

REVENUE GENERATION
VS.
TRADITIONAL LAND USE ZONING

Prepared for

CITY OF SUISUN CITY
REDEVELOPMENT AGENCY

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1. INTRODUCTION

PURPOSE OF STUDY

The City of Suisun is seeking to ensure long-term fiscal health by creating the best possible development opportunities for its remaining vacant commercially zoned lands. This means maximizing retail development and sales taxes on sites suited for retail, and building offices and other commercial on lands not suited for retail. Property taxes currently accrue to the Redevelopment Agency for all except two of the sites (Gentry, Site 1 and Tabor, Site 15), so sales and transit occupancy taxes (TOT) are the primary fiscal benefits to the city's General Fund. Office and housing development therefore have limited fiscal benefit, although their fiscal impacts are somewhat mitigated by annexation to the City's Community Facilities District (CFD). The study does also include estimates of redevelopment tax increment revenues, along with General Fund revenues, since the RDA also benefits the City through its efforts to complete improvements in the City.

This study includes an analysis of each of the city's 15 available commercial sites and their development potential. Chapter 2 includes an overall commercial market analysis, supported by the charts in Appendix A. Chapter 3 discusses the potential of each site given its physical properties and the commercial analysis. Chapter 4 calculates the fiscal return to the city if developed as recommended.

2. COMMERCIAL MARKET ANALYSIS

HOUSING, POPULATION AND DEMAND

The population of Suisun City grew 13% between 1990 and 2000, slowing after that due to slowed housing development as the city began to be built out. This compares to 21% growth in neighboring Fairfield and 16.2% in Solano County as a whole. Suisun's population is steadily trending toward older households with fewer persons per household. This has positive implications for the downtown and waterfront, whose current and future offerings will tend to more closely match these mature shoppers with higher disposable incomes.

TABLE 1
Historic and Projected Demographic Trends (1990-2015)

| Area | 1990 | 2000 | Change 1990-2000 | | 2005 | 2015 | Change 2005-2015 | | Average Annual Rate 2005-2015 |
|-------------------|---------------|---------------|------------------|--------------|---------------|----------------|------------------|--------------|-------------------------------|
| | | | # | % | | | # | % | |
| Population | | | | | | | | | |
| Suisun City | 23,568 | 26,640 | 3,072 | 13.0% | 28,500 | 33,800 | 5,300 | 18.6% | 1.7% |
| City of Fairfield | 79,424 | 96,545 | 17,121 | 21.6% | 106,600 | 130,500 | 23,900 | 22.4% | 2.0% |
| City of Vacaville | <u>71,661</u> | <u>89,304</u> | <u>17,643</u> | <u>24.6%</u> | <u>97,500</u> | <u>114,400</u> | <u>16,900</u> | <u>17.3%</u> | <u>1.6%</u> |
| Total Market Area | 174,653 | 212,489 | 37,836 | 21.7% | 232,600 | 278,700 | 46,100 | 19.8% | 1.8% |
| Solano County | 339,471 | 394,542 | 55,071 | 16.2% | 423,800 | 504,500 | 80,700 | 19.0% | 1.8% |
| Households | | | | | | | | | |
| Suisun City | 6,944 | 8,158 | 1,214 | 17.5% | 8,760 | 10,270 | 1,510 | 17.2% | 1.6% |
| City of Fairfield | 26,457 | 30,995 | 4,538 | 17.2% | 34,490 | 42,040 | 7,550 | 21.9% | 2.0% |
| City of Vacaville | <u>22,786</u> | <u>28,351</u> | <u>5,565</u> | <u>24.4%</u> | <u>31,350</u> | <u>36,920</u> | <u>5,570</u> | <u>17.8%</u> | <u>1.6%</u> |
| Total Market Area | 56,187 | 67,504 | 11,317 | 20.1% | 74,600 | 89,230 | 14,630 | 19.6% | 1.8% |
| Solano County | 113,052 | 130,403 | 17,351 | 15.3% | 141,100 | 167,230 | 26,130 | 18.5% | 1.7% |

Source: Economic and Planning Systems 2005 from ABAG Projections 2000 & 2005

COMMERCIAL DEMAND

A SHORT WINDOW OF TREMENDOUS OPPORTUNITY

In the retail environment of the past 2-3 years, major big box retailers such as Home Depot, Lowe's, WalMart, Kohl's, and others have corporate strategies to rapidly expand and penetrate new market areas. This involves establishing stores in areas without their major brand presence, often in secondary markets at the edge of major suburban growth areas (such as Fairfield-Suisun City-Vacaville). Such expansions are not driven by market demand alone, but also by the desire to establish a new store in that market before a competitor. This phenomenon has been occurring throughout California, including in Lincoln, where two Home Depot stores exist within 5 miles of each other. And in Orangevale, where a 95,000 square-foot Super WalMart is taking over an older neighborhood shopping center in a location already saturated with other supermarkets and warehouse grocery outlets. Cities and counties typically embrace these major expansions because more sales tax is generated per store and per square foot than local chains and one-of-a-kind store types. The store brands are accepting lower than average sales-per-store and redesigning their store formats in order to capture these markets and at the same time close out other competition

Suisun City may also benefit from this retail penetration strategy. The City is currently processing the so-called Gentry project with space for at least one major big box retailer in its 721,000 square feet of retail space.¹ Now Walters Road @ Highway 12 is the location of an announced Super WalMart². In the case of WalMart, local household demand from Suisun City alone is not sufficient to support a Super WalMart, but Fairfield, Rio Vista, Suisun and highway traffic combined may be adequate. If so, all new demand and some existing demand will certainly be captured, affecting existing retailers

¹ "Suisun City Releases Shopping Center Environmental Study, Suisun City press release, Tuesday, April 04, 2006.

² The Vacaville Reporter, April 24, 2006, et al.

such as Raley's, Albertson's, and the True Value Hardware store.

FUTURE DEMAND

A new retail equilibrium should occur after the announced big box retail stores have opened on the Gentry property and at Walters Road. Market shares would eventually stabilize in the city's stores, although the new equilibrium may involve a much slower pace of retail growth. New stores would be oriented to neighborhood and convenience shopping. Growth would continue, but at a slower pace in Suisun as the city approaches its projected build-out of 34,000, probably about 2015.

Previous Studies

Several economic and real estate firms have studied Suisun City's commercial potential over the years, each from a slightly different perspective. All agree that Suisun City's retail and commercial potential is generally limited by its location. A discussion of three such studies follow:

Halcyon, Ltd. 1990

Halcyon studied market and development opportunities for the Suisun City Redevelopment Agency well over a decade ago, just before the waterfront project was undertaken.

Among Halcyon's conclusions:

- ❑ The commercial market is dominated by moderate and off-price retailers. This includes neighboring Fairfield;
- ❑ The City will have difficulty attracting major regional retailers because:
 - I-80 is the preferred location
 - Plenty of other sites are available in Fairfield and Vacaville for development;³

³ The land supply has since tightened considerably as available sites have been developed. However, plenty of developable office and some developable retail land still exists.

- The Solano Mall, built in 1981, is the area's upscale and department store location;
- Suisun City's best amenity is its marina and waterfront.
- There is ample land for office space along I-80 that is still competitively priced.
- The connection between Fairfield and Suisun City is considered a major barrier, with poor visibility. This makes it more difficult to serve any client base outside Suisun City.
- The focus on office development should be on small offices, including local services such as Doctors, lawyers, real estate and accountants, and on satellite offices of larger San Francisco and Sacramento firms expanding into Solano County. This market seeks small square footage at good prices. Much of this office product should be steered to the downtown, and should be clustered with downtown shops, restaurants, and should have good parking and public access.⁴
- The hotel market is also dominated by low and moderate priced properties with limited services, often serving as an overflow low-cost alternative to San Francisco, Marine World Africa USA, and the Napa Valley. The hotel market is limited by a lack of nearby corporate headquarters, proximity to Napa Valley and its larger number of rooms and distinctive setting, and the relatively few destination tourist attractions. On the plus side, Travis and regional medical facilities fuels some demand. The waterfront amenity opens the possibility of an attractive 50-100 room hotel tied to a national reservation system.

⁴ After this report the waterfront project was completed, and One Harbor Center was built. These same recommendations continue to be valid today.

ADE 2001

In 2001, Applied Development Economics performed a retail leakage analysis and an economic base analysis for the City of Suisun. The goal of the study was to help determine the best commercial uses for then twelve identified vacant sites.

Based on household retail demand leaking to Fairfield and other communities, ADE concluded that there was the potential for up to 40 new stores at the community or neighborhood level in the categories of restaurants, apparel, specialty retail (books, jewelry, music, etc.), specialty foods, building materials, home furnishings, automobiles and gas stations. Since this report was completed, several new gas stations have been built along Highway 12.

ADE noted at that time that there was limited potential for big box or regional retail, and that growth would be slow in the store types that had potential. About 6-7 acres per year of commercial land would be developed in Suisun City. The twelve sites studied would provide at least a 35-year supply of vacant land.

Office development potential is also limited, with some opportunities in the “back office” categories such as computer processing and billing. However, a real cost advantage must be shown over locations along I-80.

Sedway 2005

The Sedway Group prepared an economic impact analysis of the proposed project on the Gentry site. Based on interviews with local brokers, they pointed out that, “...[T]he brokers characterized the primary market area’s retail market [Fairfield and Suisun] as stable and well served with high occupancy rates but little rent escalation... [T]he primary market area’s retail market is healthy with the existing supply of retailers meeting demand. It was mentioned that significant future retail supply expansion would require additional population growth in the primary market area.”

We may conclude from this that if Suisun develops regional retail centers as is currently proposed, it will primarily affect Fairfield’s regional center status.

INTERVIEWS AND OTHER DATA

For this study, ADE conducted several interviews in early 2006 of experts in commercial real estate, including retail, office, industrial and hotel development. In addition, selected reports about the office and industrial market were reviewed. The information was generally consistent with the earlier work:

- The hotel market in the Fairfield-Suisun market area appears generally saturated, particularly in low and moderate priced properties with limited services. These properties typically locate along Highway 80. Examples of chain properties abound between Vallejo and Dixon, and include Holiday Inn, Fairfield Inn, Residence Inn, MicroTel, etc. Single-owned properties are also well represented. The primary opportunity in Suisun is still to develop a small 50-150 room property for a more upscale clientele, with small conference facilities and food services, perhaps along the lines of Marriott Courtyard or a similar format.
- The two large office buildings in Suisun City are off Highway 80, thus appealing primarily to users seeking lower-cost back office space with limited need for accessibility to a customer base⁵. Plenty of office product closer to Highway 80 is on line in the Cordelia area (around Solano Community College), in Fairfield, and in Vacaville, with more vacant land ready to be built. The two Suisun City office buildings were not built with proven strong market demand, but were constructed using significant Redevelopment subsidies. A strong market to keep the space filled has not yet developed. Office vacancy rates are 13%+ in Sacramento and 11%+ in the Bay Area among larger floor plate office space⁶;
- There is some potential for smaller office space at affordable rents, particularly if created with mixed use and

⁵ Land prices on Highway 80 average \$16/square foot, while Suisun City is \$8-10/square foot.

⁶ Various Research reports posted on selected Web pages of CBRE and Colliers International.

retail synergy potential. This so-called office condo product appeals primarily to companies serving a 3-5 mile market radius, and thus would be filled by smaller users with a local market. One interviewee estimated demand for small office at 10-12,000 square feet per year. Downtown is a good location for this type of product;

- ❑ Land for industrial and business parks is limited in Solano County, with increasing demand. There is now demand for a new business park of 150-200 acres. Business Park vacancy rates in Solano County range from 2.9% in Fairfield (mostly industrial product) to 11.5% in Vacaville (mostly office product). Suisun City has no large industrial parcels. If the proposed Gentry commercial project should fold, there would be market demand to use that land for industrial, as an extension of the Solano Business Park. However, it appears that the costs of development on that site would make industrial use infeasible;
- ❑ Commercial land absorption rates for Suisun, if based on ABAG's most recent population and employment projections, show a limited absorption rate of 3.2 acres per year, or 80 acres over the next 25 years. The split is 60 percent office space, 25 percent retail space, and 15 percent light industry. See Appendix A for relevant tables;

COMMERCIAL DEMAND CONCLUSION

It is clear from new events, from three previous studies and the data collected and interviews conducted that:

- ❑ There is a short window of opportunity for Suisun City to attract major brand retailers such as WalMart, Lowe's, Kohl's, and others with corporate penetration strategies into new secondary markets. This is a unique chance for the City to attract regional retail. The City should pursue all such opportunities, including the announced WalMart @ Walters Road and the Gentry project.
- ❑ If these major projects are successful, the increased competition for existing stores will be in the categories of apparel, home improvement and general

merchandise stores, which are not well represented in Suisun city. The existing supermarkets are, however, likely to be affected by a Super WalMart;

- ❑ Suisun City alone does not offer the full range of retail categories needed to serve all retail needs of Suisun's 28,000+ residents. The announced Super WalMart will fill many of those gaps, with the exception of restaurants.
- ❑ The Albertson's supermarket has about 20,000 of retail space, much smaller than is generally considered competitive in today's retail environment. The Raley's, across Sunset Avenue, has about 60,000 square feet, considered on the low side of being competitive today. Stores of these smaller sizes are often expanded and updated. New stores are typically larger.
- ❑ The city's location and its proximity to Fairfield generally means:
 - Fairfield, fully accessible to Suisun City residents, fills any retail category gaps, particularly mall-type stores and regional shopping categories such as apparel, new cars, and home improvement;
 - Suisun's market strength alone is generally not enough to attract big box retailers, except as noted above;
 - There are already ample opportunities to shop at supermarkets within Suisun City (i.e. Raleys and Albertsons) and in nearby Fairfield. Little or no market potential exists for a third supermarket-anchored shopping center.
- ❑ The two multi-story office buildings in Suisun City fully serve the local large-office market. There is plenty of office land and existing product available along I-80, a much more preferable location; however, it should be noted that traffic counts along Highway 12 have increased substantially in recent years, making it a more viable business location.

- ❑ Most future retail potential along Highway 12 is limited to convenience shopping, including fast food, automotive, a family restaurant, and other quick-stop items;
- ❑ Downtown Suisun City has the best potential to attract small office, entertainment and upscale restaurant businesses. Locating these businesses in the downtown and along the waterfront is essential for continued downtown revitalization;
- ❑ Downtown is now a good location for a mid-sized national chain extended stay type hotel of 50-125 rooms with conference center and perhaps food service⁷. Advantages of this location include Highway 12 visibility, proximity to the Amtrak station, the waterfront, and proximity to City Hall and the Solano County Government Center.

⁷ Based on interviews conducted for this study, it appears that this opportunity will be even stronger in 5-10 years.

3. VACANT PARCEL PRELIMINARY LAND USE RECOMMENDATIONS

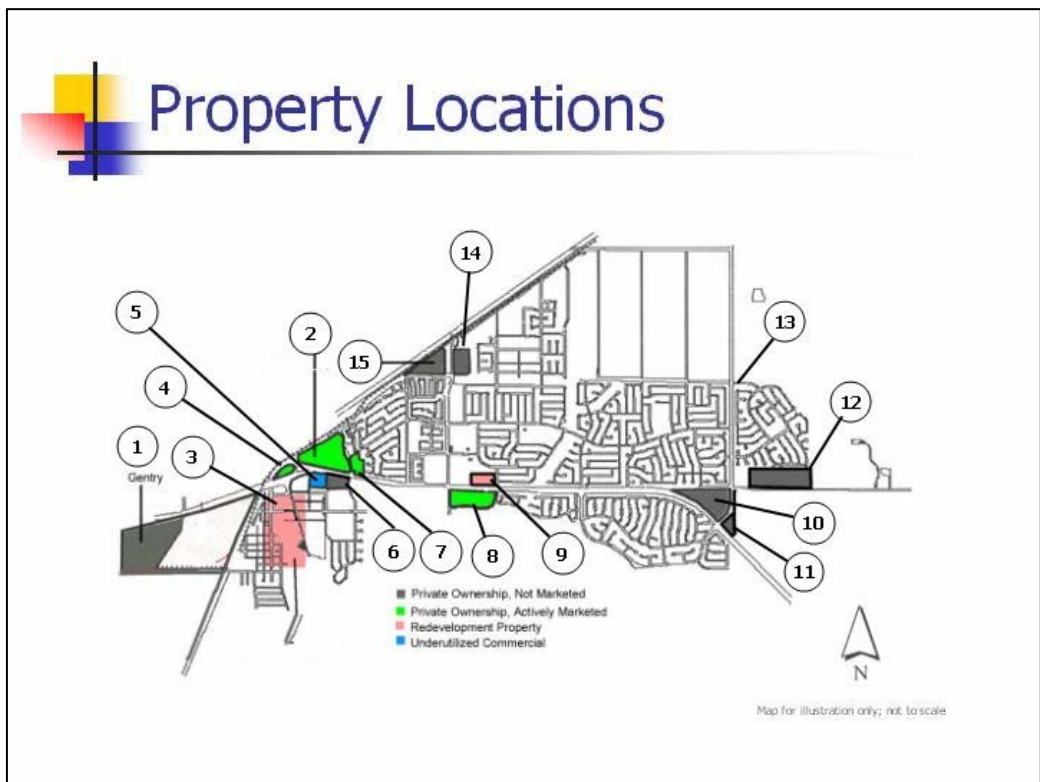
Suisun City has asked ADE to suggest the highest potential for future development of 15 vacant commercially zoned sites, all of which are within its city limits except the Gentry property. The 15 vacant sites range from 2.72 acres to 71.66 acres, and are a construct of 66 vacant parcels owned by many different entities. This document details our recommendations for the commercial potential of each site.

FACTORS CONSIDERED

ADE focused on the most viable commercial uses of each site. In doing so, ADE considered several factors, including:

1. The need for maximum fiscal return to the city as its last remaining commercial lands are developed;
2. The location, visibility and frontage of each site relative to Highway 12;
3. Each site as a whole, regardless of the number of parcels involved or the number of different owners;
4. If applicable, the location and frontage of each site relative to the rail line (an advantage for industrial, a potential nuisance for housing);
5. The commercial carrying capacity of each site, including its size, shape, and configuration;
6. Existing surrounding uses that might constrain or enhance development;
7. Existing development, easements and known development plans on or near the site;
8. A reasonable development sequence given each site's relative attractiveness vs. the other sites;
9. Current and projected market trends and land absorption rates for retail, office, service commercial and housing

development, which might limit certain types of development or the pace of development of any given site. ADE assumed that full commercial development could eventually occur on all sites, even if it takes decades. Housing was only suggested when the commercial potential of a site was limited. Housing would be a net fiscal loss to the City of Suisun, but for the CFD special taxes, and is thus not a desirable use for the purposes of this analysis.



RATIONALE FOR PARCEL RECOMMENDATIONS

SITE 1 – GENTRY

This site is already far along in the development process as a regional retail, housing and industrial site. The location of the site close to I-80 makes it the city’s best opportunity for regional retail, and should be aggressively pursued as proposed. Alternative 1 includes 490,000 square feet of retail, certainly including big box retail and regional brands.

SITE 2 -- HOFFMAN

This site is the largest remaining vacant site in Suisun City. Its prime visible location at the city’s entrance, visible to all vehicles on Highway 12, suggests it is important to be developed into as large and visible a project as possible. The site has some constraints – it is triangular in shape, and is edged by light industry and active rail along the north, and housing on the east. There is a low marshy area on the west corner. The south side -- along Highway 12 -- has great

visibility and should be reserved exclusively for retail and/or projects related to a transit hub. Development on this side of the property has great potential to help brand Suisun City through striking architecture and/or destination entertainment/retail. Though the housing market is strong at present and housing may make sense in the site's interior and rear, there is strong rationale for keeping the site whole for a future major commercial project.

SITE 3 – DOWNTOWN

Suisun City's reputation was built on its unique and successful downtown revitalization. Though revitalization temporarily stalled, the waterfront and many developable small parcels are still the City's best potential for destination restaurants and waterfront-oriented entertainment. Main Street West has been contracted to develop key vacant downtown parcels and redevelop some occupied parcels. Missing components of successful entertainment centers, such as a hotel, should be incorporated. The established service commercial along the rail line should eventually be relocated to the back of the Hoffman property (Site 2) or to the Marina Center (Site 5). The area should continue to be the city's main priority and the focus of Redevelopment. The north end near the train station is an ideal site for transit-oriented development.

SITE 4 – DENVERTON CURVE

This site is in the shadow of the elevated Highway 12, and has a sewer easement through its middle. Nevertheless, it is highly accessible and would make an attractive office complex or transit-oriented project, particularly if themed with a major retail project across the street on the Hoffman property. Alternatively, all or part of this site could provide parking for development in front of the train station and/or the Hoffman property.

SITE 5 – ALDREDGE MARINA CENTER

This site, originally the area's most important retail center, lost much of its potential when Highway 12 was constructed. It is now an affordable location for second tier retail and small "incubator" service commercial. This site could potentially be coupled into a long-term major themed project

with all the properties along Highway 12 between Civic Center and Marina. Though such a project is years away, in the interim the site makes sense if redeveloped and improved, and kept as a center for service commercial, particularly if some businesses move from downtown as that area is upgraded.

SITE 6 – SW MARINA @ 12

This site is the last undeveloped major corner along Highway 12. Its frontage should be reserved for retail. The site is large enough to support a neighborhood center anchored by a sub-supermarket brand store such as Long's, Ross' or a cluster of themed stores. The rear of the site can support offices.

SITE 7 – NE MARINA @ 12

This site is visible to Highway 12 at a major intersection, and can support retail along the Highway and commercial such as offices along Marina.

SITE 8 – LAWLER COMMERCIAL

This site should be developed as a continuation of the convenience retail center it has become. The interior parcels can be developed attractively as service commercial and/or small office. Two adjacent parcels along the marsh have been approved for a mixed use development consisting of 30 high density housing units, some over incubator retail space.

SITE 9 – SUNSET CENTER

The Redevelopment Agency owns most of this site, and has just issued an RFP for a developer to build the site along the same lines as the surrounding uses, including private or government office (the site is near the Post Office), and retail along its Highway 12 frontage.

SITE 10 – WALTERS WEST

WalMart has announced its intention to build a new Supercenter on this 20+ acre site, which would indeed be the best possible use of this site. A large big-box center of 85,000 to 125,000 square feet typically needs a 15-acre site, and this

site, though this site is triangular, can accommodate such a store.

SITE 11 – WALTERS EAST

This 3-acre site can accommodate a gas station or other gateway retail associated with the big box retail development across the street.

SITE 12 – PETERSON

This large site is off Highway 12 and housing is the most appropriate short-term opportunity here. Its proximity to existing residential neighborhoods reduces its attractiveness for industrial development. Though it is a wonderful site for a large office-oriented corporate campus, potential for such a development is very long term.

SITE 13 – TABOR

Eight acres have been set aside for retail to serve the completed Peterson Ranch housing development. However, with so much retail already available nearby, this site is an appropriate convenience retail location, but less than 3 acres worth. There is a Burger King and a gas-mini-mart within 2 blocks. The remainder of the site is suited for a small office complex, but with plenty of other suitable office land available in town this might be a long-term proposition.

SITE 14 – N SUNSET EAST

This site will be about 7 acres when Railroad is re-routed across the back side. This location can be an extension of the service commercial and specialty retail that currently lines the railroad tracks along virtually the entire length of town.

SITE 15 – N SUNSET WEST @ RAILROAD

This triangular site has already been approved for housing development, save the small 4-acre portion between Sunset and the meandering drainage ditch.

RECOMMENDED DEVELOPMENT STRATEGY

ADE recommends the following strategy as one guide to its land use decisions. This strategy will help put Suisun City on the path to long-term fiscal health. ADE has incorporated this strategy in its development recommendations:

1. **Annex and build Gentry.** This is the city's best opportunity to develop regional retail and the accompanying sales taxes that development will generate. If the project is successful, the impacts to existing stores will be from other apparel and general merchandise stores, which are not well represented in Suisun City. Therefore, the impacts in Suisun will be minimal, with only the existing supermarkets potentially affected by about 2.3% of existing sales in the short term, with full recovery of those lost sales within 5 years.⁸
2. **Complete the announced Super WalMart on the 20.86-acre Walters Road parcel.** The City should facilitate the entitlement process for the proposed Super Wal-Mart, taking advantage of current corporate strategies to increase market share.
3. **Continue developing downtown as a top priority.** Downtown Suisun City has the best potential to attract small office, entertainment and upscale restaurant businesses. Locating these businesses in the downtown and along the waterfront is needed for continued downtown revitalization;
4. **Downtown is the best location for a mid-sized national chain extended stay type hotel of 50-125 rooms with conference center and perhaps food service.** Advantages of this location include Highway 12 visibility, proximity to the Amtrak station, the waterfront, and proximity to City Hall and the Solano County Government Center. Placing this hotel along Highway 12 at Sunset, Marina, or Walters, while likely to be successful, will preclude the important synergies with downtown;

⁸ Gentry-Suisun Mixed Use Project Economic Impact Analysis, Suisun City, California. Prepared for Raney Planning & Management, Inc. July 2005.

5. **Concentrate the next phase of commercial development on Highway 12 @ Marina Blvd.** This is the last undeveloped major signalized intersection in town with large undeveloped commercial parcels;
6. **Focus future light industry and service commercial development along Railroad Avenue @ both ends;**
7. **Transit-oriented development (TOD) should continue as close to the Amtrak station as possible.** This could in the long term mean relocating parking to the Denverton property and developing the existing Park & Ride;
8. **Seek as much commercial development as possible (retail in particular) on the Hoffman property.** Though the large size of this parcel may be difficult to fill in a slow market, its prime visible location at the city's entrance makes it the most visible parcel in the city, and it should therefore be promoted for commercial, and retail in particular. It is also the city's largest remaining site, and should be reserved for as grand a development as possible. The detailed recommendations on the following pages take the approach of diversifying the commercial development to include office and industrial uses along with the retail in order to accelerate the absorption of the site.

DETAILED SITE RECOMMENDATIONS

Table 2 details our recommendations for the commercial potential of each site, consistent with the above strategy.

Table 3 is our estimate of when each parcel might be built. The development sequence in Table 2 assumes Suisun City is able to take advantage of the retail development fever now occurring throughout California. Thus, we assume the Gentry project is built as proposed, the Hoffman property is built within a few years as all commercial, and the Walters West property attracts a big box retailer in the next few years.

**TABLE 2
Land Use Potential of 15 Sites in Suisun City**

| Site # | Name | Location | Total Acres | No. of Parcels | Retail (ac) | Office (ac) | SC - LI (ac) | SFH, MFH | Other | Comment |
|------------|------------------------|-----------------------|--------------|----------------|--------------|-------------|--------------|-------------|-------------------------------------|---|
| 1 | Gentry (Alternative 1) | 12 & Pennsylvania | 94 | 5 | 60 | 1.4 | 6 | 26.6 | | Application & EIR pending |
| 2 | Hoffman | Marina & Main | 31.66 | 1 | 10 | 10 | 11.66 | | | Application for mixed use pending, including hotel & family restaurant |
| 3 | Downtown | Downtown | 9.5 | ~11 | 2.25 | 2.25 | | 4 | 1 hotel @ 100 rooms on Main | Follow Main Street West's development plan. |
| 4 | Denverton Curve | Main north of 12 | 2.72 | 3 | | 2.71 | | | .01 ac. sewer easement | Include in TOD development plan @ Amtrak station |
| 5 | Aldredge (Marina) Ctr | Existing on 12 | 7.8 | 4 | | | 7.8 | | | Convert to Service commercial over time |
| 6 | Marina South | SW 12 & Marina | 9.6 | 5 | 5.55 | 4.05 | | | | Frontage for retail |
| 7 | Marina North | NE 12 & Marina | 5.02 | 6 | 2.52 | 2.50 | | | | Good place for family restaurant |
| 8 | Lawler - Grizzly | SE 12 & Grizzly | 8.77 | 13 | 3.73 | | 5.04 | | | Parcels behind site are approved for mixed use housing. |
| 9 | Sunset @ 12 | On12 near Sunset | 8.77 | 3 | 2.2 | 6.57 | | | | 8.29 ac. Owned by RDA. Retail on Hwy 12 |
| 10 | Walters West | Walters & 12 W | 20.86 | 1 | 20.86 | | | | | Right size for big box retail, announced by WalMart. |
| 11 | Walters East | Walters & 12 E | 3.02 | 1 | 3.02 | | | | | Gas station, city gateway sign, complimentary use to the big box next door. |
| 12 | Peterson Road | Peterson E of Walters | 32 | 6 | | | | 32 | | Poor retail exposure |
| 13 | Tabor | Walters & Tabor | 8.58 | 1 | 3 | | | 5.58 | | Neighborhood commercial potential |
| 14 | North Sunset | NE Sunset & Railroad | 10 | 5 | 4 | | 3.5 | | 2.5 ac net loss for RR Ave reroute. | Good site for retail/ service commercial center. |
| 15 | North Railroad | NW Sunset & Railroad | 16.7 | 3 | | | | 12.7 | 4 ac. for park land, bike route. | The housing is already approved. |
| SUM | | | 269.0 | 68 | 117.3 | 29.5 | 34.0 | 80.9 | 7.51 | |

**TABLE 3
Property Development Sequence
Lightning Strike Scenario***

| Site # | Name | Location | Total Acres | Year Built | | | | Comment |
|------------|--------------------------|-----------------------|-------------|------------|-----------|-----------|-----------|---|
| | | | | Retail | Office | SC – LI | SFH, MFH | |
| 1 | Gentry | 12 & Pennsylvania | 94 | 2009 | 2009 | -- | 2009 | As currently proposed |
| 2 | Hoffman | Marina & Main | 31.66 | 2010-2012 | 2011-2012 | 2009-2012 | | Built as all commercial |
| 3 | Downtown | Downtown | 9.5 | 2007-2009 | 2007-2010 | -- | 2007-2010 | Built as proposed by Main Street West. |
| 4 | Denverton Curve | Main north of 12 | 2.72 | -- | 2015 | -- | -- | If this becomes a Park & Ride lot, the existing parking lot may develop more quickly as retail. |
| 5 | Aldredge (Marina)Center | Existing on 12 | 7.8 | -- | -- | 2010-2015 | -- | Conversion of existing center to all service commercial. |
| 6 | Marina South | SW 12 & Marina | 9.6 | 2010, 2020 | 2016-2021 | -- | -- | |
| 7 | Marina North | NE 12 & Marina | 5.02 | 2012 | 2018 | -- | -- | Will build if Signature is built as suggested. Otherwise this site will likely develop more slowly. |
| 8 | Lawler – Grizzly | SE 12 & Grizzly | 8.77 | 2007-2011 | 2015-2016 | 2012-2019 | -- | |
| 9 | Sunset @ 12 | On12 near Sunset | 8.77 | 2013 | 2013-2017 | -- | -- | RDA may be able to catalyze development sooner. |
| 10 | Walters West | Walters & 12 W | 20.86 | 2008 | -- | -- | -- | Proposed Wal-Mart Site |
| 11 | Walters East | Walters & 12 E | 3.02 | 2010 | -- | -- | -- | |
| 12 | Peterson Road | Peterson E of Walters | 32 | | -- | -- | 2012 | |
| 13 | Tabor | Walters & Tabor | 8.58 | 2011 | -- | -- | 2011 | |
| 14 | North Sunset | NE Sunset & Railroad | 10 | 2015-2016 | -- | 2013-2014 | -- | |
| 15 | North Railroad | NW Sunset & Railroad | 16.7 | | | | 2007 | |
| SUM | | | 270 | | | | | |

* An accompanying spreadsheet provides acre-by-acre and year-by-year detail on the development sequence listed in this table.

4. FISCAL IMPACT ANALYSIS

SUMMARY

The fiscal analysis calculates General Fund, Street Maintenance Fund, and Redevelopment Tax Increment impacts of the recommended development scenarios for the fifteen vacant, commercially zoned properties in Suisun. It also estimates special tax revenues from the citywide Community Facilities District. The analysis uses the land use programs and absorption projections provided in the ADE market analysis discussed in the previous chapters, and estimates the annual and cumulative fiscal impact from 2007 to 2030. A net present value for the revenue stream is provided for each site, and for all fifteen sites in aggregate, for consistent comparison purposes.

Since the purpose of the study is to project revenues available to fund ongoing City services, the tax increment revenues are not included in the cumulative revenue or the net present value calculations. Tax increment revenues may not be used to fund ongoing operation of City departments or services, although they are important to help fund infrastructure within the redevelopment area and to provide other development inducements.

The City public services costs are based on an analysis for each department that reflects the City's desired level of service. In a number of cases, due to lagging revenues, the City has been unable to maintain these services levels and is currently under funding the departments. However, since the purpose of this study is to determine an economic development strategy to support public services and an enhanced quality of life in the community, the fiscal analysis projects the costs and revenues that would be needed to meet the desired service standards. Table 4 summarizes the results of this analysis for each of the sites. Table 5 provides the per acre results for each site and indicates potential policy thresholds the City may wish to adopt to guide the future development of the sites.

The “Total” column in Table 4 shows the fiscal impact if all the sites are developed as projected in the ADE market analysis. The revenues and expenditures, as well as the net revenue, are for the year 2030, expressed in future dollar terms. The revenues and expenditures are inflated each year and the cumulative net revenue for the 2007 to 2030 period is simply added across all the years without adjustment to 2006 dollars. However, the net present value figure at the bottom of each column discounts the entire stream of net revenues and costs using a discount rate of 9.5%.

All of the sites show a positive fiscal impact; however, for sites from which there is little or no sales tax, it is the special taxes assessed by the City’s Community Facilities District that are largely responsible for maintaining a balanced fiscal outcome. The Denverton Curve site would support office space, which may generate some sales taxes, but is not assumed to do so in this analysis. In general as well, residential land uses are not credited with sales tax production, except for the two sites that are completely residential – Peterson Road and North Railroad. This is done to avoid double counting. The residents of the projects would shop locally, but the sales tax from those purchases has been allocated to the point of sale commercial centers on the sites.

None of the sites that are in the redevelopment project area generate property taxes for the City General Fund, although they would generate substantial tax increment revenues for the Redevelopment Agency, which are shown at the bottom of Table 4. Two sites are outside the RDA project area (Nos. 1 and 13), and together they generate nearly about \$120,700 in property tax by 2030. The City General Fund receives only 5.2% of the base tax, so this source is not as important to Suisun City as is the sales tax.

In Table 5, the net present value of the revenue stream is shown for each site and divided by the number of acres. This kind of calculation may be used by the City to determine whether future development proposals on these sites achieve the same kind of fiscal benefit projected under the ADE market scenarios.

TABLE 4
Fiscal Impacts In The Year 2030 And Cumulatively From 2007-2030
(Total Plus Sites 1-4)

| REVENUES | Total | 1 | 2 | 3 | 4 |
|---|--------------------|-------------------|-------------------|------------------|-----------------|
| TAXES AND FINES | Total | Gentry | Hoffman | Downtown | Denverton Curve |
| General Fund Property Tax | \$120,666 | \$106,094 | \$0 | \$0 | \$0 |
| Sales & Use Tax | 8,795,924 | 3,675,049 | 1,005,065 | 179,560 | 0 |
| Franchise Fees | 223,811 | 78,373 | 26,338 | 11,258 | 2,083 |
| Real Property Tsf. Tax | 35,364 | 11,234 | 2,326 | 2,154 | 253 |
| Transient Occupancy Tax | 336,079 | 0 | 0 | 336,079 | 0 |
| USE OF MONEY OR PROPERTY: | | | | | |
| Investment Income (% of Tot. Rev.) | 296,020 | 119,528 | 31,152 | 16,574 | 155 |
| INTER-GOVERNMENTAL AGENCIES | | | | | |
| Motor Vehicle-in-lieu | 268,790 | 98,734 | 0 | 19,172 | 0 |
| Gas Tax | 73,704 | 27,073 | 0 | 5,257 | 0 |
| FEES FOR SERVICES | | | | | |
| Finance | 55,249 | 19,347 | 6,502 | 2,779 | 514 |
| Police Protection | 106,953 | 37,452 | 12,586 | 5,380 | 995 |
| Fire Protection | 6,798 | 2,381 | 800 | 342 | 63 |
| Engineering | 303 | 106 | 36 | 15 | 3 |
| Recreation | 58,011 | 20,314 | 6,827 | 2,918 | 540 |
| Senior Center | 6,710 | 2,465 | 0 | 479 | 0 |
| OTHER REVENUE | 94,997 | 33,266 | 11,179 | 4,779 | 884 |
| COMMUNITY FACILITIES DISTRICT | 3,103,872 | 937,048 | 488,210 | 170,140 | 38,922 |
| TOTAL REVENUES | 13,583,251 | 5,168,463 | 1,591,021 | 756,887 | 44,412 |
| EXPENDITURES | | | | | |
| GENERAL GOVERNMENT | 406,425 | 142,319 | 47,828 | 20,444 | 3,782 |
| BUILDING DEPARTMENT | | | | | |
| Public Facilities | 260,520 | 91,227 | 30,658 | 13,105 | 2,424 |
| POLICE DEPARTMENT | 1,529,870 | 535,720 | 180,035 | 76,957 | 14,237 |
| FIRE DEPARTMENT | 405,172 | 141,881 | 47,681 | 20,381 | 3,771 |
| COMMUNITY DEVELOPMENT | | | | | |
| Planning | 188,453 | 65,991 | 22,177 | 9,480 | 1,754 |
| PUBLIC WORKS | | | | | |
| Engineering | 66,176 | 23,173 | 7,788 | 3,329 | 616 |
| Streets Maintenance | 176,629 | 61,851 | 20,786 | 8,885 | 1,644 |
| Parks Maintenance | 356,666 | 124,895 | 41,972 | 17,941 | 3,319 |
| RECREATION & COMMUNITY SERVICES | | | | | |
| Recreation | 151,724 | 53,130 | 17,855 | 7,632 | 1,412 |
| Community Center | 42,122 | 15,472 | 0 | 3,004 | 0 |
| Senior Center | 19,358 | 7,111 | 0 | 1,381 | 0 |
| TOTAL EXPENDITURES | 3,603,115 | 1,262,771 | 416,779 | 182,540 | 32,958 |
| NET REVENUE 2030 | 9,980,136 | 3,905,693 | 1,174,242 | 574,346 | 11,454 |
| CUMULATIVE NET REVENUE 2007-2030 | 156,301,071 | 62,552,606 | 18,042,816 | 9,628,256 | 154,389 |
| NET PRESENT VALUE 2007-2030 | 46,123,773 | 18,608,404 | 5,074,535 | 3,076,292 | 35,963 |
| REDEVELOPMENT TAX INCREMENT | \$1,292,833 | \$0 | \$195,427 | \$127,376 | \$21,225 |

Source: ADE, Inc.

TABLE 4 (Continued)
Fiscal Impacts In The Year 2030 And Cumulatively From 2007-2030
(Sites 5-10)

| | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------------------------------|---------------------|---------------------|-------------------------|-------------------|---------------------|
| REVENUES | Aldredge (Marina) Ctr | Marina South | Marina North | Lawler - Grizzly | Sunset @12 | Walters West |
| TAXES AND FINES | | | | | | |
| General Fund Property Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales & Use Tax | 138,488 | 442,914 | 201,107 | 387,155 | 175,570 | 1,664,719 |
| Franchise Fees | 8,193 | 6,667 | 3,535 | 7,683 | 6,458 | 13,360 |
| Real Property Tsf. Tax | 380 | 711 | 399 | 513 | 759 | 1,624 |
| Transient Occupancy Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| USE OF MONEY OR PROPERTY: | | | | | | |
| Investment Income (% of Tot. Rev.) | 4,618 | 13,369 | 6,108 | 11,814 | 5,584 | 49,386 |
| INTER-GOVERNMENTAL AGENCIES | | | | | | |
| Motor Vehicle-in-lieu | 0 | 0 | 0 | 0 | 0 | 0 |
| Gas Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| FEES FOR SERVICES | | | | | | |
| Finance | 2,023 | 1,646 | 873 | 1,897 | 1,594 | 3,298 |
| Police Protection | 3,915 | 3,186 | 1,689 | 3,672 | 3,086 | 6,384 |
| Fire Protection | 249 | 203 | 107 | 233 | 196 | 406 |
| Engineering | 11 | 9 | 5 | 10 | 9 | 18 |
| Recreation | 2,124 | 1,728 | 916 | 1,991 | 1,674 | 3,463 |
| Senior Center | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER REVENUE | 3,478 | 2,830 | 1,501 | 3,261 | 2,741 | 5,671 |
| COMMUNITY FACILITIES DISTRICT | 134,433 | 137,880 | 72,100 | 140,437 | 125,959 | 299,602 |
| TOTAL REVENUES | 297,912 | 611,142 | 288,340 | 558,666 | 323,631 | 2,047,931 |
| EXPENDITURES | | | | | | |
| GENERAL GOVERNMENT | 14,878 | 12,107 | 6,420 | 13,952 | 11,728 | 24,261 |
| BUILDING DEPARTMENT | | | | | | |
| Public Facilities | 9,537 | 7,761 | 4,115 | 8,943 | 7,518 | 15,551 |
| POLICE DEPARTMENT | 56,005 | 45,574 | 24,166 | 52,518 | 44,147 | 91,323 |
| FIRE DEPARTMENT | 14,833 | 12,070 | 6,400 | 13,909 | 11,692 | 24,186 |
| COMMUNITY DEVELOPMENT | | | | | | |
| Planning | 6,899 | 5,614 | 2,977 | 6,469 | 5,438 | 11,249 |
| PUBLIC WORKS | | | | | | |
| Engineering | 2,423 | 1,971 | 1,045 | 2,272 | 1,910 | 3,950 |
| Streets Maintenance | 6,466 | 5,262 | 2,790 | 6,063 | 5,097 | 10,544 |
| Parks Maintenance | 13,057 | 10,625 | 5,634 | 12,244 | 10,292 | 21,291 |
| RECREATION & COMMUNITY SERVICES | | | | | | |
| Recreation | 5,554 | 4,520 | 2,397 | 5,208 | 4,378 | 9,057 |
| Community Center | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Center | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 129,652 | 105,504 | 55,944 | 121,578 | 102,200 | 211,412 |
| NET REVENUE 2030 | 168,260 | 505,638 | 232,396 | 437,088 | 221,431 | 1,836,518 |
| CUMULATIVE NET REVENUE 2007-2030 | 2,414,578 | 5,749,827 | 3,398,961 | 6,704,546 | 3,110,955 | 31,179,376 |
| NET PRESENT VALUE 2007-2030 | 624,895 | 1,301,949 | 901,585 | 1,956,772 | 782,324 | 10,204,011 |
| REDEVELOPMENT TAX INCREMENT | \$31,939 | \$59,692 | \$33,488 | \$43,127 | \$63,747 | \$136,430 |

Source: ADE, Inc.

TABLE 4 (Continued)
Fiscal Impacts In The Year 2030 And Cumulatively From 2007-2030
(Sites 11-15)

| | 11 | 12 | 13 | 14 | 15 |
|--|---------------------|----------------------|------------------|---------------------|-----------------------|
| REVENUES | Walters East | Peterson Road | Tabor | North Sunset | North Railroad |
| TAXES AND FINES | | | | | |
| General Fund Property Tax | \$0 | \$0 | \$14,571 | \$0 | \$0 |
| Sales & Use Tax | 241,009 | 32,881 | 239,413 | 381,359 | 31,636 |
| Franchise Fees | 1,934 | 20,868 | 10,743 | 6,238 | 20,078 |
| Real Property Tsf. Tax | 225 | 8,237 | 1,904 | 434 | 4,211 |
| Transient Occupancy Tax | 0 | 0 | 0 | 0 | 0 |
| USE OF MONEY OR PROPERTY: | | | | | |
| Investment Income (% of Tot. Rev.) | 7,150 | 5,065 | 9,210 | 11,541 | 4,765 |
| INTER-GOVERNMENTAL AGENCIES | | | | | |
| Motor Vehicle-in-lieu | 0 | 63,268 | 26,745 | 0 | 60,871 |
| Gas Tax | 0 | 17,348 | 7,334 | 0 | 16,691 |
| FEES FOR SERVICES | | | | | |
| Finance | 477 | 5,151 | 2,652 | 1,540 | 4,956 |
| Police Protection | 924 | 9,972 | 5,134 | 2,981 | 9,595 |
| Fire Protection | 59 | 634 | 326 | 189 | 610 |
| Engineering | 3 | 28 | 15 | 8 | 27 |
| Recreation | 501 | 5,409 | 2,785 | 1,617 | 5,204 |
| Senior Center | 0 | 1,579 | 668 | 0 | 1,519 |
| OTHER REVENUE | 821 | 8,858 | 4,560 | 2,648 | 8,522 |
| COMMUNITY FACILITIES DISTRICT | 43,375 | 174,091 | 98,282 | 117,773 | 125,621 |
| TOTAL REVENUES | 296,478 | 353,391 | 424,341 | 526,329 | 294,307 |
| EXPENDITURES | | | | | |
| GENERAL GOVERNMENT | 3,512 | 37,895 | 19,509 | 11,328 | 36,460 |
| BUILDING DEPARTMENT | | | | | |
| Public Facilities | 2,251 | 24,291 | 12,505 | 7,262 | 23,371 |
| POLICE DEPARTMENT | 13,221 | 142,646 | 73,434 | 42,642 | 137,243 |
| FIRE DEPARTMENT | 3,502 | 37,779 | 19,448 | 11,293 | 36,348 |
| COMMUNITY DEVELOPMENT | | | | | |
| Planning | 1,629 | 17,571 | 9,046 | 5,253 | 16,906 |
| PUBLIC WORKS | | | | | |
| Engineering | 572 | 6,170 | 3,176 | 1,845 | 5,937 |
| Streets Maintenance | 1,526 | 16,469 | 8,478 | 4,923 | 15,845 |
| Parks Maintenance | 3,082 | 33,256 | 17,120 | 9,941 | 31,996 |
| RECREATION & COMMUNITY SERVICES | | | | | |
| Recreation | 1,311 | 14,147 | 7,283 | 4,229 | 13,611 |
| Community Center | 0 | 9,915 | 4,191 | 0 | 9,539 |
| Senior Center | 0 | 4,556 | 1,926 | 0 | 4,384 |
| TOTAL EXPENDITURES | 30,607 | 344,696 | 176,117 | 98,716 | 331,640 |
| NET REVENUE 2030 | 265,871 | 8,694 | 248,224 | 427,612 | (37,332) |
| CUMULATIVE NET REVENUE 2007-2030 | 4,230,623 | 255,776 | 3,873,850 | 5,512,662 | (508,150) |
| NET PRESENT VALUE 2007-2030 | 1,251,464 | 87,252 | 1,097,622 | 1,268,426 | (147,721) |
| REDEVELOPMENT TAX INCREMENT | \$18,923 | \$347,396 | \$0 | \$36,454 | \$177,607 |

Source: ADE, Inc.

TABLE 5
Average Net Revenue (NPV 2007-2030) Per Acre

| Site # | Name | Acreage | Net Revenue (NPV) | Revenue per Acre |
|--------------|--------------------------|---------|----------------------|---------------------|
| 1 | Gentry | 93.98 | \$18,608,404 | \$198,004 |
| 2 | Hoffman | 31.66 | \$5,074,535 | \$160,282 |
| 3 | Downtown | 9.50 | \$3,076,292 | \$323,820 |
| 4 | Denverton | 2.72 | \$35,963 | \$13,222 |
| 5 | Marina Center (Aldredge) | 7.80 | \$624,895 | \$80,115 |
| 6 | SW Marina @ 12 | 9.60 | \$1,301,949 | \$135,620 |
| 7 | NE Marina@ 12 | 5.02 | \$901,585 | \$179,599 |
| 8 | Lawler Commercial | 8.77 | \$1,956,772 | \$223,121 |
| 9 | Sunset Center | 8.77 | \$782,324 | \$89,205 |
| 10 | Walters West | 20.86 | \$10,204,011 | \$489,166 |
| 11 | Walters East | 3.02 | \$1,251,464 | \$414,392 |
| 12 | Peterson | 32.00 | \$87,252 | \$2,727 |
| 13 | Tabor | 8.58 | \$1,097,622 | \$127,928 |
| 14 | N. Sunset East | 10.00 | \$1,268,426 | \$126,843 |
| 15 | N. Sunset West | 16.70 | (\$147,721) | (\$8,846) |
| Total | | 268.98 | \$46,123,773 | \$171,477 |

Source: ADE, Inc.

HOFFMAN PROPERTY CASE STUDY

The fiscal model that was developed for this analysis will provide a tool for the City to evaluate future development proposals. To illustrate the utility of the model, we have evaluated an alternate development proposal for the Hoffman site. Signature Properties has filed an application for a development plan that features 18.6 acres of residential development and a hotel, with 3 acres of retail and 5.9 acres of service commercial uses. This contrasts with the ADE recommendation, which preserves the site for a major commercial development, with about one-third of the site devoted to retail, office and industrial space, respectively, and does not include housing. The ADE scenario would take an extra year or more to develop, but the developer proposal to put a hotel on the Hoffman site would preclude the planned Downtown hotel, which affects the fiscal performance of that site. Therefore, the comparative analysis shown in Table 6 includes the Downtown site as well. The ADE scenario on the Hoffman site would generate nearly double the sales tax compared to the developer proposal, would create a net present value of \$7.8 million, compared to \$3.7 million for the developer proposal. The higher assessed values for the Signature proposal would create a larger benefit for the RDA than would the ADE scenario.

TABLE 6
Comparison Of Development Scenarios On The Hoffman And Downtown Sites

| REVENUES | Hoffman ADE Scenario | Downtown ADE Scenario | Total ADE Scenario | Signature Developer Scenario | Downtown with no Hotel | Total Signature Developer Scenario |
|--|----------------------|-----------------------|--------------------|------------------------------|------------------------|------------------------------------|
| TAXES AND FINES | | | | | | |
| General Fund Property Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sales & Use Tax | 1,005,065 | 179,560 | 1,184,625 | 165,503 | 179,560 | \$345,063 |
| Franchise Fees | 26,338 | 11,258 | 37,596 | 34,152 | 9,494 | \$43,646 |
| Real Property Tsf. Tax | 2,326 | 2,154 | 4,480 | 15,599 | 1,698 | \$17,297 |
| Transient Occupancy Tax | 0 | 183,168 | 183,168 | 268,358 | 0 | \$268,358 |
| USE OF MONEY OR PROPERTY: | | | 0 | | | \$0 |
| Investment Income (% of Tot. Rev.) | 31,152 | 12,129 | 43,281 | 18,692 | 6,666 | \$25,358 |
| INTER-GOVERNMENTAL AGENCIES | | | | | | |
| Motor Vehicle-in-lieu | 0 | 19,172 | 19,172 | 84,836 | 19,172 | 104,008 |
| Gas Tax | 0 | 5,257 | 5,257 | 23,263 | 5,257 | 28,520 |
| FEES FOR SERVICES | | | | | | |
| Finance | 6,502 | 2,779 | 9,281 | 8,430 | 2,344 | 10,774 |
| Police Protection | 12,586 | 5,380 | 17,966 | 16,320 | 4,537 | 20,857 |
| Fire Protection | 800 | 342 | 1,142 | 1,037 | 288 | 1,326 |
| Engineering | 36 | 15 | 51 | 46 | 13 | 59 |
| Recreation | 6,827 | 2,918 | 9,745 | 8,852 | 2,461 | 11,313 |
| Senior Center | 0 | 479 | 479 | 2,118 | 479 | 2,596 |
| OTHER REVENUE | 11,179 | 4,779 | 15,958 | 14,496 | 4,030 | 18,526 |
| COMMUNITY FACILITIES DISTRICT | 488,210 | 170,140 | 658,351 | 338,932 | 104,197 | 443,129 |
| TOTAL REVENUES | 1,591,021 | 599,531 | 2,190,552 | 1,000,634 | 340,195 | 1,340,829 |
| EXPENDITURES | | | | | | |
| GENERAL GOVERNMENT | 47,828 | 20,444 | 68,272 | 62,017 | 17,240 | 79,258 |
| BUILDING DEPARTMENT | | | | | | |
| Public Facilities | 30,658 | 13,105 | 43,763 | 39,753 | 11,051 | 50,804 |
| POLICE DEPARTMENT | 180,035 | 76,957 | 256,992 | 233,446 | 64,897 | 298,342 |
| FIRE DEPARTMENT | 47,681 | 20,381 | 68,062 | 61,826 | 17,187 | 79,013 |
| COMMUNITY DEVELOPMENT | | | | | | |
| Planning | 22,177 | 9,480 | 31,657 | 28,756 | 7,994 | 36,750 |
| PUBLIC WORKS | | | | | | |
| Engineering | 7,788 | 3,329 | 11,117 | 10,098 | 2,807 | 12,905 |
| Streets Maintenance | 20,786 | 8,885 | 29,671 | 26,952 | 7,493 | 34,445 |
| Parks Maintenance | 41,972 | 17,941 | 59,914 | 54,424 | 15,130 | 69,554 |
| RECREATION & COMMUNITY SERVICES | | | | | | |
| Recreation | 17,855 | 7,632 | 25,487 | 23,152 | 6,436 | 29,588 |
| Community Center | 0 | 3,004 | 3,004 | 13,295 | 3,004 | 16,299 |
| Senior Center | 0 | 1,381 | 1,381 | 6,110 | 1,381 | 7,491 |
| TOTAL EXPENDITURES | 416,779 | 182,540 | 599,320 | 559,829 | 154,621 | 714,450 |
| NET REVENUE 2030 | 1,174,242 | 416,991 | 1,591,233 | 440,805 | 185,574 | 626,379 |
| CUMULATIVE NET REVENUE 2007-2030 | 18,042,816 | 8,097,986 | 26,140,802 | 7,750,277 | 3,237,250 | 10,987,527 |
| NET PRESENT VALUE 2007-2030 | 5,074,535 | 2,741,644 | 7,816,179 | 2,601,892 | 1,088,651 | 3,690,543 |

| | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|----------|-----------|
| REDEVELOPMENT TAX INCREMENT | \$195,427 | \$127,376 | \$322,804 | \$693,169 | \$89,038 | \$782,207 |
|------------------------------------|-----------|-----------|-----------|-----------|----------|-----------|

METHODOLOGY

The analysis uses the adopted City budget for 2005/06, focusing on the General Fund and the Street Maintenance Fund. A number of adjustments are made to the budget figures to isolate services that are paid for from general revenues vs. special revenue funds. One exception to this is the Gas Tax fund, which is earmarked for street maintenance, but is allocated by the State to the City in part based on general population growth. Also, the analysis is focused on recurring revenues and expenditures and therefore excludes capital costs as well as building permit and plan check fees which are paid by new development only once. As discussed below, those revenues are netted out of the expenditure budgets for the respective City Departments.

In Table 4 below, the left hand column shows the budget figures as published by the City, including the General Fund as well as Gas Tax revenues and Street Maintenance costs. The middle column shows the adjustments made to the budget and the right hand column shows the resulting figures that have been used to project future fiscal impacts of the vacant commercial sites. The right hand column also includes adjustments to correct for the deficient levels of service represented by the existing City budget. The notes following the table describes the budget adjustments first and then the level of service adjustments.

TABLE 7
Suisun City Budget 2005-06: Adjusted for Fiscal Impact Analysis

| REVENUE AND EXPENDITURE CATEGORIES | BUDGET | ADJUSTMENTS | NET BASIS |
|---|---------------------|---------------------|-----------------------|
| REVENUES | | | |
| TAXES AND FINES: | | | |
| Property Tax | \$ 1,000,370 | | \$ 1,000,370 |
| Sales & Use Tax | \$ 942,120 | | \$ 942,120 |
| Franchise Fees | \$ 664,360 | | \$ 664,360 |
| Real Property Tsf. Tax | \$ 175,000 | | \$ 175,000 |
| USE OF MONEY OR PROPERTY: | | | |
| Sale of General fixed Assets | \$ 188,770 | | \$ 188,770 |
| Investment Income (% of Tot. Rev.) | \$ 228,580 | | 2.9% |
| INTER-GOVERNMENTAL AGENCIES | | | |
| Motor Vehicle-in-lieu | \$ 1,812,760 | | \$ 1,812,760 |
| Gas Tax | \$ 613,830 | \$ 116,760 | \$ 497,070 |
| Other | \$ 588,090 | \$ 588,090 | \$ - |
| FEES FOR SERVICES | | | |
| Public Facilities | \$ 23,000 | \$ 23,000 | \$ - |
| Finance | \$ 164,000 | | \$ 164,000 |
| Police Protection | \$ 435,640 | \$ 118,160 | \$ 317,480 |
| Fire Protection | \$ 20,180 | | \$ 20,180 |
| Engineering | \$ 436,330 | \$ 435,430 | \$ 900 |
| Recreation | \$ 172,200 | | \$ 172,200 |
| Senior Center | \$ 45,250 | | \$ 45,250 |
| OTHER REVENUE | \$ 966,720 | \$ 684,730 | \$ 281,990 |
| TOTAL REVENUES | \$ 8,477,200 | \$ 1,966,170 | \$ 6,511,030 |
| EXPENDITURES | | | |
| GENERAL GOVERNMENT | | | |
| City Council | \$ 103,190 | \$ 11,124 | \$ 141,815 |
| Administration | \$ 247,330 | \$ 26,609 | \$ 337,755 |
| City Attorney | \$ 75,000 | \$ 8,085 | \$ 103,209 |
| Non-Departmental | \$ 296,530 | \$ 31,966 | \$ 403,938 |
| Finance | \$ 196,610 | \$ 3,515 | \$ 298,862 |
| BUILDING DEPARTMENT: Public Facilities Maintenance | \$ 545,800 | \$ 295,928 | \$ 733,157 |
| POLICE DEPARTMENT | \$ 3,799,050 | \$ 480,740 | \$ 4,305,372 |
| FIRE DEPARTMENT | \$ 606,820 | \$ 63,241 | \$ 1,140,239 |
| COMMUNITY DEVELOPMENT: Planning | \$ 225,600 | \$ 146,455 | \$ 530,345 |
| PUBLIC WORKS | | | |
| Engineering | \$ 468,880 | \$ 438,939 | \$ 186,234 |
| Streets Maintenance | \$ 613,830 | \$ 116,760 | \$ 497,070 |
| Parks Maintenance | \$ 618,950 | \$ 111,274 | \$ 943,991 |
| RECREATION & COMMUNITY SERVICES | | | |
| Recreation | \$ 401,360 | \$ 24,704 | \$ 426,984 |
| Community Center | \$ 205,120 | \$ - | \$ 269,320 |
| Senior Center | \$ 134,940 | \$ 11,169 | \$ 123,771 |
| Library | \$ 115,110 | \$ 115,110 | \$ - |
| TOTAL EXPENDITURES | \$ 8,654,120 | \$ 1,885,620 | \$ 10,442,064 |
| NET | \$ (176,920) | \$ 80,550 | \$ (3,931,034) |

Source: City of Suisun 2005/2006 Final Budget

REVENUE ADJUSTMENTS

Intergovernmental Agencies

- Gas Tax (\$116,760) – this is a single line item labeled “TCRF Grant Income;” it was adjusted out because it was labeled as “grant income.”
- Other (\$588,090) – this consists of three line items:
 - Reimbursement – Cost Allocation Plan (\$354,320)
 - These are funds transferred to the General Fund from departments that are users of general services; the funds cover the costs to the departments that are the providers of those services
 - This line item was adjusted out because it is an interdepartmental transfer of funds and not necessarily linked to changes in population/employment
 - Reimbursement – Almond Gardens (\$53,770)
 - These are funds transferred to the general fund by the RDA to cover costs incurred by the City as “absent manager” of the Almond Gardens Apt Complex
 - This was adjusted out of the revenues because it is an intergovernmental transfer and not necessarily linked to changes in population and employment
 - Reimbursement – SSWA (\$180,000)
 - These are funds transferred to the general fund by the Suisun-Solano Water Authority through a joint-powers agreement with the City

- The transfers cover costs incurred by the City in operating the SSWA water system within the City
- This was adjusted out of the revenues because it is an intergovernmental transfer and not necessarily linked to changes in population and employment

Fees for Services

- Public Facilities (\$23,000) – this consists of two line items:
 - Reimbursement – Lawler House (\$9,000)
 - These are funds transferred to the Building Dept from the RDA to cover costs incurred by the building department in providing janitorial and facilities maintenance
 - This was adjusted out of the revenues because it is an intergovernmental transfer and not necessarily linked to changes in population and employment
 - Reimbursement – Rail Station (\$14,000)
 - These are funds the Building Dept receives for costs incurred in providing the same services to the Rail Station as it does for Lawler House (For Amtrak, we believe)
 - This was adjusted out of the revenues because it is an intergovernmental transfer and not necessarily linked to changes in population and employment
- Police Protection (\$118,600) – this consists of three items: POST Reimbursement (\$8,000); RDA reimbursement (\$33,000); and CFD reimbursement (\$77,160).
- Engineering (\$435,430) – this consists of four line items:

- Reimbursement – Maintenance Assessment District (\$76,650)
 - These are funds transferred to the Engineering Department by the maintenance assessment districts
 - This was adjusted out of the revenues because it is an intergovernmental transfer and not necessarily linked to changes in population and employment
- Public Works Services – Engineering (\$350,000)
 - Based on phone conversation with finance staff, these are mostly internal city costs and represent transfers from other departments
 - This was adjusted out of the revenues because it is an intergovernmental transfer and not necessarily linked to changes in population and employment
- Public Works Fees (\$6,180)
 - This line item includes for fees for items such as encroachment permits and copies of plans
 - This has been adjusted out of the model because it is assumed to be mostly one-time revenues
- Administrative Fee (\$2,600)
 - This is assumed to be an interdepartmental transfer and adjusted out of the model as a revenue source not necessarily linked to changes in population or employment

Other Revenue

Other Revenue (to remain consistent with the structure of the 2001 analysis, all of these revenues are included in the same line item in the model)

- Administrative Fee (Building Permits) (\$42,240)

- We've assumed that these are fees associated with the building permits to cover the costs incurred by general government functions associated with processing the permits
- Based upon the revenue/expenditure detail for the Building Inspection Department, it appears that this revenue is "taken off the top" of the building permit fee and deposited to the general revenues fund with the remainder going to the Building Inspection Department's fund. This adjustment is done proportionally based on each department's use of general tax revenues (or contribution to the deficit net of general tax revenues).
- Building Inspection (\$251,670) – this consists of two line items
 - Building Permits (\$172,820)
 - Plan Check Fees (\$78,850)
- Planning (\$133,920) – this consists of four line items:
 - Planning Fees for Services (\$90,000)
 - These are funds that go to the Planning Dept in association with building permits
 - This has been adjusted out of the model due to the association with building permits
 - Planning/Zoning Fees (\$8,000)
 - Planning Impact Fees (\$29,580)
 - Plan Check Fees (\$6,340)
- Community Center (\$82,050) – this consists of one line item; Reimbursement – Recreation Usage Fee
 - This is an interdepartmental transfer from the Recreation Department to cover the cost of facilities usage for recreation programs/classes and was adjusted out of the Community center revenues
- Library (\$115,110) – this consists of one line item; "Reimbursement from Tax Increment;" this has been

adjusted out of because it is an intergovernmental transfer from the RDA

EXPENDITURE ADJUSTMENTS

- Where a line item has been adjusted out of the revenue side of the budget, and that line item is identified in the departmental detail as going to a specific department, that line item has been adjusted out of that department's appropriations on the expenditure side of the budget
- Where a line item has been adjusted out of the revenue side of the budget, and that line item is identified as going to the "general revenues" account in the general fund, it has been adjusted out of each of the departments on the expenditure side of the budget based upon its proportional contribution to the 05/06 city budget deficit; this was done to equitably distribute the adjustments based upon how much funding from these "general revenues" was necessary to make up each individual departmental deficit; this adjustment has not been made to the gas tax since the revenue for it does not come directly from the general fund.

LEVEL OF SERVICE ADJUSTMENTS

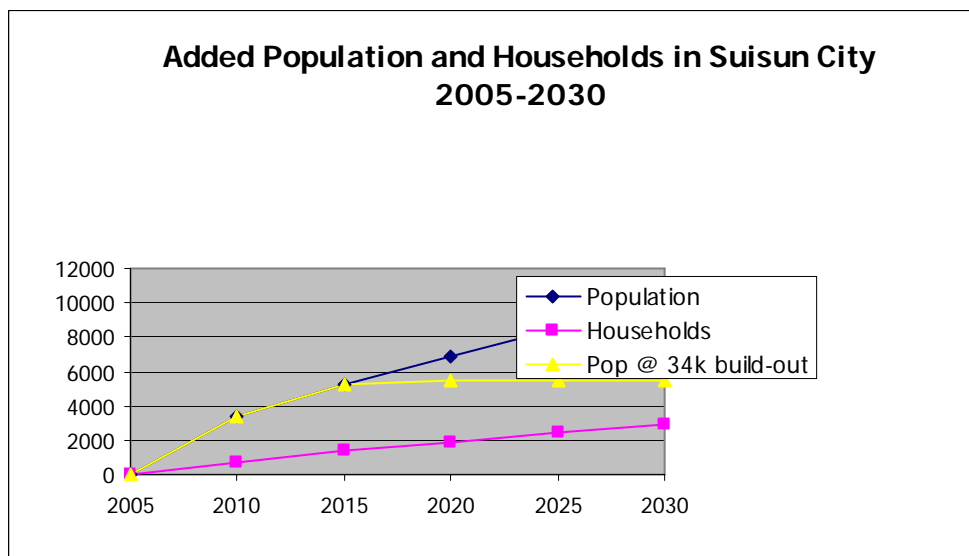
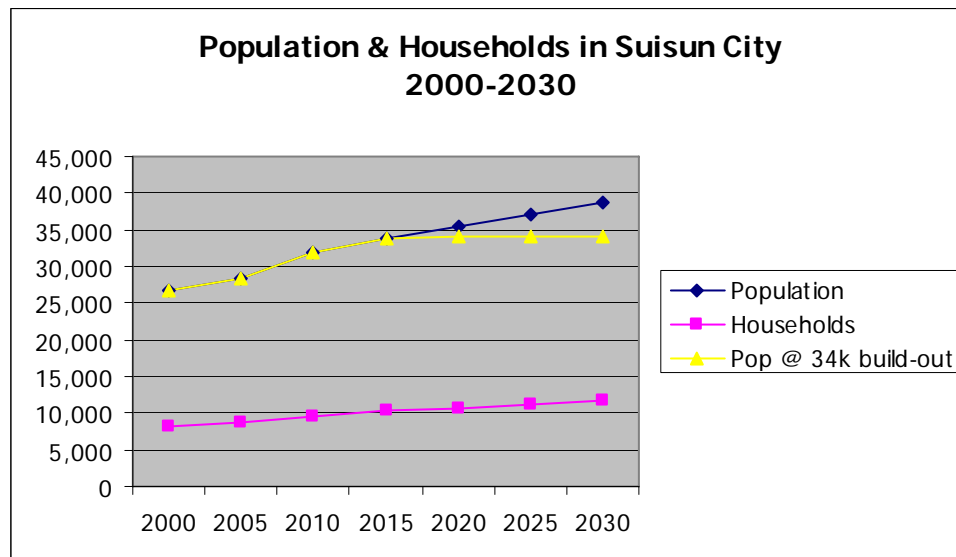
The following staff positions were added in order to achieve desired City level of service standards. The costs for these additional staff are included in the right hand column of Table 7.

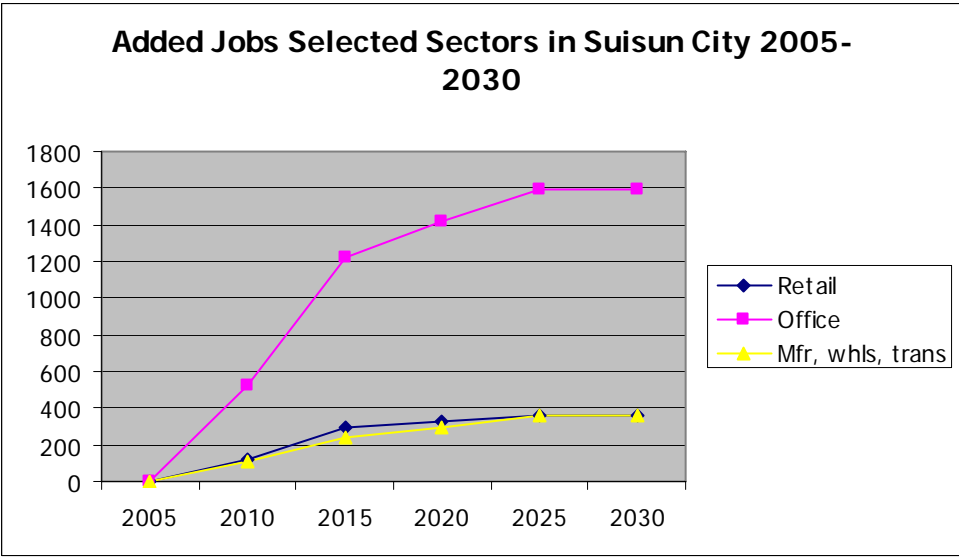
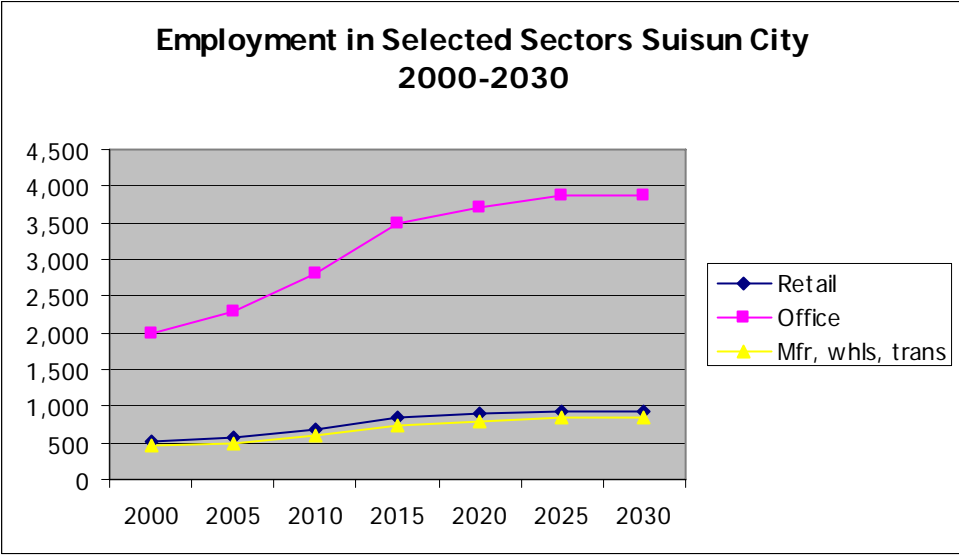
- Building Dept.: 1 inspector and 1 clerical
- PW Public facilities Maintenance: 1 custodian and 1 maintenance position.
- Planning Division: 1 Principal Planner, 1 Associate Planner and 1 admin.
- Police: 6 sworn officers plus support to achieve 1 per 1,000 population.

- Fire: Double existing staff and facilities costs.
- Recreation: 1 admin
- Parks and Landscape maintenance: Double existing staff
- Community Center: 1 full time position
- Engineering: 1 management analyst

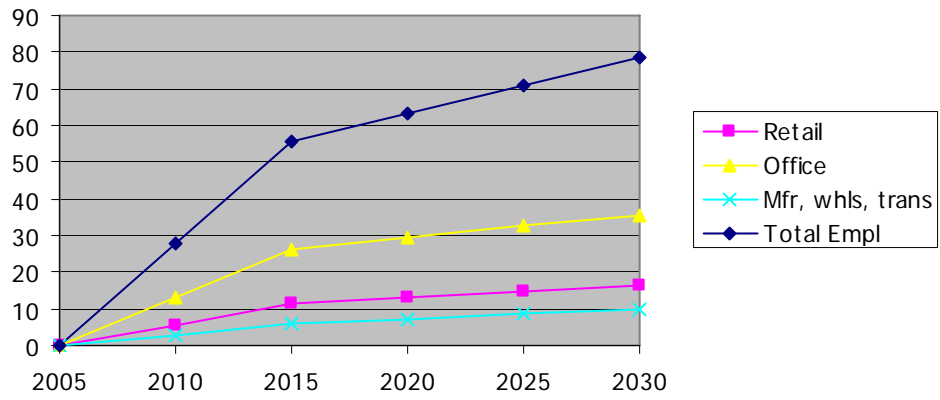
APPENDIX A

LAND ABSORPTION BASED ON ABAG'S PROJECTIONS





Added Commercial Acreage in Suisun City 2005-2030



Added Commercial Square Footage in Suisun City 2005-2030

