach	
		Amount	Percent <sup>2</sup>
Employment <sup>1</sup>	65,153	11,616	18%

Note: 1. Employment is based on the Longitudinal Employer-Household Dynamics (LEHD) program which shows where people live and where people work, as shown in Table 4-3.

2. Based on the LEHD data, about 82 percent of the total employment in the City represents workers from outside the City.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics, Huntington Beach, California, 2013

**Table C-2  
2013 Live/Work Data  
City of Huntington Beach**

<b><u>In-Area Labor Force Efficiency (Primary Jobs)</u></b>		
	Count	Share
Employed in the Selection Area <sup>1</sup>	65,153	100.0%
Living and Employed in the Selection Area <sup>1</sup>	11,616	17.8%
Living in the Selection Area but Employed Outside	53,537	82.2%

Note: 1. Employment for 2013 is based on the Longitudinal Employer-Household Dynamics (LEHD) program which shows where people live and where people work. Based on the LEHD data highlighted in this table, about 11,616 workers live and work in the City, which represents about 18 percent of the total LEHD employment estimate of 65,153 when rounded.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics, Huntington Beach, California, 2013

**Table C-3 (page 1 of 3)**  
**General Fund Revenues, Fiscal Year 2015-2016**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Revenue Category	Fiscal Year 2015/16 Proposed	Allocation of Fiscal Year 2015/16 Revenues		
		One-Time Fees/Permits	Recurring Revenues Not Projected in This Fiscal Analysis	Net Recurring Revenues
<b>PROPERTY TAXES</b>				
Property Tax	\$50,659,270	\$0	\$0	\$50,659,270
Utility Unitary Tax	\$653,408	\$0	\$653,408	\$0
Miscellaneous Property Tax	\$2,108,575	\$0	\$2,108,575	\$0
Triple Flip Reimbursement	\$7,519,302	0	0	\$7,519,302
Property Tax (in Lieu of VLF)	\$17,966,137	\$0	\$0	\$17,966,137
Employee Retirement Override	\$5,135,233	\$0	\$5,135,233	\$0
Assessments	\$30,000	\$0	\$30,000	\$0
<b>Total Property Taxes</b>	<b>\$84,071,925</b>	<b>\$0</b>	<b>\$7,927,216</b>	<b>\$76,144,709</b>
<b>OTHER LOCAL TAXES</b>				
Sales Tax (1 % Allocation)	\$30,781,815	\$0	\$0	\$30,781,815
Public Safety Sales Tax	\$2,415,000	\$0	\$0	\$2,415,000
<b>Franchise Fees</b>				
Utility Franchises	\$2,674,667	\$0	\$0	\$2,674,667
Transfer Station Franchises	431,000	0	0	431,000
Pipeline Franchises	220,302	0	0	220,302
Refuse Franchises	850,150	0	0	850,150
Cable TV Franchises	3,065,989	0	0	3,065,989
Bus Bench Franchise	199,200	0	0	199,200
Franchise Fees Total	\$7,441,308	\$0	\$0	\$7,441,308
Transient Occupancy Tax	\$10,300,000	\$0	\$0	\$10,300,000
<b>Utility Users Tax</b>				
Water Utility Tax	\$1,298,262	\$0	\$0	\$1,298,262
Gas Utility Tax	1,781,400	0	0	1,781,400
Telephone Utility Tax	5,608,513	0	0	5,608,513
Electric Utility Tax	9,465,061	0	0	9,465,061
Cable Utility Tax	2,521,148	0	0	2,521,148
Utility Users Total	\$20,674,384	\$0	\$0	\$20,674,384
<b>Total Other Local Taxes</b>	<b>\$71,612,507</b>	<b>\$0</b>	<b>\$0</b>	<b>\$71,612,507</b>
<b>LICENSES AND PERMITS</b>				
<b>Licenses - General</b>				
Fire Prevention Inspection	\$300,000	\$0	\$300,000	\$0
Oil Well Taxes License	813,017	0	813,017	0
Business Licenses	2,480,240	0	0	2,480,240
Oil & Methane Inspection	57,000	0	57,000	0
Miscellaneous Licenses	40,000	0	40,000	0
General Licenses Total	\$3,690,257	\$0	\$1,210,017	\$2,480,240
<b>Licenses and Permits - Public Works</b>				
Encroachment Permits	\$400,000	\$400,000	\$0	\$0
Grading Permits	12,000	12,000	0	0
Harbor & Dock Construction	7,000	7,000	0	0
Parking Permits	6,000	6,000	0	0
Wide/Overweight/Loading	15,000	15,000	0	0
Public Works Licenses Total	\$440,000	\$440,000	\$0	\$0
<b>Licenses and Permits - Buildings</b>				
Alarm Permits	\$242,000	\$242,000	\$0	\$0
Building Permits	2,700,000	2,700,000	0	0
Plumbing Permits	480,000	480,000	0	0
Electrical Permits	575,000	575,000	0	0
Mechanical Permits	325,000	325,000	0	0
Swim Pool Permits	82,450	82,450	0	0
Certificate of Occupancy	20,000	20,000	0	0
Buildings Licenses Total	\$4,424,450	\$4,424,450	\$0	\$0
Licenses and Permits - Planning	\$1,067,800	\$1,067,800	\$0	\$0
<b>Total Licenses and Permits</b>	<b>\$9,622,507</b>	<b>\$5,932,250</b>	<b>\$1,210,017</b>	<b>\$2,480,240</b>
<b>FINES AND FORFEITURES</b>				
Court/Traffic Fines	\$495,000	\$0	\$0	\$495,000
Library Fines	\$81,500	\$0	\$0	\$81,500
Parking Fines	\$3,736,188	\$0	\$0	\$3,736,188
Alarm Fines	\$130,000	\$0	\$0	\$130,000
<b>Total Fines and Forfeitures</b>	<b>\$4,442,688</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,442,688</b>
<b>USE OF MONEY AND PROPERTY</b>				
<b>Interest Income</b>				
Pooled Cash Interest	\$150,000	\$0	\$0	\$150,000
Late Charges	515,000	0	0	515,000
Interest Income Total	\$665,000	\$0	\$0	\$665,000

**Table C-3 (page 2 of 3)**  
**General Fund Revenues, Fiscal Year 2015-2016**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Revenue Category	Fiscal Year 2015/16 Proposed	Allocation of Fiscal Year 2015/16 Revenues		
		One-Time Fees/Permits	Recurring Revenues Not Projected in This Fiscal Analysis	Net Recurring Revenues
<b><u>Lease and Concession Income</u></b>				
Land Lease Income	\$930,000	\$0	\$930,000	\$0
Buildings Lease Income	6,000	0	6,000	0
Beach Concessions	1,415,159	0	1,415,159	0
Property/Equipment Lease - Beach	119,480	0	119,480	0
Room Rentals	550,000	0	0	550,000
Central Park Concessions	195,000	0	0	195,000
Sport Complex Concessions	82,000	0	0	82,000
Vending Machines	15,000	0	0	15,000
Rentals - Leases	232,000	0	0	232,000
Ocean View Estates Rents	484,409	0	484,409	0
Lease and Concession Income Total	\$4,029,048	\$0	\$2,955,048	\$1,074,000
Royalties	\$449,191	\$0	\$449,191	\$0
<b><u>Parking Revenue</u></b>				
Parking Lots	\$3,805,924	\$0	\$0	\$3,805,924
Annual Parking Pass	650,000	0	650,000	0
Sunset Vista	631,160	0	631,160	0
Parking Structures	1,089,200	0	0	1,089,200
Meters - Business	498,625	0	0	498,625
Meters - Residential	730,375	0	0	730,375
Meters - Recreational	1,712,550	0	1,712,550	0
Pier Plaza	1,771,839	0	0	1,771,839
Meters - Beach Boulevard	67,115	0	0	67,115
Sport Complex	125,000	0	0	125,000
Parking Revenue Total	\$11,081,788	\$0	\$2,993,710	\$8,088,078
Convicted Offender Booking Fee	\$216,000	\$0	\$0	\$216,000
PCS Wireless	\$283,500	\$0	\$283,500	\$0
<b>Total Use of Money and Property</b>	<b>\$16,724,527</b>	<b>\$0</b>	<b>\$6,681,449</b>	<b>\$10,043,078</b>
<b><u>REVENUE FROM OTHER AGENCIES</u></b>				
<b><u>State of California Agencies</u></b>				
Tidelands Revenue	\$415,661	\$0	\$415,661	\$0
GEMT Reimbursement	25,000	0	25,000	0
Real Property Transfer	1,073,400	0	0	1,073,400
State Mandated Cost Reimbursement	20,000	0	0	20,000
From State of California	100,000	0	100,000	0
POST Reimbursement	25,000	0	0	25,000
State of California Agencies Total	\$1,659,061	\$0	\$540,661	\$1,118,400
Federal Agencies	\$10,000	\$0	\$10,000	\$0
County Agencies	\$393,087	\$0	\$393,087	\$0
Other Agencies	\$666,000	\$0	\$666,000	\$0
<b>Total Revenue From Other Agencies</b>	<b>\$2,728,148</b>	<b>\$0</b>	<b>\$1,609,748</b>	<b>\$1,118,400</b>
<b><u>CHARGES FOR CURRENT SERVICES</u></b>				
<b><u>Public Works</u></b>				
Residential Tree Replacement	\$5,000	\$5,000	\$0	\$0
Developer Fee	100,000	100,000	0	0
Engineering and Inspection Fee	13,000	13,000	0	0
GIS Survey Fee	7,000	7,000	0	0
Grading Plan Check	405,000	405,000	0	0
Landscape Plan Check	3,000	3,000	0	0
OC Sanitation Collection Fee	75,000	75,000	0	0
Recordation Fee	30,000	30,000	0	0
Traffic Plan Check Fee	20,000	20,000	0	0
Water Quality Inspection	30,000	30,000	0	0
Public Works Total	\$688,000	\$688,000	\$0	\$0
<b><u>Building</u></b>				
Permit Issuance	\$215,000	\$215,000	\$0	\$0
Plan Review	2,640,000	2,640,000	0	0
Landscape Plan Check	60,000	60,000	0	0
Microfilming	75,000	75,000	0	0
Automation Fee	350,000	350,000	0	0
Administrative Citation	210,000	210,000	0	0
Landscape Inspection	10,000	10,000	0	0
Building Total	\$3,560,000	\$3,560,000	\$0	\$0
<b><u>Library</u></b>				
Media Library	\$70,000	\$0	\$0	\$70,000
Video Conferencing	250	\$0	\$0	\$250
Library Reserve	5,000	\$0	\$5,000	\$0
Oak View Branch Fees	300	\$0	\$0	\$300
Main Street Branch Fees	500	\$0	\$0	\$500
Community Enrichment Fees	130,000	\$0	\$0	\$130,000
Library Replacement Card	5,000	0	0	5,000
Library Processing Fee	2,000	0	0	2,000
Library Total	\$213,050	\$0	\$5,000	\$208,050

**Table C-3 (page 3 of 3)**  
**General Fund Revenues, Fiscal Year 2015-2016**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Revenue Category	Fiscal Year 2015/16 Proposed	Allocation of Fiscal Year 2015/16 Revenues		
		One-Time Fees/Permits	Recurring Revenues Not Projected in This Fiscal Analysis	Net Recurring Revenues
<b>Special City Services</b>				
Video Productions	\$30,000	\$0	\$0	\$30,000
Weed Abatement	15,000	0	0	15,000
Sewer Services	75,000	0	75,000	0
Impound Vehicle Release Program	170,000	0	170,000	0
Research Requests	48,000	0	48,000	0
Performance Bond Reduction	720	0	720	0
Pay to Stay/Work Furlough	65,000	0	65,000	0
Banners and Pennants	6,000	0	0	6,000
Special City Services Total	\$409,720	\$0	\$358,720	\$51,000
<b>Recreational Classes</b>				
Recreational Fees	\$3,193,000	\$0	\$0	\$3,193,000
Art Center Classes	120,000	0	0	120,000
Junior Lifeguard	584,600	0	0	584,600
Recreational Classes Total	\$3,897,600	\$0	\$0	\$3,897,600
<b>Special Events</b>				
Special Events	\$110,000	\$0	\$0	\$110,000
<b>Utility Charges</b>				
Water Sales	\$56,560	\$0	\$0	\$56,560
Convenience/Processing Fees	145,951	0	0	145,951
Utility Charges Total	\$202,511	\$0	\$0	\$202,511
<b>Fire Med Fees</b>				
Fire Med Billing Service	\$5,724,000	\$0	\$0	\$5,724,000
Fire Med Memberships	1,190,000	0	0	1,190,000
Membership	4,000	0	0	4,000
Fire Med Fees	\$6,918,000	\$0	\$0	\$6,918,000
<b>Emergency Response</b>				
Police Emergency Response	\$75,000	\$0	\$0	\$75,000
Fire Emergency Response	60,000	0	0	60,000
Emergency Response Total	\$135,000	\$0	\$0	\$135,000
<b>Hazmat Fees</b>				
Fire Hazmat Response	\$8,000	\$0	\$0	\$8,000
Public Works	10,000	0	0	10,000
Hazmat Fees Total	\$18,000	\$0	\$0	\$18,000
<b>Fire</b>				
Fire Clearance Inspection	\$66,000	\$0	\$0	\$66,000
Fire Company Inspection	125,000	0	0	125,000
Fire Protection Fees	470,000	0	0	470,000
Fire Development	141,009	0	0	141,009
Fire Total	\$802,009	\$0	\$0	\$802,009
<b>Miscellaneous</b>				
Postage	\$76	\$0	\$0	\$76
Photocopying	2,000	0	0	2,000
Abandoned Oil Wells	2,000	0	2,000	0
Miscellaneous Total	\$4,076	\$0	\$2,000	\$2,076
<b>Prop Fund Charge - Water</b>				
Prop Fund Charge - Water	\$6,016,053	\$0	\$0	\$6,016,053
<b>Prop Fund Charge - WMP</b>				
Prop Fund Charge - WMP	\$168,327	\$0	\$0	\$168,327
<b>Prop Fund Charge - Refuse</b>				
Prop Fund Charge - Refuse	\$566,538	\$0	\$0	\$566,538
<b>Prop Fund Charge - Sewer</b>				
Prop Fund Charge - Sewer	\$1,320,644	\$0	\$0	\$1,320,644
From Retiree Medical Trust	\$45,211	\$0	\$45,211	\$0
From Retirement Supplement Trust	\$174,239	\$0	\$174,239	\$0
<b>Total Charges for Current Services</b>	<b>\$25,248,978</b>	<b>\$4,248,000</b>	<b>\$585,170</b>	<b>\$20,415,808</b>
<b>OTHER REVENUE</b>				
<b>Property Sales</b>				
Property Sales	\$103,500	\$0	\$103,500	\$0
<b>General Sales</b>				
Souvenir Sales	\$1,000	\$0	\$0	\$1,000
Library Sales	5,000	0	0	5,000
Bus Bench Ads	40,800	0	0	40,800
General Sales Total	\$46,800	\$0	\$0	\$46,800
<b>Sponsorships</b>				
Sponsorships	\$90,000	\$0	\$0	\$90,000
<b>Reimbursables</b>				
Property Damage Reimbursements	\$100,000	\$0	\$0	\$100,000
Restitution	9,500	0	0	9,500
Other Reimbursements	350,000	0	0	350,000
Reimbursables Total	\$459,500	\$0	\$0	\$459,500
<b>Other</b>				
Credit Card Processing Fee	\$50,000	\$0	\$0	\$50,000
Passport Fee	173,679	0	0	173,679
Newsrack Impounds	4,000	0	0	4,000
Miscellaneous	311,452	0	0	311,452
Other Total	\$539,131	\$0	\$0	\$539,131
<b>Total Other Revenue</b>	<b>\$1,238,931</b>	<b>\$0</b>	<b>\$103,500</b>	<b>\$1,135,431</b>
<b>NON-OPERATING REVENUE</b>				
NON-OPERATING REVENUE	\$794,156	\$0	\$794,156	\$0
<b>GENERAL FUND TOTAL</b>	<b>\$216,484,367</b>	<b>\$10,180,250</b>	<b>\$18,911,256</b>	<b>\$187,392,861</b>

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, Proposed Budget, Fiscal Year 2015/2016

**Table C-4**  
**Estimated Annual Residential Turnover Rate**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

City of Huntington Beach	Owner Occupied Housing Units
<b>A. Estimated Owner Occupied Turnover Units, 2000-2014</b>	
<u>Year Moved In, 2000-2014</u>	
Moved in 2010 or later	4,118
Moved in 2000 to 2009	<u>14,360</u>
Total Moved In, 2000-2014	18,478
<b>B. Estimated Turnover Rate</b>	
<u>Estimated Annual Owner Occupied Turnover Units, 2000-2014</u> <sup>1</sup>	1,320
<i>divided by</i>	
<u>Total City Owner Occupied Units: 2014</u> <sup>2</sup>	43,875
<i>equals</i>	
<b>Estimated Average Annual Turnover Rate, 2000-2014</b> <sup>1</sup>	<b>3.0%</b>

Note: 1. The annual turnover rate is based on the assumption of 14 years for the 2000-2014 period.  
2. Total City owner occupied units are from the American Community Survey, as referenced below.

Sources: Stanley R. Hoffman Associates, Inc.  
U.S. Census Bureau, 2010-2014 American Community Survey (ACS) 5-Year Estimate,  
Tenure by Year Householder Moved Into Unit, Report B25038, Huntington Beach, California

**Table C-5**  
**Estimated Increase in Vehicle License Fee (VLF) Property Tax**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

Fiscal Year	Property Tax In Lieu VLF (VLF)	Assessed Valuation (AV)	VLF per \$1,000,000 AV <sup>1</sup>
2011-2012	\$15,079,411	\$28,691,127,392	\$530
2012-2013	\$15,766,091	\$30,066,432,421	\$520
2013-2014	\$16,602,324	\$31,197,655,554	\$530
2014-2015	\$17,153,561	\$32,947,732,019	\$520
2015-2016	\$17,966,137	\$34,615,805,195	\$520
<b>Average</b>			<b>\$520</b>

Note: 1. The estimated VLF per \$1,000,000 AV is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*  
County of Orange, Auditor Controller, *Assessed Valuation Report, 2011-2012, 2012-2013, 2013-2014 and 2014-2015*  
County of Orange, Assessor, *2015-16 Local Assessment Roll*

**Table C-6**  
**Calculation of Use Tax Factor**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**

City of Huntington Beach	Amount
<b>Use Tax</b>	
County Pool	\$3,783,166
State Pool	<u>27,409</u>
Total Use Tax	\$3,810,575
<i>divided by</i>	
<b>Point-of-Sale</b>	\$31,637,553
<i>equals</i>	
<b>Use Tax Rate</b> <sup>1</sup>	<b>12.0%</b>

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

Sources: Stanley R. Hoffman Associates, Inc.  
The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2014*

**Table C-7**  
**Calculation of Industrial Taxable Sales per Square Foot Factor**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Category	Amount
<b><u>Estimated Current Non-Retail Employment in City</u></b> <sup>1</sup>	
Construction	4,493
Manufacturing	16,283
Wholesale Trade	4,167
Other Non-Retail	<u>1,932</u>
<b>Total Estimated Non-Retail Employment</b>	26,874
Non-Retail Taxable Sales <sup>2</sup>	\$627,018,276
	<i>divided by</i>
Estimated Current Non-Retail Employment	26,874
	<i>equals</i>
Estimated Taxable Sales per Non-Retail Employee	\$23,332
	<i>divided by</i>
Industrial Square Feet per Employee for General Plan <sup>3</sup>	1,100
	<i>equals</i>
<b>Estimated Taxable Sales per Industrial Square Foot</b>	<b>\$21</b>

Note: 1. Current estimated non-retail employment is based on the employment estimates presented in Appendix Table A-2.  
2. The City's non-retail taxable sales are from the BOE report cited below, and are included in Appendix Table C-8.  
3. Non-retail square feet per employee is based on the employment estimates in Appendix Table A-3..

Sources: Stanley R. Hoffman Associates, Inc.  
California State Board of Equalization, *Taxable Sales in California (Sales and Use Tax), 2013*

**Table C-8**  
**Distribution of Taxable Sales by Category, During 2013**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Huntington Beach	Amount	Percent Distribution
<b><u>Retail and Food Services</u></b>		
Motor Vehicle and Parts Dealers	\$514,669,289	
Home Furnishings and Appliance Stores	188,395,787	
Building Materials and Garden Equipment and Supplies	147,573,163	
Food and Beverage Stores	172,131,059	
Gasoline Stations	245,806,933	
Clothing and Clothing Accessories Stores	132,819,773	
General Merchandise Stores	300,819,546	
Food Services and Drinking Places	377,360,072	
Other Retail Group	<u>262,886,364</u>	
Total Retail and Food Services	\$2,342,461,986	79%
<b><u>Non-Retail Taxable Sales</u></b>	<b>627,018,276</b>	<b>21%</b>
Total Point-of-Sales Taxable Sales	\$2,969,480,262	100%

Sources: Stanley R. Hoffman Associates, Inc.  
California State Board of Equalization, *Taxable Sales in California During 2013*

**Table C-9**  
**General Fund Net Community Development and Public Works Costs**  
**General Plan Update Fiscal Impact Analysis, City of Huntington Beach**  
(In Constant 2016 Dollars)

Category	Amount
<b><u>A. NET COMMUNITY DEVELOPMENT COSTS</u></b> <sup>1</sup>	
Community Development Costs	\$6,987,570
	<i>minus</i>
<u>One-Time Community Development Revenues</u>	
One-Time Licenses and Permits - Planning	\$1,067,800
One-Time Licenses and Permits - Building	4,424,450
One-Time Charges for Services - Building	<u>3,560,000</u>
Total One-Time Revenues	<u>\$9,052,250</u>
	<i>equals</i>
Recurring Net Community Development Costs	(\$2,064,680)
<b><u>B. NET PUBLIC WORKS' COSTS</u></b> <sup>1</sup>	
Public Works Costs	\$22,461,802
	<i>minus</i>
<u>One-Time Public Works' Revenues</u>	
One-Time Licenses and Permits - Public Works	\$440,000
One-Time Charges for Services - Public Works	<u>688,000</u>
Total One-Time Public Works Revenues	<u>\$1,128,000</u>
	<i>equals</i>
Recurring Net Public Works' Costs	\$21,333,802
	<i>divided by</i>
City Service Population	231,605
	<i>equals</i>
<b>Recurring Net Public Works' Cost Factor per Service Population</b> <sup>2</sup>	<b>\$92.11</b>

Note: 1. Community development and public works costs are reduced by estimated one-time fees for each department.

2. The estimated Huntington Beach service population is the City's population and employment from outside the City weighted at 50 percent, as shown in Table 4-1.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Huntington Beach, *Proposed Budget, Fiscal Year 2015/2016*

## APPENDIX D PROJECT REFERENCES

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Assessor

Auditor Controller

Treasurer-Tax Collector

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