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ENVISION SAN JOSÉ 2040
GENERAL PLAN UPDATE
ANALYSIS OF
SAN JOSÉ'S FISCAL CONDITIONS
AND PROJECTIONS OF FUTURE SCENARIOS

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Prepared for

The City of San José

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I. EXECUTIVE SUMMARY

A. INTRODUCTION

The General Plan Fiscal Impact study provides an analysis of existing City service levels and fiscal conditions, as well as an analysis of future growth scenarios. The study also presents a fiscal impact model that has been developed specifically for San José to evaluate the future effects of land use changes. This analysis provides background for the Envision San José 2040 Task Force to better understand how the City's current fiscal condition may change in response to different land use and growth patterns embodied in the future growth scenarios.

The current economic climate certainly affects the City's fiscal health and has created potentially long term issues for the City in meeting its public services goals. Overall, the budgetary imbalance that has been described as a "structural deficit" has resulted from issues associated with both increasing costs and decreasing revenues. The City has struggled to construct a stable and adequate tax base to provide adequate revenues to provide the high quality of service San José residents have come to expect as the community's population, and subsequent service level demands, have increased. Concurrently, costs, particularly those associated with employee salaries and benefits, have risen significantly in recent years. In late 2008, the City Council approved the General Fund Structural Deficit Elimination Plan which identified multi-year strategies to eliminate the deficit within the next five years. The City Manager and City Council have further examined the proposed strategies and will continue to work toward a sustainable fiscal program for the City.

A central issue in the General Plan update and in this fiscal analysis is the effect of residential density on the demand for City services. The City's land supply is limited over the long term and its ability to provide affordable housing opportunities for the growing workforce will depend on its ability to encourage development at higher densities. This is critical to enhance the City's economic prosperity as well as its community quality of life. The question is, what challenges does this present for the City in terms of funding a desirable level of services for its residents?

For many of the City services that are funded by the General Fund (i.e., general tax revenues), the primary service indicator is population. The Police Department, the Parks and Recreation Department, and the Library all define service needs and related staffing and facilities requirements in terms of the size of the City population. Even the Fire Department, which is mainly concerned with response times and proximity to development, spends much of its time and budget responding to medical emergencies rather than fire suppression, the volume of which is directly related to the size of the population rather than the land use pattern. In terms of meeting these service standards, increasing density does not have a major benefit in terms of reducing service demands. Those demands are driven by the number of residents, not the type of housing they live in.

The volume of calls for service is one part of the picture but there are other considerations. The Police Department also measures its performance in terms of response time to incidents, and a dispersed, low density land use pattern affects the travel times needed to reach outlying areas in the City. Similarly, the Parks Department has a goal to provide parks within ½ kilometer of every resident, and a compact development pattern makes this more feasible. Related to this is the fact that in order to provide the quantity of parks and recreation facilities needed to serve the growing population, land must be set aside for this purpose and a compact development pattern helps to conserve land resources.

Other services are more directly related to site development characteristics, including transportation infrastructure, water supply, wastewater collection, storm sewers and solid waste collection. For these services, the costs of maintenance and operation are related to the length and size of the infrastructure, which are strongly affected by the density of development. With the exception of road maintenance costs, however, these services have less impact on the City General Fund because they are funded to a greater degree by user fees and direct service charges.

The focus of this analysis is on the City General Fund, which is mainly supported by general tax revenues over which the City has less control than it does on the level of user fees and charges for service. ***Within this context, the study indicates that a compact development pattern and higher residential densities can help improve the City's fiscal position in the future by improving efficiencies in its service delivery systems. However, the City can only reach a positive fiscal balance by also increasing the level of commercial development in the future.***

Non-residential land uses tend to generate much higher tax revenues, in relation to service costs, than do residential uses. Hence, the land use mix is a critical consideration for the General Plan. The future growth scenarios analyzed in this report are constructed to portray different levels of jobs and housing balance, and this has a significant effect on the outcome of the fiscal analysis. ***While high density housing can help reduce certain service costs, such development only has a positive fiscal bottom line if the residents make most of their retail purchases in San José, generating sales tax for the City General Fund.*** The fact that San José currently experiences significant loss of retail sales from its own residents is a factor in its current fiscal situation. Compact, high density development with well-planned walkable mixed use supports and drives local retail spending. More efficient walkable communities can help to achieve this symbiosis.

Therefore, the conclusion of the fiscal analysis is that the City can support a more compact residential development pattern but only if it can maintain a sound balance of commercial and job-generating land uses to provide a strong revenue base.

Limitations of the Analysis

In reading the study, it is important to recognize that a fiscal impact analysis is not equivalent to a comprehensive economic impact analysis. The fiscal projections are narrowly focused on the cost/revenue effect of future growth scenarios on the City General Fund budget. The report does not explicitly address the broader economic benefits of providing housing for a diverse workforce, and the stimulus that it will provide to the City's economic development and business climate. Much of the policy in the General Plan is aimed at improving long term resource efficiency, particularly land conservation. These policies have benefits in their own right that are generally outside the fiscal sphere and are not addressed in this report.

Indeed, state law and policy regarding local government finance fails on many levels to capture the full benefit of good community planning. Just one among many of these distortions is the fact that although residential development supports the household income that generates retail sales, unless the retail establishment is also located in San José, the City does not get any sales tax benefit from those transactions.

Finally, as the Envision San José 2040 General Plan Update process continues, the City's fiscal situation will continue to evolve, particularly in light of rapidly deteriorating economic conditions and the speed of the eventual recovery. The focus of this fiscal study is the long term change in fiscal conditions that are contingent upon land use changes that may occur through the General Plan. In order to complete that work, and specifically in order to develop the fiscal model that is needed to project future fiscal impacts, it has been necessary to establish a baseline for the analysis using the 2008-2009 Adopted City Budget and related City service standard goals. By the time this report reaches the Task Force, the current budget information for the City will have changed. However, it is unlikely that these changes would significantly affect the long term conclusions of the fiscal analysis.

B. ANALYSIS OF EXISTING CONDITIONS

CITY DEPARTMENT SERVICES ANALYSIS

In order to determine the implications of the City's current fiscal condition on the demand for City services, ADE completed departmental analyses of services provided, service facilities, and service standards of those City departments whose services are most directly associated with the City's growth and development. This report is not intended to evaluate the appropriateness of the City's service standards, but rather to provide an <u>information baseline</u> for use by the General Plan Task Force in determining the effects of future land use changes.

The analysis indicates that most departments are able to meet some of their service standards but not all of them.

Police Department

One of the primary measures of performance for both the Police and Fire Departments is response time to calls for service. The General Plan service goal for the Police Department is to achieve a response time of (1) six minutes or less for 60 percent of all Priority 1 calls, and (2) 11 minutes or less for 60 percent of all Priority 2 calls. The Police Department's performance for both Priority One and Two calls for service is slightly ahead of the General Plan goal of 60 percent for each, with levels of 62 percent for Priority One and 69 percent for Priority Two calls. The 2007 crime rate statistics reported in the Uniform Crime Report indicate that index crimes decreased slightly from 56,981 in 2006 to 55,039 in 2007, despite continued growth in the City's population.

In 2002, the voters of San José approved Measure O, the Neighborhood Security Act Bond Measure, which authorized the issuance of $159 million in General Obligation Bonds to fund capital projects in the Police and Fire Departments. These projects include construction of a South San José Police Substation, community policing centers, a Driver Safety Training Center and renovation of the combined Police-Fire 9 -1-1 Communications Dispatch Center. These projects will provide enhanced facilities to improve delivery of Police services. The South San José Substation is expected to be completed in June 2010. Complete funding is not yet identified for the Driver Training Center.

Fire Department

The San José Fire Department is operating below the service level goals and standards established in the San José 2020 General Plan and the Adopted Budget. The General Plan service goal for the Fire Department is to "achieve a four minute average response time for all (100 percent) Fire protection related calls". Currently, the Fire Department achieves the 4 minute average response time on 68.5 percent of calls for service (FY 2006-07). Therefore, the Fire Department is currently not meeting the General Plan service goal. The Fire Department's measured service level performance objective, as contained in the FY 2008-2009 Adopted Budget ("Adopted Budget"), is "the percentage of time that the initial responding Fire unit arrives on scene after a 9-1-1 call is placed within eight minutes for Priority 1 calls and 13 minutes for Priority 2 calls". Performance results contained in the Adopted Budget indicate that the Fire Department is currently achieving the eight minute response time for Priority 1 calls 79 percent of the time and achieving the thirteen minute response time for Priority 2 calls 99 percent of the time

The City's contract with the Santa Clara County Emergency Medical Service requires response time performance of 8 minutes or less from the time of dispatch to the time of arrival on scene in 95 percent of emergency responses. Under the FY 2007-2008 Adopted Budget performance data, the City exceeds the minimum performance with a 96 percent response rate within the 8 minute or less requirement.

Fire Department facilities funded by the Neighborhood Security Act Bond Measure include the construction of four new fire stations, relocation of six fire stations, remodeling of 16 fire stations and enhancing fire training facilities. The majority of these facilities have been completed or are under construction.

Environmental Services Department

Domestic Water

The City directly supplies domestic water to 12 percent of residential and commercial customers, with the balance served by private water companies. The City currently meets all of its standards for potable water quality and water use efficiency. Reliance on imported water sources is a potential issue, as the future of water supplies statewide is of increasing concern.

Wastewater

The City's remaining capacity allocation at the treatment plant is sufficient to accommodate full buildout of the existing San José 2020 General Plan, not including the Coyote Valley and South Almaden Valley Urban Reserves.

Recycled Water

The City has an effective recycled water system in place resulting in the achievement of the FY 2007-08 target of 15 million gallons per day (MGD) of recycled effluent diverted from the flow into the Bay. The City is currently evaluating ways to make necessary investments in expanding and maintaining the system infrastructure. Continued expansion of the system is critical to meet the City's goals for both reducing needed water supplies and maintaining approved level of discharge to the Bay.

Solid Waste

The City currently exceeds the General Plan goal (and state mandate) of a minimum of 50 percent diversion of waste from landfills. The Green Vision established a goal to achieve 100 percent recycling and diversion (zero waste) of solid waste materials from landfills by 2022. The City Council approved the Zero Waste Strategic Plan in December, 2008 which identifies policies and programs designed to achieve the zero waste goal. The FY 2007-08 target towards meeting this goal was 61 percent, with the city reaching 60 percent. The combined landfill capacity of the five privately-operated landfills in San José is expected to approach exhaustion between 2020 and 2035. There is anticipated to be adequate capacity in the city's nine recycling or transfer stations and composting facilities throughout the same timeframe. Longer range capacity requirements will be based primarily on the success of the Zero Waste program.

Library Department

The City service standards are 0.59 sq. ft. of library space and 2.75 volumes per capita. Currently, the City has 0.52 sq. ft. per capita, which is projected to increase to 0.56 for the 2009-10 fiscal year. With the completion of capital projects under the 2000 San José Neighborhood Libraries Bond construction program (anticipated by 2012) the City is expected to nearly meet the 0.59 sq. ft. goal. If the projected population for 2012 is at or above the projected level of 1,046,586 residents, and the library expansion remains the same, then additional funding will be needed to meet the needs of the projected population from that point forward. With an estimated 2.2 volumes of library materials per capita, the Library falls short of the current service standard. An additional 1.4 volumes per capita purchased and held by San José State University are available to the public, yet these materials are academic in nature and may not meet the needs of the public at large. The Library continues to emphasize use of technology to expand access to its resources and services, including provision of a wide variety of on-line resources and substantial numbers of public access computers in all branches.

In 2004, San José voters approved a parcel tax to provide a minimum of $6.2 million annually to support library services, including purchase of new materials, children's programming, maintenance and upgrades of library technology, outreach programs, and basic library operations. Previously, San José voters approved the creation of a Library Benefit Assessment which was replaced by the Library Parcel Tax when the Library Benefit Assessment expired. As the current Library Parcel Tax, which sunsets in 2014, provides for over 45% of the budget for library materials, the Library will fall well short of the volumes per capita service standard unless voters extend the tax.

Parks, Recreation, and Neighborhood Services (PRNS) Department

The General Plan goal for provision of parkland is 3.5 acres per 1,000 population, which includes 1.5 acres of City owned and/or operated neighborhood parks, community parks, and neighborhood and community elements of regional park lands, and up to a maximum 2.0 acres of recreational school lands. Based on a population in 2008 of 989,000, the City is currently 512 acres short of meeting this standard when all recreational school grounds are included.

The City's community center standard is 500 square feet per 1,000 population. The City currently has a surplus of 98,419 square feet based on this standard. By the year 2020, the City is expected to exceed this standard by 10,919 square feet based on anticipated population growth. However, it is important to note that the measurements for parkland acreage and community center square footage are only two indicators of the City's progress towards a balanced parks system. There are 51 areas in the City that do not meet the Urban Environmental Accords goal of having a park or open space within ½ kilometer of every resident. In addition, the City has a severe shortage of sports fields and aquatics facilities.

The City currently does not meet its maintenance and operation funding goals for parks and community centers and conditions are worsening with continued budget shortfalls.

The General Plan does not provide a goal for trails, but the Greenprint Update 2009 as well as the City's Green Vision document both provide a goal to create 100 miles of interconnected trails, under the auspices of a variety of agencies. The City exceeded the 50 mile completion milestone during FY 2008-09.

In November 2000, the voters approved $228 million in General Obligation Bonds to complete improvements at a number of neighborhood and regional parks; construction/renovation of nine community centers and two sports complexes; and partial development of five trail systems. At the end of 2007-2008, improvements to sixty-nine neighborhood parks and five of the seven regional parks projects, construction of five of the nine community centers, and three of the five trail projects had been completed.

The Department completed an update to the Greenprint in December 2009. Originally adopted in 2000, the Greenprint provides staff and decision makers with a strategic plan for expanding recreation opportunities in the City.

Transportation Department

The Adopted Budget includes performance measures designed to gauge how well the City is meeting the goal to develop a multi-modal transportation system. They include levels of service for traffic flow at intersections, planned arterial streets completed, planned bikeway networks completed, pedestrian corridors meeting design standards, and the City average Pavement Condition Index (PCI) ratings. The level of service goal of 98 percent for traffic flow at intersections at City Council adopted levels of service and completion of planned arterial streets were met by the FY 2007-2008 performance. For planned bikeway networks completed, the FY 2007-2008 Adopted Budget estimate of 56 percent did not meet the service level goal of 60 percent. For pavement maintenance, a PCI rating of 0.66 was established as service level goal. For FY 2007-2008, the estimate of 0.63 indicates that the City did not meet service standards for the City average pavement condition ratings.

The City currently does not meet its maintenance standards for traffic infrastructure and conditions are worsening with continued budget shortfalls. The City's current budget indicates that there is an annual funding deficit of $27.7 million per year for maintenance operations. In addition, there is $14.7 million per year in property owner responsibility for repair of sidewalks, curbs and gutters and tree maintenance. The accumulated deferred maintenance has reached approximately $406 million currently.

The Department is hampered in meeting several of its goals established in the Green Vision due to a lack of funding, particularly for street tree maintenance. However, it is experimenting with low- energy street lighting that could potentially save significant cost as well as reduce energy use.

FISCAL IMPACTS OF EXISTING LAND USES

ADE developed a fiscal impact model that evaluates how existing land uses affect City service costs and General Fund revenues. This helps provide an overall context for considering the mix of land uses that may be desired for future growth. The model has also been adapted to project the fiscal impact of future growth scenarios, as described in the section below.

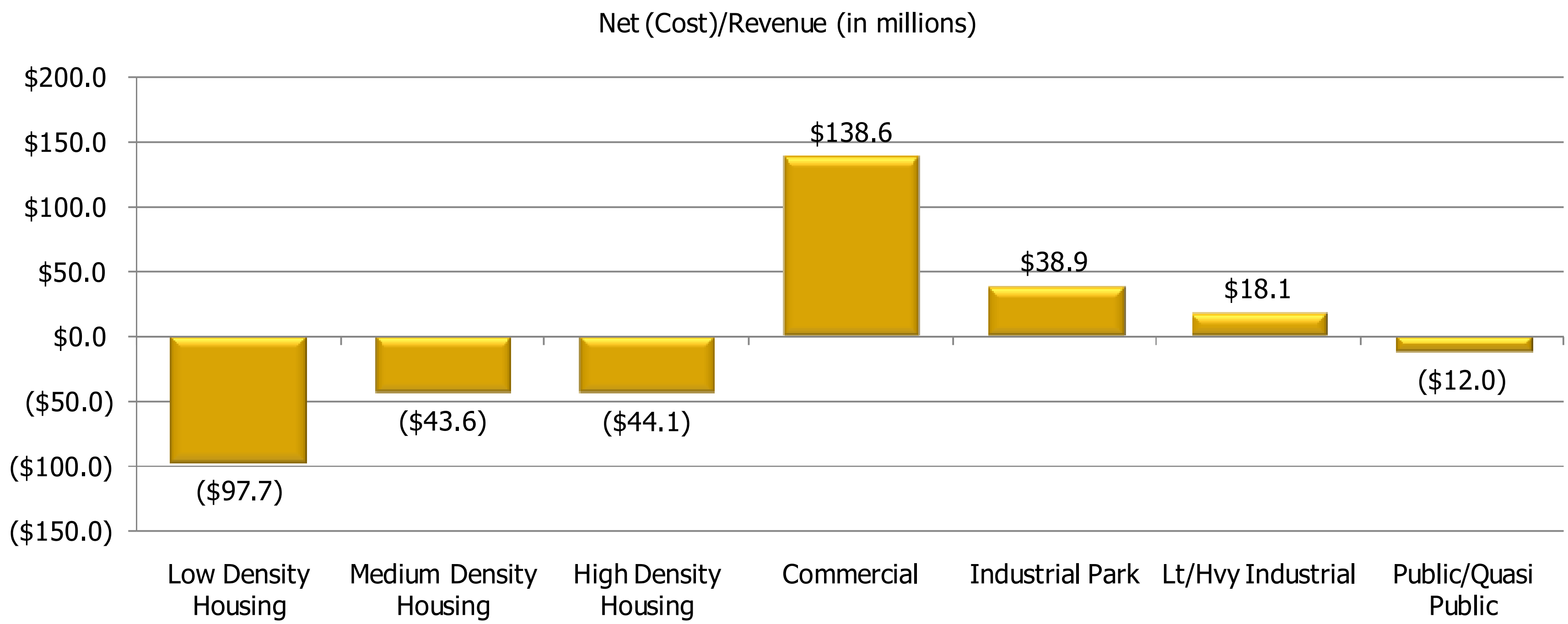
Throughout the State, the reduced growth in property tax revenues due to a general reduction in property values and the subsequent reliance among cities and counties on the sales tax for general fund revenue has shifted the fiscal balance in favor of commercial land uses. As a result, the non-residential uses in San José show a positive net fiscal balance compared to residential land uses (see Exhibit A). In addition, residential land uses typically require a broader range of municipal services than non-residential, particularly Parks and Recreation, Libraries, Fire and Police.

The total figures in Exhibit A reflect the quantity of each land use in San José today; however, indicators per dwelling unit or per resident give a better indication of the net effect of serving future populations. These figures are shown in Exhibit B.

For residential uses, costs per resident decline as density increases, reflecting mainly the efficiency benefits to the City transportation system and road maintenance costs. However, revenues per resident also decrease with density, due to the higher assessed value for lower density units. The per dwelling unit (DU) comparisons show a better performance for high versus both low and medium density units, although the net per resident favors the low density units. These indicators reflect the variations in household sizes relative to unit values.

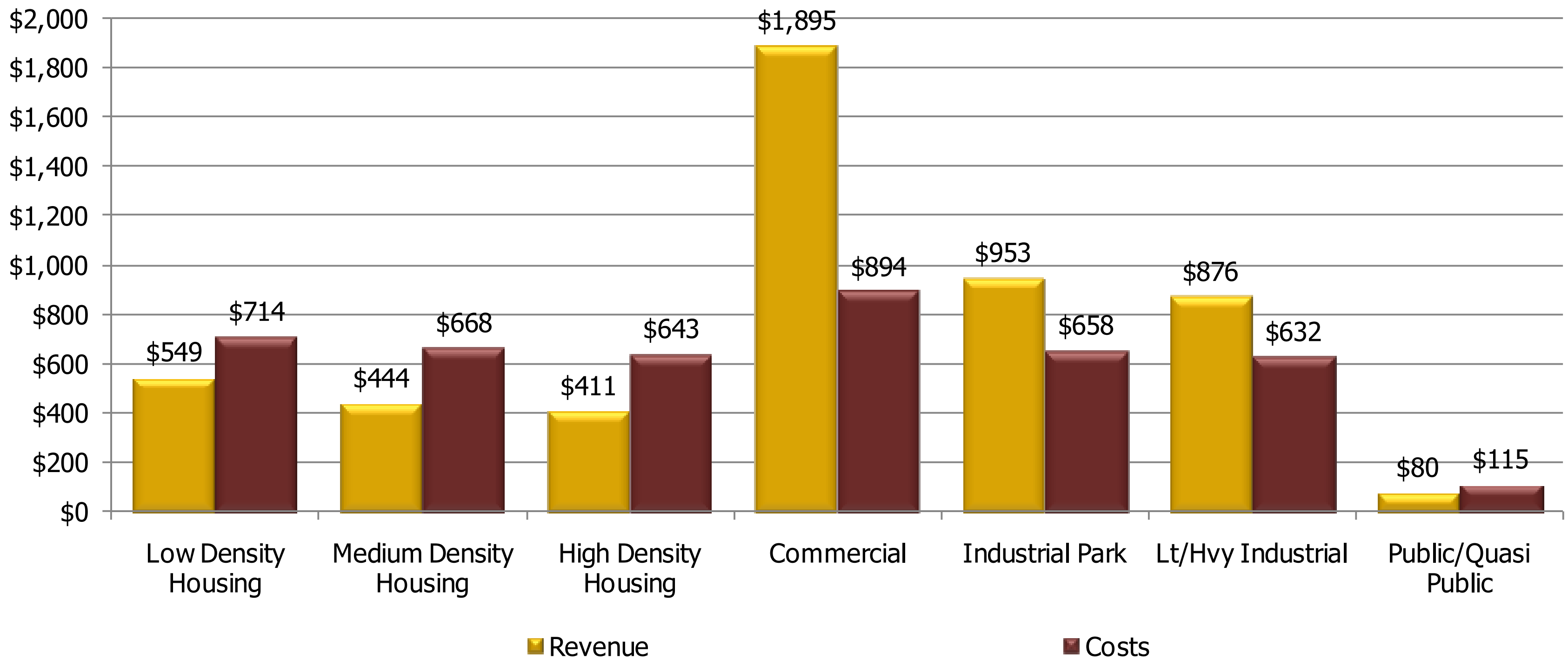
For consideration of future land uses, it is important to address this comparative fiscal analysis in more detail. The low, medium and high density residential categories in the City's existing land use inventory reflect densities of 5.5, 12 and 25 dwelling units per net acre, respectively. In the future, the City projects that 25 units per acre will reflect medium density development, while high density will average 55 units per acre. ADE has prepared an illustrative analysis to project the fiscal performance of the residential categories at these densities. This analysis transitions into the projections of the future land use scenarios, so it incorporates current assessed values in the analysis and also includes the indirect sales tax revenues from household spending in order to provide a more complete view of the impact of these housing types. The results are shown in Exhibit C below and reflect development of one acre at the various densities indicated above. With the sales tax included, all of the residential types show a positive fiscal benefit rather than negative as in Exhibit A, but the higher density units are more positive.

EXHIBIT A
FISCAL IMPACT OF EXISTING LAND USES



Note: The chart does not show $1.9 million in net revenue from vacant and agricultural lands.
Source: ADE, Inc.

EXHIBIT B
NET IMPACT PER PERSON/EMPLOYEE



Source: ADE, Inc.

It is important to recognize that the market value of the residential units has an effect on the outcome of this analysis. The figures in Exhibit C are based on average values of about $740,000 for low density, $550,000 for medium density, and $400,000 for high density units. For more affordable units, as assessed values decrease, the fiscal net benefit declines as well. Holding all other variables constant, the density categories shown in Exhibit C would "break even" when unit values reach $235,000 for low density, $230,000 for medium density, and $229,000 for high density. Therefore, while San José places importance on the provision of affordable housing, from a fiscal standpoint it is critical to ensure that new housing is supported with sufficient retail space to capture household spending and generate sales tax for San José. As discussed further below, this is a critical factor in the evaluation of the future growth scenarios for the General Plan Update.

EXHIBIT C
COMPARATIVE ANALYSIS OF RESIDENTIAL DENSITIES FOR ONE ACRE OF DEVELOPMENT

	Low Density	Medium Density	High Density
NET (COST)/REVENUE			
Per Acre	$5,250	$20,540	$25,200
Per DU/1,000 sq.ft.	$1,050	$822	$458
Per Person	$297	$265	$186
REVENUE			
Per Acre	$18,310	$74,600	$118,060
Per DU/1,000 sq.ft.	$3,662	$2,984	$2,147
Per Person	$1,037	$961	$871
COSTS			
Per Acre	$13,060	$54,060	$92,860
Per DU/1,000 sq.ft.	$2,612	$2,162	$1,688
Per Person	$739	$696	$685

Source: ADE, Inc.

The analysis of non-residential land uses shows their positive fiscal benefits, with the exception of public/quasi-public uses. Commercial uses provide the highest positive fiscal benefit, due primarily to the significant sales tax generation of such uses. The commercial land use does require a higher level of police protection, however, and thus has the highest per employee cost for services.

C. FISCAL IMPACTS OF FUTURE DEVELOPMENT

The City has indentified five future growth scenarios for the 2040 General Plan time horizon, and one interim projection for 2020 that reflects the existing General Plan. ADE has evaluated the fiscal impact of these scenarios and the summary results are shown in Exhibit D below. The figures in the table represent the annual net revenue to the City General Fund at full buildout of the scenarios. The table also shows the projected growth in jobs and housing for each scenario as well as the ratio of jobs to employed residents (ER).[1] A

[1] It should be noted that the scenarios have been constructed to achieve certain ratios of employed residents to jobs at full buildout, accounting for the current ratio of 0.8 jobs per employed resident. However, the fiscal analysis analyzes only the new growth in each scenario so the Exhibit shows only the ratio pertaining to the growth increment.

key variable driving the fiscal performance of the scenarios is the amount of retail development, which generates additional sales tax for the City General Fund. The percent of job growth in retail for each scenario is shown in the right hand column.

EXHIBIT D
SUMMARY OF FISCAL IMPACTS OF FUTURE GROWTH SCENARIOS
(ANNUAL GENERAL FUND NET (COST)/REVENUE AT FULL BUILDOUT)

Scenario	Net Annual Fiscal Impact	Job Growth	Housing Growth	Incremental Jobs/Housing Ratio	Percent of Jobs in Retail
Scenario 5 - H	$32,886,116	428,550	135,650	3.2	8.8%
Scenario 4 - J	$32,590,161	526,050	88,650	5.9	6.5%
Scenario 2 - E	$25,728,048	360,550	135,650	2.6	9.4%
Scenario 1 - C	$25,499,308	346,550	88,650	3.9	6.6%
Scenario 3 - K	$20,427,419	339,530	158,970	2.1	11.0%
SJ 2020	$2,293,427	255,550	82,110	3.1	4.7%

Source: ADE, Inc.

The scenarios are presented in Exhibit D in order of the magnitude of annual fiscal impact of the growth increment at buildout. The current ratio of jobs to housing in San José is about 1.2 and all of the future scenarios add more jobs than housing so they produce a positive fiscal impact. However, the amount of retail development in each scenario has a greater effect on the relative performances of the scenarios. Thus, Scenario H and Scenario SJ2020 are first and last in the table and have jobs/housing ratios of 3.2 and 3.1, respectively. But Scenario H has 8.8 percent of its jobs in retail while Scenario SJ2020 has only 4.7 percent.[2] For the same reason, Scenario E scores better than Scenario C, and Scenario K scores better than Scenario SJ2020 while still providing higher levels of housing.

D. CONCLUSION

Based on this fiscal analysis, San José can support higher levels of housing development, which is needed to house the future labor force and stimulate job growth, provided the City can ensure that the commercial sector expands accordingly and that San José enhances its stature as a regional retail center.

In terms of selecting a preferred alternative, because any of the scenarios would provide an acceptable fiscal outcome, the Task Force can consider selecting a scenario that provides more housing or one based on a more realistic target in terms of job growth, and still achieve a fiscal balance for the City General Fund. For example, Scenario 3-K, which has a high level of housing growth, performs well on a fiscal basis because it provides a relatively strong component of retail growth, along with other development. The added sales tax from this retail growth helps to support the service costs for other land uses in that Scenario. All of the scenarios include a significant increase in the City's job base, along with capture of the full amount of retail needed to serve the demand generated by new growth in the scenario.

[2] Percent of jobs in retail is a convenient way to compare the level of retail development in each scenario. The fiscal model actually calculates sales tax on the basis of retail building sq.ft. For comparison, it is estimated that retail employment currently represents about 10 percent of total employment in San José.

The City should ensure that these two conditions are met throughout the implementation of any scenario.

Given the long term time frame of the General Plan, the phasing of development is an important consideration in implementing the plan. Ideally, residential development, retail commercial development, and employment generating business growth would proceed in balance so that shopping opportunities are available to new residents as well as local job opportunities. While it is often difficult to control market forces through City land use and zoning standards alone, the City has an opportunity through its implementation of the Village concept to balance residential and commercial development on an incremental basis. From a fiscal perspective, it would be important to approach the design of new Villages from the standpoint of a creating viable commercial core for each Village, around which to cluster residential and other land uses. One of the greatest challenges in creating successful mixed use projects is in properly sizing the commercial element, recognizing that the market area for the commercial development may be very different than the geographic extent of the new residential development. Consideration of commercial priorities in the planning process will help improve the fiscal health of San José.

II. SAN JOSÉ'S EXISTING FISCAL CONDITION

A. INTRODUCTION

The City of San José budget reflects the current fiscal condition of the city, based on an estimation of future revenues and expenditures, a prioritization of service objectives given fiscal constraints, and policy decisions of management and elected officials as to where fiscal resources are allocated. California cities are financed through a complex variety of revenue sources such as taxes (property and sales and use tax), intergovernmental subventions (county, state, and federal governments), and fees, charges, and assessments (assessment district fees, utility fees, service and user fees, and others). The imposition of statewide and local taxing policies and local policies regarding land use result in impacts on the revenue sources for a local community. A higher level of housing in a community results in a greater level of property tax revenue, but also a higher level of public service demands. Inversely, a higher level of commercial/industrial development where sales of tangible property occur generally results in a greater amount of sales and use tax revenue. Therefore, a community's historic physical development, along with its existing land use policies, greatly impact a local community's fiscal condition and ability to provide services to local residents. San José's current fiscal condition is a reflection of the impacts of past and current land use policies.

The majority of the City of San José's General Fund revenues come from property and sales and use tax. Property tax is an ad-valorem[3] tax on real property and tangible real property subject to limitations placed by the voters on the tax through *Proposition 13*. Property tax is collected locally at the County level, then after a complex accounting at the state and county level (statewide and county policies dictate the apportionment of tax revenue returned to cities); a portion of it is allocated to the City in which the property is located. Local communities can approve additional property taxes in addition to the statewide rate upon two-thirds voter approval.

Sales tax is paid by individuals at the time of purchase of tangible property (several exceptions exist for re-sales, interstate sales, food for home consumption sales, etc.) on a statewide rate and a countywide rate. Use tax is similar but is paid by businesses on equipment purchases. Cities and counties can also approve additional sales taxes in 0.25 percent increments above the aforementioned rates. Again, state programs such as *Proposition 57* (California Economic Recovery Bond Act of 2004) and *Proposition 172* (Local Public Safety Protection and Improvement Act of 1993) impact the actual sales and use tax rate as well as the apportionment of the sales and use tax revenue to cities and counties[4].

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[3] A tax based on the assessed value of real estate or personal property. Ad valorem taxes can be property tax or even duty on imported items. Property ad valorem taxes are the major source of revenue for state and municipal governments (Investopedia 2008).

[4] The League of California Cities. "A Primer on California City Finance".

San José Development Pattern

One significant factor contributing to the City's fiscal condition, is the historical nature of physical development within the City's boundaries. Prior to World War II, San José was primarily an agricultural community with a thriving canning industry and small, but growing downtown business center. The rapid post-war growth period saw San José's population rise from 95,000 in 1950 to 500,000 in 1975, with the corresponding geographic expansion from 17 square miles to 120 square miles during the same period. This set the largely low density suburban pattern for San José, the urban form of which contributes significantly to San José's fiscal situation due to its inefficient and costly sprawl. Beginning in the early 1970's, San José instituted urban growth policies which largely halted outward expansion of the City's municipal boundary and encouraged infill development. The City has continued to grow significantly, in both population and economic development terms, to become the 10th most populated city in the United States, with a 2008 population of nearly one million. Currently, residential use accounts for the majority of land area in the City, with approximately 59 percent of the total developed urban land comprising some form of residential use and about 35 percent in single family housing[5] (typically 6,000 to 8,000 square foot lots). The fact that more than a third of the City's land supply is devoted to single family uses has carried significant economic cost for the City, but also represents a future opportunity as the City transitions to a more efficient land use pattern.

Job growth largely associated with the expansion of the high-technology industry in the Silicon Valley has fueled the demand for residential development. However, although San José has generated a sizable portion of the jobs in the Silicon Valley, relative to other cities in the County, the City has largely born the burden of creating the housing necessary for the regional job base. The City's Urban Service Area (USA) comprises over 90,000 acres, and in 2008, approximately 15 percent of the USA was vacant or underutilized. A significant portion of the vacant or underutilized land is planned for non-residential uses, predominantly industrial development, which would help to better balance the tax base of the City with its residential neighborhoods.

The Association of Bay Area Governments (ABAG) has projected that San José's share of Santa Clara County population will increase from 54 percent in 2007 to 58 percent by 2040, with San José receiving slightly over two-thirds of the County's population growth to 2040. As a result, it is anticipated that San José will continue to provide the majority of new housing in the County, and beyond. However, appreciating land values, a diminishing supply of vacant land, and most importantly, the City's current fiscal condition, necessitate a more efficient use of land in both the residential and commercial/industrial land use categories.

The City's land use policies guide what types of buildings are developed and where in the community that development occurs, as governed by the City's General Plan, the City's comprehensive land use planning policy document. Under the current San José 2020 General Plan, the City is focused on strengthening polices related to future growth strategies,

5 San José 2020 General Plan.

with significant emphasis on growing a fiscally sustainable City achieving both economic development and housing growth. As noted above, San José's predominant low-density residential land use pattern, its large land area (180 square miles) together with the necessity to provide municipal services to nearly a million residents (as of 2008), have created significant challenges for the City's General Fund fiscal condition.

B. STRUCTURAL DEFICIT

The City's adopted FY 2008-2009 budget closed a FY 2008-2009 projected General Fund budget deficit of $29.6 million. To close this gap, $25.5 million in ongoing solutions and $4.1 million in one-time solutions were used, including new and increased revenues, allocation of reserves, and reductions in spending. However, the City is currently projecting a budget deficit totaling approximately $96.4 million for the 2010-11 fiscal year.

Since 2001, the City of San José has experienced recurring annual deficits in the City's Operating and Capital Budgets, caused by a combination of factors that have resulted in the identification of a "structural" or on-going annual deficit problem. During the economic boom experienced in the late 1990's, and through 2000, the City experienced extremely strong revenue growth. The City expanded its workforce to support increased demand for services and to maintain a competitive workforce during an era of the lowest unemployment rate ever recorded in a large California city. When the dot-com bubble burst in late 2001, the Silicon Valley region lost approximately 200,000 jobs and City revenues fell dramatically. Over the last six years, the City has eliminated over 350 staff positions and closed cumulative annual General Fund budget shortfalls totaling over $450 million. The projected five-year structural deficit, which was estimated at $106 million in November 2008 but has grown significantly since then, is the result of a combination of factors, including projected costs to maintain existing programs and funding required to address areas not currently funded, including annual unmet/deferred infrastructure and maintenance needs and the General Fund portion of the unfunded liability associated with post-retirement health benefits. This figure does not include the one-time backlog of over $500 million in General Fund infrastructure improvements and maintenance needs, together with more than $400 million in unfunded capital project infrastructure and maintenance needs (see below).

In November 2008, the City released a report addressing options for relieving the structural deficit. These options remain under discussion and further information will be provided as the General Plan process proceeds. However, as the General Plan Task Force considers future growth scenarios, it is useful to consider current and projected funding needs for infrastructure and facilities maintenance.

Capital Projects Infrastructure Backlog and Deferred Maintenance

The City's capital assets consist of both fixed assets such as buildings, parks, trails, water, sewer, storm systems, an international airport, and water pollution control plant, and also major equipment such as fleet vehicles and major computer systems. Some of these assets are approaching the end of their life cycles and need to be replaced, rehabilitated, or upgraded. Even in the case of assets that have been recently upgraded or newly constructed, ongoing regular maintenance is necessary to prolong the useful life of those assets.

In October 2007, the City Manager's Office issued the *Deferred Maintenance and Infrastructure Backlog Report (2008)*, which included analysis of deferred maintenance and infrastructure demands citywide, highlighted the condition of the City's facilities, anticipated capital improvement and maintenance needs, and identified potential funding options. This report provided information on the City's key assets along with preliminary information on possible funding strategies. At that time, the report indicated that the total anticipated unfunded needs were approximately $825.1[6] million. More recently, that number has been updated to $832 million, with $50 million per year in ongoing unfunded needs.[7] It is important to note that these numbers only include partial anticipated preventive maintenance and capital improvement needs. Preventive maintenance is defined as maintenance required to ensure anticipated life expectancy and does not include ongoing daily or weekly maintenance of the City's facilities and equipment.

The analysis of future steps to address the City's unmet/deferred infrastructure and maintenance needs was incorporated into the discussion of the structural deficit and is included in the General Fund Structural Deficit Elimination Plan. The information below highlights the summary of the existing unfunded one-time and annual deferred maintenance and infrastructure backlog as indicated in the City's June 16, 2009 update of the Deferred Maintenance and Infrastructure Backlog Report for the major City service departments which were the focus of ADE's service standards analysis described later in this report. A number of these capital assets have a direct impact on future land use and development patterns in the City, and therefore, are important considerations in the long-range planning process. It should be noted that the City's deferred maintenance and infrastructure backlog report indicates that not all of the needs (one time and ongoing annual) are known, and that additional analysis would be required in order to accurately determine the deferred maintenance and infrastructure backlog needs.

<u>Building Facilities (City-wide)</u>

There is a substantial deferred maintenance backlog for the City's building facilities, with the unfunded need estimated to be $56.1 million, including $2.9 million in General Fund building maintenance, $16.1 million in non-General Fund building maintenance and $37.1 million in Convention and Cultural Facilities maintenance. The City's ongoing annual unmet/deferred cost for maintenance of facilities is estimated at $4.4 million.

<u>Parks and Recreation Facilities</u>

Based upon available data, there is a substantial deferred maintenance and capital improvements cost for parks and recreation facilities, estimated at approximately $28.7

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6 City of San José, *2010-2014 Preliminary General Fund Forecast*. November 10, 2008.
7 Ed Shikada. Status Report on Deferred Maintenance and Infrastructure Backlog. June 16, 2009.

million. Ongoing unfunded needs are being evaluated but are estimated to be at least $7 million annually.

Sanitary Sewer System

The recently completed *Sanitary Sewer System Master Plan* for three out of five City sanitary drainage areas indicates there are significant infrastructure improvements needed, which are projected to cost $104 million. It is estimated that approximately $228 million in total one-time cost is needed for infrastructure throughout the entire system.

Storm Sewer System

A Storm Sewer Master Plan, at an estimated cost $3 million, is needed to accurately identify the storm system capital improvement needs. About $125,000 is budgeted in 2009-10 to begin this project. The one-time storm system capital improvement need is envisioned to be in the low hundreds of millions of dollars but is currently unknown. The ongoing rehabilitation and annual maintenance needs are currently unknown and will be determined by the *Storm Sewers Condition Assessment Study* now underway.

Transportation Infrastructure

Development of a Transportation Management Master Plan (TMMP) is complete and under consideration. The preliminary estimates indicate a one-time unfunded need of about $405.9 million and an anticipated ongoing annual need of about $27.7 million.[8]

Water Pollution Control Plant

A *Water Pollution Control Plant Master Plan* has recently been drafted. Current unfunded costs for the plant are estimated at $34 million with ongoing annual repair and maintenance needs estimated to be about $2 million.

Water Utility System

Currently all of the needs in Water Utility System have been adequately budgeted for in the 5-year CIP.

[8] Excludes Street Tree maintenance, sidewalk, curb and gutter repair, which are currently the responsibility of the property owner.

New Facilities Investments through Bond Measures

Between 2000 and 2002, the residents of San José approved approximately $600 million in general obligation bond measures to finance a significant array of public facilities, including new parks and recreation, public safety and library capital projects. Most of these projects are either complete or actively in progress. While citizens can now enjoy these highly improved facilities, there is still a remaining challenge in providing adequate staffing to operate and maintain them. As described above, the Structural Deficit has caused continued reduction in staffing as well as service reductions at a time when many new and expanded facilities have come on-line.

III. ANALYSIS OF DEPARTMENTAL SERVICE LEVELS

An analysis of the implications of the City's current fiscal condition on the demand for City service must first include a thorough examination of each department's service level standards, performance, and issues that impact those service levels. The San José 2020 General Plan contains service level goals for several City services across various departments. The General Plan also defines specific level of service standards for transportation, storm and sanitary sewer, and waste water treatment. The General Plan service level goals are both qualitative and quantitative, and are intended to achieve service levels that can support a high quality of life for San José residents.

In addition to the service level goals and standards contained in the General Plan, the City's annual Operating Budget is based on a service delivery framework focused on performance-driven government. This framework divides all City services into one of six City Service Areas (CSA's), to which it contributes. Each CSA has a budget, as well as selected performance standards and measures established to track the progress of service delivery on an annual basis. The CSA goals and performance measurements contained in the budget can be used as benchmarks to further assess the potential impact of land use and development changes under the General Plan, and how those changes might affect service level goals in the future.

ADE has reviewed both the San José 2020 General Plan and the City's Adopted FY 2008-2009 Budget for the departments listed below in order to identify the various departments that provide essential city services, particularly services that are generally impacted by development growth. ADE then conducted interviews with senior staff in those departments in order to get an in-depth understanding of the services provided by that department.

Growth resulting from changes in land uses can potentially affect the City's ability to provide essential services to its residents. The purpose of the departmental interviews was to provide clarification on four questions: 1) what are the department's service delivery standards relative to the City's General Plan, 2) what is the service level in light of the methods of service delivery, 3) what is the department's overall budget, and 4) what might be the potential impacts of population and development growth resulting from land use changes on the department's ability to deliver those services. The questions ADE posed to departmental representatives during those interviews may be found in Appendix A.

The information below indicates the results of our interviews pertaining to the analysis of existing service standards and performance levels. The tables pertaining to each department's service standards make the distinction between whether the service level goals are contained in the General Plan or the Adopted Budget, and then, based on the established service-level estimates, identify whether or not the service level (1) does not meet standard, (2) meets standard, or (3) exceeds standard.

A. POLICE DEPARTMENT

SERVICES PROVIDED

The San José Police Department provides various programs and services to residents, schools, and businesses in areas relating to crime prevention and reduction, and emergency response services for crime and other related situations. The Police Department's core services include responding to calls for service, crime prevention and community education, investigative services, regulatory services, and special event services. Specifically, the Police Department provides outreach and prevention services such as school visits, foot patrols, attendance at neighborhood meetings, and other services. The Police Department also provides investigative services for crimes committed and reported, as well as the facilitation of support services for victims and witnesses of criminal activity. In accordance with the City's Municipal Code as well as State Codes, the Police Department issues permits for various services such as taxis, street vendors, bingo parlors, massage parlors, card rooms, and game rooms.

In 2002, the voters of San José approved Measure O, the Neighborhood Security Act Bond Measure, which authorized the issuance of $159 million in General Obligation Bonds to fund capital projects in the Police and Fire Departments. These projects include construction of a South San José Police Substation, community policing centers, a Driver Safety Training Center and renovation of the combined Police-Fire 9 -1-1 Communications Dispatch Center. The South San José Substation is expected to be completed in June 2010. A Community Policing Center currently exists at Oakridge Mall in South San José. Funding originally identified for new community policing centers in East and South San José was transferred to the South San José Police Substation project.

CURRENT SERVICE STANDARDS AND SERVICE LEVELS

The General Plan defines Police service delivery standards in terms of response times, as is shown in Table 2. In addition, the FY 2008-2009 Adopted Budget measures service delivery in terms of cost for Police services and crime rate per 100,000 residents compared to national and state levels. Police Department performance for response time exceeds the General Plan service standard goal for both Priority 1 and Priority 2 calls. Crime rate statistics are reported annually to the FBI in the Uniform Crime Report prepared in January by the Department for the previous year reporting period. The 2007 figures indicate that index crimes decreased slightly from 56,039 in 2006 to 55,981 in 2007, despite continued growth in the City's population.

The FY 2008-2009 Adopted Budget service standard for cost for Police services indicates that the annual cost to respond to calls for service has increased, while the annual cost per call for Police services has decreased. The projected FY 2008-2009 police costs are understated because they do not include cost-of-living adjustments for sworn personnel, since a labor agreement with the Police Officers Association was not in place when the 2008-2009 budget was adopted. For seven previous years, San José was rated as the "Safest

Big City in America" in the ratings provided by Morgan Quinto (MQ) Press. However, San José no longer holds than distinction and is now ranked third behind Honolulu and El Paso. The MQ Press "Safest Big City" designation is based on a comparison of population and crime statistics relative to other major cities.

TABLE 2
SAN JOSÉ 2020 GENERAL PLAN AND FY 2008-2009 ADOPTED BUDGET
SERVICE STANDARDS AND SERVICE LEVELS – POLICE DEPARTMENT

Service Level Goal/Standard	Current Service Levels	Achievement of Goal/Standard
	San José 2020 General Plan	
Response Times[1]		
6 minutes or Less for 60% of Priority 1 calls	6 minutes or less for 62% of P.1 calls	Meets General Plan service goal
11 minutes or Less for 60% of Priority 2 calls	11 minutes or less for 69% of P.2 calls	Meets General Plan service goal
	FY 2008-2009 Adopted Budget	
Cost for Service		
Annual cost of police to respond to calls for service (in Millions)	FY 07/08 estimate of $98.23 million. FY 08/09 CSA indicates a $99.62 million cost	Indicates an increase in the cost for police response to calls for service from FY 07/08 to FY 08/09[2]
Annual cost per call for police service	FY 07/08 estimate of $149.45. FY 08/09 CSA indicates a cost of $145.08 per call	Indicates an estimated decrease in the annual cost per call for police services from FY 07/08 to FY 08/09[2]
Crime Rates		
30% below national rate for index crimes per 100,000 residents	In FY 06/07 San José was 20% below the national rate (FBI Uniform Crime Report)	Does not meet standard
30% below California crime rate per 100,000 residents	In FY 06/07 San José was 16% below the California crime rate	Does not meet standard
40% below crime rate for 12 comparable cities per 100,000 residents	In FY 06/07 San José was 45% below the crime rate of the comparison California cities	Meets standard

Source: Adopted FY 08/09 Adopted Budget.
[1]Reflects data provided in the FY 2008-2009 Adopted Budget that indicates emergency response time including call taking, call queuing, and dispatch to arrival.
[2] The 2008-2009 police costs are understated because they do not include cost-of-living adjustments for sworn personnel. A labor agreement with the Police Officers Association was not in place when the 2008-2009 budget was adopted.

B. FIRE DEPARTMENT

SERVICES PROVIDED AND FACILITIES INVENTORY

The San José Fire Department provides various programs and services to residents, businesses, and all other land uses and activities in an effort to prevent loss of life, personal injury, and property damage as a result of structural fires and outdoor wildfires. The Fire Department's core services include fire suppression and prevention and emergency medical services. The Fire Department also provides residents with fire and life safety outreach and education, fire regulatory enforcement, search and rescue operations, and hazardous materials mitigation. Emergency response is provided by 34 engine companies, 9 truck companies, 2 urban search and rescue (USAR) companies, 1 hazardous incident team (HIT) company, and numerous specialty teams and vehicles.

Fire Department facilities funded through the Neighborhood Security Act Bond Measure include the construction of four new fire stations, relocation of six fire stations, remodeling of 16 fire stations and enhancement of fire training facilities. Most of the remodeling or rebuilding of stations has been completed; all stations scheduled for relocation are in design, construction, or have been completed; all new fire stations are in design construction, or have been completed.

CURRENT SERVICE STANDARDS AND SERVICE LEVELS

The Fire Department is operating below desired service levels. Deployment planning is designed around the San José 2020 General Plan adopted service level goal of four minutes travel time as the basis for station placement. The total response time (reflex) goal is eight minutes or less for 80 percent of emergency incidents. The overall department compliance rate for achieving the four-minute travel time is 67.5 percent (FY 2007-2008). The Fire Department has instituted an internal operating target to achieve the four minute travel time for 80 percent of all emergency responses. Given the 67.5 percent compliance rate, the Fire Department is currently not meeting the General Plan service goal. There are two primary causes for this sub-optimal performance: 1) some station districts have excessively high call volumes resulting in simultaneous requests for service requiring the next closest available unit to respond, increasing reflex times; and, 2)other stations have very large service areas that cannot be traversed within the four minute travel time goal. Potential solutions to address these issues are focused on adding and rearranging response capacity to locate resources for maximum effectiveness. The recently completed Fire Department Strategic Plan and the new facilities included in the Neighborhood Security Act Bond Measure, as described above, are intended to help improve desired response times.

In addition to the San José 2020 General Plan service goals, the Fire Department currently measures services by additional standards for response times, which are determined by the nature of the fire emergency call, either Priority 1 calls or Priority 2 calls. The FY 2008-2009 Adopted Budget indicates that for Priority 1 calls, compliance with the Fire Department goal of arrival within 8 minutes of a 9-1-1 call remained unchanged at 79 percent from FY 2007-2008. For Priority 2 calls, the percentage of Fire Department arrival within 13 minutes of a 9-1-1 is 99 percent in FY 2007-2008. The City's contract with the Santa Clara County Emergency Medical Service Agency (which expires on 6/30/2011) requires response time performance of 8 minutes or less from the time of dispatch to the time of arrival on scene for 95 percent of emergency responses. As shown in the FY 2007-2008 Adopted Budget performance data, the City exceeded the minimum performance with a 96 percent response rate within the 8 minutes or less requirement.

The Fire Department measures the cost of emergency response, which indicates an increase from a FY 2006-2007 actual cost of $1,889 per emergency response, to $2,068 in FY 2007-2008. The Department also measures the civilian fire death and injury rate per million residents, and compares that with other comparably populated cities in the western United States. Table 3 below indicates the fire death rate climbed two points in FY 2006-2007 to 9.2

deaths per million residents. However, the civilian fire injury rate decreased by eight points to 63.9 per million residents in FY 2006-2007. Data for FY 2007-2008 was not provided in the FY 2008-2009 Adopted Budget.

TABLE 3
SAN JOSÉ 2020 GENERAL PLAN AND FY 2008-2009 ADOPTED BUDGET
SERVICE STANDARDS AND SERVICE LEVELS – FIRE DEPARTMENT

Service Level Goal/ Standard	Current Service Levels	Achievement of Goal/ Standard
	San José 2020 General Plan	
4 minute travel time for station distribution planning	FY 0607 actual: 68.1% compliance; FY 0708 actual: 67.5% compliance	Does not meet General Plan service goal of 80% compliance
	Compliance to Response Goals	
8 minutes or less total response (reflex) time for emergency responses [1]	FY 0607 actual: 78.4% compliance; FY 0708 actual: 79.3% compliance	Does not meet General Plan service goal of 80% compliance
13 minutes or less total response (reflex) time for non-emergency responses [2]	FY 0607 actual: 93.4% compliance; FY0708 actual: 93.3% compliance	Meets General Plan service goal of 80% compliance
8 minutes or less response time for emergency responses (Santa Clara County EMS contract) [3]	FY 0607 actual: 95.7% compliance; FY 0708 actual: 95.9% compliance	Meets contract requirement of 95% compliance
	Cost of Service Delivery	
Average cost per emergency response (total budget divided by number of emergency responses)	FY 0607 actual: $1,889; FY 0708 actual: $2,059	Average cost changes more reflective of call volume changes than increased costs

Source: Adopted FY 08/09 Adopted Budget.
[1] Measured from time cal received at 911 center until unit arrives at scene.
[2] Measured from time call received at 911 center until unit arrives at scene.
[3] Measured from time unit receives dispatch until its arrival at scene.

C. ENVIRONMENTAL AND UTILITY SERVICES CITY SERVICE AREA

SERVICES PROVIDED

The San José Environmental Services Department provides various programs and services to residents in an effort to maintain and operate efficient and environmentally sound facilities and services. The Environmental Services Department core services include providing reliable utility infrastructure, healthy streams, rivers, marshes, and the bay, clean and sustainable air, land, and energy, and safe reliable and sufficient water supplies. The Environmental Services Department manages the City's potable water, wastewater treatment, recycled water, garbage and recycling, urban runoff, and energy programs. In addition, the Department of Public Works manages the sanitary sewer collection system and the Department of Transportation manages the storm sewer system. Generally, the City is responsible for system maintenance, system operations, regulatory compliance, system improvements, system expansion, and customer service functions for the aforementioned utility services. In addition to services such as managing urban runoff and garbage collection and recycling, services also include diversion and inspection program components.

Many of the services described above receive significant funding from non-General Fund sources not as directly affected by the structural deficit. These services and their current service levels are included in this report due to their relationship to existing and future growth and development of the community.

CURRENT SERVICE STANDARDS AND SERVICE LEVELS

Environmental Services Department service delivery goals incorporated in the General Plan include water pollution plant capacity, sanitary sewer capacity, storm water discharge, and solid waste landfill diversion. In addition, the FY 2008-2009 Adopted Budget measures service delivery in terms of water quality, water conservation, and recycled water usage. Regarding the General Plan goal of waste water discharge to the San Francisco Bay, the FY 2007-2008 estimate of 102 million gallons per day (MGD) is within the service limit of 105 MGD. The General Plan goal for sanitary sewer capacity to not exceed the minimum level of service "D" for restricted sewage flow during peak flow conditions is determined on a project by project basis. The FY 2007-2008 solid waste landfill diversion rate of 60 percent exceeds the service level goal of 50 percent. The Green Vision has set a future goal of 100 percent diversion by 2022, with the 60 percent rate just shy of the FY 2007-2008 61 percent target for progress towards the Green Vision goal.

TABLE 4
SAN JOSÉ 2020 GENERAL PLAN AND FY 2008-2009 BUDGET
SERVICE STANDARDS AND SERVICE LEVELS – ENVIRONMENTAL AND UTILITY SERVICES CSA

Service Level Goal/Standard	Current Service Levels	Achievement of Goal/Standard
	San José 2020 General Plan	
Waste Water Treatment-Level of Service The cumulative effect of all new development can be accommodated by San José's share of the capacity of the Water Pollution Control Plant.	FY 07/08 target not to exceed 105 MGD. FY 07/08 estimated 102 MGD.	Meets General Plan service goal.
Sanitary Sewer-System Capacity Ensure new development does not cause or exacerbate sanitary sewer lines with restricted flow conditions.	Determined project by project.	Determined project-by-project.
Solid Waste-Land Fill Diversion The City should seek to exceed 50% diversion of waste from disposal, maintain 20 years of landfill capacity, and provide for storage and collection of recyclables from every location where solid waste is generated. (State Goal)	FY 07/08 target of 61% diversion rate. FY 07/08 estimate is 60%.	Meets General Plan service goal Annual target toward future goal of 100% diversion was not quite met.
	FY 2008-2009 Adopted Budget	
Waste Water-Level of Service Manage wastewater discharge into the Bay to remain below 120 million gallons per day (MGD) during Average Dry Weather Effluent Flow (ADWEF) season.	FY 08/09 target of not to exceed 105 MGD. FY 08/09 109 MGD average dry weather flow.	Indicates that in FY 07/08 wastewater discharge met the standard.
Potable Water Percentage of water samples meeting or surpassing State and Federal water quality standards. Encourage more efficient use of water by promoting water conservation and the use of water saving devices.	FY 08/09 target of 100%. FY 08/09 estimate of 99.5%. FY 08/09 target of fewer than 8,335 millions of gallons of water delivered. FY 08/09 estimate of 7,846 million gallons of water delivered.	Indicates that in FY 07/08 potable water sample levels met the standard. Indicates that in FY 07/08 potable water delivery levels met the standard.
Reliance on Imported Water Decrease reliance on imported water through conservation and recycling.	FY 08/09 target of 21.4 MGD of water conserved and recycled. FY 08/09 estimate of 18.0 MGD.	Indicates in FY 2007-08 the City did not meet the target for reduction in reliance on imported water.
Recycled Water Use Operate the recycled water system to divert treated effluent flows from the Bay during the ADWEF season.	FY 07/08 target of 15 MGD. FY 07/08 actual usage of 14.4 MGD.	Indicates that in FY 07/08 recycled water service levels di not quite meet the targeted service level.

Source: Adopted FY 08/09 Adopted Budget.

Domestic Water

The City of San José supplies water directly to residential and commercial customers in three areas: North San José/Alviso, Edenvale/Evergreen, and Coyote Valley. This share represents approximately 12 percent of the customers in the City, with the remainder of domestic water service supplied by private water companies. The planned intensification of the North San José area and approved campus industrial development in North Coyote Valley will require an increase in the share of the City's water needs supplied by the City.

The City receives approximately 75 percent of its water supply from the Santa Clara Valley Water District, and approximately 25 percent from the Hetch Hetchy system. The future reliability and expansion capability of these sources will be important issues for consideration. Recent state legislation requires new development to exert no net impact on water supplies. As a result, significant additional progress is needed in water conservation and reuse efforts to accommodate planned growth in San José and elsewhere in the Santa Clara Valley. The City expects significant increases in water costs as supplies become scarcer due to increasing demand.

Recycled Water

The City is limited in the amount of wastewater it can discharge into the San Francisco Bay. In order to stay within this limit, the City spent $250 million developing a recycled water system that supplies recycled water for non-potable uses, including irrigating golf courses, parks, schools, business parks, and industrial cooling and other industrial processes in the cities of San José, Milpitas, and Santa Clara. Prior to completion of the recycled water system, the City's bay discharge increased to 118 million gallons per day (MGD), very close to its 120 MGD limit. Currently, the discharge rate is down to 102 MGD as an increase in recycled water use has occurred.

Wastewater

San José is a partner in a regional wastewater treatment facility, contributing approximately 65-70 percent of the usage of the plant. The plant is currently rated at 167 MGD Dry Weather Capacity and total usage from all sources is about 120 MGD. San José's share of the total plant capacity is 104 MGD and its current usage rate is about 78 MGD. It is estimated that the current General Plan development capacity contained in the San José 2020 General Plan (not including development of Coyote Valley) would add about 25 MGD to the City's usage, which would still not exceed the 104 MGD plant capacity allotment for San José .

Solid Waste

As part of the Green Vision, the City Council has adopted a policy to achieve zero waste going to landfills by 2022 and to implement waste-to-energy programs. The City Council approved the Zero Waste Strategic Plan in December, 2008 which identifies policies and programs designed to achieve the Green Vision Zero Waste goal. The three major landfills in San José, Guadalupe Mines, Kirby Canyon, and Newby Island, all privately operated, are projected to exhaust their permitted disposal capacity or reach their daily tonnage limits between 2020 and 2035. There are two other landfills, Zanker Road and Zanker Resource Management, Ltd, which will continue to provide limited land fill capacity beyond 2025. There are nine recycling or transfer facilities and four composting facilities used by the City (not all located within San José). No capacity shortfalls are expected for either source-separated recycled materials or for composting source-separated yard trimmings by 2022, the timeframe of the Zero Waste Strategic Plan. Beyond 2022, however, there is sufficient capacity for mixed waste, either for recycling or composting, and for recovering energy from residential materials. Both approaching 2022 and beyond, the achievement of the Zero Waste programs will reduce the demand for landfill capacity in the long range future.

D. LIBRARY DEPARTMENT

SERVICES PROVIDED

The San José Library Department core services are to provide various programs and services to residents and schools in an effort to promote lifelong learning, and to provide access to library materials and digital resources. The Library Department also provides early education initiatives, school-focused programs, reference and readers advisory services, community awareness and outreach, and technology services to the community.

CURRENT SERVICE STANDARDS AND SERVICE LEVELS

The San José 2020 General Plan defines Library Department service delivery goals in terms of library volumes per capita and square footage of library space per capita. The San José Library Department currently holds 2.2 volumes per capita. Residents also have access to the San José State University library collection, housed at the joint City-University, Dr. Martin Luther King, Jr. Main Library, for an additional 1.4 volumes per capita that the City does not purchase. While the addition of these volumes to the total available for residents exceeds the General Plan goal of 2.75 volumes per capita, the academic nature of the University's collections likely do not meet the moer general needs of the public at large. For the General Plan goal of 0.59 sq. ft. of library space per capita, the current 0.52 sq. ft. of space per capita does not meet that standard. Upon completion of the library bond projects, this standard will almost be met with the resulting 0.57 sq. ft. of library space per capita. As the population increases, additional or expanded branches will be required to continue to meet this goal. In addition, the Library Department continues to emphasize use of technology to expand access to its resources and services. In FY 2008-09 for the number of on-line contacts ("hits") for Library internet services was 6.8 million, and the number of public access computer use sessions reached 2.3 million.

The FY 2008-2009 Adopted Budget measures library service delivery by cost per capita to provide access to library materials and cost per capita to promote lifelong learning (the educational focus in library services). Although no benchmark is established, the FY 2008-2009 cost estimates for both access to library materials and the promotion of lifelong learning indicates that the cost per capita for access to library materials remains unchanged, and the cost per capita for the promotion of lifelong learning has increased.

TABLE 5
SAN JOSÉ 2020 GENERAL PLAN AND FY 2008-2009 ADOPTED BUDGET
SERVICE STANDARDS AND SERVICE LEVELS – LIBRARY DEPARTMENT

Service Level Goal/Standard	Current Service Levels	Achievement of Goal/Standard
	San José 2020 General Plan	
Library Items and Facilities		
2.75 volumes (items) held in the San José Public Library System per capita	FY 07/08 estimate of 2.2 volumes per capita with access to 1.4 volumes per capita in the San José State University collection accessible to public	Exceeds General Plan service goal with the inclusion of San José State University library items, although the University's academic collections may not meet the needs of the public at large
0.59 square feet of library space per capita	Completion of new library space funded by library facilities bond will increase the ratio to 0.57 sq. ft. per capita by 2012	With completion of bond-funded facility construction, City will almos, but not meet General Plan goal
	FY 2008-2009 Adopted Budget Service Level	
Cost for Service		
Cost per capita to provide access to information, library materials, and digital resources	FY 06/07 actual cost of $28.28. FY 07/08 estimate of $26.50 per capita	Indicates that the cost per capita to provide access to information and materials has decreased from FY 06/07 to FY 07/08
Cost per participant in library reading program	FY 06/07 actual cost of $55.44. FY 07/08 estimate of $64.50 per participant	Indicates that the cost per participant in library reading programs has increased from FY 06/07 to FY 07/08

Source: Adopted FY 08/09 Adopted Budget.

In November 2000 San José voters approved Measure O, the Neighborhood Libraries Bond Measure, a $211.8 million bond to fund the expansion of existing library branches and the construction of new library facilities. As a result of this building program, the library system will increase by 286,000 sq. ft., including seven new branches and the expansion and/or replacement of 13 others. Including the joint City-University, Martin Luther King, Jr. Main Library, total library square footage will have increased from 255,000 sq. ft. to over 600,000 sq. ft. by 2012. At the completion of this expansion, and at the projected 2012 population level, the library will have 0.57 sq. ft. of library space per capita, and will continue to be below the 0.59 sq. ft. per capita goal. Table 6, below, describes the new and expanded library facilities provided by Measure O. If population growth is greater than currently projected, then additional future projects will be needed to make certain the standard for library space is met.

In 2004, San José voters approved Measure S to authorize a parcel tax to provide a minimum of $6.2 million annually in supplemental funding to support library services. This dedicated revenue will include:

- Funding for 45 percent of all new materials purchased
- Programming for children including pre-school story time, after school programs, and outreach programs
- Maintenance and upgraded library technology
- Support for basic library operations

TABLE 6
SAN JOSÉ LIBRARIES

Code	Branch Name	Current Size	Projected by 2012
AB	Almaden	20,000	
AL	Alviso	6,050	
AR	Dr. Roberto Cruz Alum Rock	26,500	
BA	Bascom		20,000
BB	Berryessa	26,000	
BLA	Biblioteca Latinoamericana	15,100	
CB	Cambrian	27,800	
CZ	Calabazas	5,880	10,000
EB	East San José Carnegie		12,000
EK	Educational Park	14,084	18,000
EN	Edenvale	22,200	
EV	Evergreen	22,318	
HB	Hillview	21,398	
JE	Joyce Ellington	14,500	
PA	Pearl Avenue	13,885	
RG	Rose Garden	19,000	
SA	Santa Teresa	13,860	22,000
SE	Southeast		12,000
ST	Seven Trees		20,000
TU	Tully Community	24,000	
VL	Vineland	24,000	
WG	Willow Glen	13,380	
WV	West Valley	20,000	
	TOTAL Sq. Ft.	**336,115**	**450,115**
	Population	973,672	1,046,586
	Ratio of Sq. Ft. to Pop.	0.35	0.43
MAIN	Martin Luther King [a]	170,075	170,075
	Ratio of Sq. Ft. to Pop.	0.52	0.59

Source: ADE, Inc.
Notes:
[a] The entire Dr. Martin Luther King Library is 475,000 sq.ft. and the public has access to all of its resources; however, since the City funded 35% of the facility operations cost of the library, it counts 170,075 sq.ft. toward its service level goal.

E. PARKS, RECREATION, AND NEIGHBORHOOD SERVICES DEPARTMENT

SERVICES PROVIDED

The San José Parks, Recreation, and Neighborhood Services (PRNS) Department's Vision is to be the national leader of Parks and Recreation Departments in cultivating healthy communities through quality programs and dynamic public spaces. The PRNS Department provides parks and recreation facilities and services, including after school and other school programs, gang intervention and prevention programs, work experience programs, sports and aquatics programs, anti litter and graffiti programs.

CURRENT SERVICE STANDARDS AND SERVICE LEVELS

The General Plan defines Parks, Recreation, and Neighborhood Services Department service delivery goals in terms of acres of neighborhood/community parks and recreational school lands per 1,000 residents, acres of regional/Citywide parkland per 1,000 residents, and the square footage of community center floor area per 1,000 residents. Similarly, the FY 2008-2009 Adopted Budget measures performance by the number of developed neighborhood parks and trails, total developed acres of neighborhood parks and trails maintained, and the total number of park acres. The Department has completed an update to the Parks strategic plan this year, called the Greenprint 2009 Update, Plan for Parks, Recreation Facilities and Trails ("Greenprint Update"). Originally adopted in 2000, the Plan provides staff and decision makers with a strategic plan for expanding recreational opportunities in the City.

The San José 2020 General Plan goal is 3.5 acres per 1,000 population, which includes 1.5 acres of City owned and/or operated neighborhood parks, community parks, neighborhood and community elements of both city-wide parks and local County parks within San José (e.g., Guadalupe River Park), and up to 2.0 acres of recreational school grounds (Table 9). According to the Greenprint Update, the Department does not meet the service goal, and an additional 1,124.6 acres of neighborhood/community park land would need to be acquired to meet the standard by 2020 (Greenprint Update, p. 65). The General Plan also states that accessibility to neighborhood-serving parks should be provided within a reasonable walking distance for all residents. Additionally, the Greenprint Update has reaffirmed the City's commitment to Urban Environmental Accords' goal of providing recreational open space within ½ kilometer (about 1/3 of a mile) of each residence in San José.

While there is no quantified General Plan goal for trails, the Greenprint Update has a goal to work with other agencies to establish a connected trail regional trail system that provides over 100 miles of trails. The Green Vision includes a similar goal, with a target of achieving the trail expansions by the year 2022.

The General Plan has another goal of 7.5 acres per 1,000 population for regional parks and open space lands. The City currently provides approximately 1,889 acres of such lands for a ratio of 1.89 acres per 1,000 population. However, when this acreage figure is added to the 15,800 acres of other agencies' open space lands accessible to San José residents within its sphere of influence, the ratio is 17.69 acres per 1,000 population. These lands include:

- 1,889 acres of City regional park lands
- 3,178 acres of Santa Clara County Open Space Authority lands
- 3,586 acres of the National Wildlife Refuge
- 9,036 acres of County's park lands

The General Plan goal for Community Centers is 500 sq. ft. of space per 1,000 population. Currently, the City provides 510 sq. ft. of space per 1,000 residents including some 24 “reuse” sites that can be operated by non-profit community organizations. The Department has broken ground on two new community centers, as indicated in Table 8. The City will exceed this goal by the year 2012, with the addition of at least 69,190 square feet of new community center space to surpass the goal by 48 square feet per 1,000 population (see discussion of parks bond measure, below). However, if the reuse facilities are not open to the general public, then 112,210 square feet of such space would not be available and, therefore, the City would be short by 59 sq.ft./1,000 population in meeting the General Plan goal.

The FY 2008-2009 Adopted Budget measures the total developed acres of parks and trails, developed acres maintained, and neighborhood park acres. The number of developed neighborhood parks grew from 170 in FY 2006-2007 to 173 in FY 2007-2008. The total acres of developed neighborhood parks and trails increased from 1,098 in FY 2006-2007 to 1,120 in FY 2007-2008 (neighborhood parks represent a portion of the total park acreage shown in Table 9).

In November 2000, the voters approved $228 million in General Obligation Bonds to complete improvements at a number of neighborhood parks (e.g., safety upgrades to 90 play lots, restroom renovations at 28 parks, improved lighting at various parks) and regional parks (seven projects including the renovation of the Happy Hollow Park and Zoo); construction/renovation of nine community centers and two sports complexes; and partial development of five trail systems.

Fiscal Year 2007-2008 marks the eighth year of the City's implementation of the Parks Bond Program. Projects completed as of the end of FY2007-2008 include improvements to 69 neighborhood parks and five regional parks, construction of five community centers, and three trail projects. The construction of two regional park projects (Happy Hollow Park and Zoo - Phases I and II), two sports complexes, four community centers, and two trail projects remain to be completed. Renovation construction on the Happy Hollow Park and Zoo, the largest improvement project in the Parks Bond Program started in February 2008 and is anticipated to open to the public in the Spring of 2010.

TABLE 7
SAN JOSÉ 2020 GENERAL PLAN AND FY 2008-2009 ADOPTED BUDGET
SERVICE STANDARDS AND SERVICE LEVELS – PARKS, RECREATION AND NEIGHBORHOOD SERVICES

Service Level Goal/Standard	Current Service Levels[1]	Achievement of Goal/Standard
	San José 2020 General Plan Service Level	
Land and Facilities		
3.5 acres of recreation land per 1,000 population, of which 1.5 acres is neighborhood, community or locally serving regional/City-wide park land, and up to 2 acres of school playgrounds; and all of which is located within a reasonable walking distance.	2.92 acres combined with school lands, or 1.58 acres for City lands counted as neighborhood or community parklands.	Does not meet General Plan service goal.
7.5 acres of regional/City-wide park lands per 1,000 population; and 500 square feet of community center floor area per 1,000 population.	17 acres/1,000 counting all regional parkland. 510 sq.ft./1,000 for community center.	Meets General Plan service goal.
	FY 2008-2009 Budget Service Level	
Land and Facilities		
Number of developed neighborhood parks and trails.	FY 07/08 actual of 175 parks and 26 trails. FY 06/07 actual of 170 parks and 24 trails	Indicates an increase in the number of parks and trails from FY 06/07 to FY 07/08.
Total developed acres of neighborhood parks (including school grounds) and trails Greenprint and Green Vision goal of 100 miles of trails.	FY 07/08 estimate of 1,198. FY 08/09 estimate of 1,120 acres.	Indicates an anticipated increase in the number of acres of developed parks and trails from FY 07/08 to FY 08/09.
Number of neighborhood/community park acres.	FY 07/08 estimate of 1,052 acres.	No data available for comparison.

Source: Adopted FY 08/09 Adopted Budget.
[1]Information provided by the Parks, Recreation, and Neighborhood Services Department.

TABLE 8
CURRENT INVENTORY OF CITY COMMUNITY CENTERS

Community Center Name	Current Size	Projected by 2012
Alma Youth and Senior Center (+)	6,372	
Almaden (*)	44,000	
Almaden Winery Community Center	15,000	
Alum Rock Youth Center	14,560	
Alviso Youth Center	17,000	
Backesto Neighborhood Center (+)	665	
Bascom Community Center (*)	0	20,000
Berryessa Community Center	13,700	
Berryessa Youth Center	20,000	
Bramhall Park Neighborhood Center (+)	1,392	
Calabazas Neighborhood Center	1,816	
Camden Community Center	58,678	
Capitol Park Neighborhood Center	2,160	
Cypress Senior Center	12,703	
Edenvale Youth Center (+)	3,840	
Edenvale/Great Oaks Community Center	0	20,190 (8/2010)
Erickson Community Center	960	
Evergreen Community Center	15,731	
Fair Youth Center (+)	1,920	
Gardner Community Center	12,440	
Grace Community Center (Leased)	15,822	
Hamman Park Neighborhood Center (+)	1,466	
Hank Lopez Community Center	9,500	
Hoffman/Via Monte Neighborhood Center	1,920	
Hoover Community Center (+)	6,684	
Houge Park Neighborhood Center (+)	6,132	
Joseph George Youth Center (+)	2,000	
Kirk Community Center	19,476	
Los Paseos Youth and Family Center	14,000	
Mayfair Community Center	21,000	
McKinley Neighborhood Center	2,700	
Meadowfair Community Center (+)	1,942	
Millbrook Community Center	3,700	
Moreland-West Community Center	16,658	
Noble House Neighborhood Center	1,411	
Noble Modular Neighborhood Center	900	
Northside Community Center	16,500	
Old Alviso CC (+)	849	
Old Hillview Library (+)	7,168	
Olinder Neighborhood Center (+)	6,251	
Paul Moore Neighborhood Center	1,500	
Rainbow Community Center (+)	1,164	
River Glen Park Neighborhood Center	832	
Roosevelt Community Center	30,006	
San Tomas Community Center (+)	1,734	
Sherman Oaks Community Center (+)	5,900	
Shirakawa Community Center	15,840	
Solari (Seven Trees) Community Center (*)	0	29,000 (8/2010)
Southside Community Center	21,821	
St. James Senior Center	13,771	
Starbird Youth Center	3,840	
The Spot Youth Center (+)	2,072	
Vista Park Neighborhood Center	2,280	
Washington United Youth Center - contracted	17,000	
Welch Park Community Center (+)	800	
West San José Community Center	5,760	
Willows Senior Center	20,800	
TOTAL Sq. Ft.	**504,626**	**573,816**
Population	989,496	1,046,586
Ratio of Sq. Ft./1,000 Pop.	510	548

Note: (*) Joint Library/Community Center Facility; (+) Re-use Site (-112,210)

TABLE 9
CURRENT NEIGHBORHOOD/COMMUNITY SERVING PARKLAND NEEDS

Planning Areas (1)	2008 Census Population	Parkland Needed Per 2008 Population 3.5/1000 (2)	Dev City Park Lands	School Rec. Lands (3)	Total Existing Parkland (D+E)	Delta (F-C)	Meets Ratio (4)	Number of Underserved Areas
A	B	C	D	E	F	G	H	I
Almaden	36,684	128.4	163.7	61.9	225.6	97.2	Yes	2
Alum Rock	147,601	516.6	134.8	300.5	435.3	-81.3	No	6
Alviso	2,461	8.6	12.9	8.0	20.9	12.3	Yes	0
Berryessa	72,651	254.3	149.6	106.3	255.9	1.6	Yes	4
Cambrian/Pioneer	59,740	209.0	61.9	95.3	157.2	-51.8	No	4
Central/Downtown	120,450	421.6	159.4	45.5	204.9	-216.7	No	7
Edenvale	144,536	505.6	243.9	204.5	448.4	-57.2	No	5
Evergreen	94,111	329.4	281.5	104.5	386.0	56.6	Yes	2
North San José	22,436	78.5	32.3	5.9	38.2	-40.3	No	0
South San José	109,427	383.0	119.5	145.9	265.4	-117.6	No	1
West Valley	102,721	359.5	106.9	159.5	266.4	-93.1	No	10
Willow Glen	76,313	267.1	92.8	96.5	189.3	-77.8	No	10
Total	**989,131**	**3,461.9**	**1,559.2**	**1,334.2**	**2,893.4**	**-568.5**	**N/A**	**51**

Source: ADE, Inc. and the City of San José Parks, Recreation, and Neighborhood Services Department
Notes:
(1) The Calero, Coyote and San Felipe planning areas have population less than 1,000 residents and therefore are not shown in chart.
(2) 3.5 Acres Neighborhood/Community Serving Parkland per 1,000 population.
(3) Hard courts and athletic fields/soft-scape areas.
(4) Meets General Plan Ratio Regarding 1.5 acres of City parklands vs. 2.0 acres of recreational school lands.

F. TRANSPORTATION

SERVICES PROVIDED AND FACILITIES INVENTORY

The Department of Transportation core services include parking services, pavement maintenance, street landscape maintenance, traffic and street light maintenance, transportation operations, and transportation planning. The Department is responsible for maintenance of roadway infrastructure and related devices and landscaping, as detailed in Table 10 below.

TABLE 10
TRANSPORTATION MAINTENANCE INVENTORY

Item	Quantity	Units
Paved Streets	2310	miles
Roadway Markings	5,200,000	sq.ft.
Bridges	152	
Traffic Signs	64,000	
Street Name Signs	28,500	
Traffic Signals	892	
Traffic Signal Communications Cable	175	miles
Sidewalks, Curbs and Gutters*		
Street Lights	892	
Street Landscaping	554	acres
Street Trees*		

*Maintenance of sidewalks, curbs, gutters and street trees is the responsibility of the property owner per City Council policy; however, some portion of these facilities remain in City rights-of-way.
Source: San José Transportation Management Plan

CURRENT SERVICE STANDARDS AND SERVICE LEVELS

The San José 2020 General Plan goal is to provide a safe, efficient, and environmentally sensitive transportation system for the movement of people and goods. In June 2005, the City Council adopted a new transportation impact policy that supports the General Plan strategies to create and maintain a livable community. The policy provides flexible traffic levels of service standards and emphasizes that San José is planning a balanced, multi-modal transportation system with livable streets that accommodate vehicular as well as appropriate pedestrian, bicycle, and transit facilities. The Adopted Budget includes performance measures designed to gauge how well the City is meeting the goal to develop a multi-modal transportation system.

The Adopted Budget performance measures include levels of service for traffic flow at intersections, planned arterial streets completed, planned bikeway networks completed, pedestrian corridors meeting design standards, and the City's average Pavement Condition Index (PCI) ratings. For FY 2008-2009, the level of service goal of 98 percent for traffic flow at intersections at City Council adopted levels of service and planned arterial streets complete were met by the FY 2007-2008 performance. For planned bikeway networks completed, the FY 2007-2008 Adopted Budget estimate of 56 percent met the one year goals (the five year goal is 60 percent by 2013).

For traffic maintenance, a PCI rating of 0.66 was established as a service level goal. For FY 2007-2008, the estimate of 0.63 indicates that the City did not meet service standards for the City average pavement condition.

TABLE 11
SAN JOSÉ 2020 GENERAL PLAN AND FY 2008-2009 ADOPTED BUDGET
SERVICE STANDARDS AND SERVICE LEVELS – TRANSPORTATION DEPARTMENT

Service Level Goal/Standard	Current Service Levels	Achievement of Goal/Standard
	San José 2020 General Plan	
Provide a balanced, multi-modal transportation system with livable streets that accommodate vehicular, pedestrian, bicycle, and transit facilities.	*See Adopted Budget Measures for Completion of Multi-Modal Transportation System, below*	
	FY 2008-2009 Budget	
Traffic-Level of Service[1]		
98% of traffic flow at intersections at Council-adopted levels of service 'D' or better	FY 07/08 estimate of 98%	Indicates that for FY 07/08 traffic flow met the service level objective
Completion of Multi-Modal Transportation system		
98% of planned arterial streets complete.	FY 07/08 estimate of 98%	Indicates that for FY 07/08 planned arterial streets completed met the service level objective
56% of planned bikeway network complete in FY 07/08 and 60% by 2013	FY 07/08 estimate of 56%	Indicates that for FY 07/08 the planned bikeway network met the one year service level objective
26% of established pedestrian corridors meeting design standards (27% over 5 years)	FY 07-08 estimate of 26%	Indicates that for FY 07/08 the planned bikeway network met the service level objective
Traffic Maintenance		
City average Pavement Condition Index (PCI) rating -MTC recommended level of 0.80	FY 09/13 goal of 0.66	Indicates that the PCI rating does not meet the service level objective for future years

Source: Adopted FY 08/09 Adopted Budget.

[1] Level of Service (LOS) is determined by the Highway Capacity Manual 2000, Transportation Research Board (TRB) Special Report 209.

IV. FISCAL IMPACTS OF EXISTING LAND USES

As a preliminary step toward the fiscal analysis of future land use alternatives, ADE has developed a fiscal model to evaluate how existing land uses affect City service costs and General Fund revenues. This analysis can help provide an overall context for considering the mix of land uses that may be desired for future growth.

A. CITY BUDGET AND LAND USE DATA

This analysis focuses on General Fund operations costs and revenues, although the later analysis of future growth will also include the enterprise and capital funds included in the City budget. The adopted 2008-2009 General Fund budget is shown in Table 12. This budget information provides the initial basis for the analysis of fiscal impacts of existing land uses. Overall, the General Fund begins FY 2008-2009 with an existing fund balance of $202.9 million. This figure includes $108.8 million in Reserves that were carried over from the prior year, as well as $68.8 million allocated to complete projects budgeted in the prior year. It is anticipated that a large portion of the $110.6 million in Reserves budgeted in FY2008-09 will remain at the end of the fiscal year.

The fiscal model allocates the revenues and costs to the major land use categories shown in Table 13 below. The acreage estimates for each land use have been developed by City staff and represent the most current estimates available of developed and vacant land uses within the City Urban Services Area (USA). The land use categories are based on designations from the City's existing General Plan. ADE has estimated population and employment figures for each land use, as described more fully in Appendix B. (School employment is included in the Public/Quasi Public category.)

TABLE 12
2008-2009 ADOPTED GENERAL FUND BUDGET
CITY OF SAN JOSÉ

Budget Category	2008-2009 Adopted Budget
REVENUES	
Beginning Fund Balance	$202,881,541
Property Taxes	$208,267,000
Sales Tax	$152,536,000
Transient Occupancy Tax	$9,972,000
Franchise Fees	$41,621,000
Utility Tax	$83,690,000
Licenses & Permits	$78,883,904
Fines & Forfeitures	$15,726,000
Revenue from Money and Property	$13,221,500
Revenue from Local Agencies	$48,071,886
Revenue from State Government	$10,265,304
Revenue from Federal Government	$3,815,311
Departmental Charges	$30,863,305
Other revenue	$17,496,485
Transfers in and Reimbursements	$103,788,542
TOTAL REVENUES	**$1,021,099,778**
EXPENDITURES	
General Government	$106,917,098
Economic Development	$4,273,502
Environmental Services	$842,189
Police	$281,146,892
Fire	$158,203,354
Planning/Bldg./ Code Enf.	$36,779,509
Public Works	$9,860,408
Parks, Recreation, Neigh. Svcs.	$59,008,629
Library	$29,574,613
Redevelopment Agency	$1,897,152
Transportation	$32,894,600
Citywide	$122,659,251
Capital	33,662,749
Transfers out	$32,812,459
Reserves	$110,567,373
TOTAL EXPENDITURES	**$1,021,099,778**

Source: ADE, Inc., based on San José Adopted Operating Budget 2008-2009

TABLE 13
2008 CITYWIDE LAND USE INVENTORY

LAND USE	Acres	Units	Population
VACANT	3,152.40		
RESIDENTIAL			
Low Density	40,347.90	167,873	597,628
Medium Density	6,932.30	62,680	192,993
High Density	3,824.70	77,060	186,485
Sub-Total Residential	**51,104.90**	**307,613**	**977,106**
NON-RESIDENTIAL			**Employment**
Agriculture	1,636.10		36
Commercial	5,488.90		133,669
Industrial Park	4,690.50		137,365
Light/Heavy Industrial	3,596.50		74,443
Sub-Total Non-Residential	**15,412.00**		**345,513**
PUBLIC USES			
Parks/Open Space	9,123.30		
Public/Quasi Public	2,672.80		20,340
School	3,685.10		
Airport	1,022.90		290
Sub-Total Public	**16,504.10**		**20,630**
TOTAL	**86,173.40**		**366,143**

Source: ADE, Inc., based on analysis presented in Appendix B.

B. DEVELOPMENT OF THE FISCAL MODEL

The City maintains records for certain major revenue categories in terms of how each land use category contributes to the City's revenue base. Thus, for Property taxes, Sales taxes, Business License fees and certain State subventions, the City provided ADE with specific data to help allocate these revenues by land use. For other revenues and for the City service costs, ADE allocated the figures based on factors shown in Table 14.

A key assumption in this analysis is the relative service demand between residential and non-residential land uses. In general, the analysis assumes that the impact of employment-generating uses, as represented by the number of jobs supported by the activity, is 50 percent of the impact of residential uses, represented by the population. This is a standard service population assumption for fiscal impact studies. It corresponds to the general premise that employed people working at jobs in San José occupy eight-hour shifts, mostly during the regular work day, while the resident population, when they are not working, represent a service demand during the 16 hours of non-working time during a 24 hour day. Thus, an eight hour period is 50 percent of a 16 hour period. (In Table 14, however, this is expressed in terms of a 24-hour day, so the 16 hours is 67 percent of a full day while the eight hours is a 33 percent share). Of course, there are many individual exceptions to this but as a general rule it reflects the overall relative service demands of residential and non-residential land uses for a number of City services.

As indicated in Table 14, a few of the revenues and services require different assumptions. The revenue from Money and Property represents both interest, or investment income, on City bank accounts, as well as rental fees and other income associated with City-owned properties. This revenue represents about 1.9 percent of the total and is calculated here as a similar percent of the revenues generated by each individual land use.

TABLE 14
FACTORS USED TO ESTIMATE SELECTED REVENUES AND COSTS

Budget Category	Residential		Business		Notes
Revenues	**Service Proportion**	**Per Capita**	**Service Proportion**	**Per Capita**	
Franchise Fees	67%	$28.53	33%	$37.54	
Utility Tax	67%	$57.36	33%	$75.49	
Licenses & Permits	67%	$45.69	33%	$63.69	
Fines & Forfeitures	67%	$10.78	33%	$14.19	
Revenue from Money and Property	NA	1.9%	NA	1.9%	Percent of Other Revenues
Revenue from Local Agencies	34%	$12.13	66%	$62.19	
Revenue from State Government	100%	$10.50	0%	$0.00	
Revenue from Federal Government	100%	$3.90	0%	$0.00	
Departmental Charges	67%	$21.15	33%	$27.84	
Other revenue	67%	$11.99	33%	$15.78	
Expenditures					
General Government	NA	12%	NA	12%	Percent of Other Costs
Economic Development	10%	$0.44	90%	$10.53	
Environmental Services	67%	$0.58	33%	$0.76	
Police	67%	$192.69	33%	$253.60	
Fire	67%	$97.59	33%	$128.43	90% per capita; 10% based on Assessed Value
Planning/Bldg./ Code Enf.	67%	$25.21	33%	$33.18	Based on Assessed Value
Public Works	67%	$6.76	33%	$8.89	
Parks, Recreation, Neigh. Svcs.	90%	$54.33	10%	$16.13	
Library	75%	$22.69	15%	$12.13	10% to CSU San José
Redevelopment Agency	67%	$1.30	33%	$1.71	
Transportation	NA	$1,968.74	NA	$1,968.74	Per acre ROW
Citywide	67%	$84.07	33%	$110.64	

Source: ADE, Inc.

The State and Federal government revenues are mostly subventions that are allocated on the basis of population in the City, and are therefore allocated to the residential land uses. Revenues from Local Agencies relate more to non-residential uses, such as the convention center, and so the allocation reflects the specific sources of the funds in this category. Some of the funds in this category are reimbursements from the County or other cities for services provided by San José to these jurisdictions. These revenues have been excluded from the analysis since they do not relate to the City's own land use inventory.

In terms of cost allocations, a number of the services are based on the two-thirds residential/one-third non-residential split discussed above; however, other cost categories have a different basis. The General Government category is treated as an "overhead" charge on the cost of direct services to residents and business in San José.

This category includes the following City departments:

- Mayor/City Council
- City Manager
- City Clerk
- City Attorney
- City Auditor
- Independent Police Auditor
- Human Resources
- Finance
- Information Technology
- Emergency Services
- General Services

The General Fund expenses for these Departments are about 12 percent of the total General Fund budget and this factor is used in the fiscal model to project these costs by land use.

The Economic Development function also includes the Cultural Affairs Office of the City and is estimated to be devoted about 90 percent to non-residential land uses and 10 percent to residential uses in the City.

The Redevelopment Agency (RDA) addresses both housing and non-residential development issues, but is distributed one-third to housing due to the stronger role Redevelopment takes in affordable housing production. Most of the Redevelopment Agency expenditures are funded by tax increment revenue, which is projected to be about $20 million in 2008-09, and is separate from the General Fund. The budget figure for Redevelopment shown in Table 12 represents only the civil service staff in the RDA funded by the General Fund, the cost of which is reimbursed by the RDA. This reimbursement is part of the Revenue from Local agencies line item in Table 12 above. In fact, about 75 percent of that revenue source represents payments by the Redevelopment Agency for items that would otherwise have to be paid for out of General Fund revenues.

For the Police Department, the Commercial Land Use Category is assigned a higher cost per capita than other non-residential land uses, to reflect the higher incidence of calls for service for shoplifting, burglary and vandalism experiences at many commercial shopping centers.

For the Fire Department, the majority of its calls-for-service are for emergency medical response, rather than fire suppression. Ninety percent of its expenditures are allocated on a per capita basis to reflect this priority for the department. The remaining ten percent of the Fire Department budget, which represents responses to fire incidents, is allocated on the basis of assessed value for each land use. Buildings with greater assessed value are generally larger and require greater Fire Department response when fires occur.

The Planning and Building costs are also allocated on the basis of assessed value rather than population or employment. This is similar to the fee calculation for building permits and reflects the fact that larger projects typically require greater effort to process.

For parks and libraries, alternate assumptions have been used about the demand for services from residential and non-residential land uses. For Parks and Recreation, it is assumed that most of the service demand comes from the resident population, but it is also likely that a number of people who work but do not live in San José participate in recreation leagues for various sports and may use park facilities as well. For this department, we have used a 90 percent/10 percent split between residential and non-residential.

The Library Department maintains some information about the residence location of library patrons. This information shows that 75 percent of library patrons are San José residents and another 10 percent are San José State University students. The remaining 15 percent are non-City residents. For the fiscal model, this percentage has been assigned to non-residential land uses. While there is not a direct indication that these are business patrons, this percentage corresponds well to data from other communities where business usage of the libraries has been tracked, and represents a reasonable assumption about the level of business inquiries for reference information and use of library materials.

Transportation maintenance expenditures are related to the extent of road facilities and related infrastructure that must be maintained. The City's Planning Division has made estimates of right-of-way acreages for each land use and that has been used in the fiscal model as a proxy for road maintenance costs, rather than population or employment. It should be noted, however, that the size of roadways and intersections are also a function of the volume of traffic generated by each type of land use. When data are available from the General Plan Traffic Analysis, additional factors based on trip generation rates may be added to the fiscal model to help predict future transportation maintenance costs.

C. RESULTS OF THE ANALYSIS

Throughout the State, the reduced growth in property tax revenues due to a general decrease in property values and the increasing reliance among cities and counties on sales tax has strongly shifted the fiscal balance in favor of commercial land uses. This is particularly important because a strong commercial sector is needed to provide the revenue base to support neighborhood services and the public amenities desired by the community. Thus, it is no surprise that the non-residential uses in San José show a positive net fiscal balance compared to residential land uses. It is worth noting that housing has a social (public) benefit in terms of "providing shelter" and "a place where workers sleep," which is not quantified in a fiscal analysis.

Table 15 provides the detailed figures from the fiscal model described above (see also Figure 1). The fiscal benefit of the non-residential land uses is highly correlated to the amount of sales tax they produce. Much of the spending power that drives the sales tax revenue is generated by the households living in the residential units, estimated at 60 percent of the total taxable sales in the City. However, unless that spending is captured by commercial businesses located in San José, the City does not receive the sales taxes.

For future planning purposes, it is important to compare the fiscal performance of the land uses along several dimensions. The last three lines of Table 15 display the net fiscal performance of each land use in three different ways: Net Per Dwelling Unit/ 1,000 sq. ft. of non-residential building space, Net Per Person/Employee, and Net Revenue/Cost Per Person/Employee. The total column reflects the quantity of each land use in San José today; however, the indicators per dwelling unit or per resident give a better indication of the net effect of serving future populations. These figures are also shown in chart form in Figure 2 below.

For residential uses, costs per resident decline as density increases, reflecting mainly the efficiency benefits to the City transportation system and road maintenance costs. However, revenues per resident also decrease with density, due to the higher assessed value for lower density units. The per dwelling unit comparisons show a better performance for high versus both low and medium density units, although the net cost/revenue balance per resident favors the low density units. These indicators reflect the variations in household sizes relative to unit values. It must be emphasized that these results reflect existing land uses in San José and future housing product types may perform differently.

For consideration of future land uses, it is important to address this comparative fiscal analysis in more detail. The low, medium and high density residential categories in the City's existing land use inventory reflect densities of 5.5, 12 and 25 dwelling units per net acre, respectively. In the future, the City projects that the 25 units per acre will reflect medium density development, while high density will average 55 units per acre. ADE has prepared an illustrative analysis to project the fiscal performance of the residential categories at these densities. This analysis transitions into the projections of the future land use scenarios in the next section, so current assessed values have been incorporated in the analysis as well as indirect sales tax revenues from household spending in order to get a more complete view of the impact of these housing types. The results, shown in Table 15 below, reflect development of one acre of land at the various densities indicated above. With the sales tax included, all of the residential types show a positive fiscal benefit rather than negative, but the higher density units are more positive. This is because, even though each unit has a lower valuation, there are so many more units in a high density development which increases the revenue productivity of the development.

It is important to recognize that the market value of the residential units has an effect on the outcome of this analysis. The figures in Table 15 are based on average values of about $740,000 for low density, $550,000 for medium density, and $400,000 for high density units. For more affordable units, as assessed values decrease, the fiscal net benefit declines as well. Holding all other variables constant, the density categories shown in Exhibit C would "break even" when unit values reach $235,000 for low density, $230,000 for medium density, and $229,000 for high density. Therefore, while it is important for the City to provide affordable housing, from a fiscal standpoint it is critical to ensure that new housing is supported with sufficient retail space to capture household spending and generate sales tax for San José. As discussed further below, this is a critical factor in the evaluation of the future growth scenarios for the General Plan.

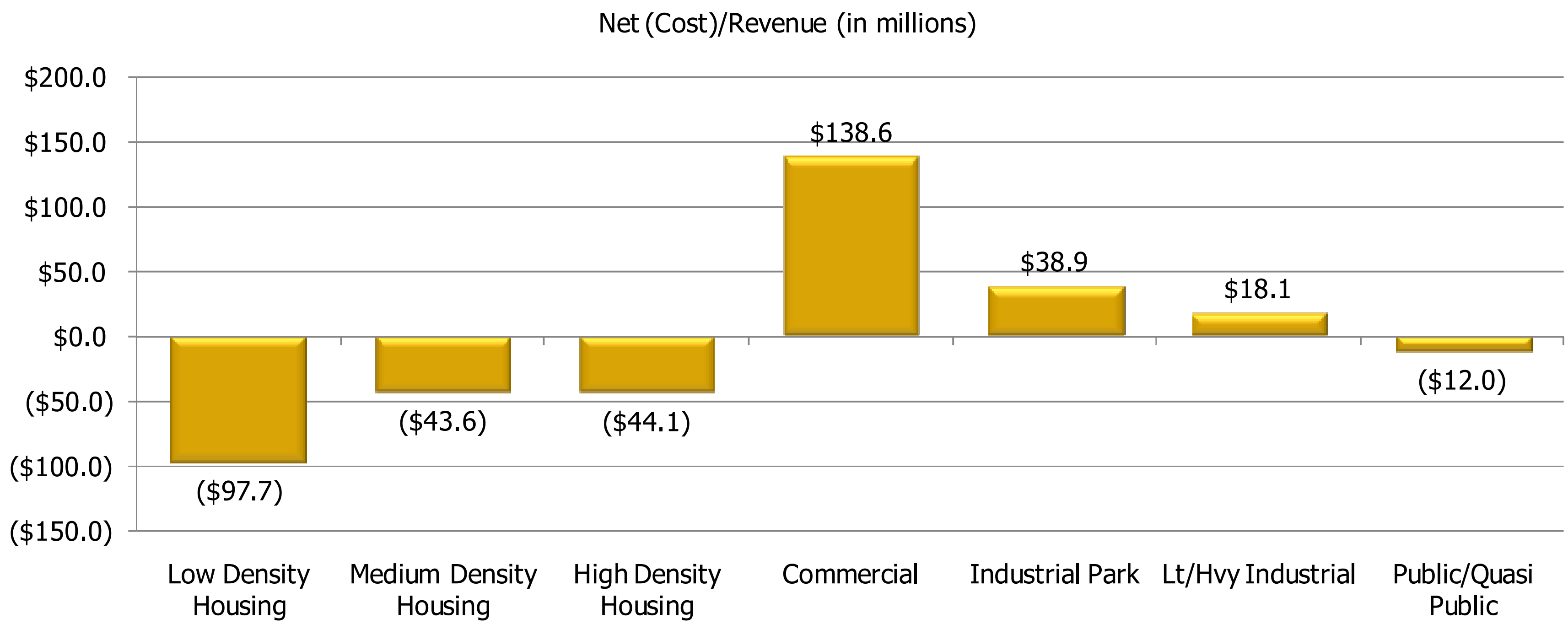
TABLE 15
COMPARATIVE ANALYSIS OF RESIDENTIAL DENSITIES FOR ONE ACRE OF DEVELOPMENT

	Low Density	Medium Density	High Density
NET (COST)/REVENUE			
Per Acre	$5,250	$20,540	$25,200
Per DU/1,000 sq.ft.	$1,050	$822	$458
Per Person	$297	$265	$186
REVENUE			
Per Acre	$18,310	$74,600	$118,060
Per DU/1,000 sq.ft.	$3,662	$2,984	$2,147
Per Person	$1,037	$961	$871
COSTS			
Per Acre	$13,060	$54,060	$92,860
Per DU/1,000 sq.ft.	$2,612	$2,162	$1,688
Per Person	$739	$696	$662

Source: ADE, Inc.

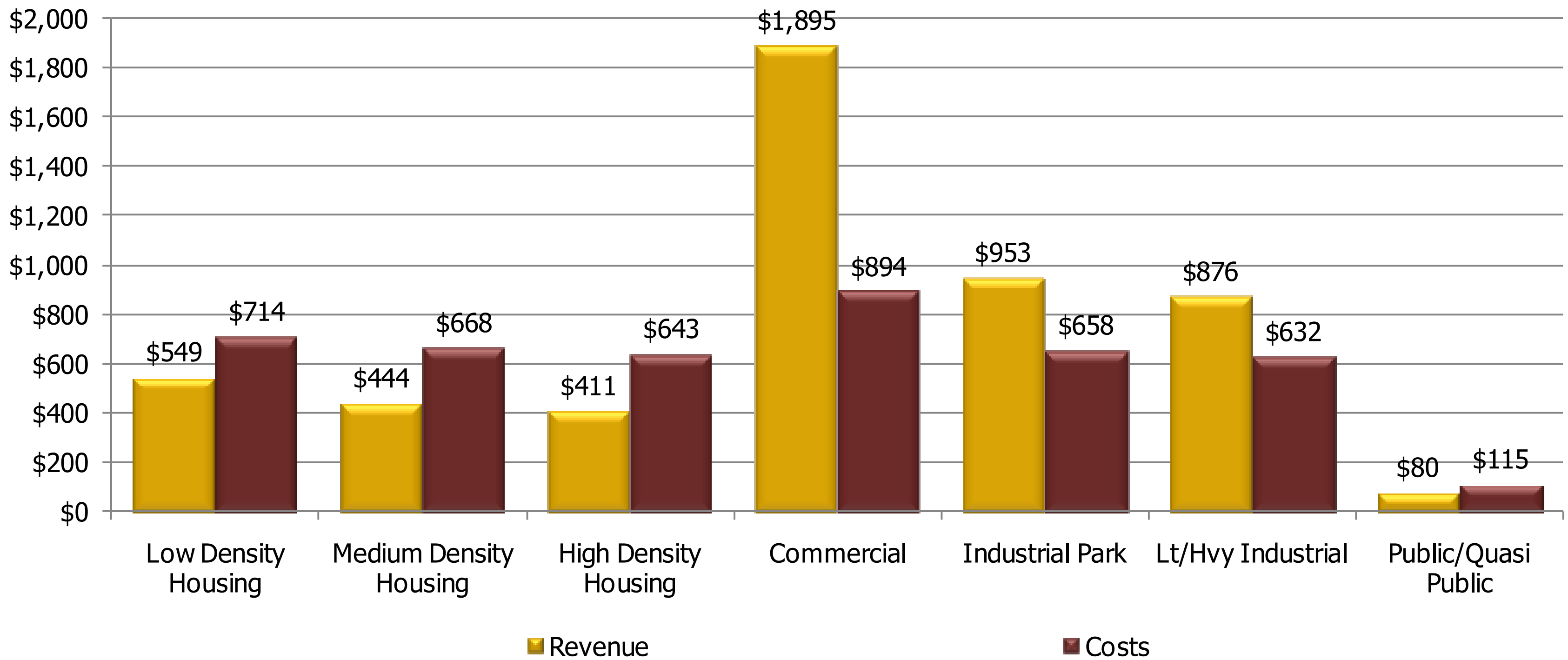
The analysis of non-residential land uses shows their positive fiscal benefits, with the exception of public/quasi-public uses. Commercial uses provide the highest positive fiscal benefit, due primarily to the significant sales tax generation of such uses. The Commercial land use does require a higher level of police protection, however, and thus has the highest per employee cost for services.

FIGURE 1
FISCAL IMPACT OF EXISTING LAND USES



Source: ADE, Inc.

FIGURE 2
NET IMPACT PER PERSON/EMPLOYEE



Source: ADE, Inc.

TABLE 16
FISCAL ANALYSIS OF EXISTING LAND USES[1]

REVENUES	Total	Vacant	Low Density	Medium Density	High Density	Agriculture	Commercial	Industrial Park	Light/ Heavy Industrial	Public/ Quasi Public
Property Taxes	$208,267,000	$1,404,000	$110,617,000	$22,393,000	$14,765,000	$557,000	$15,838,000	$31,142,000	$11,551,000	$0
Sales Tax	$152,536,000	$0	$0	$0	$0	$0	$119,871,000	$19,323,000	$12,904,000	$438,000
Transient Occupancy Tax	$9,972,000	$0	$0	$0	$0	$0	$9,972,000	$0	$0	$0
Franchise Fees	$41,620,000	$0	$16,916,000	$5,553,000	$5,416,000	$45,000	$5,195,000	$4,953,000	$2,785,000	$757,000
Utility Tax	$83,691,000	$0	$34,015,000	$11,167,000	$10,891,000	$91,000	$10,447,000	$9,959,000	$5,600,000	$1,521,000
Licenses & Permits	$78,885,000	$0	$27,076,000	$8,957,000	$9,364,000	$77,000	$13,037,000	$13,022,000	$7,204,000	$148,000
Fines & Forfeitures	$15,726,000	$0	$6,392,000	$2,098,000	$2,047,000	$17,000	$1,963,000	$1,871,000	$1,052,000	$286,000
Revenue from Money and Property	$13,222,000	$27,000	$4,419,000	$1,174,000	$1,059,000	$18,000	$3,561,000	$1,706,000	$882,000	$376,000
Revenue from Local Agencies	$34,612,000	$0	$7,194,000	$2,362,000	$2,303,000	$75,000	$2,860,000	$2,725,000	$1,540,000	$15,553,000
Revenue from State Government	$10,264,000	$0	$5,689,000	$1,308,000	$3,267,000	$0	$0	$0	$0	$0
Revenue from Federal Government	$3,816,000	$0	$2,315,000	$760,000	$741,000	$0	$0	$0	$0	$0
Departmental Charges	$30,863,000	$0	$12,544,000	$4,118,000	$4,016,000	$33,000	$3,853,000	$3,673,000	$2,065,000	$561,000
Other revenue	$17,497,000	$0	$7,111,000	$2,335,000	$2,277,000	$19,000	$2,184,000	$2,082,000	$1,171,000	$318,000
Fund Bal., Transfers/Reimb.	$273,007,000	$557,000	$91,248,000	$24,235,000	$21,867,000	$363,000	$73,525,000	$35,230,000	$18,209,000	$7,773,000
General Fund Subtotal	$973,978,000	$1,988,000	$325,536,000	$86,460,000	$78,013,000	$1,295,000	$262,306,000	$125,686,000	$64,963,000	$27,731,000
EXPENDITURES										
General Government	$106,918,000	$52,000	$46,465,000	$14,283,000	$13,401,000	$102,000	$13,578,000	$9,530,000	$5,144,000	$4,363,000
Economic Development	$4,280,000	$0	$260,000	$85,000	$83,000	$13,000	$1,457,000	$1,389,000	$781,000	$212,000
Environmental Services	$841,000	$0	$342,000	$112,000	$110,000	$1,000	$105,000	$100,000	$56,000	$15,000
Police	$280,973,000	$0	$114,197,000	$37,490,000	$36,565,000	$212,000	$52,609,000	$23,264,000	$13,082,000	$3,554,000
Fire/EMS	$150,403,000	$101,000	$63,005,000	$19,678,000	$18,682,000	$187,000	$18,040,000	$18,357,000	$9,892,000	$2,461,000
Planning/Bldg./ Code Enf.	$36,780,000	$248,000	$19,535,000	$3,955,000	$2,607,000	$98,000	$2,797,000	$5,500,000	$2,040,000	$0
Public Works	$9,861,000	$0	$4,008,000	$1,316,000	$1,283,000	$11,000	$1,231,000	$1,173,000	$660,000	$179,000
Parks, Recreation, Neigh. Svcs.	$53,523,000	$0	$29,221,000	$9,593,000	$9,356,000	$18,000	$2,025,000	$1,930,000	$1,085,000	$295,000
Library	$29,575,000	$0	$13,455,000	$4,417,000	$4,308,000	$15,000	$1,678,000	$1,600,000	$900,000	$3,202,000
Redevelopment Agency	$1,897,000	$0	$771,000	$253,000	$247,000	$2,000	$237,000	$226,000	$127,000	$34,000
Transportation	$32,895,000	$0	$19,859,000	$3,412,000	$1,506,000	$0	$2,161,000	$1,847,000	$1,062,000	$3,048,000
Citywide	$122,659,000	$0	$49,853,000	$16,366,000	$15,962,000	$133,000	$9,564,000	$9,117,000	$5,134,000	$16,530,000
Transfers Out	$32,813,000	$16,000	$14,260,000	$4,383,000	$4,113,000	$31,000	$4,167,000	$2,925,000	$1,579,000	$1,339,000
Reserves	$110,567,000	$53,000	$48,051,000	$14,771,000	$13,859,000	$105,000	$14,041,000	$9,855,000	$5,320,000	$4,512,000
General Fund Subtotal	$973,985,000	$470,000	$423,282,000	$130,114,000	$122,082,000	$928,000	$123,690,000	$86,813,000	$46,862,000	$39,744,000
NET (COST)/REVENUE	**($7,000)**	**$1,518,000**	**($97,746,000)**	**($43,654,000)**	**($44,069,000)**	**$367,000**	**$138,616,000**	**$38,873,000**	**$18,101,000**	**($12,013,000)**
Net Per DU/1,000 sq.ft.			($582)	($696)	($572)		$2,899	$679	$340	($76)
Net Per Person/Employee			($165)	($224)	($232)		$1,002	$295	$244	($35)
Revenue Per Person/Employee			$549	$444	$411		$1,895	$953	$876	$80
Cost Per Person/Employee			$714	$668	$643		$894	$658	$632	$115

Source: ADE, Inc.; Totals may not add due to rounding.

*See Table B-2 for correspondence of Land Use Categories and General Plan Land Use Designations.

[1]As discussed above, the figures in Table 16 are based on the budget figures from Table 12, but may not match those figures in every case since Table 16 is a result of the fiscal modeling process in which there is some unavoidable variability. In addition, it should be noted that the fund balance figures at the top of Table 12 have been combined with the transfer and reimbursements in the last line of revenues in Table 16. Finally, capital expenditures and related revenues, as well as some of the Revenues from Local Agencies, shown in Table 12 are not included in Table 16.

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V. FISCAL PROJECTIONS FOR FUTURE SCENARIOS

A. DESCRIPTION OF THE SCENARIOS

The City has indentified five future growth scenarios for the 2040 General Plan time horizon, and is also providing analysis for continued use of the existing General Plan through 2040.

- Scenario SJ 2020 – Represents the full job and housing growth capacity documented to exist within the City's current General Plan. This scenario has less job and housing growth capacity than any of the other study scenarios. It also has less job and housing growth capacity than needed to meet the projected demand for either use in 2040. If at the end of the Envision process the City decides not to adopt a new General Plan, then the City would continue to use the current General Plan. Accordingly, this is considered to be the "No Project" scenario as required by CEQA. Full realization of this scenario's job and housing capacity would result in a Jobs/Employed Resident ratio of 1.1.

- Scenario 1 ("C") – Provides a slight increase in job and housing growth capacity over the current General Plan, with more emphasis placed on job growth, resulting in capacity for a Jobs/Employed Resident ratio of 1.2. The proposed amount of housing growth capacity would accommodate the construction of 3,000 new dwelling units per year through the Plan timeframe, consistent with the average rate of residential construction experienced in San José during the past 10 years.

- Scenario 2 ("E") – Provides additional housing growth capacity above the amount in Scenario 1 and a similar amount of job growth capacity. Accordingly, its Jobs/Employed Resident ratio, 1.1, is lower than Scenario 1, but the same as Scenario SJ 2020.

- Scenario 3 ("K – ABAG") – This scenario aligns with the most recent ABAG (Association of Bay Area Governments) growth projections for job and housing demand for San José through 2035. This scenario has the most housing growth capacity of the study scenarios in combination with slightly less employment growth capacity than either Scenario 1 or Scenario 2, but slightly more than Scenario SJ 2020. Full realization of this scenario's job and housing capacity would result in a Jobs/Employed Resident ratio of 1.0.

- Scenario 4 ("J") – This scenario places strong emphasis on job growth, providing capacity that would allow the City to more than double the City's current number of jobs. Full realization of this scenario's job and housing capacity would result in a

Jobs/Employed Resident ratio of 1.5, representative of a goal to strengthen San José into a regional job center.

- Scenario 5 ("H") – Scenario 5-H includes the amount and location of residential development included in Scenario 2, with additional job capacity, resulting in a Jobs/Employed Resident ratio of 1.2.

TABLE 17
DETAILED CHARACTERISTICS OF ALTERNATIVE SCENARIOS

Scenario-San José 2020		
RESIDENTIAL	**Units**	**Population**
Single Family Detached	7,600	26,828
Multi-Family	74,503	219,039
Total Residential	82,103	245,867
NON-RESIDENTIAL	**Sq.Ft.**	**Employment**
Retail-Small	2,740,524	9,858
Retail-Large	1,815,338	2,042
Mid/High Rise Office	28,550,044	102,698
R&D Low Rise	41,943,309	128,267
Industrial-Warehouse	6,723,486	7,938
Institutional-Other	9,025,000	4,750
Total Non-Residential	90,797,701	255,553
Scenario 1-C		
RESIDENTIAL	**Units**	**Population**
Single Family Detached	4,200	14,826
Multi-Family	84,443	248,262
Total Residential	88,643	263,088
NON-RESIDENTIAL	**Sq.Ft.**	**Employment**
Retail-Small	4,593,950	16,525
Retail-Large	5,913,628	6,652
Mid/High Rise Office	37,541,120	135,040
R&D Low Rise	48,518,298	148,374
Industrial-Warehouse	33,610,654	39,682
Institutional-Other	6,479,000	3,410
Total Non-Residential	136,656,650	349,683
Scenario 2-E		
RESIDENTIAL	**Units**	**Population**
Single Family Detached	4,200	14,826
Multi-Family	131,445	386,448
Total Residential	135,645	401,274
NON-RESIDENTIAL	**Sq.Ft.**	**Employment**
Retail-Small	7,180,462	25,829
Retail-Large	7,293,356	8,204
Mid/High Rise Office	41,018,066	147,547
R&D Low Rise	42,255,594	129,222
Industrial-Warehouse	33,603,878	39,674
Institutional-Other	24,734,200	13,018
Total Non-Residential	156,085,556	363,494
Scenario 3-K		
RESIDENTIAL	**Units**	**Population**
Single Family Detached	4,200	14,826
Multi-Family	154,760	454,994
Total Residential	158,960	469,820
NON-RESIDENTIAL	**Sq.Ft.**	**Employment**
Retail-Small	8,137,616	29,272
Retail-Large	7,212,457	8,113
Mid/High Rise Office	33,218,498	119,491
R&D Low Rise	41,019,207	125,441
Industrial-Warehouse	33,603,878	39,674
Institutional-Other	33,305,100	17,529
Total Non-Residential	156,496,756	339,520

TABLE 17
DETAILED CHARACTERISTICS OF ALTERNATIVE SCENARIOS

Scenario 4-J		
RESIDENTIAL	**Units**	**Population**
Single Family Detached	4,200	14,826
Multi-Family	84,443	248,262
Total Residential	88,643	263,088
NON-RESIDENTIAL	**Sq.Ft.**	**Employment**
Retail-Small	7,790,672	28,024
Retail-Large	4,909,058	5,522
Mid/High Rise Office	75,423,902	271,309
R&D Low Rise	51,166,017	156,471
Industrial-Warehouse	40,976,166	48,378
Institutional-Other	26,011,000	13,690
Total Non-Residential	206,276,815	523,394
Scenario 5-H		
RESIDENTIAL	**Units**	**Population**
Single Family Detached	4,205	14,844
Multi-Family	131,379	386,254
Total Residential	135,584	401,098
NON-RESIDENTIAL	**Sq.Ft.**	**Employment**
Retail-Small	9,939,890	35,755
Retail-Large	7,235,571	8,139
Mid/High Rise Office	50,249,612	180,754
R&D Low Rise	45,141,369	138,047
Industrial-Warehouse	39,836,104	47,032
Institutional-Other	41,452,300	21,817
Total Non-Residential	193,854,846	431,544

Source: ADE, Inc.

B. SUMMARY OF THE FISCAL ANALYSIS

ADE has evaluated the fiscal impact of these scenarios and the summary results are shown in Table 18 below. (Detailed results for all scenario versions are provided in Appendix C). The figures in the table represent the annual net revenue to the City General Fund at full buildout of the incremental growth in each scenario. This is not the same as the total fiscal condition of the City at buildout, which would also include the effects of existing land uses not replaced by the new development in the scenarios.

The table shows the projected growth in jobs and housing for each scenario as well as the ratio of jobs to employed residents (ER).[9] A key variable driving the fiscal performance of the scenarios is the amount of retail development, which generates additional sales tax for the City General Fund. The percent of job growth in retail for each scenario is shown in the far right hand column.

[9] It should be noted that the scenarios have been constructed to achieve certain ratios of employed residents to jobs at full buildout, accounting for the current ratio of 0.8 jobs per employed resident. However, the fiscal analysis analyzes only the new growth in each scenario so we have shown only the ratio pertaining to the growth increment.

TABLE 18
SUMMARY OF FISCAL IMPACTS OF FUTURE GROWTH SCENARIOS
(ANNUAL GENERAL FUND NET (COST)/REVENUE AT FULL BUILDOUT)

Scenario	Net Annual Fiscal Impact	Job Growth	Housing Growth	Incremental Jobs/Housing Ratio	Percent of Jobs in Retail
Scenario 5 - H	$32,886,116	428,550	135,650	3.2	8.8%
Scenario 4 - J	$32,590,161	526,050	88,650	5.9	6.5%
Scenario 2 - E	$25,728,048	360,550	135,650	2.6	9.4%
Scenario 1 - C	$25,499,308	346,550	88,650	3.9	6.6%
Scenario 3 - K	$20,427,419	339,530	158,970	2.1	11.0%
SJ 2020	$2,293,427	255,550	82,110	3.1	4.7%

Source: ADE, Inc.

The scenarios are presented in Table 18 in order of the magnitude of annual fiscal impact of the growth increment at buildout. The current ratio of jobs to housing in San José is about 1.2 and all of the future scenarios add more jobs than housing so they produce a positive fiscal impact. However, the amount of retail development in each scenario has a greater effect on the relative performances of the scenarios. Thus, Scenario H and Scenario SJ2020 are first and last in the table and have jobs/housing ratios of 3.2 and 3.1, respectively. But Scenario H has 8.8 percent of its jobs in retail while Scenario SJ2020 has only 4.7 percent.[10] For the same reason, Scenario E scores better than Scenario C, and Scenario K scores better than Scenario SJ2020 while still providing higher levels of housing.

Based on this fiscal analysis, San José can support higher levels of housing development, which is needed to house the future labor force and stimulate job growth, provided the City can ensure that the commercial sector expands accordingly and that San José enhances its stature as a regional retail center.

In terms of selecting a preferred alternative, because any of the scenarios would provide an acceptable fiscal outcome, the Task Force can consider selecting a scenario that provides more housing or one based on a more realistic target in terms of job growth, and still achieve a fiscal balance for the City General Fund. For example, Scenario 3-K, which has a high level of housing growth, performs well on a fiscal basis because it provides a relatively strong component of retail growth, along with other development. The added sales tax from this retail growth helps to support the service costs for other land uses in that Scenario.

Given the long term time frame of the General Plan, the phasing of development is an important consideration in implementing the plan. Ideally, residential development, retail commercial development and employment generating business growth would proceed in balance so that shopping opportunities are available to new residents as well as local job opportunities. While it is often difficult to control market forces through City land use and zoning standards alone, the City has an opportunity through its implementation of the Village concept to balance residential and commercial development on an incremental basis.

[10] Percent of jobs in retail is a convenient way to compare the level of retail development in each scenario. The fiscal model actually calculates sales tax on the basis of retail building sq.ft. For comparison, it is estimated that retail employment currently represents about 10 percent of total employment in San José .

From a fiscal perspective, it would be important to approach the design of new Villages from the standpoint of a creating viable commercial core for each Village, around which to cluster residential and other land uses. One of the greatest challenges in creating successful mixed use projects is in properly sizing the commercial element, recognizing that the market area for the commercial development may be very different than the geographic extent of the new residential development. Consideration of commercial priorities in the planning process will help improve the fiscal health of San José.

C. EFFECTS OF LAND USE MIX

With an average assessed value of about $734,000, the single family units in the scenarios produce a small positive fiscal benefit. All other unit types are grouped into the multi-family housing category with an average assessed value per unit of $302,541 based on data from recent housing developments in San José (see Table 19 below under Methodology). The scenario analysis allocates all sales tax to non-residential uses, mostly retail, and the multi family land uses produce a negative fiscal effect without the benefit of the sales tax. This result is also affected by the average assessed value. As shown in Table 19, medium density Transit Oriented Development (TOD) units have been priced well over $500,000 recently in San José. At this level, and accounting for sales tax generated by household spending, higher density residential provides a better fiscal outcome per acre than does lower density residential, as discussed earlier in Chapter IV. However, future residential development will also need to include more affordable housing and the $300,000 unit value is closer to the average of multi-family development in San José currently.

As with existing land uses, the retail categories are the big net revenue generators on the basis of the sales tax. "Large" retail usually provides higher sales levels per sq.ft. than does "small" retail. Small retail can usually be successful in mixed use projects, but large retail typically looks for locations in commercial centers. Santana Row represents an instance where high value retail has been integrated with housing in a mixed use setting.

With the emphasis on TOD in the alternative scenarios, there will inevitably be a certain amount of redevelopment of existing uses to construct the new development included in the scenarios. Much of the new development will occur in mixed use projects. While it is not possible to evaluate the net effect of this replacement of existing uses across an entire growth scenario, the likely effects can be considered on a micro scale.

In a scenario in which we would consider replacement of one acre of existing strip commercial with a high density mixed use development, the existing retail would be expected to generate net revenues of $23,360 per acre, assuming a 0.25 floor area ratio (FAR) and low-end assessed values and sales per sq.ft. factors (from the existing land use analysis in Chapter IV). Improving to higher end retail on the same acre would increase the net revenue to the City to $42,080, even without increasing the FAR. This represents an $18,720 increase from the retail alone.

If 55 high density units were added on top, at $400,000 assessed value (AV) per unit (and assuming one-third of household purchases occur at the retail onsite and are part of the retail fiscal impact), the net benefit from the housing by itself would be $25,200. Combined with the retail, this would be a total of $67,280 in net revenue per acre for the City, and an increase of $43,920 over the existing strip commercial.

In this example, if the dwelling units are priced at a more affordable level and the assessed value drops to $217,500, the residential units would "break even" from a fiscal standpoint, but there would still be the increase in net revenue from the new retail over the old. The value of the residential units could drop as low as $80,000 per unit before the negative impact would consume the net benefit from the new retail and leave the City with the fiscal effect of the original strip commercial.

This discussion is based on development of one acre of land for comparison purposes and it assumes high performing retail would work in the mixed use setting. In reality, this is generally easier to do in a large project like Santana Row rather than in smaller projects of one acre or less. However, the example indicates that there should be a fiscal benefit from redevelopment of older existing commercial centers, particularly if housing is added to the mix.

Office uses, R&D, and industrial are all "fiscal positive" land uses in the scenarios, although at a much lower level compared to retail. These uses typically generate some incidental sales taxes directly onsite, but their primary direct revenue source is the property tax. However, like residential, these land uses support retail sales by providing high paying jobs that create disposable income and also help support housing prices. These attributes have indirect fiscal benefits for the City.

Institutional uses usually generate no property tax and only a small amount of sales tax, so they are seldom fiscally positive. However, many of these uses contribute significantly to the neighborhood and community quality of life and are important for that reason.

D. METHODOLOGY

The land uses for the future scenarios are defined a little differently from the existing land use inventory analyzed in the previous chapter. For residential land uses, the medium and high density units have been combined into a broad multi-family category. In addition, an attempt has been made to update the assessed values to reflect current product designs, particularly for the multi-family units. The City provided data on recent projects that have been approved and built, representing Transit Oriented Development and modern higher density project configurations. The assessed values for these units are displayed in Table 19 below. ADE also identified additional single family and multi-family units that have been built in the past 5-6 years.

The assessed values for these newer units are higher than the average for the existing inventory for residential properties in the City, which are shown in the lower part of the table. This is a normal effect of the assessment process under Proposition 13, in which older properties are not reassessed to current market value unless they are sold. However, the purpose in using the more recent data is to recognize that the design of residential projects is evolving to high densities at the higher value range of the market, incorporating mixed use configurations and higher levels of amenities than previously found in high density multi-family housing. Therefore, it is anticipated that on average, multi-family housing in the future will carry higher assessed values and generate a higher level of property taxes for the City than in the past.

TABLE 19
RESIDENTIAL ASSESSED VALUES FOR FUTURE SCENARIOS AND EXISTING LAND USE ANALYSIS

Residential Units	Units in Sample	Average AV Per Unit
Selected Projects by Unit Type		
Single Family Units built in 2007	365	**$739,197**
Multi Family		
Higher Density/Newer	316	$275,741
Medium Density/Slightly Older	71	$583,231
Existing TOD/Non Subsidized	178	$547,962
Additional MF Units built since 2003	1,017	$248,318
Average MF for use in Fiscal Model		**$302,541**
Total Residential Sample	1,947	
Existing Land Use Fiscal Analysis		
Low Density		$478,528
Medium Density		$259,447
High Density		$139,146

Source: ADE, Inc.

The fiscal analysis of residential uses also reflects projected changes in household sizes. In 2040, the average household size in new units is projected to be 3.06 persons, compared to about 3.16 persons today. Since the multi-family residential category provides most of the growth in the scenarios, the analysis uses a household size for this category of 2.94, from the current range of 2.46 for high density to 3.11 for medium density used in the analysis of existing land uses (see also Appendix A).

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APPENDIX A: EXISTING LAND USE ANALYSIS

The fiscal model operates off several land use and demographic parameters including number of residential units, population, and employment by non-residential land use category. For certain revenue types such as property tax, sales tax, and business license fees, the City is able to track tax and fee generation by business type and residential type through the Geo-based Revenue Information Program (GRIP) system. For other budget categories, the model allocates municipal revenues and City service costs by population and employment within each land use category.

The citywide land use inventory includes the land use categories and acreage figures shown in Table A-1 below. The land use categories are based on General Plan designations as shown in Table A-2.

TABLE A-1
EXISTING LAND USE DATA FOR THE SAN JOSÉ URBAN SERVICES AREA

LAND USE TYPE	GROSS ACRES	ROW ACRES*	NET ACRES
Agriculture	1,636.10	0.00	1,636.10
Airport	1,022.90	51.15	971.76
Commercial	5,488.90	1,097.78	4,391.12
High-Density Residential	3,824.70	764.94	3,059.76
Industrial Park	4,690.50	938.10	3,752.40
Light/Heavy Industrial	3,596.50	539.48	3,057.03
Low-Density Residential	40,347.90	10,086.98	30,260.93
Medium-Density Residential	6,932.30	1,733.08	5,199.22
Park/Open Space	9,123.30	912.33	8,210.97
Public/Quasi-Public	2,672.80	267.28	2,405.52
School	3,685.10	368.51	3,316.59
Vacant	3,152.40	0.00	3,152.40
Total	**86,173.40**	**16,759.61**	**69,413.79**

Source: ADE, Inc.
*Public rights-of-way.

TABLE A-2
CORRESPONDENCE OF LAND USE CATEGORIES AND GENERAL PLAN LAND USE DESIGNATIONS

Existing Land Use Map	General Plan
Low-Density Residential	Rural Residential (0.2 Units/Acre) Estate Residential (1 Unit/Acre) Very Low Density Residential (2 Units/Acre) Low Density Residential (5 Units/Acre) Medium Low Density Residential (8 Units/Acre)
Medium-Density Residential	Medium Density Residential (8-16 Units/Acre) Medium High Density Residential (12-25 Units/Acre)
High-Density Residential	High Density Residential (25-50 Units/Acre) Residential Support for the Core Area (25+ Units/Acre) Transit Corridor Residential (20+ Units/Acre)
Commercial	General Commercial Neighborhood/Community Commercial Regional Commercial Core Area Office
Industrial Park/Campus Industrial	Industrial Park Campus Industrial Research and Development Research, Development and Administrative Office
Light/Heavy Industrial	Light Industrial Heavy Industrial
Parks/Open Space	Public Park and Open Space Private Open Space
Schools	Public/Quasi-Public
Public/Quasi-Public	Public/Quasi-Public
Airports	Public/Quasi-Public
Vacant	Any designation
Agriculture	Agriculture

Source: ADE, Inc.
Note: Combined Industrial/Commercial GP was assigned to most appropriate existing LU.

ADE completed a number of steps to fill in unit counts and population and employment figures for these land use categories.

Residential

Current and Year 2000 California Department of Finance reports provide the residential unit counts for San José (Table A-3). For purposes of the fiscal analysis, we have assumed that the single family detached category corresponds to the low density land use category. We have also allocated the single family attached units, the 2-4 unit multi-family housing and the mobile homes to the medium density land use category. The 5 plus multi-family units comprise the high density land use category.

TABLE A-3
CITY/COUNTY POPULATION AND HOUSING ESTIMATES, 2000 AND 2008.

Single Family	2000	2008	Percent Change
Detached	162,094	167,873	3.6%
Attached	27,583	28,227	2.3%
Multi-Family			
2 to 4 units	23,173	23,425	1.1%
5 plus units	58,059	77,060	32.7%
Mobile Homes	11,028	11,028	0.0%
Total Units	281,937	307613	9.1%
Household Population	884,267	977,529	10.5%
DOF Persons per Household	3.20	3.24	1.3%
Group Quarters Pop.	10,864	11,967	10.2%
Total Population	**884,267**	**989,496**	**11.9%**

Source: California Department of Finance, Demographic Research Unit, E-5 Report.

City staff provided 2000 Census data on household size by unit type, as shown in Table A-4.

TABLE A-4
CITY OF SAN JOSÉ OCCUPIED HOUSING UNITS BY TYPE AND HOUSEHOLD SIZE, CENSUS 2000

Structure Type	Occupied Housing Units	Household Size
Single-Family Detached	160,253	3.50
Single-Family Attached	27,117	3.06
2-Unit Structure	5,615	3.27
3 or 4-Unit Structure	17,035	3.23
5 to 9-Unit Structure	13,078	2.65
10 to 19-Unit Structure	12,418	2.59
20 or more Unit Structure	30,216	2.29
Mobile Home	10,356	2.78
Boat, RV, van, etc.	329	2.67
Total	**276,417**	**3.20**

Source: City of San José

In order to match the current unit counts with the current total population, adjusted figures for persons per housing unit were calculated. This adjustment, in part, accounts for vacancy rates among the various unit types and in part accounts for an overall increase in household sizes since the year 2000. The resulting residential land use inputs for the fiscal model are shown in Table A-5.

TABLE A-5
RESIDENTIAL LAND USE AND POPULATION FIGURES USED IN FISCAL MODEL

Land Use Category	Units	Adjusted Persons Per Housing Unit [a]	Population
Low Density			
Single Family Detached	167,873	3.53	592,592
Medium Density			
Single Family Attached	28,227	3.09	87,221
Multi-Family 2-4 Units per Building	23,425	3.27	76,600
Mobile Homes	11,028	2.80	30,878
High Density			
5 plus units per Building	77,060	2.46	189,568
Total	**307,613**	**3.18**	**976,859**
Household Size [b]		**3.24**	

Notes: [a] State Department of Finance estimates total vacancy at 1.86%, but vacancy rates by unit type are not available.
[b] Persons per occupied housing unit.
Source: ADE, Inc., based on 2008 DOF unit counts.

NON–RESIDENTIAL

The City has received recent industry cluster employment data from the California Employment Development Department (EDD). The most recent data include the four quarters between 4th Quarter 2006 and 3rd quarter 2007. ADE averaged these quarters together to obtain an annual estimate as shown in Table A-6.

TABLE A-6
EDD BUSINESS AND EMPLOYMENT DATA, AVERAGE ANNUAL, 2006-2007

INDUSTRY SECTOR	BUSINESSES	JOBS
All Other	835	58,714
Biomedical	68	2,977
Bldg/Const/Real Estate	2,564	29,079
Business Services	1,393	32,220
Civic	644	10,952
Comp And Comm Hardware	66	26,379
Corporate Offices	80	4,532
Creative Services	390	3,014
Electronic Components	106	7,091
Financial Services	1,005	9,158
Health Care	1,525	20,402
Industrial Supplies Services	366	7,532
Innovation Services	1,650	17,522
Misc Manufacturing	261	3,440
Other Category	39	648
Retail/Consumer Services	5,579	77,678
Semiconductors	152	13,151
Software	823	16,412
Transportation/Distribution	1,104	19,605
Visitor	102	5,637
TOTAL	**18,751**	**366,140**

Source: CA Employment Development Department

ADE allocated the industry sectors into the land use categories as shown in Table A-7. The agriculture estimate is based on ABAG estimates. The "All Other" category may potentially include a wide range of industries such as utilities, mining/oil companies, administrative support, waste remediation, education (unless included in Civic), arts/entertainment (unless included in creative services), and other services. This category was spread among the other categories based on their acreage distribution in the land use inventory. Construction was separated from building management and real estate based on the countywide employment distribution from US Bureau of Economic Analysis (BEA) data. Twenty-five percent of health care was allocated to the industrial park designation, with the remaining left in the commercial designation.

In part, these categorizations were made on the basis of a review of the GRIP data and the analysis conducted by Strategic Economics (SE) of 17 Industrial areas in San José in 2006. Based on SE's sales tax data by area, and factoring out "local-serving" uses in the industrial zones, we determined that 60 percent of the remaining sales tax is generated in industrial park zones and 40 percent in light, heavy or combined industrial zones. Using the distribution of industries shown in Table A-7, ADE was able to replicate this distribution of sales tax from the GRIP report.

TABLE A-7
CORRESPONDENCE OF INDUSTRIES AND EMPLOYMENT BY LAND USE CATEGORY

Land Use Category	Industry Sector	Businesses	Jobs
Agriculture		**NA**	**1,200**
	All Other	NA	1,200
Commercial		**8,368**	**138,385**
	All Other (33%)	275	18,980
	Bldg/Const/Real Estate (40%)	1,025	11,632
	Financial Services	1,005	9,158
	Health Care (75%)	1,144	15,301
	Retail/Consumer Services	5,579	77,678
	Visitor	102	5,637
Industrial Park/Campus Industries		**5,199**	**131,925**
	All Other (29%)	242	16,679
	Biomedical	68	2,977
	Business Services	1,393	32,220
	Comp And Comm Hardware	66	26,379
	Corporate Offices	80	4,532
	Creative Services	390	3,014
	Electronic Components	106	7,091
	Health Care (50%)	381	5,100
	Innovation Services	1,650	17,522
	Software	823	16,412
Light/Heavy Industrial		**3,644**	**74,185**
	All Other (22% of Non-Ag.)	184	12,653
	Bldg/Const/Real Estate (60%)	1,538	17,447
	Industrial Supplies Service	366	7,532
	Misc Manufacturing	261	3,440
	Other Category	39	648
	Semiconductors	152	13,151
	Transportation/Dist. (less Airport)	1,103	19,315
Public/Quasi-Public		**779**	**20,444**
	All Other (16% of Non-Ag.)	134	9,202
	Civic	644	10,952
	Airport	1	290
TOTAL		**18,751**	**366,140**

Source: ADE, Inc.

An additional cross check can be obtained from the imputed Floor Area Ratios (FAR's) and employee densities for each category. Given the acreage and employment distribution, the likely building square footage and resulting employee densities can be calculated as shown in Table A-8. These appear to be well within the typical range of employee density survey data and ADE considers this to be a reasonable range.

TABLE A-8
CROSS CHECK OF ESTIMATED FAR'S AND EMPLOYEE DENSITIES

Land Use	Gross Acres	ROW Percent	Assumed FAR (on net acres)	Estimated Bldg. Sq.Ft.	Estimated Employment	Imputed Sq.Ft. per Employee
Commercial	5,489	20%	0.25	47,819,297	138,385	350
Industrial Park	4,691	20%	0.35	57,209,090	131,925	435
Light/ Heavy Industrial	3,597	15%	0.40	53,2655,604	74,185	720

Source: ADE, Inc.

APPENDIX B: DEPARTMENTAL INTERVIEW PROTOCOL

General Departmental Service Related Questions

1. Is your department below or above the desired service levels? What are the budgetary and cost issues affecting service delivery? Would your department suggest a revision of the service levels given current service delivery and cost realities contained in either the General Plan or the City's FY 2008-2009 Adopted Budget?

2. How are your department's services organized geographically? Does the department maintain records of service delivery by city geography such as by Community Service Areas (CSA), precinct, or City planning area? Do your services currently have any capacity to go beyond the established City boundaries as new areas develop?

3. Can the service demands on your department be separated or identified by land use, such as residential (multifamily, single family, etc.), commercial (retail, neighborhood shopping center, etc.), or industrial (large campus, light manufacturing, heavy manufacturing, etc.)?

Growth Impacts on Departmental Service Delivery

4. What are the most appropriate indicators to use to estimate the impact of growth on service demands for your department? Can your department provide us with data from actual changes to service delivery and service costs either by resident or by unit of service as a result of new residential and/or commercial/industrial development?

5. Does the department's current service delivery capacity permit absorption of additional population and employment growth and still meet service standards? In your answer, please distinguish between facilities capacities and operations, and maintenance capacities.

Growth Impacts on Capital Facilities Demands and Department Budget

6. Does your department have a capital facilities plan that accounts for population and employment growth? And, what is the projected budget for those capital facilities? Are the costs broken out for services per capita, per resident, or per unit or square footage of commercial building space?

7. How are capital facilities typically funded for your department (e.g. development impact fees, other developer exactions, special revenues funds, or grant sources)? Have these funding sources been able to keep pace with increasing demands from growth? If not, what recommendations would you have for augmenting available funding?

APPENDIX C: SCENARIOS

SCENARIO SJ 2020
ANNUAL FISCAL IMPACT AT FULL BUILDOUT

GENERAL FUND BUDGET CATEGORY	Total	Single Family Detached	Multi-Family	Retail-Small	Retail-Large	Mid/High Rise Office	R&D Low Rise	Industrial-Warehouse	Institutional-Other
REVENUES									
Property Taxes	$61,209,000	$7,736,000	$31,034,000	$992,000	$657,000	$8,334,000	$11,262,000	$1,194,000	$0
Property Tax in Lieu of Vehicle License	$31,733,427	$4,010,681	$16,089,385	$514,296	$340,618	$4,320,711	$5,838,714	$619,022	$0
Sales Tax	$44,063,000	$0	$0	$10,585,000	$8,180,000	$11,027,000	$14,167,000	$2,000	$102,000
Transient Occupancy Tax	$6,965,000	$0	$0	$269,000	$56,000	$2,799,000	$3,496,000	$216,000	$129,000
Franchise Fees	$16,607,000	$765,000	$6,248,000	$370,000	$77,000	$3,856,000	$4,815,000	$298,000	$178,000
Utility Tax	$33,395,000	$1,539,000	$12,564,000	$744,000	$154,000	$7,753,000	$9,683,000	$599,000	$359,000
Licenses & Permits	$27,512,000	$1,226,000	$10,008,000	$628,000	$130,000	$6,541,000	$8,170,000	$506,000	$303,000
Fines & Forfeitures	$6,275,000	$289,000	$2,361,000	$140,000	$29,000	$1,457,000	$1,819,000	$113,000	$67,000
Revenue from Money and Property	$5,076,000	$339,000	$1,799,000	$294,000	$193,000	$1,027,000	$1,317,000	$79,000	$28,000
Revenue from Local Agencies	$4,794,000	$221,000	$1,804,000	$107,000	$22,000	$1,113,000	$1,390,000	$86,000	$51,000
Revenue from State Government	$2,582,000	$282,000	$2,300,000	$0	$0	$0	$0	$0	$0
Revenue from Federal Government	$960,000	$105,000	$855,000	$0	$0	$0	$0	$0	$0
Departmental Charges	$12,314,000	$567,000	$4,633,000	$274,000	$57,000	$2,859,000	$3,571,000	$221,000	$132,000
Other revenue	$6,982,000	$322,000	$2,627,000	$156,000	$32,000	$1,621,000	$2,024,000	$125,000	$75,000
Fund Bal., Transfers/Reimb.	$35,881,000	$2,334,000	$15,547,000	$942,000	$224,000	$6,869,000	$9,080,000	$538,000	$347,000
TOTAL REVENUES	$296,348,427	$19,735,681	$107,869,385	$16,015,296	$10,151,618	$59,576,711	$76,632,714	$4,596,022	$1,771,000
EXPENSES									
General Government	$33,045,000	$2,152,000	$14,207,000	$912,000	$252,000	$6,341,000	$8,371,000	$496,000	$314,000
Economic Development	$2,798,000	$12,000	$96,000	$104,000	$21,000	$1,081,000	$1,350,000	$84,000	$50,000
Environmental Services	$335,000	$15,000	$126,000	$7,000	$2,000	$78,000	$97,000	$6,000	$4,000
Police	$94,838,000	$5,166,000	$42,181,000	$3,748,000	$776,000	$18,110,000	$22,619,000	$1,400,000	$838,000
Fire/EMS	$49,318,000	$2,913,000	$22,023,000	$969,000	$225,000	$9,985,000	$11,900,000	$802,000	$501,000
Planning/Bldg./ Code Enf.	$8,353,000	$1,037,000	$4,161,000	$133,000	$88,000	$1,117,000	$1,510,000	$160,000	$147,000
Public Works	$3,934,000	$181,000	$1,480,000	$88,000	$18,000	$913,000	$1,141,000	$71,000	$42,000
Parks, Recreation, Neigh. Svcs.	$9,160,000	$764,000	$6,237,000	$83,000	$17,000	$868,000	$1,084,000	$67,000	$40,000
Library	$8,728,000	$609,000	$4,970,000	$120,000	$25,000	$1,245,000	$1,555,000	$96,000	$108,000
Transportation	$22,004,000	$3,205,000	$8,057,000	$133,000	$110,000	$2,777,000	$7,407,000	$161,000	$154,000
Citywide	$48,944,000	$2,255,000	$18,414,000	$1,091,000	$226,000	$11,363,000	$14,191,000	$878,000	$526,000
Transfers Out	$12,598,000	$842,000	$4,466,000	$729,000	$480,000	$2,549,000	$3,267,000	$196,000	$69,000
TOTAL EXPENSES	$294,055,000	$19,151,000	$126,418,000	$8,117,000	$2,240,000	$56,427,000	$74,492,000	$4,417,000	$2,793,000
NET (COST)/REVENUE	$2,293,427	$584,681	($18,548,615)	$7,898,296	$7,911,618	$3,149,711	$2,140,714	$179,022	($1,022,000)
UNIT ANALYSIS									
Net Per DU/1,000 sq.ft.	$13	$77	($249)	$2,882	$4,358	$110	$51	$27	($113)
Net Per Person/Employee	$5	$22	($85)	$801	$3,874	$31	$17	$23	($215)
Revenue Per Person/Employee	$591	$736	$492	$1,625	$4,971	$580	$597	$579	$373
Costs Per Person/Employee	$586	$714	$577	$823	$1,097	$549	$581	$556	$588

Source: ADE, Inc.

SCENARIO C-1
ANNUAL FISCAL IMPACT AT FULL BUILDOUT

GENERAL FUND BUDGET CATEGORY	Total	Single Family Detached	Multi-Family	Retail-Small	Retail-Large	Mid/High Rise Office	R&D Low Rise	Industrial-Warehouse	Institutional-Other
REVENUES									
Property Taxes	$73,212,000	$4,275,000	$35,174,000	$1,664,000	$2,142,000	$10,959,000	$13,028,000	$5,970,000	$0
Property Tax in Lieu of Vehicle License	$37,956,308	$2,216,347	$18,235,743	$862,690	$1,110,507	$5,681,626	$6,754,286	$3,095,110	$0
Sales Tax	$75,364,000	$0	$0	$17,744,000	$26,648,000	$14,500,000	$16,388,000	$11,000	$73,000
Transient Occupancy Tax	$9,531,000	$0	$0	$450,000	$181,000	$3,681,000	$4,044,000	$1,082,000	$93,000
Franchise Fees	$20,633,000	$423,000	$7,082,000	$620,000	$250,000	$5,070,000	$5,570,000	$1,490,000	$128,000
Utility Tax	$41,487,000	$850,000	$14,240,000	$1,247,000	$502,000	$10,194,000	$11,201,000	$2,996,000	$257,000
Licenses & Permits	$34,292,000	$677,000	$11,343,000	$1,053,000	$424,000	$8,601,000	$9,450,000	$2,527,000	$217,000
Fines & Forfeitures	$7,796,000	$160,000	$2,676,000	$234,000	$94,000	$1,916,000	$2,105,000	$563,000	$48,000
Revenue from Money and Property	$6,637,000	$187,000	$2,039,000	$492,000	$630,000	$1,351,000	$1,523,000	$395,000	$20,000
Revenue from Local Agencies	$5,957,000	$122,000	$2,045,000	$179,000	$72,000	$1,464,000	$1,608,000	$430,000	$37,000
Revenue from State Government	$2,763,000	$156,000	$2,607,000	$0	$0	$0	$0	$0	$0
Revenue from Federal Government	$1,027,000	$58,000	$969,000	$0	$0	$0	$0	$0	$0
Departmental Charges	$15,300,000	$314,000	$5,251,000	$460,000	$185,000	$3,759,000	$4,131,000	$1,105,000	$95,000
Other revenue	$8,674,000	$178,000	$2,977,000	$261,000	$105,000	$2,131,000	$2,342,000	$626,000	$54,000
Fund Bal., Transfers/Reimb.	$43,638,000	$1,231,000	$17,621,000	$1,579,000	$732,000	$9,032,000	$10,504,000	$2,690,000	$249,000
TOTAL REVENUES	$384,267,308	$10,847,347	$122,259,743	$26,845,690	$33,075,507	$78,339,626	$88,648,286	$22,980,110	$1,271,000
EXPENSES									
General Government	$40,319,000	$1,138,000	$16,102,000	$1,529,000	$821,000	$8,338,000	$9,684,000	$2,482,000	$225,000
Economic Development	$3,796,000	$6,000	$109,000	$174,000	$70,000	$1,421,000	$1,562,000	$418,000	$36,000
Environmental Services	$419,000	$9,000	$143,000	$13,000	$5,000	$103,000	$113,000	$30,000	$3,000
Police	$117,051,000	$2,855,000	$47,808,000	$6,282,000	$2,529,000	$23,813,000	$26,165,000	$6,998,000	$601,000
Fire/EMS	$60,192,000	$1,610,000	$24,961,000	$1,624,000	$735,000	$13,129,000	$13,765,000	$4,009,000	$359,000
Planning/Bldg./ Code Enf.	$9,920,000	$573,000	$4,716,000	$223,000	$287,000	$1,469,000	$1,747,000	$800,000	$105,000
Public Works	$4,888,000	$100,000	$1,678,000	$147,000	$59,000	$1,201,000	$1,320,000	$353,000	$30,000
Parks, Recreation, Neigh. Svcs.	$10,447,000	$422,000	$7,069,000	$140,000	$56,000	$1,142,000	$1,254,000	$335,000	$29,000
Library	$10,244,000	$336,000	$5,633,000	$200,000	$81,000	$1,637,000	$1,799,000	$481,000	$77,000
Transportation	$24,213,000	$1,363,000	$9,132,000	$223,000	$360,000	$3,651,000	$8,568,000	$805,000	$111,000
Citywide	$60,805,000	$1,246,000	$20,871,000	$1,828,000	$736,000	$14,941,000	$16,416,000	$4,390,000	$377,000
Transfers Out	$16,474,000	$465,000	$5,061,000	$1,222,000	$1,564,000	$3,352,000	$3,780,000	$981,000	$49,000
TOTAL EXPENSES	$358,768,000	$10,123,000	$143,283,000	$13,605,000	$7,303,000	$74,197,000	$86,173,000	$22,082,000	$2,002,000
NET (COST)/REVENUE	$25,499,308	$724,347	($21,023,257)	$13,240,690	$25,772,507	$4,142,626	$2,475,286	$898,110	($731,000)
UNIT ANALYSIS									
Net Per DU/1,000 sq.ft.	$113	$172	($249)	$2,882	$4,358	$110	$51	$27	($113)
Net Per Person/Employee	$42	$49	($85)	$801	$3,874	$31	$17	$23	($214)
Revenue Per Person/Employee	$627	$732	$492	$1,625	$4,972	$580	$597	$579	$373
Costs Per Person/Employee	$585	$683	$577	$823	$1,098	$549	$581	$556	$587

Source: ADE, Inc.

SCENARIO E-2
ANNUAL FISCAL IMPACT AT FULL BUILDOUT

GENERAL FUND BUDGET CATEGORY	Total	Single Family Detached	Multi-Family	Retail-Small	Retail-Large	Mid/High Rise Office	R&D Low Rise	Industrial-Warehouse	Institutional-Other
REVENUES									
Property Taxes	$93,557,000	$4,275,000	$54,752,000	$2,600,000	$2,641,000	$11,974,000	$11,346,000	$5,969,000	$0
Property Tax in Lieu of Vehicle License	$48,504,048	$2,216,347	$28,385,835	$1,347,954	$1,369,210	$6,207,846	$5,882,263	$3,094,591	$0
Sales Tax	$91,006,000	$0	$0	$27,735,000	$32,866,000	$15,843,000	$14,272,000	$11,000	$279,000
Transient Occupancy Tax	$9,908,000	$0	$0	$704,000	$224,000	$4,022,000	$3,522,000	$1,081,000	$355,000
Franchise Fees	$25,093,000	$423,000	$11,024,000	$970,000	$308,000	$5,539,000	$4,851,000	$1,489,000	$489,000
Utility Tax	$50,456,000	$850,000	$22,166,000	$1,950,000	$619,000	$11,138,000	$9,755,000	$2,995,000	$983,000
Licenses & Permits	$41,487,000	$677,000	$17,657,000	$1,645,000	$523,000	$9,398,000	$8,231,000	$2,527,000	$829,000
Fines & Forfeitures	$9,481,000	$160,000	$4,165,000	$366,000	$116,000	$2,093,000	$1,833,000	$563,000	$185,000
Revenue from Money and Property	$8,182,000	$187,000	$3,175,000	$770,000	$777,000	$1,476,000	$1,326,000	$395,000	$76,000
Revenue from Local Agencies	$7,245,000	$122,000	$3,183,000	$280,000	$89,000	$1,599,000	$1,401,000	$430,000	$141,000
Revenue from State Government	$4,214,000	$156,000	$4,058,000	$0	$0	$0	$0	$0	$0
Revenue from Federal Government	$1,566,000	$58,000	$1,508,000	$0	$0	$0	$0	$0	$0
Departmental Charges	$18,607,000	$314,000	$8,175,000	$719,000	$228,000	$4,108,000	$3,597,000	$1,104,000	$362,000
Other revenue	$10,548,000	$178,000	$4,634,000	$408,000	$129,000	$2,329,000	$2,039,000	$626,000	$205,000
Fund Bal., Transfers/Reimb.	$54,618,000	$1,231,000	$27,429,000	$2,468,000	$902,000	$9,868,000	$9,080,000	$2,689,000	$951,000
TOTAL REVENUES	$474,472,048	$10,847,347	$190,311,835	$41,962,954	$40,791,210	$85,594,846	$77,135,263	$22,973,591	$4,855,000
EXPENSES									
General Government	$50,431,000	$1,138,000	$25,065,000	$2,390,000	$1,012,000	$9,111,000	$8,374,000	$2,481,000	$860,000
Economic Development	$4,001,000	$6,000	$169,000	$272,000	$86,000	$1,553,000	$1,360,000	$418,000	$137,000
Environmental Services	$508,000	$9,000	$223,000	$20,000	$6,000	$112,000	$98,000	$30,000	$10,000
Police	$148,311,000	$2,855,000	$74,419,000	$9,819,000	$3,119,000	$26,019,000	$22,788,000	$6,996,000	$2,296,000
Fire/EMS	$75,624,000	$1,610,000	$38,855,000	$2,539,000	$906,000	$14,345,000	$11,989,000	$4,008,000	$1,372,000
Planning/Bldg./ Code Enf.	$12,945,000	$573,000	$7,341,000	$349,000	$354,000	$1,605,000	$1,521,000	$800,000	$402,000
Public Works	$5,945,000	$100,000	$2,612,000	$230,000	$73,000	$1,312,000	$1,149,000	$353,000	$116,000
Parks, Recreation, Neigh. Svcs.	$14,497,000	$422,000	$11,004,000	$218,000	$69,000	$1,247,000	$1,092,000	$335,000	$110,000
Library	$13,649,000	$336,000	$8,769,000	$313,000	$99,000	$1,789,000	$1,567,000	$481,000	$295,000
Transportation	$28,573,000	$1,363,000	$14,215,000	$349,000	$444,000	$3,989,000	$6,987,000	$804,000	$422,000
Citywide	$73,952,000	$1,246,000	$32,488,000	$2,858,000	$908,000	$16,325,000	$14,297,000	$4,390,000	$1,440,000
Transfers Out	$20,308,000	$465,000	$7,879,000	$1,910,000	$1,929,000	$3,663,000	$3,292,000	$981,000	$189,000
TOTAL EXPENSES	$448,744,000	$10,123,000	$223,039,000	$21,267,000	$9,005,000	$81,070,000	$74,514,000	$22,077,000	$7,649,000
NET (COST)/REVENUE	$25,728,048	$724,347	($32,727,165)	$20,695,954	$31,786,210	$4,524,846	$2,621,263	$896,591	($2,794,000)
UNIT ANALYSIS									
Net Per DU/1,000 sq.ft.	$88	$172	($249)	$2,882	$4,358	$110	$62	$27	($113)
Net Per Person/Employee	$34	$49	($85)	$801	$3,874	$31	$20	$23	($215)
Revenue Per Person/Employee	$620	$732	$492	$1,625	$4,972	$580	$597	$579	$373
Costs Per Person/Employee	$587	$683	$577	$823	$1,098	$549	$577	$556	$588

Source: ADE, Inc.

SCENARIO K-3
ANNUAL FISCAL IMPACT AT FULL BUILDOUT

GENERAL FUND BUDGET CATEGORY	Total	Single Family Detached	Multi-Family	Retail-Small	Retail-Large	Mid/High Rise Office	R&D Low Rise	Industrial-Warehouse	Institutional-Other
REVENUES									
Property Taxes	$100,978,000	$4,275,000	$64,464,000	$2,947,000	$2,612,000	$9,697,000	$11,014,000	$5,969,000	$0
Property Tax in Lieu of Vehicle License	$52,351,419	$2,216,347	$33,420,962	$1,527,854	$1,354,175	$5,027,350	$5,710,140	$3,094,591	$0
Sales Tax	$91,005,000	$0	$0	$31,432,000	$32,501,000	$12,831,000	$13,855,000	$11,000	$375,000
Transient Occupancy Tax	$9,254,000	$0	$0	$798,000	$221,000	$3,257,000	$3,419,000	$1,081,000	$478,000
Franchise Fees	$26,148,000	$423,000	$12,979,000	$1,099,000	$305,000	$4,486,000	$4,709,000	$1,489,000	$658,000
Utility Tax	$52,577,000	$850,000	$26,098,000	$2,210,000	$612,000	$9,020,000	$9,469,000	$2,995,000	$1,323,000
Licenses & Permits	$43,091,000	$677,000	$20,789,000	$1,864,000	$517,000	$7,611,000	$7,990,000	$2,527,000	$1,116,000
Fines & Forfeitures	$9,880,000	$160,000	$4,904,000	$415,000	$115,000	$1,695,000	$1,779,000	$563,000	$249,000
Revenue from Money and Property	$8,546,000	$187,000	$3,738,000	$872,000	$769,000	$1,195,000	$1,288,000	$395,000	$102,000
Revenue from Local Agencies	$7,550,000	$122,000	$3,748,000	$317,000	$88,000	$1,295,000	$1,360,000	$430,000	$190,000
Revenue from State Government	$4,934,000	$156,000	$4,778,000	$0	$0	$0	$0	$0	$0
Revenue from Federal Government	$1,834,000	$58,000	$1,776,000	$0	$0	$0	$0	$0	$0
Departmental Charges	$19,390,000	$314,000	$9,624,000	$815,000	$226,000	$3,327,000	$3,492,000	$1,104,000	$488,000
Other revenue	$10,993,000	$178,000	$5,456,000	$462,000	$128,000	$1,886,000	$1,980,000	$626,000	$277,000
Fund Bal., Transfers/Reimb.	$57,988,000	$1,231,000	$32,294,000	$2,796,000	$892,000	$7,992,000	$8,814,000	$2,689,000	$1,280,000
TOTAL REVENUES	$496,519,419	$10,847,347	$224,068,962	$47,554,854	$40,340,175	$69,319,350	$74,879,140	$22,973,591	$6,536,000
EXPENSES									
General Government	$53,503,000	$1,138,000	$29,511,000	$2,708,000	$1,001,000	$7,378,000	$8,129,000	$2,481,000	$1,157,000
Economic Development	$3,778,000	$6,000	$199,000	$308,000	$85,000	$1,258,000	$1,320,000	$418,000	$184,000
Environmental Services	$529,000	$9,000	$263,000	$22,000	$6,000	$91,000	$95,000	$30,000	$13,000
Police	$157,966,000	$2,855,000	$87,619,000	$11,128,000	$3,084,000	$21,072,000	$22,121,000	$6,996,000	$3,091,000
Fire/EMS	$80,240,000	$1,610,000	$45,746,000	$2,877,000	$896,000	$11,617,000	$11,638,000	$4,008,000	$1,848,000
Planning/Bldg./ Code Enf.	$14,079,000	$573,000	$8,643,000	$395,000	$350,000	$1,300,000	$1,477,000	$800,000	$541,000
Public Works	$6,195,000	$100,000	$3,075,000	$260,000	$72,000	$1,063,000	$1,116,000	$353,000	$156,000
Parks, Recreation, Neigh. Svcs.	$16,247,000	$422,000	$12,956,000	$247,000	$69,000	$1,010,000	$1,060,000	$335,000	$148,000
Library	$14,962,000	$336,000	$10,324,000	$355,000	$98,000	$1,449,000	$1,521,000	$481,000	$398,000
Transportation	$30,321,000	$1,363,000	$16,736,000	$396,000	$439,000	$3,231,000	$6,783,000	$804,000	$569,000
Citywide	$77,061,000	$1,246,000	$38,250,000	$3,239,000	$898,000	$13,220,000	$13,879,000	$4,390,000	$1,939,000
Transfers Out	$21,211,000	$465,000	$9,276,000	$2,165,000	$1,908,000	$2,966,000	$3,196,000	$981,000	$254,000
TOTAL EXPENSES	$476,092,000	$10,123,000	$262,598,000	$24,100,000	$8,906,000	$65,655,000	$72,335,000	$22,077,000	$10,298,000
NET (COST)/REVENUE	$20,427,419	$724,347	($38,529,038)	$23,454,854	$31,434,175	$3,664,350	$2,544,140	$896,591	($3,762,000)
UNIT ANALYSIS									
Net Per DU/1,000 sq.ft.	($33)	($89)	($379)	$2,222	$3,326	($471)	$48	$66	$53
Net Per Person/Employee	($11)	($25)	($129)	$666	$2,661	($59)	$13	$66	$101
Revenue Per Person/Employee	$598	$744	$501	$1,512	$3,746	$491	$610	$678	$765
Costs Per Person/Employee	$608	$769	$630	$846	$1,085	$549	$597	$611	$663

Source: ADE, Inc.

SCENARIO J-4
ANNUAL FISCAL IMPACT AT FULL BUILDOUT

GENERAL FUND BUDGET CATEGORY	Total	Single Family Detached	Multi-Family	Retail-Small	Retail-Large	Mid/High Rise Office	R&D Low Rise	Industrial-Warehouse	Institutional-Other
REVENUES									
Property Taxes	$87,084,000	$4,275,000	$35,174,000	$2,821,000	$1,778,000	$22,018,000	$13,739,000	$7,279,000	$0
Property Tax in Lieu of Vehicle License	$45,148,161	$2,216,347	$18,235,743	$1,462,530	$921,793	$11,415,096	$7,122,900	$3,773,752	$0
Sales Tax	$98,932,000	$0	$0	$30,091,000	$22,121,000	$29,132,000	$17,282,000	$13,000	$293,000
Transient Occupancy Tax	$14,267,000	$0	$0	$764,000	$151,000	$7,395,000	$4,265,000	$1,319,000	$373,000
Franchise Fees	$27,154,000	$423,000	$7,082,000	$1,052,000	$207,000	$10,186,000	$5,874,000	$1,816,000	$514,000
Utility Tax	$54,601,000	$850,000	$14,240,000	$2,116,000	$417,000	$20,481,000	$11,812,000	$3,652,000	$1,033,000
Licenses & Permits	$45,356,000	$677,000	$11,343,000	$1,785,000	$352,000	$17,280,000	$9,966,000	$3,081,000	$872,000
Fines & Forfeitures	$10,261,000	$160,000	$2,676,000	$398,000	$78,000	$3,849,000	$2,220,000	$686,000	$194,000
Revenue from Money and Property	$8,466,000	$187,000	$2,039,000	$835,000	$523,000	$2,714,000	$1,606,000	$482,000	$80,000
Revenue from Local Agencies	$7,840,000	$122,000	$2,045,000	$304,000	$60,000	$2,941,000	$1,696,000	$524,000	$148,000
Revenue from State Government	$2,763,000	$156,000	$2,607,000	$0	$0	$0	$0	$0	$0
Revenue from Federal Government	$1,027,000	$58,000	$969,000	$0	$0	$0	$0	$0	$0
Departmental Charges	$20,136,000	$314,000	$5,251,000	$780,000	$154,000	$7,553,000	$4,356,000	$1,347,000	$381,000
Other revenue	$11,415,000	$178,000	$2,977,000	$442,000	$87,000	$4,282,000	$2,469,000	$764,000	$216,000
Fund Bal., Transfers/Reimb.	$55,645,000	$1,237,000	$17,621,000	$2,677,000	$607,000	$18,146,000	$11,077,000	$3,280,000	$1,000,000
TOTAL REVENUES	$490,095,161	$10,853,347	$122,259,743	$45,527,530	$27,456,793	$157,392,096	$93,484,900	$28,016,752	$5,104,000
EXPENSES									
General Government	$51,414,000	$1,143,000	$16,102,000	$2,593,000	$681,000	$16,753,000	$10,213,000	$3,025,000	$904,000
Economic Development	$5,624,000	$6,000	$109,000	$295,000	$58,000	$2,856,000	$1,647,000	$509,000	$144,000
Environmental Services	$549,000	$9,000	$143,000	$21,000	$4,000	$206,000	$119,000	$37,000	$10,000
Police	$149,798,000	$2,855,000	$47,808,000	$10,654,000	$2,099,000	$47,844,000	$27,593,000	$8,531,000	$2,414,000
Fire/EMS	$77,161,000	$1,610,000	$24,961,000	$2,755,000	$610,000	$26,378,000	$14,517,000	$4,887,000	$1,443,000
Planning/Bldg./ Code Enf.	$12,098,000	$573,000	$4,716,000	$378,000	$238,000	$2,952,000	$1,842,000	$976,000	$423,000
Public Works	$6,433,000	$100,000	$1,678,000	$249,000	$49,000	$2,413,000	$1,392,000	$430,000	$122,000
Parks, Recreation, Neigh. Svcs.	$11,917,000	$422,000	$7,069,000	$237,000	$47,000	$2,294,000	$1,323,000	$409,000	$116,000
Library	$12,461,000	$336,000	$5,633,000	$340,000	$67,000	$3,290,000	$1,897,000	$587,000	$311,000
Transportation	$29,009,000	$1,403,000	$9,132,000	$379,000	$299,000	$7,335,000	$9,036,000	$981,000	$444,000
Citywide	$80,027,000	$1,246,000	$20,871,000	$3,101,000	$611,000	$30,018,000	$17,312,000	$5,353,000	$1,515,000
Transfers Out	$21,014,000	$465,000	$5,061,000	$2,073,000	$1,299,000	$6,735,000	$3,986,000	$1,196,000	$199,000
TOTAL EXPENSES	$457,505,000	$10,168,000	$143,283,000	$23,075,000	$6,062,000	$149,074,000	$90,877,000	$26,921,000	$8,045,000
NET (COST)/REVENUE	$32,590,161	$685,347	($21,023,257)	$22,452,530	$21,394,793	$8,318,096	$2,607,900	$1,095,752	($2,941,000)
UNIT ANALYSIS									
Net Per DU/1,000 sq.ft.	$111	$163	($249)	$2,882	$4,358	$110	$51	$27	($113)
Net Per Person/Employee	$41	$46	($85)	$801	$3,874	$31	$17	$23	($215)
Revenue Per Person/Employee	$623	$732	$492	$1,625	$4,972	$580	$597	$579	$373
Costs Per Person/Employee	$582	$686	$577	$823	$1,098	$549	$581	$556	$588

Source: ADE, Inc.

SCENARIO H-5
ANNUAL FISCAL IMPACT AT FULL BUILDOUT

GENERAL FUND BUDGET CATEGORY	Total	Single Family Detached	Multi-Family	Retail-Small	Retail-Large	Mid/High Rise Office	R&D Low Rise	Industrial-Warehouse	Institutional-Other
REVENUES									
Property Taxes	$99,091,000	$4,280,000	$54,725,000	$3,600,000	$2,620,000	$14,669,000	$12,121,000	$7,076,000	$0
Property Tax in Lieu of Vehicle License	$51,373,116	$2,218,940	$28,371,837	$1,866,398	$1,358,323	$7,605,052	$6,284,057	$3,668,508	$0
Sales Tax	$106,134,000	$0	$0	$38,393,000	$32,605,000	$19,409,000	$15,247,000	$13,000	$467,000
Transient Occupancy Tax	$11,764,000	$0	$0	$975,000	$222,000	$4,927,000	$3,763,000	$1,282,000	$595,000
Franchise Fees	$27,643,000	$423,000	$11,018,000	$1,342,000	$306,000	$6,786,000	$5,183,000	$1,766,000	$819,000
Utility Tax	$55,582,000	$851,000	$22,155,000	$2,699,000	$614,000	$13,645,000	$10,421,000	$3,550,000	$1,647,000
Licenses & Permits	$45,814,000	$678,000	$17,649,000	$2,277,000	$518,000	$11,513,000	$8,793,000	$2,996,000	$1,390,000
Fines & Forfeitures	$10,443,000	$160,000	$4,163,000	$507,000	$115,000	$2,564,000	$1,958,000	$667,000	$309,000
Revenue from Money and Property	$9,020,000	$188,000	$3,173,000	$1,066,000	$771,000	$1,808,000	$1,417,000	$469,000	$128,000
Revenue from Local Agencies	$7,982,000	$122,000	$3,182,000	$388,000	$88,000	$1,959,000	$1,496,000	$510,000	$237,000
Revenue from State Government	$4,212,000	$156,000	$4,056,000	$0	$0	$0	$0	$0	$0
Revenue from Federal Government	$1,566,000	$58,000	$1,508,000	$0	$0	$0	$0	$0	$0
Departmental Charges	$20,497,000	$314,000	$8,170,000	$995,000	$227,000	$5,032,000	$3,843,000	$1,309,000	$607,000
Other revenue	$11,620,000	$178,000	$4,632,000	$564,000	$128,000	$2,853,000	$2,179,000	$742,000	$344,000
Fund Bal., Transfers/Reimb.	$59,536,000	$1,239,000	$27,415,000	$3,416,000	$895,000	$12,089,000	$9,700,000	$3,188,000	$1,594,000
TOTAL REVENUES	$522,277,116	$10,865,940	$190,217,837	$58,088,398	$40,467,323	$104,859,052	$82,405,057	$27,236,508	$8,137,000
EXPENSES									
General Government	$54,996,000	$1,144,000	$25,052,000	$3,308,000	$1,004,000	$11,161,000	$8,946,000	$2,941,000	$1,440,000
Economic Development	$4,717,000	$6,000	$169,000	$376,000	$86,000	$1,902,000	$1,453,000	$495,000	$230,000
Environmental Services	$560,000	$9,000	$223,000	$27,000	$6,000	$137,000	$105,000	$36,000	$17,000
Police	$162,287,000	$2,858,000	$74,382,000	$13,593,000	$3,094,000	$31,875,000	$24,344,000	$8,294,000	$3,847,000
Fire/EMS	$82,292,000	$1,612,000	$38,835,000	$3,515,000	$899,000	$17,574,000	$12,807,000	$4,751,000	$2,299,000
Planning/Bldg./ Code Enf.	$13,959,000	$574,000	$7,337,000	$483,000	$351,000	$1,967,000	$1,625,000	$949,000	$673,000
Public Works	$6,548,000	$100,000	$2,610,000	$318,000	$72,000	$1,608,000	$1,228,000	$418,000	$194,000
Parks, Recreation, Neigh. Svcs.	$15,070,000	$423,000	$10,999,000	$302,000	$69,000	$1,528,000	$1,167,000	$398,000	$184,000
Library	$14,565,000	$337,000	$8,764,000	$434,000	$99,000	$2,192,000	$1,674,000	$570,000	$495,000
Transportation	$30,549,000	$1,405,000	$14,208,000	$483,000	$440,000	$4,887,000	$7,464,000	$954,000	$708,000
Citywide	$81,466,000	$1,248,000	$32,471,000	$3,956,000	$900,000	$19,999,000	$15,274,000	$5,204,000	$2,414,000
Transfers Out	$22,382,000	$466,000	$7,875,000	$2,644,000	$1,914,000	$4,487,000	$3,517,000	$1,163,000	$316,000
TOTAL EXPENSES	$489,391,000	$10,182,000	$222,925,000	$29,439,000	$8,934,000	$99,317,000	$79,604,000	$26,173,000	$12,817,000
NET (COST)/REVENUE	$32,886,116	$683,940	($32,707,163)	$28,649,398	$31,533,323	$5,542,052	$2,801,057	$1,063,508	($4,680,000)
UNIT ANALYSIS									
Net Per DU/1,000 sq.ft.	$100	$163	($249)	$2,882	$4,358	$110	$62	$27	($113)
Net Per Person/Employee	$39	$46	($85)	$801	$3,874	$31	$20	$23	($215)
Revenue Per Person/Employee	$627	$732	$492	$1,625	$4,972	$580	$597	$579	$373
Costs Per Person/Employee	$588	$686	$577	$823	$1,098	$549	$577	$556	$587

Source: ADE, Inc.