



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

BERKELEY
A. JERRY KEYSER
TIMOTHY C. KELLY
DEBBIE M. KERN
DAVID DOEZEMA
KEVIN FEENEY

LOS ANGELES
KATHLEEN H. HEAD
JAMES A. RABE
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMNEY
TIM BRETZ

SAN DIEGO
PAUL C. MARRA

To: Luke Watson, Director of Community Development
City of Temecula

From: KEYSER MARSTON ASSOCIATES, INC.

Date: October 26, 2020

Subject: Heirloom Farms - Fiscal Impact Analysis

I. INTRODUCTION

A. Objective

In accordance with Keyser Marston Associates, Inc.'s (KMA's) agreement for consultant services with the City of Temecula (City), KMA has undertaken a Fiscal Impact Analysis (FIA) for the Heirloom Farms project (Project). As background, Bieri Co. Inc. (Developer) has proposed a residential development plan for the 25.40-acre property at the southwest corner of Date Street and Ynez Road (Site) in the Harveston Specific Plan (Specific Plan). The Project is proposed to include 320 single-family units comprised of detached homes, attached townhomes, and duplexes. Due to the proposed change in land use type, completion of the Project will require a Specific Plan and General Plan amendment.

This FIA prepared by KMA evaluated the recurring General Fund revenues and expenditures generated by the proposed Project over a 20-year time period. The 20-year time period begins at the sale of the Project's first residential unit, which is assumed to be Fiscal Year (FY) 2022 and ending in FY 2041.

B. Methodology

In completing this assignment, KMA undertook the following principal work tasks:

- Reviewed background materials and planning/zoning documents relevant to the Project and the Site.
- Reviewed the City’s FY 2020 General Fund Operating Budget to understand the City’s fiscal condition and revenue/expenditure parameters.
- Interviewed key City staff regarding cost of service structure and approach to provide services to the Project.
- Collected and reviewed demographic and economic trends for the Temecula area.
- Reviewed trade area residential market data provided by the Developer.
- Estimated recurring annual revenues and municipal service expenditures as a result of the Project.

It should be noted that this FIA was completed between July 2019 and March 2020, just prior to the Coronavirus (COVID-19) pandemic. Therefore, the estimates of current and projected future fiscal impact contained in this report do not consider the potential adverse impacts of the pandemic and national recession that may follow.

C. Report Organization

Following this introduction, this FIA is organized as follows:

- Section II presents a summary of the KMA key findings.
- Section III provides a projection of the fiscal impact of the Project on the City’s General Fund over a 20-year time period.
- Finally, Section IV presents limiting conditions pertaining to this report.

II. KEY FINDINGS

A. Project – 20-Year Fiscal Impact

- The Project is estimated to yield a *negative* net fiscal impact to the City’s General Fund, each year, over the projected 20-year period.

- The major revenue categories generated by the Project during this 20-year period include indirect (off-site) sales tax, Measure S, property tax, property tax in-lieu of vehicle license fee (VLF), and franchise fees.
- The major expenditure categories generated by the Project during this 20-year period include Police, Fire, Public Works, General Government, and Community Development.
- The Project’s fiscal impact is estimated at *negative* \$128,000, or *negative* \$401 per unit, in stabilized Year 4 (FY 2025 dollars) and is projected to reach *negative* \$537,000, or *negative* \$1,678 per unit, in Year 20 (FY 2041 dollars) as shown in Table II-1 below.

Table II-1: Fiscal Impact of Project		
	FY 2025	FY 2041
General Fund Revenues	\$539,000	\$783,000
General Fund Expenditures	<u>(\$667,000)</u>	<u>(\$1,320,000)</u>
Annual Net Fiscal Impact to City	(\$128,000)	(\$537,000)
Deficit per Unit per Year	(\$401)	(\$1,678)
Revenue to Expense Ratio	0.81	0.59

III. 20-YEAR FISCAL IMPACT OF PROJECT

A. Overview of Methodology

This section presents the KMA methodology used to estimate the fiscal impact on the City’s General Fund resulting from the development of the proposed Project. The detailed KMA 20-year fiscal impact model is provided in Appendices A and B of this report and summarized below.

Demographic and Economic Overview

Table III-1 presents the findings of the KMA review of demographic and economic factors for the City. The data consist of population, number of housing units, and total jobs. More detail is presented in Appendix A, Table A-1.

Table III-1: Demographic and Economic Overview, City of Temecula	
	2019 Estimate
Population	113,826
Housing Units	34,078
Jobs	49,647

Overview of City General Fund Budget

Table III-2 below provides an overview of the City's FY 2020 General Fund budget. A more detailed analysis can be found in Appendix A, Table A-2. As shown, the City was operating at a net surplus of \$1.8 million in FY 2020.

Table III-2: City of Temecula, Mid-Year FY 2020 General Fund Budget	
General Fund Revenues	\$80,128,000
General Fund Expenditures	<u>(\$78,312,000)</u>
Net Surplus/(Deficit)	\$1,816,000
Revenues to Expenditures Ratio	1.02

Appendix A, Tables A-3 and A-4 also show the department revenues and expenditures used to calculate the per capita impacts to the General Fund from the development of the proposed Project. The revenues shown are strictly departmental revenues and exclude such revenues as property and sales tax, which are estimated based on projected increases in assessed value and taxable sales as a result of incremental development, respectively. The expenditures used in this analysis reflect a deduction for citizen/user payments in the form of Charges for Services to yield net (unreimbursed) expenditures.

B. Key Assumptions – Project

As shown in Table III-3 below, the Project will include 320 attached townhome and detached single-family residential units. A more detailed description of the Project can be found in Appendix B, Table B-2.

Table III-3: Project Description	
Single-Family Attached Townhomes (2-Story)	60 Units
Single-Family Attached Townhomes (3-Story)	149 Units
Single-Family Detached	<u>111</u> Units
Total Units	320 Units

Table III-4 below presents the assumed absorption schedule for the Project. The Developer anticipates that for each product type, the first closing will occur during FY 2022 until all units are sold by FY 2025. A more detailed analysis of the projected annual absorption of the Project can be found in Appendix B, Table B-3.

Table III-4: Anticipated Schedule of Development ⁽¹⁾					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Single-Family Attached Townhomes (2-Story)	27	33	0	0	60
Single-Family Attached Townhomes (3-Story)	32	48	48	21	149
Single-Family Detached	<u>30</u>	<u>36</u>	<u>36</u>	<u>9</u>	<u>111</u>
Total Units	89	117	84	30	320
(1) Source: Developer, July 19, 2019.					

C. Key Assumptions to Fiscal Impact Projection

General Approach

Assumptions used in the FIA are based on an assessment of future circumstances regarding population, employment, property valuation, and taxable sales. It should be noted that this fiscal impact analysis was completed between July 2019 and March 2020, just prior to the Coronavirus (COVID-19) pandemic. Therefore, the estimates of current and projected future fiscal impact contained in this report do not consider the potential adverse impacts of the pandemic and national recession that may follow. Table III-5 below provides a summary of the key assumptions used in this analysis.

Table III-5: Key Assumptions		
Population	3.0-3.5	persons per unit
Resident Equivalents	0.33	employees per resident
Residential Value	\$388,000 - \$485,000	per unit (FY 2020) ⁽¹⁾
(1) Source: Developer, July 19, 2019.		

The FIA also estimates other General Fund revenues and expenditures based on a modified per capita measure known as “resident equivalents.” The approach combines residents and employees to form a single service population. As summarized below, the resident equivalent approach weighs an employee as 0.33 residents, such that three employees are viewed as having the same impact as one resident.

Table III-6: Total Resident Equivalents				
	Total Population	Total Employment	Total Population + Jobs	Total Resident Equivalents ⁽¹⁾
City of Temecula	113,826	49,647	163,473	130,210
Heirloom Farms Project	965	0	965	965
(1) Assumes a resident equivalent factor of 0.33 (three employees have approximately the same impact as one resident).				

General Fund Revenues

This section discusses the recurring General Fund revenue assumptions utilized to estimate the impact of the proposed Project. Annual recurring revenues generated by the Project, such as Property Tax and Sales and Use Tax, were estimated based on assumed real estate market factors such as market values of the residential uses. One-time revenues, such as Development Impact Fees and building permits used to offset one-time City costs, were not evaluated in this FIA.

1. Franchise Fees; Licenses and Permits; and Fines and Forfeitures; and other revenues were estimated by applying a per capita or “per resident equivalent” to the number of new residents anticipated for the Project.
2. As shown in Table III-7 below, KMA applied the following escalation factors to estimate the annual General Fund revenues to the City over a 20-year period. The annual escalation factors were based on KMA’s review of recent historical valuation trends in the City, as well as discussions with the City’s Finance Department.

Table III-7: Annual Revenue Escalation Factors	
	Escalation Factor
Assessed Value ⁽¹⁾	
Pre-Build-out	5.0%
Post-Build-out	2.0%
Sales Tax	5.0% ⁽²⁾
Measure S	5.0% ⁽²⁾
Special Tax (Measure C)	0.0%
Franchise Fees	1.5%
Other General Fund Revenues	2.5%
(1) Reflects assumed market escalation.	
(2) Escalation is reduced to 2.50% after Project build-out (Year 4, FY 2025).	

General Fund Expenditures

This section discusses the recurring annual General Fund expenditure assumptions utilized to estimate the impact of the Project at build-out.

Annual recurring expenditures, including Fire, Public Works, and City Council, were estimated by applying a per capita or “per resident equivalent” cost estimate to the number of new residents anticipated from build-out of the Project, with the exception of Police. To estimate Police expenditures, KMA applied the Project’s pro rata share of one (1) new police officer, at an approximate annual cost of \$327,000, per 1,000 population added to the City.

Annual escalation factors for each major expenditure category were estimated by KMA based on five-year financial projections for the General Fund presented in the City’s Budget. As shown in Table III-8, General Fund expenditures are anticipated to increase at escalation rates ranging between 2.0% and 5.0% per year.

KMA also applied a marginal cost adjustment to each expenditure category to reflect that General Fund expenditures do not typically have a 1:1 relationship between projected population growth and demand for municipal services, such as overhead and administrative functions within City government. As shown in Table III-8, the marginal cost adjustments assumed by KMA ranged between 0% (no adjustment to per capita assumptions) to 100% (expenditures not impacted by the Project).

Table III-8: Annual Expenditure Escalation Factors		
	Escalation Factor	Marginal Cost Impact Adjustment ⁽¹⁾
Police	5.00%	5.0%
Public Works – Land Development, Public Works, etc.	2.50%	10.0%
Fire	5.00%	5.0%
Public Works – Parks & Maintenance	2.50%	10.0%
Community Development	2.75%	20.0%
Finance	2.75%	30.0%
City Clerk	3.00%	30.0%
Retiree Medical Contribution	3.00%	90.0%
City Attorney	2.00%	40.0%
City Council	2.75%	40.0%
Community Support	2.00%	80.0%
PERS Replacement Benefit	3.00%	100.0%
Property Tax Administration	2.00%	30.0%
Asset Management Fund	2.50%	0.0%
General Government	2.50%	40.0%
(1) Reflects adjustment to expenditure categories that do not typically have a 1:1 relationship between population growth and demand for municipal services. For example, an increase in population will demand 95% of Police municipal services expenditures per net new resident equivalent.		

D. Annual Fiscal Impact to General Fund

General Fund Revenues

Table III-9 summarizes the KMA estimate of recurring General Fund revenues during the Project’s build-out year (FY 2025). As shown, Sales Tax and Measure S revenues, in the form of off-site resident spending captured within the City, represent the largest components of General Fund revenues as a result of the Project. The Project’s 965 new residents are expected to generate \$239,000 of net new revenues (in the form of Sales Tax/Measure S revenues) to the City in FY 2025. This represents about 44.3% of total revenues generated by the Project.

Property Tax and Property Tax In-Lieu of Vehicle License Fee (VLF) revenues are the next largest source of General Fund revenues to be generated by the Project’s 320 residential units. In FY 2025, the Project is projected to generate approximately \$97,000 in Property Tax and \$97,000 in Property Tax In-Lieu of VLF

revenues. In combination, these sources represent 36.0% of the total General Fund revenues to be generated by the Project.

The other sources, including Franchise Fees, Property Transfer Tax, Measure C, Franchise Fees, and all other revenue sources, are anticipated to account for the remaining 19.7% of General Fund revenues generated by the Project.

Table III-9: General Fund Revenues in FY 2025		
	Total	% of Total
Property Tax	\$97,000	18.0%
Property Tax In-Lieu of VLF	\$97,000	18.0%
Property Transfer Tax	\$10,000	1.9%
Sales Tax – Resident Spending	\$129,000	23.9%
Measure S	\$110,000	20.4%
Measure C	\$24,000	4.5%
Franchise Fees	\$31,000	5.8%
Licenses and Permits	\$3,000	0.6%
Fines and Forfeitures	\$7,000	1.3%
Vehicle License Fees	\$500	0.1%
Operating Transfers In – Gas Tax/SLESF	\$30,000	5.6%
Miscellaneous Revenue	\$500	0.1%
Total Revenues (Rounded)	\$539,000	100.0%

General Fund Expenditures

As shown in Table III-10, the total annual General Fund expenditures to provide services to the Project are estimated at \$667,000 in FY 2025. Major expenditure categories were estimated based on projections from current service levels. As shown, the Project's pro rata cost for Police represents the largest of the Project-generated expenditures at \$382,000, or 57.3% of total expenditures.

Fire services represent the second largest expenditure at \$85,000, or 12.7% of the total Project-generated expenditures.

The remaining departmental expenditures, including, but not limited to, Public Works, Asset Management Fund, and General Government, account for a combined \$200,000, or 30.0% of total expenditures.

Table III-10: General Fund Expenditures in FY 2025		
	Total	% of Total
Police	\$382,000	57.3%
City Council	\$3,000	0.4%
Community Support	\$200	0.0%
General Government	\$23,000	3.4%
City Clerk	\$9,000	1.3%
City Attorney	\$5,000	0.7%
Finance	\$19,000	2.8%
Community Development	\$22,000	3.3%
Public Works – Land Development, etc.	\$58,000	8.7%
Public Works – Park Maintenance	\$34,000	5.1%
Fire	\$85,000	12.7%
Property Tax Administration	\$500	0.1%
Retiree Medical Contribution	\$1,000	0.1%
PERS Replacement Benefit	\$0	0.0%
Asset Management Fund	<u>\$25,000</u>	<u>3.7%</u>
Total Expenditures (Rounded)	\$667,000	100.0%

Annual Fiscal Impact

Comparison of the annual revenues and annual expenditures generated by the Project indicates that it will yield a *negative* net fiscal impact to the City's General Fund each year over the 20-year period. As shown in Table III-11, the Project's net fiscal impact is estimated at *negative* \$128,000, or *negative* \$401 per unit, at build-out in Year 4 (FY 2025). The Project's net fiscal impact reaches *negative* \$537,000, or *negative* \$1,678 per unit, by Year 20 (FY 2041). A more detailed analysis is presented in Appendix B.

Table III-11: Annual General Fund Impact					
Fiscal Year	General Fund Revenues ⁽¹⁾	General Fund Expenditures	Recurring Surplus/(Deficit)	Per Unit Per Year ⁽²⁾	Revenues to Expenditures Ratio
2022	\$151,000	\$164,000	(\$13,000)	(\$40)	0.92
2023	\$373,000	\$393,000	(\$20,000)	(\$64)	0.95
2024	\$534,000	\$580,000	(\$46,000)	(\$146)	0.92
2025	\$539,000	\$667,000	(\$128,000)	(\$401)	0.81
2026	\$555,000	\$696,000	(\$141,000)	(\$439)	0.80
2027	\$572,000	\$725,000	(\$153,000)	(\$479)	0.79
2028	\$585,000	\$757,000	(\$172,000)	(\$538)	0.77
2029	\$597,000	\$789,000	(\$192,000)	(\$600)	0.76
2030	\$618,000	\$823,000	(\$205,000)	(\$643)	0.75
2031	\$631,000	\$859,000	(\$228,000)	(\$712)	0.73
2032	\$645,000	\$896,000	(\$251,000)	(\$786)	0.72
2033	\$659,000	\$935,000	(\$276,000)	(\$864)	0.70
2034	\$673,000	\$976,000	(\$303,000)	(\$947)	0.69
2035	\$688,000	\$1,019,000	(\$331,000)	(\$1,035)	0.68
2036	\$703,000	\$1,063,000	(\$360,000)	(\$1,127)	0.66
2037	\$718,000	\$1,110,000	(\$392,000)	(\$1,226)	0.65
2038	\$734,000	\$1,159,000	(\$425,000)	(\$1,329)	0.63
2039	\$750,000	\$1,210,000	(\$460,000)	(\$1,439)	0.62
2040	\$766,000	\$1,264,000	(\$498,000)	(\$1,556)	0.61
2041	\$783,000	\$1,320,000	(\$537,000)	(\$1,678)	0.59
(1) Includes Project-generated Measure S revenues.					
(2) Represents annual General Fund impact per unit based on anticipated annual absorption for the Project. Full build-out of the Project does not occur until FY 2025.					

IV. LIMITING CONDITONS

1. The KMA analysis is based, in part, on data provided by secondary sources, such as state and local governments, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. A projection of economic impacts is inherently based on judgment. While KMA considers these projections reasonable for planning purposes, it is the nature of forecasting that some assumptions may not materialize and unanticipated events and circumstances may occur. Such changes may be material to the projections and conclusions herein and, if they occur, may require review or revision of this report.

3. The projections of future economic impact do not consider the potential adverse impacts of the Coronavirus (COVID-19) pandemic and national recession that is likely to follow.
4. The accompanying projections and analyses are based on estimates and assumptions which were developed using currently available economic data, Project-specific data, and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Such changes are likely to be material to the projections and conclusions herein and, if they occur, require review or revision of this document.
5. Any estimates of revenue or cost projections are based on the best Project-specific and fiscal data available at this time as well as experience with comparable projects. They are not intended to be projections of actual future performance of any specific project.
6. Revenue estimates are based on the assumption that sufficient market support exists for the proposed uses and that the Project will achieve industry standard productivity levels.
7. KMA assumes that all applicable laws and governmental regulations in place as of the date of this document will remain unchanged throughout the projection period of our analysis. In the event that this does not hold true, i.e., if any tax rates change, the analysis would need to be revised.
8. Value estimates assume that any necessary entitlements or zoning changes for development can be obtained in a reasonable time frame.
9. Value estimates assume that property titles are good and marketable; no title search has been made, nor has KMA attempted to determine property ownership. The value estimates are given without regard to any questions of boundaries, encumbrances, liens, or encroachments.
10. Property tax projections reflect KMA's understanding of the assessment and tax apportionment procedures employed by the County. The County procedures are subject to change as a reflection of policy revisions or legislative mandate. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections.
11. No assurances are provided by KMA as to the certainty of the projected tax revenues shown in this document. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, or the non-payment of taxes due.

To: Luke Watson, City of Temecula
Subject: Heirloom Farms – Fiscal Impact Analysis

October 26, 2020

Page 13

12. KMA is not advising or recommending any action be taken by the City with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues).
13. KMA is not acting as a municipal advisor to the City and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the City pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.
14. The City shall discuss any such information and material contained in KMA's work product with any and all internal and/or external advisors and experts, including its own municipal advisors, that it deems appropriate before acting on the information and material.

attachments

APPENDIX A

FISCAL IMPACT ANALYSIS HEIRLOOM FARMS

**Demographic Profile and
City of Temecula General Fund Budget**

TABLE A-1

DEMOGRAPHIC PROFILE - CITY OF TEMECULA, 2019 ESTIMATES ⁽¹⁾

HEIRLOOM FARMS

CITY OF TEMECULA

	<u>2019 Estimates</u>	
I. Population		
Population	113,826	
Average Household Size	3.34	
Jobs (2)	49,647	
II. Housing Units		
Single-Family	29,972	82%
Multi-Family	6,387	17%
Mobile Homes	<u>161</u>	<u>0%</u>
Total	36,520	100%
III. Occupied Units	34,078	
IV. Percent Vacant	6.7%	

(1) Source: California Department of Finance, January 1, 2019.

(2) Source: U.S. Census Bureau American FactFinder - Employment by Place of Work, 2013-2017 5-Year Estimates.

GENERAL FUND BUDGET

TABLE A-2

SUMMARY OF CITY OF TEMECULA GENERAL FUND BUDGET - FY 2020 OPERATING BUDGET
HEIRLOOM FARMS
CITY OF TEMECULA

	FY 2020
	<u>Operating Budget</u>
I. Revenues	
Taxes and Franchises	\$53,893,154
Operating Transfers In	\$8,887,305
Intergovernmental Revenues	\$8,503,309
Licenses, Permits, and Service Charges	\$4,459,772
Reimbursements	\$3,027,238
Fines and Forfeitures	\$849,620
Use of Money and Property	\$451,850
Miscellaneous Revenue	<u>\$55,380</u>
Total Revenues	\$80,127,628
II. Expenditures	
Police	\$34,860,436
Fire	\$10,260,935
Public Works	\$6,294,591
Parks Maintenance	\$3,958,507
Building & Safety	\$3,291,298
Finance	\$2,772,880
Planning	\$2,609,473
CIP Administration	\$2,417,537
Land Development	\$1,898,973
Economic Development	\$1,572,660
City Manager	\$1,583,685
Retiree Medical Contribution	\$1,500,000
City Clerk	\$1,452,596
Human Resources	\$1,282,559
City Attorney	\$942,300
City Council	\$572,843
Animal Control	\$475,235
Emergency Management	\$157,271
Community Support	\$125,000
Staffing Continuity Reserve	\$100,000
PERS Replacement Benefit	\$97,484
Property Tax Administration	<u>\$85,529</u>
Total Expenditures	\$78,311,792
III. Total Surplus/(Deficit)	\$1,815,836
Revenues to Expenditures Ratio	1.02

TABLE A-3

SUMMARY OF GENERAL FUND REVENUES
HEIRLOOM FARMS
CITY OF TEMECULA

	General Fund Revenues FY 2020 Operating Budget	Comments
I. Revenues - Included in Analysis		
Taxes and Franchises		
Property Tax	\$8,706,389	projected based on increase in gross AV
Sales and Use Tax (1)	\$36,602,322	projected based on taxable sales generated by incremental development
Franchise Fees	\$3,351,304	projected based on population
Special Tax C	<u>\$1,876,279</u>	based on residential units and commercial acreage developed
Total	\$50,536,294	
Licenses and Permits (2)	\$290,000	projected based on population and employment
Fines and Forfeitures	\$849,620	projected based on population and employment
Intergovernmental Revenues		
Property Tax In Lieu of VLF	\$8,447,894	projected based on increase in gross AV
Vehicle License Fees	<u>\$55,415</u>	projected based on population
Total	\$8,503,309	
Operating Transfers In - Gas Tax/SLESF	\$3,151,887	projected based on population
Miscellaneous Revenue	<u>\$55,380</u>	projected based on population and employment
Total Included Items	\$63,386,490	
II. Excluded Items		
Transient Occupancy Tax	\$3,338,860	hotel use not planned as part of Project
Reimbursements		
Other Reimbursements	\$338,157	
Pechanga IGA	<u>\$343,148</u>	
Total Reimbursements	\$681,305	independent of projected incremental development
Development Impact Fees	\$18,000	independent of projected incremental development
Use of Money and Property	\$451,850	independent of projected incremental development
Operating Transfers In		
Operating Transfer in Measure S	<u>\$5,735,418</u>	independent of projected incremental development
Total	\$5,735,418	
Capital Improvement Program	\$2,345,933	independent of projected incremental development
Total Excluded Items	\$12,571,366	
III. Charges for Services		
Deducted from Community Development		
Building	\$1,814,217	
Development Fees	\$325,995	
Planning	<u>\$576,715</u>	
Total Deducted from Community Development	\$2,716,927	
Deducted from Public Works		
Land Development	\$548,978	
Parks Maintenance	\$1,000	
Public Works	<u>\$6,426</u>	
Total Deducted from Public works	\$556,404	
Deducted from Police	\$144,113	
Deducted from Fire	<u>\$752,328</u>	
Total Charges for Services	\$4,169,772	
IV. Total General Fund Revenues	\$80,127,628	

(1) Includes Sales Tax Sharing Agreement.

(2) Includes Business Licenses.

TABLE A-4

SUMMARY OF GENERAL FUND EXPENDITURES
HEIRLOOM FARMS
CITY OF TEMECULA

	General Fund Expenditures FY 2020 Operating Budget	Net After Deduction of Charges for Services (Table A-3)
I. Expenditures Included in Analysis		
City Council	\$572,843	\$0
		\$572,843
Community Support	\$125,000	\$0
		\$125,000
General Government		
City Manager	\$1,583,685	
Economic Development	\$1,572,660	
Human Resources	\$1,282,559	
Emergency Management	\$157,271	
Total General Government	\$4,596,175	\$0
		\$4,596,175
City Clerk	\$1,452,596	\$0
		\$1,452,596
City Attorney	\$942,300	\$0
		\$942,300
Finance		
Finance	\$2,772,880	
Animal Control	\$475,235	
Total Finance	\$3,248,115	\$0
		\$3,248,115
Community Development		
Planning	\$2,609,473	
Building & Safety	\$3,291,298	
Total Community Development	\$5,900,771	(\$2,716,927)
		\$3,183,844
Public Works		
Land Development	\$1,898,973	
Public Works	\$6,294,591	
Total Public Works	\$8,193,564	(\$548,978)
		\$7,644,586
Public Works		
Parks Maintenance	\$3,958,507	(\$7,426)
		\$3,951,081
Fire	\$10,260,935	(\$752,328)
		\$9,508,607
Property Tax Administration	\$85,529	\$0
		\$85,529
Retiree Medical Contribution	\$1,500,000	\$0
		\$1,500,000
PERS Replacement Benefit	\$97,484	\$0
		\$97,484
Total Included Items	\$40,933,819	\$36,908,160
Add: Asset Management Fund	\$3,000,000	\$0
		\$3,000,000
Grand Total Included Items	\$43,933,819	\$39,908,160
II. Excluded Items		
Police (1)	\$34,860,436	(\$144,113)
		\$34,716,323
CIP Administration	\$2,417,537	
Staffing Continuity Reserve	\$100,000	
Total Excluded Items	\$37,377,973	\$37,233,860
III. Total General Fund Expenditures	\$81,311,792	\$77,142,020

(1) Per City; police expenditures included in analysis reflect project pro rata share of one new police officer per 1,000 population.

APPENDIX B

FISCAL IMPACT ANALYSIS HEIRLOOM FARMS

20-Year Projection

TABLE B-1

SUMMARY OF ANNUAL GENERAL FUND IMPACT GENERATED BY PROJECT
HEIRLOOM FARMS
CITY OF TEMECULA

	Fiscal Year	General Fund Revenues	General Fund Expenditures	Recurring Surplus/(Deficit)	Per Unit Absorbed to Date	Revenues to Expenditures Ratio
1	2022	\$150,681	\$163,520	(\$12,840)	(\$40)	0.92
2	2023	\$372,631	\$393,045	(\$20,414)	(\$64)	0.95
3	2024	\$533,564	\$580,140	(\$46,577)	(\$146)	0.92
4	2025	\$538,637	\$667,075	(\$128,438)	(\$401)	0.81
5	2026	\$555,097	\$695,580	(\$140,483)	(\$439)	0.80
6	2027	\$572,188	\$725,387	(\$153,199)	(\$479)	0.79
7	2028	\$584,518	\$756,556	(\$172,038)	(\$538)	0.77
8	2029	\$597,136	\$789,154	(\$192,018)	(\$600)	0.76
9	2030	\$617,649	\$823,251	(\$205,602)	(\$643)	0.75
10	2031	\$631,041	\$858,913	(\$227,872)	(\$712)	0.73
11	2032	\$644,736	\$896,215	(\$251,479)	(\$786)	0.72
12	2033	\$658,749	\$935,244	(\$276,495)	(\$864)	0.70
13	2034	\$673,082	\$976,072	(\$302,990)	(\$947)	0.69
14	2035	\$687,741	\$1,018,789	(\$331,048)	(\$1,035)	0.68
15	2036	\$702,741	\$1,063,489	(\$360,748)	(\$1,127)	0.66
16	2037	\$718,086	\$1,110,263	(\$392,177)	(\$1,226)	0.65
17	2038	\$733,781	\$1,159,215	(\$425,434)	(\$1,329)	0.63
18	2039	\$749,842	\$1,210,440	(\$460,598)	(\$1,439)	0.62
19	2040	\$766,268	\$1,264,058	(\$497,790)	(\$1,556)	0.61
20	2041	\$783,071	\$1,320,183	(\$537,112)	(\$1,678)	0.59

TABLE B-2

**PROJECT DESCRIPTION
HEIRLOOM FARMS
CITY OF TEMECULA**

I. Site Area	25.40 Acres
II. Density	15.75 Units/Acre
III. Unit Mix	
A. Single-Family Attached Townhomes (2-Story)	60 Units
B. Single-Family Attached Townhomes (3-Story)	149 Units
C. Single-Family Detached	<u>111</u> Units
D. Total Units	320 Units

TABLE B-3

ANNUAL RESIDENTIAL ABSORPTION
HEIRLOOM FARMS
CITY OF TEMECULA

	Total at Build-out	¹ FY 2022	² FY 2023	³ FY 2024	⁴ FY 2025	⁵ FY 2026	⁶ FY 2027	⁷ FY 2028	⁸ FY 2029	⁹ FY 2030	¹⁰ FY 2031
I. Single-Family Attached Townhomes (2-Story)	60 Units	27	33	0	0	0	0	0	0	0	0
Cumulative		27	60	60	60	60	60	60	60	60	60
II. Single-Family Attached Townhomes (3-Story)	149 Units	32	48	48	21	0	0	0	0	0	0
Cumulative		32	80	128	149	149	149	149	149	149	149
III. Single-Family Detached	111 Units	30	36	36	9	0	0	0	0	0	0
Cumulative		30	66	102	111	111	111	111	111	111	111
IV. Total Cumulative Units	320 Units	89	206	290	320	320	320	320	320	320	320

TABLE B-4

**ESTIMATE OF TOTAL POPULATION
HEIRLOOM FARMS
CITY OF TEMECULA**

	Dwelling Units	Vacancy Factor ⁽¹⁾	Persons/Unit ⁽²⁾	Total Resident Population
I. Residential				
A. Single-Family Attached Townhomes (2-Story)	60 Units	5.0%	3.00	171
B. Single-Family Attached Townhomes (3-Story)	149 Units	5.0%	3.00	425
C. Single-Family Detached	<u>111</u> Units	<u>5.0%</u>	<u>3.50</u>	<u>369</u>
Total/Average	320 Units	5.0%	3.02	965
II. Total Population				965

(1) KMA assumption reflecting average vacancy rate, based on typical lender underwriting criteria for residential uses.

(2) KMA assumption based on industry standard household size by unit type.

TABLE B-5

POPULATION ESTIMATES
HEIRLOOM FARMS
CITY OF TEMECULA

	Total at Build-out	Vacancy Factor	Persons Per Unit	¹ FY 2022	² FY 2023	³ FY 2024	⁴ FY 2025	⁵ FY 2026	⁶ FY 2027	⁷ FY 2028	⁸ FY 2029	⁹ FY 2030	¹⁰ FY 2031
I. Single-Family Attached Townhomes (2-Story)	60 Units	5.0%	3.00	77	171	171	171	171	171	171	171	171	171
II. Single-Family Attached Townhomes (3-Story)	149 Units	5.0%	3.00	91	228	365	425	425	425	425	425	425	425
III. Single-Family Detached	111 Units	5.0%	3.50	100	219	339	369	369	369	369	369	369	369
IV. Total Population				268	618	875	965	965	965	965	965	965	965

TABLE B-5

POPULATION ESTIMATES
HEIRLOOM FARMS
CITY OF TEMECULA

	Total at Build-out	Vacancy Factor	Persons Per Unit	¹¹ FY 2032	¹² FY 2033	¹³ FY 2034	¹⁴ FY 2035	¹⁵ FY 2036	¹⁶ FY 2037	¹⁷ FY 2038	¹⁸ FY 2039	¹⁹ FY 2040	²⁰ FY 2041
I. Single-Family Attached Townhomes (2-Story)	60 Units	5.0%	3.00	171	171	171	171	171	171	171	171	171	171
II. Single-Family Attached Townhomes (3-Story)	149 Units	5.0%	3.00	425	425	425	425	425	425	425	425	425	425
III. Single-Family Detached	111 Units	5.0%	3.50	369	369	369	369	369	369	369	369	369	369
IV. Total Population				965	965	965	965	965	965	965	965	965	965

TABLE B-6

ESTIMATE OF ASSESSED VALUE
HEIRLOOM FARMS
CITY OF TEMECULA

	Dwelling <u>Units</u>	FY 2020 Sales Price/Value <u>Per Unit</u> ⁽¹⁾
I. Residential		
A. Single-Family Attached Townhomes (2-Story)	60 Units	\$402,000
B. Single-Family Attached Townhomes (3-Story)	149 Units	\$388,000
C. Single-Family Detached	<u>111</u> Units	<u>\$485,000</u>
Total/Average	320 Units	\$424,000

(1) Per Developer, July 19, 2019.

TABLE B-7

ANNUAL ASSESSED VALUE ⁽¹⁾
HEIRLOOM FARMS
CITY OF TEMECULA

	¹ <u>FY 2022</u>	² <u>FY 2023</u>	³ <u>FY 2024</u>	⁴ <u>FY 2025</u>	⁵ <u>FY 2026</u>	⁶ <u>FY 2027</u>	⁷ <u>FY 2028</u>	⁸ <u>FY 2029</u>	⁹ <u>FY 2030</u>	¹⁰ <u>FY 2031</u>
I. Single-Family Attached Townhomes (2-Story)	\$12,564,862	\$28,941,065	\$29,519,886	\$30,110,284	\$30,712,490	\$31,326,739	\$31,953,274	\$32,592,340	\$33,244,186	\$33,909,070
II. Single-Family Attached Townhomes (3-Story)	\$14,373,072	\$37,298,122	\$61,813,552	\$73,968,922	\$75,448,301	\$76,957,267	\$78,496,412	\$80,066,340	\$81,667,667	\$83,301,021
III. Single-Family Detached	\$16,843,444	\$38,403,052	\$61,454,989	\$68,533,606	\$69,904,278	\$71,302,364	\$72,728,411	\$74,182,979	\$75,666,639	\$77,179,972
IV. Total Assessed Value	\$43,781,378	\$104,642,239	\$152,788,427	\$172,612,812	\$176,065,069	\$179,586,370	\$183,178,097	\$186,841,659	\$190,578,492	\$194,390,063

(1) Assumes an escalation rate of 5.0% per year prior to Project build-out and 2.0% per year after Project build-out.

TABLE B-7

ANNUAL ASSESSED VALUE ⁽¹⁾
 HEIRLOOM FARMS
 CITY OF TEMECULA

	¹¹ <u>FY 2032</u>	¹² <u>FY 2033</u>	¹³ <u>FY 2034</u>	¹⁴ <u>FY 2035</u>	¹⁵ <u>FY 2036</u>	¹⁶ <u>FY 2037</u>	¹⁷ <u>FY 2038</u>	¹⁸ <u>FY 2039</u>	¹⁹ <u>FY 2040</u>	²⁰ <u>FY 2041</u>
I. Single-Family Attached Townhomes (2-Story)	\$34,587,252	\$35,278,997	\$35,984,577	\$36,704,268	\$37,438,353	\$38,187,121	\$38,950,863	\$39,729,880	\$40,524,478	\$41,334,967
II. Single-Family Attached Townhomes (3-Story)	\$84,967,041	\$86,666,382	\$88,399,709	\$90,167,704	\$91,971,058	\$93,810,479	\$95,686,688	\$97,600,422	\$99,552,431	\$101,543,479
III. Single-Family Detached	\$78,723,571	\$80,298,043	\$81,904,003	\$83,542,083	\$85,212,925	\$86,917,184	\$88,655,527	\$90,428,638	\$92,237,211	\$94,081,955
IV. Total Assessed Value	\$198,277,864	\$202,243,422	\$206,288,289	\$210,414,055	\$214,622,336	\$218,914,784	\$223,293,078	\$227,758,940	\$232,314,120	\$236,960,401

(1) Assumes an escalation rate of 5.0% per year prior to Project build-out and 2.0% per year after Project build-out.

TABLE B-8

ANNUAL RECURRING REVENUES - PROPERTY TAXES
HEIRLOOM FARMS
CITY OF TEMECULA

	<div>Property Tax Levy1.0%</div> <div>City Portion5.64%</div>											
			¹	²	³	⁴	⁵	⁶	⁷	⁸	⁹	¹⁰
			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
I.	Single-Family Attached Townhomes (2-Story)		\$7,085	\$16,320	\$16,646	\$16,979	\$17,319	\$17,665	\$18,018	\$18,379	\$18,746	\$19,121
II.	Single-Family Attached Townhomes (3-Story)		\$8,105	\$21,032	\$34,857	\$41,711	\$42,545	\$43,396	\$44,264	\$45,149	\$46,052	\$46,973
III.	Single-Family Detached		\$9,498	\$21,656	\$34,654	\$38,646	\$39,419	\$40,207	\$41,012	\$41,832	\$42,668	\$43,522
IV.	Total Property Tax Revenues		\$24,688	\$59,008	\$86,157	\$97,336	\$99,283	\$101,268	\$103,294	\$105,360	\$107,466	\$109,616

TABLE B-8

ANNUAL RECURRING REVENUES - PROPERTY TAXES
HEIRLOOM FARMS
CITY OF TEMECULA

	<div>Property Tax Levy1.0%</div> <div>City Portion5.64%</div>	¹¹	¹²	¹³	¹⁴	¹⁵	¹⁶	¹⁷	¹⁸	¹⁹	²⁰
		<u>FY 2032</u>	<u>FY 2033</u>	<u>FY 2034</u>	<u>FY 2035</u>	<u>FY 2036</u>	<u>FY 2037</u>	<u>FY 2038</u>	<u>FY 2039</u>	<u>FY 2040</u>	<u>FY 2041</u>
I. Single-Family Attached Townhomes (2-Story)		\$19,504	\$19,894	\$20,292	\$20,698	\$21,112	\$21,534	\$21,964	\$22,404	\$22,852	\$23,309
II. Single-Family Attached Townhomes (3-Story)		\$47,913	\$48,871	\$49,849	\$50,846	\$51,863	\$52,900	\$53,958	\$55,037	\$56,138	\$57,260
III. Single-Family Detached		\$44,392	\$45,280	\$46,186	\$47,109	\$48,052	\$49,013	\$49,993	\$50,993	\$52,013	\$53,053
IV. Total Property Tax Revenues		\$111,809	\$114,045	\$116,327	\$118,653	\$121,027	\$123,447	\$125,915	\$128,434	\$131,003	\$133,622

TABLE B-9

ANNUAL RECURRING REVENUES - PROPERTY TAXES IN-LIEU OF VEHICLE LICENSE FEE
HEIRLOOM FARMS
CITY OF TEMECULA

	<div>Vehicle License Fee Per \$1,000 in AV Growth</div>										
		¹	²	³	⁴	⁵	⁶	⁷	⁸	⁹	¹⁰
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
I.	Single-Family Attached Townhomes (2-Story)	\$7,082	\$16,312	\$16,638	\$16,971	\$17,311	\$17,657	\$18,010	\$18,370	\$18,738	\$19,112
II.	Single-Family Attached Townhomes (3-Story)	\$8,101	\$21,022	\$34,840	\$41,691	\$42,525	\$43,376	\$44,243	\$45,128	\$46,031	\$46,951
III.	Single-Family Detached	\$9,494	\$21,645	\$34,638	\$38,628	\$39,400	\$40,188	\$40,992	\$41,812	\$42,648	\$43,501
IV.	Total Property Tax In-Lieu of VLF Revenues	\$24,677	\$58,979	\$86,116	\$97,290	\$99,236	\$101,221	\$103,245	\$105,310	\$107,417	\$109,564

TABLE B-9

ANNUAL RECURRING REVENUES - PROPERTY TAXES IN-LIEU OF VEHICLE LICENSE FEE
HEIRLOOM FARMS
CITY OF TEMECULA

	<div>Vehicle License Fee Per \$1,000 in AV Growth</div>										
		¹¹	¹²	¹³	¹⁴	¹⁵	¹⁶	¹⁷	¹⁸	¹⁹	²⁰
		FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041
I.	Single-Family Attached Townhomes (2-Story)	\$19,495	\$19,884	\$20,282	\$20,688	\$21,101	\$21,524	\$21,954	\$22,393	\$22,841	\$23,298
II.	Single-Family Attached Townhomes (3-Story)	\$47,890	\$48,848	\$49,825	\$50,821	\$51,838	\$52,875	\$53,932	\$55,011	\$56,111	\$57,233
III.	Single-Family Detached	\$44,371	\$45,259	\$46,164	\$47,087	\$48,029	\$48,989	\$49,969	\$50,969	\$51,988	\$53,028
IV.	Total Property Tax In-Lieu of VLF Revenues	\$111,756	\$113,991	\$116,271	\$118,596	\$120,968	\$123,388	\$125,855	\$128,373	\$130,940	\$133,559

TABLE B-10

ANNUAL RECURRING REVENUES - PROPERTY TRANSFER TAX
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Transfer Tax (per \$500 AV Growth)\$0.550</div> <div>City Share of Transfer Tax50%</div> <div>Turnover Rate (Residential)10%</div>											
		¹	²	³	⁴	⁵	⁶	⁷	⁸	⁹	¹⁰
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
I.	Single-Family Attached Townhomes (2-Story)	\$6,911	\$15,918	\$1,624	\$1,656	\$1,689	\$1,723	\$1,757	\$1,793	\$1,828	\$1,865
II.	Single-Family Attached Townhomes (3-Story)	\$7,905	\$20,514	\$33,998	\$4,068	\$4,150	\$4,233	\$4,317	\$4,404	\$4,492	\$4,582
III.	Single-Family Detached	\$9,264	\$21,122	\$33,800	\$3,769	\$3,845	\$3,922	\$4,000	\$4,080	\$4,162	\$4,245
IV.	Total Property Transfer Tax Revenues	\$24,080	\$57,553	\$69,422	\$9,493	\$9,684	\$9,878	\$10,074	\$10,277	\$10,482	\$10,692

TABLE B-10

ANNUAL RECURRING REVENUES - PROPERTY TRANSFER TAX
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Transfer Tax (per \$500 AV Growth)\$0.550</div> <div>City Share of Transfer Tax50%</div> <div>Turnover Rate (Residential)10%</div>											
		¹¹	¹²	¹³	¹⁴	¹⁵	¹⁶	¹⁷	¹⁸	¹⁹	²⁰
		FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041
I. Single-Family Attached Townhomes (2-Story)		\$1,902	\$1,940	\$1,979	\$2,019	\$2,059	\$2,100	\$2,142	\$2,185	\$2,229	\$2,273
II. Single-Family Attached Townhomes (3-Story)		\$4,673	\$4,767	\$4,862	\$4,959	\$5,058	\$5,160	\$5,263	\$5,368	\$5,475	\$5,585
III. Single-Family Detached		\$4,330	\$4,416	\$4,505	\$4,595	\$4,687	\$4,780	\$4,876	\$4,974	\$5,073	\$5,175
IV. Total Property Transfer Tax Revenues		\$10,905	\$11,123	\$11,346	\$11,573	\$11,804	\$12,040	\$12,281	\$12,527	\$12,777	\$13,033

TABLE B-11

ESTIMATE OF ANNUAL RECURRING REVENUES - SPENDING BY RESIDENTS
HEIRLOOM FARMS
CITY OF TEMECULA

		Single-Family Attached Townhomes (2-Story)	Single-Family Attached Townhomes (3-Story)	Single-Family Detached
I. Estimate of Household Income				
Average Sales Price		\$402,000	\$388,000	\$485,000
Down Payment	10%	<u>\$40,200</u>	<u>\$38,800</u>	<u>\$48,500</u>
Loan Amount		\$361,800	\$349,200	\$436,500
Interest Rate		5.25%	5.25%	5.25%
Term (Years)		30	30	30
Annual Mortgage Payment / Rent		\$24,000	\$23,100	\$28,900
HOA	\$250 /Month	\$3,000	\$3,000	\$3,000
Maintenance / Insurance	\$50 /Month	\$600	\$600	\$600
Property Taxes	2.00%	<u>\$8,000</u>	<u>\$7,800</u>	<u>\$9,700</u>
Total Annual Costs		\$35,600	\$34,500	\$42,200
% of Income Spent on Housing		35%	35%	35%
Annual Income Required		\$102,000	\$99,000	\$121,000
II. Number of Households				
Total Number of Residential Units		149	60	111
Occupancy Rate		95%	95%	95%
Total Number of Full-Time Equivalent Households		142	57	105

TABLE B-12

ANNUAL RECURRING REVENUES - SALES TAX, RESIDENT SPENDING
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Taxable Spending by Residents (1)33.5% Temecula Spending Capture80% City Portion of Sales Tax1.0%</div>											
		1	2	3	4	5	6	7	8	9	10
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
I.	Single-Family Attached Townhomes (2-Story)	\$8,971	\$20,933	\$21,980	\$23,079	\$23,656	\$24,247	\$24,853	\$25,475	\$26,111	\$26,764
II.	Single-Family Attached Townhomes (3-Story)	\$10,320	\$27,090	\$45,511	\$55,626	\$58,408	\$61,328	\$62,861	\$64,433	\$66,044	\$67,695
III.	Single-Family Detached	\$11,825	\$27,316	\$44,326	\$50,649	\$53,181	\$55,840	\$57,236	\$58,667	\$60,134	\$61,637
IV.	Total Sales Tax Revenues	\$31,116	\$75,339	\$111,817	\$129,354	\$135,245	\$141,415	\$144,950	\$148,575	\$152,289	\$156,096

(1) KMA assumption, based on review of spending ratios in Southern California counties.

TABLE B-12

ANNUAL RECURRING REVENUES - SALES TAX, RESIDENT SPENDING
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Taxable Spending by Residents (1)33.5% Temecula Spending Capture80% City Portion of Sales Tax1.0%</div>										
	11	12	13	14	15	16	17	18	19	20
	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041
I. Single-Family Attached Townhomes (2-Story)	\$27,433	\$28,119	\$28,822	\$29,543	\$30,281	\$31,038	\$31,814	\$32,610	\$33,425	\$34,260
II. Single-Family Attached Townhomes (3-Story)	\$69,387	\$71,122	\$72,900	\$74,722	\$76,590	\$78,505	\$80,468	\$82,480	\$84,542	\$86,655
III. Single-Family Detached	\$63,178	\$64,757	\$66,376	\$68,036	\$69,737	\$71,480	\$73,267	\$75,099	\$76,976	\$78,901
IV. Total Sales Tax Revenues	\$159,998	\$163,998	\$168,098	\$172,301	\$176,608	\$181,023	\$185,549	\$190,189	\$194,943	\$199,816

(1) KMA assumption, based on review of spending ratios in Southern California counties.

TABLE B-13

ANNUAL RECURRING REVENUES - MEASURE S
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Taxable Spending by Residents33.5% Temecula Spending Capture80% Measure S - Effective Revenues1.0%</div>										
	1	2	3	4	5	6	7	8	9	10
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
I. Single-Family Attached Townhomes (2-Story)	\$6,011	\$17,374	\$18,683	\$19,617	\$20,107	\$20,610	\$21,125	\$21,653	\$23,500	\$24,088
II. Single-Family Attached Townhomes (3-Story)	\$6,914	\$22,485	\$38,684	\$47,282	\$49,647	\$52,129	\$53,432	\$54,768	\$59,439	\$60,925
III. Single-Family Detached	\$7,923	\$22,672	\$37,677	\$43,051	\$45,204	\$47,464	\$48,651	\$49,867	\$54,120	\$55,473
IV. Total Measure S Revenues	\$20,848	\$62,531	\$95,044	\$109,950	\$114,958	\$120,203	\$123,208	\$126,288	\$137,059	\$140,486
% of Measure S Supporting General Fund Operations	67%	83%	85%	85%	85%	85%	85%	85%	90%	90%

TABLE B-13

ANNUAL RECURRING REVENUES - MEASURE S
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Taxable Spending by Residents33.5% Temecula Spending Capture80% Measure S - Effective Revenues1.0%</div>										
	11	12	13	14	15	16	17	18	19	20
	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041
I. Single-Family Attached Townhomes (2-Story)	\$24,690	\$25,307	\$25,940	\$26,588	\$27,253	\$27,934	\$28,633	\$29,349	\$30,082	\$30,834
II. Single-Family Attached Townhomes (3-Story)	\$62,448	\$64,010	\$65,610	\$67,250	\$68,931	\$70,655	\$72,421	\$74,232	\$76,087	\$77,990
III. Single-Family Detached	\$56,860	\$58,282	\$59,739	\$61,232	\$62,763	\$64,332	\$65,940	\$67,589	\$69,279	\$71,011
IV. Total Measure S Revenues	\$143,998	\$147,599	\$151,289	\$155,070	\$158,947	\$162,921	\$166,994	\$171,170	\$175,448	\$179,835
% of Measure S Supporting General Fund Operations	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

TABLE B-14

ESTIMATE OF ANNUAL RECURRING REVENUES - OTHER REVENUES
HEIRLOOM FARMS
CITY OF TEMECULA

Demographic Profile:	<u>Total Population</u>	<u>Total Employment</u>	<u>Total Population/ Jobs</u>	<u>Total Resident Equivalents</u> ⁽³⁾
City of Temecula	113,826 ⁽¹⁾	49,647 ⁽²⁾	163,473	130,210
Heirloom Farms	965	0	965	965

	<u>City FY 2019-2020 Operating Budget</u> ⁽⁴⁾	<u>Service Population</u>	<u>Amount Per Resident or Resident Equivalent</u>	<u>New Residents/ Resident Equivalents</u>
I. Franchise Fees	\$3,351,304	P	\$29.44	965
II. Licenses and Permits	\$290,000	RE	\$2.23	965
III. Fines and Forfeitures	\$849,620	RE	\$6.53	965
IV. Vehicle License Fees	\$55,415	P	\$0.49	965
V. Operating Transfers In - Gas Tax/SLESF	\$3,151,887	P	\$27.69	965
VI. Miscellaneous Revenue	\$55,380	RE	\$0.43	965

VII. Total Other Revenues

Legend:

RE - Resident Equivalent

P - Population

(1) Source: California Department of Finance, January 1, 2019.

(2) Source: U.S. Census Bureau American FactFinder - Employment by Place of Work, 2013-2017 5-Year Estimates.

(3) KMA assumption. Assumes that approximately three employees have the same impact as one resident.

(4) Source: See Table A-3.

TABLE B-15

ESTIMATE OF ANNUAL RECURRING REVENUES - OTHER REVENUES
HEIRLOOM FARMS
CITY OF TEMECULA

	FY 2019-2020 Amount Per Resident or Resident Equivalent	Service Population	1 FY 2022	2 FY 2023	3 FY 2024	4 FY 2025	5 FY 2026	6 FY 2027	7 FY 2028	8 FY 2029	9 FY 2030	10 FY 2031
I. Total Residential Population			268	618	875	965	965	965	965	965	965	965
II. Total Resident Equivalents			268	618	875	965	965	965	965	965	965	965
III. Other Annual General Fund Revenues ⁽¹⁾												
Franchise Fees (2)	\$29.44	P	\$8,129	\$19,027	\$27,343	\$30,608	\$31,067	\$31,533	\$32,006	\$32,486	\$32,973	\$33,468
Licenses and Permits	\$2.23	RE	\$627	\$1,482	\$2,151	\$2,432	\$2,492	\$2,555	\$2,619	\$2,684	\$2,751	\$2,820
Fines and Forfeitures	\$6.53	RE	\$1,837	\$4,343	\$6,302	\$7,124	\$7,302	\$7,485	\$7,672	\$7,864	\$8,060	\$8,262
Vehicle License Fees	\$0.49	P	\$137	\$324	\$470	\$532	\$545	\$558	\$572	\$587	\$601	\$616
Operating Transfers In - Gas Tax/SLESF	\$27.69	P	\$7,797	\$18,428	\$26,744	\$30,233	\$30,988	\$31,763	\$32,557	\$33,371	\$34,205	\$35,061
Miscellaneous Revenue	\$0.43	RE	<u>\$120</u>	<u>\$283</u>	<u>\$411</u>	<u>\$464</u>	<u>\$476</u>	<u>\$488</u>	<u>\$500</u>	<u>\$513</u>	<u>\$525</u>	<u>\$539</u>
VI. Total Other Revenues			\$18,647	\$43,887	\$63,421	\$71,393	\$72,870	\$74,382	\$75,926	\$77,505	\$79,115	\$80,766

Legend:
RE - Resident Equivalent
P - Population

(1) Assumes escalation factor of 2.5%.

(2) Assumes escalation factor of 1.5%.

TABLE B-15

ESTIMATE OF ANNUAL RECURRING REVENUES - OTHER REVENUES
HEIRLOOM FARMS
CITY OF TEMECULA

	FY 2019-2020 Amount Per Resident or Resident Equivalent	Service Population	11 FY 2032	12 FY 2033	13 FY 2034	14 FY 2035	15 FY 2036	16 FY 2037	17 FY 2038	18 FY 2039	19 FY 2040	20 FY 2041
I. Total Residential Population			965	965	965	965	965	965	965	965	965	965
II. Total Resident Equivalents			965	965	965	965	965	965	965	965	965	965
III. Other Annual General Fund Revenues ⁽¹⁾												
Franchise Fees (2)	\$29.44	P	\$33,970	\$34,479	\$34,996	\$35,521	\$36,054	\$36,595	\$37,144	\$37,701	\$38,267	\$38,841
Licenses and Permits	\$2.23	RE	\$2,890	\$2,963	\$3,037	\$3,113	\$3,191	\$3,270	\$3,352	\$3,436	\$3,522	\$3,610
Fines and Forfeitures	\$6.53	RE	\$8,468	\$8,680	\$8,897	\$9,119	\$9,347	\$9,581	\$9,821	\$10,066	\$10,318	\$10,576
Vehicle License Fees	\$0.49	P	\$632	\$648	\$664	\$680	\$697	\$715	\$733	\$751	\$770	\$789
Operating Transfers In - Gas Tax/SLESF	\$27.69	P	\$35,937	\$36,836	\$37,756	\$38,700	\$39,668	\$40,660	\$41,676	\$42,718	\$43,786	\$44,880
Miscellaneous Revenue	\$0.43	RE	<u>\$552</u>	<u>\$566</u>	<u>\$580</u>	<u>\$594</u>	<u>\$609</u>	<u>\$625</u>	<u>\$640</u>	<u>\$656</u>	<u>\$673</u>	<u>\$689</u>
VI. Total Other Revenues			\$82,449	\$84,172	\$85,930	\$87,727	\$89,566	\$91,446	\$93,366	\$95,328	\$97,336	\$99,385

(1) Assumes escalation factor of 2.5%.

(2) Assumes escalation factor of 1.5%.

TABLE B-16

ANNUAL RECURRING REVENUES - SPECIAL TAX (MEASURE C) REVENUE
 HEIRLOOM FARMS
 CITY OF TEMECULA

Special Tax (Measure C) Single-Family (1) \$74.44 /Parcel		1	2	3	4	5	6	7	8	9	10
		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
I.	Single-Family Attached Townhomes (2-Story)	\$2,010	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466
II.	Single-Family Attached Townhomes (3-Story)	\$2,382	\$5,955	\$9,528	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092
III.	Single-Family Detached	\$2,233	\$4,913	\$7,593	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263
IV.	Total Special Tax (Measure C) Revenue	\$6,625	\$15,334	\$21,587	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821

(1) All for-sale property is taxed at the Single-Family per unit rate. Source: City of Temecula, July 20, 2017.

TABLE B-16

ANNUAL RECURRING REVENUES - SPECIAL TAX (MEASUR C) REVENUE
HEIRLOOM FARMS
CITY OF TEMECULA

<div>Special Tax (Measure C) Single-Family (1) \$74.44 /Parcel</div>		11	12	13	14	15	16	17	18	19	20
		FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041
I. Single-Family Attached Townhomes (2-Story)		\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466	\$4,466
II. Single-Family Attached Townhomes (3-Story)		\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092	\$11,092
III. Single-Family Detached		\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263	\$8,263
IV. Total Special Tax (Measure C) Revenue		\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821

(1) All for-sale property is taxed at the Single-Family per unit rateSource: City of Temecula, July 20, 2017.

TABLE B-17

ESTIMATE OF ANNUAL RECURRING EXPENDITURES
HEIRLOOM FARMS
CITY OF TEMECULA

Demographic Profile:	Total Population	Total Employment	Total Population /Jobs	Total Resident Equivalents ⁽³⁾
City of Temecula	113,826 ⁽¹⁾	49,647 ⁽²⁾	163,473	130,210
Heirloom Farms	965	0	965	965

		City FY 2020 Operating Budget ⁽⁴⁾	Escalation Factor ⁽⁵⁾	Service Population	Population Type	Amount Per Resident or Resident Equivalent	New Residents/ Resident Equivalent	"Marginal Cost" Impact Adjustment	Net New Residents/ Resident Equivalent
I.	Police	---	5.00%	---	---	\$326.81 ⁽⁶⁾	965	5%	917
II.	City Council	\$572,843	2.75%	RE	130,210	\$4.40	965	40%	579
III.	Community Support	\$125,000	2.00%	RE	130,210	\$0.96	965	80%	193
IV.	General Government	\$4,596,175	2.50%	RE	130,210	\$35.30	965	40%	579
V.	City Clerk	\$1,452,596	3.00%	RE	130,210	\$11.16	965	30%	676
VI.	City Attorney	\$942,300	2.00%	RE	130,210	\$7.24	965	40%	579
VII.	Finance	\$3,248,115	2.75%	RE	130,210	\$24.95	965	30%	676
VIII.	Community Development	\$3,183,844	2.75%	RE	130,210	\$24.45	965	20%	772
IX.	Public Works - Land Development, Public Works, etc.	\$7,644,586	2.50%	RE	130,210	\$58.71	965	10%	869
X.	Public Works - Parks Maintenance	\$3,951,081	2.50%	P	113,826	\$34.71	965	10%	869
XI.	Fire	\$9,508,607	5.00%	RE	130,210	\$73.03	965	5%	917
XII.	Property Tax Administration	\$85,529	2.00%	RE	130,210	\$0.66	965	30%	676
XIII.	Retiree Medical Contribution	\$1,500,000	3.00%	RE	130,210	\$11.52	965	90%	97
XIV.	PERS Replacement Benefit	\$97,484	3.00%	RE	130,210	\$0.75	965	100%	0
XV.	Asset Management Fund	\$3,000,000	2.50%	RE	130,210	\$23.04	965	0%	965
XVI.	Total Annual Expenditures	\$39,908,160							

Legend:
RE - Resident Equivalent
P - Population

(1) Source: California Department of Finance, January 1, 2019.

(2) Source: U.S. Census Bureau American FactFinder - Employment by Place of Work, 2013-2017 5-Year Estimates.

(3) KMA assumption. Assumes that three employees have the same impact as one resident.

(4) Source: See Table A-4.

(5) Source: Finance Department, City of Temecula.

(6) Based on the cost for staffing one Police Officer (\$326,808) per 1,000 population.

TABLE B-18

ESTIMATE OF ANNUAL RECURRING EXPENDITURES
HEIRLOOM FARMS
CITY OF TEMECULA

		FY 2019-2020				1	2	3	4	5	6	7	8	9	10
		Amount Per	Annual	"Marginal Cost"	Service										
		Resident or	Escalation	Impact	Population										
		Resident	Factor (1)	Adjustment		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		Equivalent													
I.	Total Residential Population					268	618	875	965	965	965	965	965	965	965
II.	Total Resident Equivalents					268	618	875	965	965	965	965	965	965	965
III.	Annual General Fund Expenditures														
	Police	\$326.81 (2)	5.00%	5%	---	\$91,734	\$222,112	\$330,203	\$382,376	\$401,494	\$421,569	\$442,647	\$464,780	\$488,019	\$512,420
	City Council	\$4.40	2.75%	40%	RE	\$747	\$1,770	\$2,574	\$2,917	\$2,998	\$3,080	\$3,165	\$3,252	\$3,341	\$3,433
	Community Support	\$0.96	2.00%	80%	RE	\$54	\$126	\$182	\$205	\$209	\$213	\$217	\$221	\$226	\$230
	General Government	\$35.30	2.50%	40%	RE	\$5,963	\$14,095	\$20,455	\$23,123	\$23,701	\$24,294	\$24,901	\$25,524	\$26,162	\$26,816
	City Clerk	\$11.16	3.00%	30%	RE	\$2,220	\$5,274	\$7,691	\$8,736	\$8,998	\$9,268	\$9,546	\$9,832	\$10,127	\$10,431
	City Attorney	\$7.24	2.00%	40%	RE	\$1,211	\$2,848	\$4,113	\$4,626	\$4,719	\$4,813	\$4,909	\$5,008	\$5,108	\$5,210
	Finance	\$24.95	2.75%	30%	RE	\$4,941	\$11,706	\$17,030	\$19,298	\$19,829	\$20,374	\$20,935	\$21,511	\$22,102	\$22,710
	Community Development	\$24.45	2.75%	20%	RE	\$5,535	\$13,114	\$19,078	\$21,619	\$22,214	\$22,824	\$23,452	\$24,097	\$24,760	\$25,441
	Public Works - Land Development, Public Works, e	\$58.71	2.50%	10%	RE	\$14,878	\$35,165	\$51,034	\$57,690	\$59,132	\$60,611	\$62,126	\$63,679	\$65,271	\$66,903
	Public Works - Parks Maintenance	\$34.71	2.50%	10%	P	\$8,796	\$20,791	\$30,173	\$34,109	\$34,961	\$35,835	\$36,731	\$37,649	\$38,591	\$39,555
	Fire	\$73.03	5.00%	5%	RE	\$20,498	\$49,631	\$73,784	\$85,442	\$89,714	\$94,200	\$98,910	\$103,855	\$109,048	\$114,501
	Property Tax Administration	\$0.66	2.00%	30%	RE	\$128	\$302	\$435	\$490	\$500	\$510	\$520	\$530	\$541	\$552
	Retiree Medical Contribution	\$11.52	3.00%	90%	RE	\$328	\$778	\$1,135	\$1,289	\$1,327	\$1,367	\$1,408	\$1,450	\$1,494	\$1,539
	PERS Replacement Benefit	\$0.75	3.00%	100%	RE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Asset Management Fund	\$23.04	2.50%	0%	RE	\$6,487	\$15,333	\$22,253	\$25,155	\$25,784	\$26,429	\$27,089	\$27,766	\$28,461	\$29,172
IV.	Total Annual Expenditures					\$163,520	\$393,045	\$580,140	\$667,075	\$695,580	\$725,387	\$756,556	\$789,154	\$823,251	\$858,913

Legend:
RE - Resident Equivalent
P - Population

(1) Source: Finance Department, City of Temecula.
(2) Based on the cost for staffing one Police Officer (\$326,808) per 1,000 population.

TABLE B-18

ESTIMATE OF ANNUAL RECURRING EXPENDITURES
HEIRLOOM FARMS
CITY OF TEMECULA

		FY 2019-2020				11	12	13	14	15	16	17	18	19	20
		Amount Per	Annual	"Marginal Cost"	Service	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041
		Resident or	Escalation	Impact	Population										
		Resident	Factor (1)	Adjustment											
		Equivalent													
I.	Total Residential Population					965	965	965	965	965	965	965	965	965	965
II.	Total Resident Equivalents					965	965	965	965	965	965	965	965	965	965
III.	Annual General Fund Expenditures														
	Police	\$326.81 (2)	5.00%	5%	---	\$538,041	\$564,943	\$593,190	\$622,849	\$653,992	\$686,692	\$721,026	\$757,077	\$794,931	\$834,678
	City Council	\$4.40	2.75%	40%	RE	\$3,527	\$3,624	\$3,724	\$3,826	\$3,932	\$4,040	\$4,151	\$4,265	\$4,382	\$4,503
	Community Support	\$0.96	2.00%	80%	RE	\$235	\$240	\$244	\$249	\$254	\$259	\$265	\$270	\$275	\$281
	General Government	\$35.30	2.50%	40%	RE	\$27,486	\$28,174	\$28,878	\$29,600	\$30,340	\$31,098	\$31,876	\$32,673	\$33,490	\$34,327
	City Clerk	\$11.16	3.00%	30%	RE	\$10,744	\$11,067	\$11,399	\$11,740	\$12,093	\$12,455	\$12,829	\$13,214	\$13,610	\$14,019
	City Attorney	\$7.24	2.00%	40%	RE	\$5,314	\$5,420	\$5,529	\$5,639	\$5,752	\$5,867	\$5,985	\$6,104	\$6,226	\$6,351
	Finance	\$24.95	2.75%	30%	RE	\$23,334	\$23,976	\$24,635	\$25,313	\$26,009	\$26,724	\$27,459	\$28,214	\$28,990	\$29,787
	Community Development	\$24.45	2.75%	20%	RE	\$26,140	\$26,859	\$27,598	\$28,357	\$29,136	\$29,938	\$30,761	\$31,607	\$32,476	\$33,369
	Public Works - Land Development, Public Works, e	\$58.71	2.50%	10%	RE	\$68,575	\$70,290	\$72,047	\$73,848	\$75,694	\$77,587	\$79,526	\$81,514	\$83,552	\$85,641
	Public Works - Parks Maintenance	\$34.71	2.50%	10%	P	\$40,544	\$41,558	\$42,597	\$43,662	\$44,753	\$45,872	\$47,019	\$48,195	\$49,399	\$50,634
	Fire	\$73.03	5.00%	5%	RE	\$120,226	\$126,237	\$132,549	\$139,176	\$146,135	\$153,442	\$161,114	\$169,169	\$177,628	\$186,509
	Property Tax Administration	\$0.66	2.00%	30%	RE	\$563	\$574	\$585	\$597	\$609	\$621	\$634	\$646	\$659	\$673
	Retiree Medical Contribution	\$11.52	3.00%	90%	RE	\$1,585	\$1,633	\$1,682	\$1,732	\$1,784	\$1,837	\$1,893	\$1,949	\$2,008	\$2,068
	PERS Replacement Benefit	\$0.75	3.00%	100%	RE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Asset Management Fund	\$23.04	2.50%	0%	RE	\$29,901	\$30,649	\$31,415	\$32,201	\$33,006	\$33,831	\$34,677	\$35,543	\$36,432	\$37,343
IV.	Total Annual Expenditures					\$896,215	\$935,244	\$976,072	\$1,018,789	\$1,063,489	\$1,110,263	\$1,159,215	\$1,210,440	\$1,264,058	\$1,320,183

(1) Source: Finance Department, City of Temecula.
(2) Based on the cost for staffing one Police Officer (\$326,808) per 1,000 population.

TABLE B-19

ANNUAL GENERAL FUND FISCAL IMPACT
HEIRLOOM FARMS
CITY OF TEMECULA

	1	2	3	4	5	6	7	8	9	10
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
I. Annual General Fund Revenues										
Property Tax	\$24,688	\$59,008	\$86,157	\$97,336	\$99,283	\$101,268	\$103,294	\$105,360	\$107,466	\$109,616
Property Tax In-Lieu of VLF	\$24,677	\$58,979	\$86,116	\$97,290	\$99,236	\$101,221	\$103,245	\$105,310	\$107,417	\$109,564
Property Transfer Tax	\$24,080	\$57,553	\$69,422	\$9,493	\$9,684	\$9,878	\$10,074	\$10,277	\$10,482	\$10,692
Sales Tax - Resident Spending	\$31,116	\$75,339	\$111,817	\$129,354	\$135,245	\$141,415	\$144,950	\$148,575	\$152,289	\$156,096
Measure S	\$20,848	\$62,531	\$95,044	\$109,950	\$114,958	\$120,203	\$123,208	\$126,288	\$137,059	\$140,486
Measure C	\$6,625	\$15,334	\$21,587	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821
Franchise Fees	\$8,129	\$19,027	\$27,343	\$30,608	\$31,067	\$31,533	\$32,006	\$32,486	\$32,973	\$33,468
Licenses and Permits	\$627	\$1,482	\$2,151	\$2,432	\$2,492	\$2,555	\$2,619	\$2,684	\$2,751	\$2,820
Fines and Forfeitures	\$1,837	\$4,343	\$6,302	\$7,124	\$7,302	\$7,485	\$7,672	\$7,864	\$8,060	\$8,262
Vehicle License Fees	\$137	\$324	\$470	\$532	\$545	\$558	\$572	\$587	\$601	\$616
Operating Transfers In - Gas Tax/SLESF	\$7,797	\$18,428	\$26,744	\$30,233	\$30,988	\$31,763	\$32,557	\$33,371	\$34,205	\$35,061
Miscellaneous Revenue	<u>\$120</u>	<u>\$283</u>	<u>\$411</u>	<u>\$464</u>	<u>\$476</u>	<u>\$488</u>	<u>\$500</u>	<u>\$513</u>	<u>\$525</u>	<u>\$539</u>
Total Revenues	\$150,681	\$372,631	\$533,564	\$538,637	\$555,097	\$572,188	\$584,518	\$597,136	\$617,649	\$631,041
II. Annual General Fund Expenditures										
Police	\$91,734	\$222,112	\$330,203	\$382,376	\$401,494	\$421,569	\$442,647	\$464,780	\$488,019	\$512,420
City Council	\$747	\$1,770	\$2,574	\$2,917	\$2,998	\$3,080	\$3,165	\$3,252	\$3,341	\$3,433
Community Support	\$54	\$126	\$182	\$205	\$209	\$213	\$217	\$221	\$226	\$230
General Government	\$5,963	\$14,095	\$20,455	\$23,123	\$23,701	\$24,294	\$24,901	\$25,524	\$26,162	\$26,816
City Clerk	\$2,220	\$5,274	\$7,691	\$8,736	\$8,998	\$9,268	\$9,546	\$9,832	\$10,127	\$10,431
City Attorney	\$1,211	\$2,848	\$4,113	\$4,626	\$4,719	\$4,813	\$4,909	\$5,008	\$5,108	\$5,210
Finance	\$4,941	\$11,706	\$17,030	\$19,298	\$19,829	\$20,374	\$20,935	\$21,511	\$22,102	\$22,710
Community Development	\$5,535	\$13,114	\$19,078	\$21,619	\$22,214	\$22,824	\$23,452	\$24,097	\$24,760	\$25,441
Public Works - Land Development, Public Works, etc.	\$14,878	\$35,165	\$51,034	\$57,690	\$59,132	\$60,611	\$62,126	\$63,679	\$65,271	\$66,903
Public Works - Parks Maintenance	\$8,796	\$20,791	\$30,173	\$34,109	\$34,961	\$35,835	\$36,731	\$37,649	\$38,591	\$39,555
Fire	\$20,498	\$49,631	\$73,784	\$85,442	\$89,714	\$94,200	\$98,910	\$103,855	\$109,048	\$114,501
Property Tax Administration	\$128	\$302	\$435	\$490	\$500	\$510	\$520	\$530	\$541	\$552
Retiree Medical Contribution	\$328	\$778	\$1,135	\$1,289	\$1,327	\$1,367	\$1,408	\$1,450	\$1,494	\$1,539
PERS Replacement Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Management Fund	<u>\$6,487</u>	<u>\$15,333</u>	<u>\$22,253</u>	<u>\$25,155</u>	<u>\$25,784</u>	<u>\$26,429</u>	<u>\$27,089</u>	<u>\$27,766</u>	<u>\$28,461</u>	<u>\$29,172</u>
Total Expenditures	\$163,520	\$393,045	\$580,140	\$667,075	\$695,580	\$725,387	\$756,556	\$789,154	\$823,251	\$858,913
III. Annual Recurring Surplus/(Deficit)	(\$12,840)	(\$20,414)	(\$46,577)	(\$128,438)	(\$140,483)	(\$153,199)	(\$172,038)	(\$192,018)	(\$205,602)	(\$227,872)
Per Unit Per Year	(\$40)	(\$64)	(\$146)	(\$401)	(\$439)	(\$479)	(\$538)	(\$600)	(\$643)	(\$712)
Revenues to Expenditure Ratio	0.92	0.95	0.92	0.81	0.80	0.79	0.77	0.76	0.75	0.73

TABLE B-19

ANNUAL GENERAL FUND FISCAL IMPACT
HEIRLOOM FARMS
CITY OF TEMECULA

	11	12	13	14	15	16	17	18	19	20
	<u>FY 2032</u>	<u>FY 2033</u>	<u>FY 2034</u>	<u>FY 2035</u>	<u>FY 2036</u>	<u>FY 2037</u>	<u>FY 2038</u>	<u>FY 2039</u>	<u>FY 2040</u>	<u>FY 2041</u>
I. Annual General Fund Revenues										
Property Tax	\$111,809	\$114,045	\$116,327	\$118,653	\$121,027	\$123,447	\$125,915	\$128,434	\$131,003	\$133,622
Property Tax In-Lieu of VLF	\$111,756	\$113,991	\$116,271	\$118,596	\$120,968	\$123,388	\$125,855	\$128,373	\$130,940	\$133,559
Property Transfer Tax	\$10,905	\$11,123	\$11,346	\$11,573	\$11,804	\$12,040	\$12,281	\$12,527	\$12,777	\$13,033
Sales Tax - Resident Spending	\$159,998	\$163,998	\$168,098	\$172,301	\$176,608	\$181,023	\$185,549	\$190,189	\$194,943	\$199,816
Measure S	\$143,998	\$147,599	\$151,289	\$155,070	\$158,947	\$162,921	\$166,994	\$171,170	\$175,448	\$179,835
Measure C	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821	\$23,821
Franchise Fees	\$33,970	\$34,479	\$34,996	\$35,521	\$36,054	\$36,595	\$37,144	\$37,701	\$38,267	\$38,841
Licenses and Permits	\$2,890	\$2,963	\$3,037	\$3,113	\$3,191	\$3,270	\$3,352	\$3,436	\$3,522	\$3,610
Fines and Forfeitures	\$8,468	\$8,680	\$8,897	\$9,119	\$9,347	\$9,581	\$9,821	\$10,066	\$10,318	\$10,576
Vehicle License Fees	\$632	\$648	\$664	\$680	\$697	\$715	\$733	\$751	\$770	\$789
Operating Transfers In - Gas Tax/SLESF	\$35,937	\$36,836	\$37,756	\$38,700	\$39,668	\$40,660	\$41,676	\$42,718	\$43,786	\$44,880
Miscellaneous Revenue	<u>\$552</u>	<u>\$566</u>	<u>\$580</u>	<u>\$594</u>	<u>\$609</u>	<u>\$625</u>	<u>\$640</u>	<u>\$656</u>	<u>\$673</u>	<u>\$689</u>
Total Revenues	\$644,736	\$658,749	\$673,082	\$687,741	\$702,741	\$718,086	\$733,781	\$749,842	\$766,268	\$783,071
II. Annual General Fund Expenditures										
Police	\$538,041	\$564,943	\$593,190	\$622,849	\$653,992	\$686,692	\$721,026	\$757,077	\$794,931	\$834,678
City Council	\$3,527	\$3,624	\$3,724	\$3,826	\$3,932	\$4,040	\$4,151	\$4,265	\$4,382	\$4,503
Community Support	\$235	\$240	\$244	\$249	\$254	\$259	\$265	\$270	\$275	\$281
General Government	\$27,486	\$28,174	\$28,878	\$29,600	\$30,340	\$31,098	\$31,876	\$32,673	\$33,490	\$34,327
City Clerk	\$10,744	\$11,067	\$11,399	\$11,740	\$12,093	\$12,455	\$12,829	\$13,214	\$13,610	\$14,019
City Attorney	\$5,314	\$5,420	\$5,529	\$5,639	\$5,752	\$5,867	\$5,985	\$6,104	\$6,226	\$6,351
Finance	\$23,334	\$23,976	\$24,635	\$25,313	\$26,009	\$26,724	\$27,459	\$28,214	\$28,990	\$29,787
Community Development	\$26,140	\$26,859	\$27,598	\$28,357	\$29,136	\$29,938	\$30,761	\$31,607	\$32,476	\$33,369
Public Works - Land Development, Public Works, etc.	\$68,575	\$70,290	\$72,047	\$73,848	\$75,694	\$77,587	\$79,526	\$81,514	\$83,552	\$85,641
Public Works - Parks Maintenance	\$40,544	\$41,558	\$42,597	\$43,662	\$44,753	\$45,872	\$47,019	\$48,195	\$49,399	\$50,634
Fire	\$120,226	\$126,237	\$132,549	\$139,176	\$146,135	\$153,442	\$161,114	\$169,169	\$177,628	\$186,509
Property Tax Administration	\$563	\$574	\$585	\$597	\$609	\$621	\$634	\$646	\$659	\$673
Retiree Medical Contribution	\$1,585	\$1,633	\$1,682	\$1,732	\$1,784	\$1,837	\$1,893	\$1,949	\$2,008	\$2,068
PERS Replacement Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Management Fund	<u>\$29,901</u>	<u>\$30,649</u>	<u>\$31,415</u>	<u>\$32,201</u>	<u>\$33,006</u>	<u>\$33,831</u>	<u>\$34,677</u>	<u>\$35,543</u>	<u>\$36,432</u>	<u>\$37,343</u>
Total Expenditures	\$896,215	\$935,244	\$976,072	\$1,018,789	\$1,063,489	\$1,110,263	\$1,159,215	\$1,210,440	\$1,264,058	\$1,320,183
III. Annual Recurring Surplus/(Deficit)	(\$251,479)	(\$276,495)	(\$302,990)	(\$331,048)	(\$360,748)	(\$392,177)	(\$425,434)	(\$460,598)	(\$497,790)	(\$537,112)
Per Unit Per Year	(\$786)	(\$864)	(\$947)	(\$1,035)	(\$1,127)	(\$1,226)	(\$1,329)	(\$1,439)	(\$1,556)	(\$1,678)
Revenues to Expenditure Ratio	0.72	0.70	0.69	0.68	0.66	0.65	0.63	0.62	0.61	0.59