Appendix J:
Market Report / Fiscal Impact Analysis

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GCG
GOODWIN CONSULTING GROUP

City of Suisun City

Suisun Logistics Center
Fiscal Impact Analysis

Final Draft Report

January 5, 2024

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City of Suisun
Suisun Logistics Center
Fiscal Impact Analysis

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Chapter 1
INTRODUCTION

PURPOSE OF REPORT

This report summarizes methodologies and assumptions that may be used to evaluate recurring fiscal impacts to the City of Suisun City (City) associated with providing services to the proposed Suisun Logistics Center project area, which is currently located within unincorporated Solano County (County) jurisdiction but within the City's Sphere of Influence. The fiscal impact analysis (FIA) evaluates annual revenues and expenses related to the City's General Fund.

Other funds that are supported by development fees and user charges (e.g., enterprise funds), state resources (e.g., school districts), or a specific allocation of property taxes (e.g., mosquito abatement districts) are <u>not</u> included in this analysis. This report outlines project-specific assumptions to analyze fiscal impacts from future development within the Suisun Logistics Center area (the Project), which is assumed to annex into the City.

ORGANIZATION OF REPORT

This report is organized into the following five chapters:

Chapter 1 States the objective of the report and outlines its structure.

Chapter 2 Describes the Suisun Logistics Center development proposal.

Chapter 3 Outlines the scope, approach, and global/key assumptions.

Chapter 4 Describes specific assumptions that apply to the City and identifies which methodologies apply to City revenue and expense categories.

Chapter 5 Summarizes the results of the analysis.

REGIONAL LOCATION

Established in the 1850s and incorporated in 1868, Suisun City encompasses approximately 4.2 square miles and has a current population of approximately 28,500 people; the City is estimated to be home to approximately 3,700 jobs as well. It is centrally located in Northern California between the San Francisco Bay Area and the Sacramento Valley, in the middle part of Solano County, southwest of the City of Fairfield, and is situated along State Route 12 (SR-12), just west of the intersection with Interstate 80. A map showing the regional area is provided below in Figure 1 (Regional Location Map).

FIGURE 1
REGIONAL LOCATION MAP

Source: Census 2000 Data, The California Spatial Information Library (CaSIL).

FIRSTCARBON SOLUTIONS™ 5 2.5 0 5 Miles

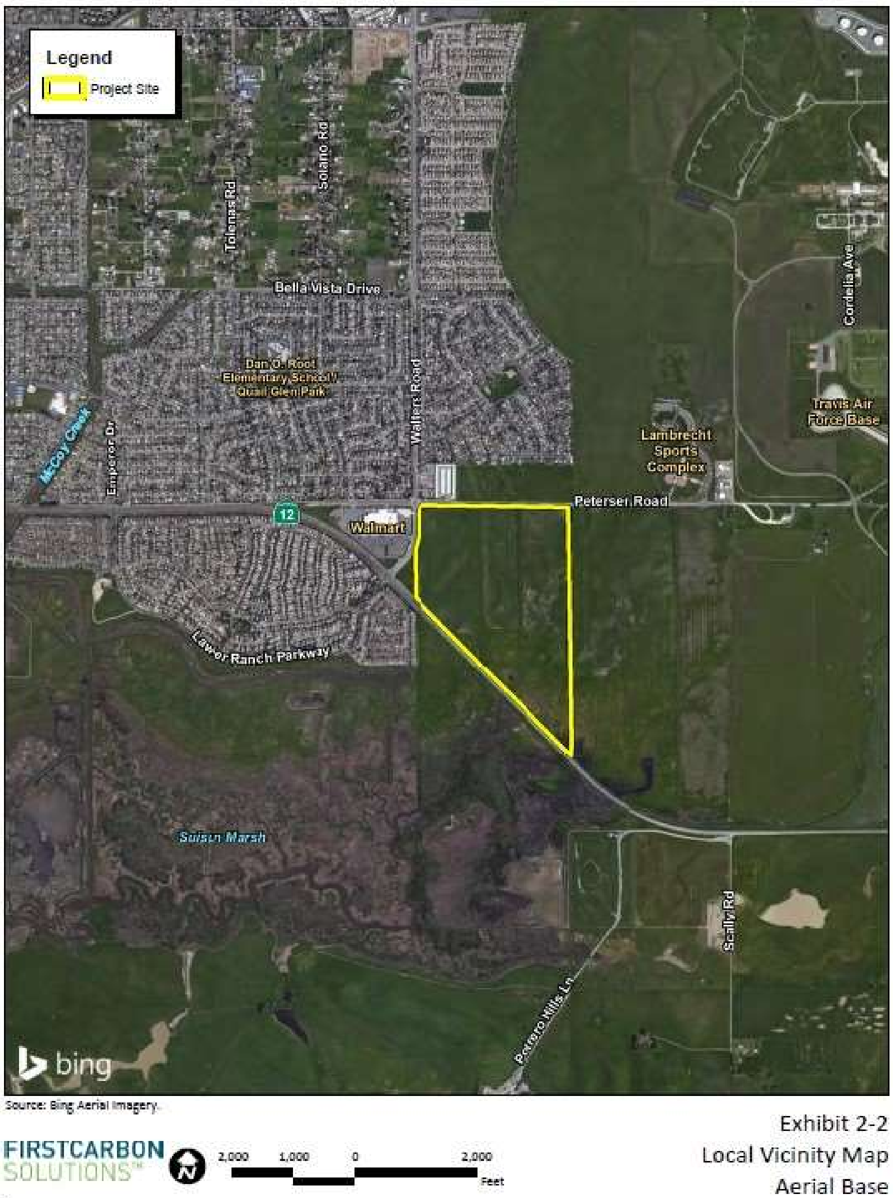
Exhibit 2-1
Regional Location Map

PROJECT AREA

As depicted in Figure 2 below (Project Site Map), the Project area is bounded to the east by grazing land. The western perimeter of the Project site is bounded by a Walmart and a service station on the other side of Walters Road. To the north, the Project is bounded by Peterson Road, and to the south, it is bounded by SR-12.

This Project area encompasses approximately 167 acres, is located outside City limits but within the City's Sphere of Influence, and covers one Tax Rate Area (TRA) within the County (TRA 060-017).

FIGURE 2
PROJECT SITE MAP



PROPOSED DEVELOPMENT

The development plan for the Project area consists of 2.06 million square feet of building space on 120 acres. Another 47 acres would be preserved as managed open space, which is assumed to be privately managed and funded. The development area would entail six separate buildings, as summarized in Table 1 (Anticipated Development) and as illustrated in Figure 3 (Project Development Plan Map), and presented below. Each building would include docks, grade level roll-up doors, and trailer parking stalls. Also, the facility would be enclosed with a secure perimeter and access would be restricted to authorized users.

TABLE 1
ANTICIPATED DEVELOPMENT

Proposed Buildings	***Building Square Feet***
Building A	199,784
Building B	199,784
Building C	145,397
Building D	224,138
Building E	644,782
Building F	644,782
Total	2,058,667

FIGURE 3
PROJECT DEVELOPMENT PLAN MAP

Source: RMW Architecture Interiors, 11/18/2020.

FIRSTCARBON SOLUTIONS™

Exhibit 2-4
Preliminary Site Plan

Chapter 3

METHODOLOGY AND GENERAL ASSUMPTIONS

SCOPE AND METHODOLOGY

Fiscal impacts arising from land development can be categorized broadly as either one-time impacts or recurring impacts, both of which involve a revenue and expense component. For example, a project may create the need for an onsite sheriff substation, and the one-time construction cost of the station may be offset by a development impact fee. The annual expenses associated with staffing and maintaining the sheriff substation will be offset by annual property taxes and other revenues generated by new development. The fiscal impacts evaluated in this report are the annual, or recurring, revenues and expenses that will affect the City as a result of future development within the Project area.

Two methodologies are employed to estimate recurring fiscal impacts. First, the case study method is used to estimate recurring revenues and expenses by applying defined service standards, existing tax and fee rates, and suggested operating and maintenance costs to the various land uses and services proposed in the Project area. The second methodology is the multiplier method, which assumes that fiscal impacts will result from proposed development at forecasted rates per resident, per employee, or per person served based on existing averages for the City. The fiscal year (FY) 2022-23 budget for the City is used to estimate many of the average revenues and expenses; this FY budget is utilized in the analysis because it was the most current budget available at the time the FIA process began and because it is consistent with the timeframe that various fiscal assumptions, such as the Project valuation, were developed. The case study and multiplier methods are generally used under the following conditions:

Case Study Method

1. Marginal cost is a better approximation of the actual costs to provide similar services to specific new developments in future years.

2. The land use distribution of the project area being analyzed does not resemble the land use distribution within the public agency's boundaries.

3. Service standards and estimated future costs for new projects are anticipated to be different than they are now.

Multiplier Method

1. Average cost is a reasonable approximation of the actual costs to provide similar services to specific new developments in future years.

2. Specific revenues and expenses are generated based on population or employment (e.g., recreation services or business licenses), or both population and employment combined.

3. Service standards and other information are not available or accurate.

The multiplier method relies on a “persons served” factor, which is most often the sum of all residents plus a certain percentage of employees. The exact relationship of service demands and revenue potential between residents and employees is difficult to measure, but a service population comprised of all residents plus 50% of employees is considered standard fiscal practice. The 50% ratio suggests that a resident generally has twice the impact of an employee (e.g., a resident is home 16 hours per day, while an employee is at work eight hours per day).

The “Persons Served” factors for the City are presented in Table A-1 of the Appendix along with the population and employee figures. These estimates are based on 2023 data in order to correspond to the FY 2022-23 budget utilized in the analysis, and are summarized in Table 2 below.

TABLE 2
CITY RESIDENTS, EMPLOYEES, AND PERSONS SERVED ESTIMATES IN 2023

	City Total
Residents	28,471
Employees	3,732
Persons Served (Residents + 50% of Employees)	30,337

Case study and multiplier approaches are used to estimate different recurring fiscal impacts for the City, as listed in Table 3 on the following page.

TABLE 3
REVENUE AND EXPENDITURE CALCULATION METHODOLOGIES FOR THE CITY

CASE STUDY METHOD	MULTIPLIER METHOD
City of Suisun City	
Recurring Revenues	
Property Tax: Secured & Unsecured Base & Pooled Sales / Use Tax Prop 172 Sales Tax – Public Safety Property Tax In Lieu of VLF Citywide Services CFD No. 2	Franchise Fees Licenses & Permits Charges for Services Fines & Forfeitures
Recurring Expenses	
Additional Police Staff Additional Pavement Maintenance	General Government/Administrative Services Development Services Fire Protection Police Services Public Works Non-Departmental Services Recreation, Parks & Marina

GENERAL ASSUMPTIONS

Many assumptions are factored into this FIA. Some of the most critical assumptions, in terms of their effect on revenues and expenses, are delineated below:

1. All revenue and expense assumptions are presented in 2023 dollars. Future analyses should be updated to reflect then-current revenues and expenses, or assumptions should be increased by an inflation factor that is tied to an appropriate inflation index such as the Engineering News-Record index or one of the regional consumer price indices.

2. Legislative actions taken at the state level in the 1990s diverted a percentage of the 1.0% property tax into the Educational Revenue Augmentation Fund (ERAF). For purposes of the fiscal analysis, it is assumed that this situation will continue in future years.

3. Estimated population and employee estimates shown in Table A-1 of the Appendix reflect 2023 estimates for the City. As discussed previously, these estimates are used to determine average revenue and expense multipliers that serve as the basis for a significant part of the FIA. Population estimates are based on data from the California Department of Finance (DOF), while employment estimates are based on information provided by Claritas, a private demographics data provider.

4. Detailed information regarding Project demographics, average values, and other project-specific assumptions for the Project is provided in Table A-2 of the Appendix. An employment density assumption of 1,000 square feet per employee for the light industrial logistics land use is also included in this table, producing an estimated 2,059 employees at buildout. A particularly important assumption that affects property tax and property tax in-lieu of vehicle license fees is the estimated value of developed property. The total secured and unsecured value of this logistics land use is estimated to be $160 per building square foot. It should be noted that this value represents an average for new development within the Project area. Values for each building may vary depending on building height, building facade, building size, type and extent of unsecured property inside, and other factors.

5. Fiscal revenue and expense standards generally reflect average revenues and expenses based on the FY 2022-23 budget for the City. Specific adjustments to certain budget categories or line items are described in Chapter 4 of this study.

6. The governing jurisdiction is an important consideration because it determines how property taxes and other revenues are calculated and allocated, as well as which agency is responsible for providing services. It is assumed that the City will annex the Project into its boundaries and operate as the governing jurisdiction for the Project.

Chapter 4

FISCAL ASSUMPTIONS AND REVENUE/EXPENSE ASSUMPTIONS

The City provides citywide services, such as public safety services, to all residents who live in the City and all employees who work in the City. Future development within the Suisun Logistics Center area will produce a fiscal impact on the City based on the municipal services that are provided to the area by the City.

This chapter summarizes the applicable assumptions used to estimate fiscal impacts on the City associated with future development within the Project area, assuming that the Project is annexed into the incorporated territory of the City. Detailed tables of fiscal assumptions related to City revenues and service expenses are presented in Table A-3 and Tables B-1 through B-5 of the Appendix.

CITY FISCAL ASSUMPTIONS

Some of the key assumptions that drive the calculation of City revenues and expenses are described below. Fiscal revenues and expenses reflect average revenues and expenses based on the City's FY 2022-23 budget, with the following notable exceptions:

1. As discussed above in Chapter 3, certain revenues are calculated and estimated based on the Case Study method, so they will not necessarily reflect average City revenues. These revenues are listed in Table 4 above and in Table B-1 of the Appendix.

2. Several City revenue sources are assumed to be unaffected by new development within the Project. For example, the new buildings are expected to be owned and operated by the developer over a long period of time, so a lack of building sales transactions would produce no real property transfer tax revenue. Similarly, a hotel or other land use that may generate transient occupancy tax (TOT) is not anticipated, so TOT revenues are not expected to be generated directly from within the Project. These and other revenue line items not expected to be impacted by Project development are listed in Table B-1 of the Appendix.

3. Most of the City's costs are variable expenses that will increase to respond to new growth within the City and address the City's responsibility to provide services to those new growth areas. However, some of the City costs are fixed and will not necessarily be impacted by new growth. An example of these types of costs is the fact that there will only be five City Council members, one City Clerk, City Treasurer, and City Manager, one Police Chief and one Fire Chief, and one department head in areas such as Development Services and Public Works whether there is new growth or not. Standard fiscal practice applies a 25% discount to General Government and Administrative Services expenses to account for these types of fixed costs across the City's budget.

4. The City commissioned the following three studies recently to identify if desired levels of serve (LOS) were being met, or could be met:

   - *Fire Service Impacts Review of Proposed Regional Warehouses*, prepared by Citygate Associates, dated December 13, 2022.

   - *Police Department Staffing and Facility Assessment*, prepared by Matrix Consulting Group, dated March 15, 2021.

   - *Pavement Management Report*, prepared by AMS Consulting, dated April 29, 2021.

   The Fire analysis did not suggest that additional staffing or other operating costs would be required to provide a higher or desired LOS, assuming a built-in sprinkler system and other fire suppression equipment are installed and perform as designed. However, the Police analysis and the Pavement Management analysis indicated that additional staffing and related costs would be necessary to enhance the LOS to more desirable levels. Table B-5 captures the additional costs associated with these LOS adjustments, as described more fully later in this chapter.

REVENUE ASSUMPTIONS

<u>Case Study Method</u>

Secured and Unsecured Property Tax

Property taxes are allocated to public agencies and special districts based on the various allocation factors within a Tax Rate Area (TRA). Table A-3 in the Appendix identifies the allocation factors for the variety of districts, funds, and agencies included within the one applicable TRA for the Project (TRA 060-017), both before and after revenues have been shifted to the Educational Revenue Augmentation Fund (ERAF).

The County General Fund is allocated 40.74% of the basic 1% property tax on a pre-ERAF basis. Also, the Suisun Fire Protection District is allocated 7.75% of the basic 1% property tax, which together with the County's allocation produces a total of approximately 48.5% available to split between the City and County, prior to ERAF. Pursuant to the Master Property Tax Transfer Agreement between the County and its seven constituent cities, Suisun City would receive 14.47% of the pre-ERAF allocation, while Solano County would retain its former pre-ERAF allocation minus the City's allocation (40.74% – 14.47% = 26.27%), plus the allocation to the Suisun Fire Protection District, which will no longer provide services to the annexed Project area (26.27% + 7.75% = 34.02%). After the ERAF shift, the City allocation of 14.47% is reduced to 13.3%; the County allocation of 34.02% is reduced to a post-ERAF 21.6%.

These allocation amounts are shown in Table A-3, and the City allocation is shown again in Table B-2.

Sales and Use Tax

Several methodologies can be used to estimate taxable retail sales. One method measures taxable sales based on the supply of retail, office, and industrial square footage. Under this approach, a taxable sales per square foot estimate is multiplied by the total proposed retail, office, or industrial square footage planned, sometimes adjusted to account for stabilized occupancy. Another approach looks at the demand side of the equation. In this approach, household income, percentage of household income spent on taxable goods and services, and a taxable sales capture rate for the Project are estimated to determine taxable sales.

Since there is no residential development integrated into this Project, the analysis estimates sales tax revenue using a supply side approach. Light industrial/warehouse land uses are assumed to produce only minimal taxable sales (from a few point-of-sale businesses operating out of these uses), estimated to be $5 per building square foot, as shown in Table B-2. Total annual taxable sales projected for the Project are estimated to be $6.4 million.

In addition to the 1.0% local sales tax, all governing jurisdictions also receive a portion of the County's and State's pooled revenues. When a sale cannot be identified with a permanent place of business in California, the local sales tax is allocated to local jurisdictions through countywide or statewide pools. Accordingly, certain sellers are authorized to report their local sales tax either on a countywide or statewide basis. These may include auctioneers, construction contractors making sales of fixtures, catering trucks, itinerant vendors, vending machine operators, and other permit holders who operate in more than one local jurisdiction but are unable to readily allocate taxable transactions to particular jurisdictions. Use tax is also allocated through a countywide pool. Examples of taxpayers who report use tax allocated through the countywide pool include out-of-state sellers who ship goods directly to consumers in the state from a stock of goods located outside the state, and California sellers who ship goods directly to consumers in the state from a stock of goods located outside of the state. The countywide pools are prorated, first among the cities and the unincorporated area of each county using the proportion that the identified tax for each city and unincorporated area of a county bears to the total identified for the county as a whole. Next, the combined total of the direct sales tax allocation and the prorated countywide pool amount is used to allocate the statewide pool amount to each city and county.

Countywide and statewide pooled sales tax revenue is calculated to be 14.1% of the basic 1% sales tax revenue, as shown in Table B-2. These two sources of sales tax revenue are combined to produce a total sales tax revenue estimate for the Project.

Note that Measure S revenue is not included in the analysis since it is anticipated to sunset in 2026. In addition, gas tax revenues are not incorporated into the analysis because they are not General Fund revenues and are offset by City expenses that are also not included in the analysis.

Proposition 172 Public Safety Sales Tax

Proposition 172 created a one half cent sales tax for local public safety. In fact, it was designed as a means of softening the impact of the ERAF shift on local agencies. Each county allocates

Prop 172 revenues to each city and the unincorporated area of the county based on their proportionate share of net property tax loss due to ERAF. Since counties bear the brunt of the ERAF property tax loss, counties receive most of the public safety sales tax revenue. In Solano County, the County is allocated approximately 95% of the Prop 172 revenue that flows to the County as a whole, and the cities within the County share in the remaining 5%. Suisun City receives approximately 0.5% of the Prop 172 revenue.

Property Tax In-Lieu of Vehicle License Fees

The November 2004 election and the passage of Proposition 1A enacted a constitutional amendment that introduced the property tax for vehicle license fee (VLF) swap, which results in a new methodology to calculate property taxes in lieu of vehicle license fees. Under this law, the VLF backfill from the state general fund used to supplement taxpayer VLF revenues is eliminated and replaced with a like amount of property taxes, dollar-for-dollar. In subsequent years after the FY 2004-05 base year, the property tax in lieu of VLF amount grows in proportion to the growth rate of gross assessed valuation in a city or county, rather than in proportion to population, as previously used to determine VLF.

The City's property tax in lieu of VLF (PTILVLF) for FY 2022-23 is shown in Table B-2. The same table also shows the City's net assessed value for FY 2022-23, which can be used in combination with the City's PTILVLF to determine PTILVLF as a percentage of net assessed value associated with future development. The City's ratio of PTILVLF to net assessed value is 0.096% ($2,887,192 ÷ $2,999,272,407), which produces the incremental PTILVLF when multiplied by the Project's anticipated value of $329.4 million (shown in Table A-2).

Citywide Services CFD No. 2

In 2005, Suisun City established citywide services Community Facilities District (CFD) No. 2 to fund additional expenses associated with providing municipal services to new developments within the incorporated City area. These General Fund services include public safety (police, fire, and paramedic) and parks, open space, and storm drainage maintenance. Annual special taxes are levied on and collected from residential dwelling units and non-residential buildings within the boundaries of the CFD. FY 2022-23 annual special tax rates were $949.80 per 1,000 building square feet for non-residential structures, as shown in Table B-2. It is assumed that the Project will annex into CFD No. 2 and will generate annual special tax revenues to help offset the costs of providing a variety of City services to the Project.

Multiplier Method

Of the different revenue sources itemized in the fiscal analysis, several are calculated using the multiplier method. The revenue multipliers are presented in Table B-3 and are applied to the appropriate residents, employees, or persons served in the Project area to analyze the annual impacts associated with future development within the Project. Franchise fees, licenses and permits, charges for services, and fines and forfeitures are included among the fiscal revenues estimated using the average revenue multiplier approach.

EXPENSE ASSUMPTIONS

Multiplier Method

All City expenses are calculated using the multiplier method. Citywide expense multipliers are applied to the number of residents, employees, or persons served to analyze the annual impacts associated with the Project. The choice of residents, employees, or persons served, as the basis for a given multiplier, reflects the type of population being served and is summarized in Tables B-4 and B-5.

Eight primary budget categories are evaluated using the multiplier method. Those categories, and a sampling of the types of services integrated into those categories, are as follows:

1. ***General Government***, which includes the City Council, City Clerk, and City Treasurer (all elected officials) and the City Manager Department, which includes the office of the City Manager and Human Resources. This multiplier is reduced by 25% to account for fixed costs that are not expected to grow significantly, or at all, due to new development.

2. ***Administrative Services***, which includes Accounting Services and Information Technology. This multiplier is also reduced by 25% to account for Citywide fixed costs.

3. ***Development Services***, which includes the Economic Development, Property Management, Planning, Housing, and Building and Safety Divisions, as well as responsibility for coordinating dissolution efforts and related activities associated with the former Redevelopment Agency.

4. ***Fire***, which includes fire suppression and prevention, firefighting operations, emergency medical response, fire investigations, disaster preparedness/response/mitigation/recovery, and related support services.

5. ***Non-Departmental***, which is a citywide cost center that accounts for expenses not attributable to a specific department or program, including Citywide memberships, City Attorney expenses, and other costs.

6. ***Police***, which includes police patrol, calls for service, crime prevention, detective operations and investigations, community services, school safety traffic officers, dispatch and other command operations, and other support services. The *Police Department Staffing and Facility Assessment* study recommended that five new positions be added to the police force to provide the needed LOS in the City. One of those new positions (the Dispatcher position) is already incorporated into the City budget, leaving an additional four positions, or approximately 10% of the police department staff, still unfunded. This additional cost is incorporated into the analysis with an additional line item toward the bottom of Table B-5.

7. ***Public Works***, which includes maintenance of all City-owned properties, engineering services for capital improvement projects and private development projects, and

maintenance of street, landscape, sewer, and storm drain facilities and City vehicles and equipment. The *Pavement Management Report* recommended that an additional $6 million be added to the street maintenance budget to move the pavement condition index (PCI) from a current level of 58 up to a level of 63, which would transition Citywide pavement conditions from "At Risk" to "Fair." The additional budget would also bring approximately 50% of City streets to a PCI greater than or equal to 70; a PCI of 70 is at the bottom end of the "Good to Excellent" pavement condition category, which ranges from 70 to 100 (100 being a brand new pavement). The additional $6 million is also incorporated into the analysis with an additional line item in Table B-5.

8. ***Recreation, Parks & Marina***, which includes recreation programs and services, special events, Community Center and Senior Center operations, and marina management and operations.

Chapter 5

RESULTS OF ANALYSIS

REVENUES

The fiscal analysis indicates that significant fiscal revenues will be generated to the General Fund by the Suisun Logistics Center project. Annual property tax and property tax in lieu of VLF are estimated to reach $438,000 and $317,000 annually, or 15% and 11%, respectively, of total annual revenues once the Project is built out. By far the largest source of revenue, though, will be the citywide services CFD No. 2 special tax revenue, which is estimated to total nearly $2.0 million (66% of the total revenue) at buildout of the Project. Total revenue is estimated to be over $2.9 million annually at buildout. These amounts are shown in Table B-6 of the Appendix.

EXPENSES

The primary expenses that the General Fund will experience as a result of the Project relate to public safety. Table B-6 indicates that Fire and Police services will account for $175,000 and $333,000, respectively, of annual expenses once the Project is completed, or 22% and 42% of total General Fund expenses. Total yearly expenses are estimated to reach $1.0 million at buildout.

NET FISCAL IMPACTS

As described above, the completed Project is expected to generate over $2.9 million in fiscal revenues and $1.0 million in fiscal expenses to the City's General Fund, creating an annual surplus of $1.9 million, as presented in Table B-6. That translates into a surplus of approximately $941 per 1,000 building square feet within the Project, which coincidentally is practically the same amount as the $950 per 1,000 building square feet special tax levied by CFD No. 2. In other words, the Project would likely produce a neutral fiscal impact to the City without the CFD No. 2 revenue. This anticipated surplus may be crucial to the City, allowing it to encourage development of various housing products with a balance of affordable and market-rate units, which could produce fiscal deficits and offset this Project's surplus to some extent.

Table B-7 presents the results of the analysis on a building-by-building basis. The phasing of the Project will probably involve one or more buildings being constructed at a time. During the course of Project completion, it appears that fiscal impacts will be positive as well.

Based on the analysis in this report, the Project is anticipated to generate more than sufficient revenues for the City to provide the appropriate services to new development in the Project area. These results are summarized in Table 4 following this page.

TABLE 4
CITY ANNUAL NET FISCAL IMPACTS SUMMARY

City General Fund	***Annual Impacts at Buildout***
Revenues	$2,960,990
Expenses	($1,024,694)
Annual Net Fiscal Impact	**$1,936,296**
Annual Surplus per 1,000 Building Square Feet	**$941**

APPENDIX

FISCAL IMPACT ANALYSIS TABLES

PROPOSED SUISUN LOGISTICS CENTER

Table A-1
City of Suisun City
Suisun Logistics Center
General Assumptions

Year of Study	**2023**
Constant Dollar Analysis (2023 $)	

Jurisdiction Statistics

	City of Suisun
2023 Estimated Residential Population	28,471
2023 Estimated Employee Population	3,732
2023 Persons Served (Residents + 50% of Employees)	30,337

Source: California Department of Finance; Claritas; Goodwin Consulting Group *01/05/2024*

Table A-2
City of Suisun City
Suisun Logistics Center
Land Use, Demographic, and Related Assumptions

Land Uses	Estimated Acres	Building (Bldg) SF	Estimated Employees /1		Total Persons Served /2	Average Developed Value per Bldg SF /3	Projected Developed Value /3
Warehouse Uses							
Building A		199,784	200	*employees*		$160	$31,965,440
Building B		199,784	200	*employees*		$160	$31,965,440
Building C		145,397	145	*employees*		$160	$23,263,520
Building D		224,138	224	*employees*		$160	$35,862,080
Building E		644,782	645	*employees*		$160	$103,165,120
Building F		644,782	645	*employees*		$160	$103,165,120
Total	120	2,058,667	2,059	*employees*	1,030		$329,386,720
Preserved Open Space	47	Assumed to be privately managed and funded.					

/1 Assumes employment density of 1,000 sf per employee.
/2 Persons served equals residents plus 50% of employees.
/3 Includes secured and unsecured assessed values.

Source: City of Suisun City; Goodwin Consulting Group *01/05/2024*

Table A-3
City of Suisun City
Suisun Logistics Center
Property Tax Allocations

Property Tax Fund	*Tax Rate Area (TRA):* Acres:	**Pre-ERAF Property Tax Distribution** 060-017 *167.0 ac.*	**Weighted Average**		**Allocation to ERAF**	**Post ERAF Allocation /1**
General County		0.40744	0.40744	/2		
County Free Library		0.03568	0.03568			
Accumulated Capital Outlay		0.01050	0.01050			
Mosquito Abatement District		0.00764	0.00764			
Aviation		0.00155	0.00155			
Recreation		0.00263	0.00263			
Suisun Resource Conservation		--	--			
Solano County Water Agency		0.01986	0.01986			
Library Special Tax Zone 1		0.01593	0.01593			
B A A Q M D		0.00285	0.00285			
Special Road		0.03359	0.03359			
Suisun Fire (assumes detachment)		0.07746	0.07746	/2		
Solano Cemetery District		0.00641	0.00641			
County Supt-Co School Ser Fund Sup		0.01334	0.01334			
County Supt-Development Center		0.00282	0.00282			
Solano Community College M & O		0.03587	0.03587			
F-S Unified School District M & O		0.32069	0.32069			
County Supt-Co School Ser Fund Supp		0.00142	0.00142			
County Supt-Board of Education		0.00434	0.00434			
Total		1.00000	1.00000			
Property Tax to be shared between the City of Suisun and Solano County General Funds /2			**48.49%**			
			Pre-ERAF			
Property Tax Allocated to the City			14.47%		8.0806%	**13.30%**
Property Tax Allocated to the County			34.02%		36.4677%	**21.61%**

/1 The reallocation of property taxes away from counties, cities, and other agencies to the Educational Revenue Augmentation Fund (ERAF) is based on certain formulas; the allocations to the various funds shown above represent allocations after ERAF reduction factors were applied.
/2 Assumes the City receives 14.47% of the Pre-ERAF allocation, while the County retains it's former Pre-ERAF allocation minus the City's allocation, plus the allocation to the Suisun Fire Protection District (which will no longer provide services to the annexation area).

Source: County of Solano Master Property Tax Transfer Agreement; Solano County; Goodwin Consulting Group *01/05/2024*

Table B-1
City of Suisun City
Suisun Logistics Center
Revenue Calculation Methodology

Revenue	**Reference Table**	**Modeling Methodology**
Property Tax	Table B-2	Case Study
General Fund Sales & Use Tax	Table B-2	Case Study
Prop 172 Sales Tax	Table B-2	Case Study
Property Tax In-Lieu of Vehicle License Fees (PTILVLF)	Table B-2	Case Study
Franchise Fees	Table B-3	Multiplier Method: Persons Served
Licenses & Permits	Table B-3	Multiplier Method: Persons Served
Charges for Services	Table B-3	Multiplier Method: Persons Served
Fines & Forfeitures	Table B-3	Multiplier Method: Persons Served
Real Property Transfer Tax		Not Included in Analysis /1
Transient Occupancy Tax		Not Included in Analysis /1
Cannabis Tax		Not Included in Analysis /1
Intergovernmental Revenue		Not Included in Analysis /1
Use of Money and Property		Not Included in Analysis /1
Miscellaneous Revenue		Not Included in Analysis /1
Gas Tax		Not Included in Analysis /2
CFD No. 2 Special Tax Revenue	Table B-2	Case Study

/1 Assumes proposed development will not affect this revenue source.

/2 Assumes these non-General Fund revenues are offset by expenses (which are also not included in the analysis).

Source: City of Suisun City FY 2022-23 Budget; Goodwin Consulting Group *01/05/2024*

Table B-2
City of Suisun City
Suisun Logistics Center
Revenue Assumptions - Case Study Method

Property Tax (Secured & Unsecured) Allocation to City (post-ERAF)		13.3%
Sales and Use Tax		
Base Sales Tax Rate		1.0%
Countywide and Statewide Pooled Tax Revenue as a Percentage of Base Sales Tax Revenue		14.1%
Public Safety (Prop. 172) Sales Tax Rate		0.5%
Percentage of Prop. 172 Sales Tax Allocated to City		0.5%
Measure S (not included due to 2026 sunset)		Not Included
Gas Tax		Not Included /1
Taxable Sales per Improved Square Foot		*Amount per SF*
Warehouse Uses		$5
Property Tax In-Lieu of Vehicle License Fee (PTILVLF)		
City Fiscal Year 2022-23 Net Assessed Value		$2,999,272,407
City Fiscal Year 2022-23 Property Tax In-Lieu of Vehicle License Fee		$2,887,192
Existing or Proposed LMD/CFD Revenue		
CFD No. 2	FY 2022-23 Rate per 1,000 Bldg SF	$949.80

/1 These non-General Fund revenues are offset by expenses (which are also not included in the analysis).

Source: California City Finance; California Board of Equalization; Solano County; City of Suisun City; Goodwin Consulting Group

01/05/2024

Table B-3
City of Suisun City
Suisun Logistics Center
Revenue Assumptions - Multiplier Method

General Fund Revenues - Multiplier Method	Estimated General Fund Revenues	Average Revenue per Resident	Average Revenue per Employee	Average Revenue per Person Served
Franchise Fees	$953,600	--	--	$31.43
Licenses & Permits	$869,942	--	--	$28.68
Charges for Services	$1,699,728	--	--	$56.03
Fines & Forfeitures	$386,600	--	--	$12.74

Source: City of Suisun City FY 2022-23 Budget; Goodwin Consulting Group *01/05/2024*

Table B-4
City of Suisun City
Suisun Logistics Center
Expense Calculation Methodology

General Fund Function	**Reference Table**	**Modeling Methodology**
General Government		
City Council	Table B-5	Multiplier Method: Persons Served
City Clerk	Table B-5	Multiplier Method: Persons Served
City Treasurer	Table B-5	Multiplier Method: Persons Served
City Manager	Table B-5	Multiplier Method: Persons Served
Administrative Services	Table B-5	Multiplier Method: Persons Served
Development Services	Table B-5	Multiplier Method: Persons Served
Fire	Table B-5	Multiplier Method: Persons Served
Non-Departmental	Table B-5	Multiplier Method: Persons Served
Police	Table B-5	Multiplier Method: Persons Served
Public Works	Table B-5	Multiplier Method: Persons Served
Recreation, Parks & Marina	Table B-5	Multiplier Method: Residents

Source: City of Suisun City FY 2022-23 Budget; Goodwin Consulting Group *01/05/2024*

Table B-5

City of Suisun City

Suisun Logistics Center

Expense Assumptions - Multiplier Method

	Estimated General Fund Expenditures	Average Expense per Resident	Average Expense per Employee	Average Expense per Person Served	
General Government	$783,540	--	--	$19.37	/1
Administrative Services	$1,742,202	--	--	$43.07	/1
Development Services	$1,186,090	--	--	$39.10	
Fire	$5,141,968	--	--	$169.49	
Non-Departmental	$2,989,560	--	--	$98.55	
Police	$9,810,221	--	--	$323.37	
Public Works	$2,177,566	--	--	$71.78	
Recreation, Parks & Marina	$1,441,202	$50.62	--	--	
Total Budget	$25,272,349				
Additional 10% Police Staff	$981,022			$32.34	/2
Additional Pavement Maintenance Expense	$6,000,000			$197.78	/3
Total Adjusted Budget	$32,253,371				

/1 Assumes 25% of these expense categories will not grow significantly, if at all, due to new development.

/2 Pursuant to the *Police Department Staffing and Facility Assessment* conducted March 2021, an additional four positions (not including the newly funded Dispatcher position) is recommended.

/3 Pursuant to the *Pavement Management Report* conducted April 2021, an additional $6M is recommended to move the pavement condition index (PCI) from 58 to 63, and to bring ~50% of the City streets to a PCI >= 70.

Source: City of Suisun City FY 2022-23 Budget; Goodwin Consulting Group *01/05/2024*

Table B-6
City of Suisun City
Suisun Logistics Center
Summary of Annual Net Fiscal Impacts

Annual Revenues/Expenses	Annual Impact	% of Subtotal
Revenues		
Property Tax	$438,108	15%
General Fund Sales & Use Tax	$117,466	4%
Prop 172 Sales Tax	$268	0%
Property Tax In-Lieu of Vehicle License Fees (PTILVLF)	$317,078	11%
CFD No. 2 Special Tax Revenue	$1,955,322	66%
Franchise Fees	$32,377	1%
Licenses & Permits	$29,536	1%
Charges for Services	$57,709	2%
Fines & Forfeitures	$13,126	0%
Total	$2,960,990	100%
Expenses		
General Government	($19,952)	3%
Administrative Services	($44,363)	6%
Development Services	($40,270)	5%
Fire	($174,580)	22%
Non-Departmental	($101,501)	13%
Police	($333,076)	42%
Public Works	($73,933)	9%
Recreation, Parks & Marina	$0	0%
Subtotal	($787,675)	100%
Additional 10% Police Staff	($33,308)	
Additional Pavement Maintenance Expense	($203,712)	
Total	($1,024,694)	
Net Fiscal Impact	**$1,936,295**	

Source: Goodwin Consulting Group *01/05/2024*

Table B-7
City of Suisun City
Suisun Logistics Center
Annual Net Fiscal Impacts by Building/Phase

Annual Revenues/Expenses	Building A	Building B	Building C	Building D	Building E	Building F
Revenues						
Property Tax	$42,516	$42,516	$30,942	$47,699	$137,217	$137,217
General Fund Sales & Use Tax	$11,400	$11,400	$8,296	$12,789	$36,791	$36,791
Prop 172 Sales Tax	$26	$26	$19	$29	$84	$84
Property Tax In-Lieu of Vehicle License Fees (PTILVLF)	$30,771	$30,771	$22,394	$34,522	$99,310	$99,310
CFD No. 2 Special Tax Revenue	$189,755	$189,755	$138,098	$212,886	$612,414	$612,414
Franchise Fees	$3,142	$3,142	$2,287	$3,525	$10,140	$10,140
Licenses & Permits	$2,866	$2,866	$2,086	$3,216	$9,251	$9,251
Charges for Services	$5,600	$5,600	$4,076	$6,283	$18,075	$18,075
Fines & Forfeitures	$1,274	$1,274	$927	$1,429	$4,111	$4,111
Total	$287,350	$287,350	$209,125	$322,379	$927,393	$927,393
Expenses						
General Government	($1,936)	($1,936)	($1,409)	($2,172)	($6,249)	($6,249)
Administrative Services	($4,305)	($4,305)	($3,133)	($4,830)	($13,895)	($13,895)
Development Services	($3,908)	($3,908)	($2,844)	($4,384)	($12,613)	($12,613)
Fire	($16,942)	($16,942)	($12,330)	($19,007)	($54,679)	($54,679)
Non-Departmental	($9,850)	($9,850)	($7,169)	($11,051)	($31,791)	($31,791)
Police	($32,323)	($32,323)	($23,524)	($36,264)	($104,321)	($104,321)
Public Works	($7,175)	($7,175)	($5,222)	($8,049)	($23,156)	($23,156)
Recreation, Parks & Marina	$0	$0	$0	$0	$0	$0
Subtotal	($76,440)	($76,440)	($55,631)	($85,758)	($246,703)	($246,703)
Additional 10% Police Staff	($3,232)	($3,232)	($2,352)	($3,626)	($10,432)	($10,432)
Additional Pavement Maintenance Expense	($19,769)	($19,769)	($14,387)	($22,179)	($63,803)	($63,803)
Total	($99,442)	($99,442)	($72,371)	($111,564)	($320,938)	($320,938)
Net Annual Fiscal Impact	**$187,908**	**$187,908**	**$136,754**	**$210,815**	**$606,455**	**$606,455**

Source: Goodwin Consulting Group *01/05/2024*