



Item #: 11

Project: Discussion/Action/Direction regarding an update on the Master Tax Sharing Study, and acceptance of final study

Meeting Date: Thursday, March 23, 2023

Meeting Time: 08:30 a.m.

Location: El Centro City Council Chambers
1275 W. Main Street
El Centro, CA 92243



EXECUTIVE OFFICER'S REPORT


COMMISSIONERS

David H. West, Chair [Public]
Maria Nava-Froelich, Vice-Chair [City]
Javier Moreno [City]
Ryan Kelley [County]
Michael W. Kelley [County]

ALTERNATES

Jose Landeros [Public]
Robert Amparano [City]
Jesus E. Escobar [County]

REPORT DATE: March 7, 2023

FROM: Jurg Heuberger, Executive Officer
Paula Graf, Sr. Analyst 

PROJECT: Discussion/Action/Direction regarding an update on the Master Tax Sharing Study, and acceptance of final study.

HEARING DATE: March 23, 2023

TIME: 08:30 a.m.

AGENDA ITEM #: 11

HEARING LOCATION: El Centro City Council Chambers, 1275 Main St.,
El Centro, CA 92243

RECOMMENDATION(S) BY THE EXECUTIVE OFFICER (In Summary & Order)

OPTION #1: Recommend the Commission accept the Master Tax Sharing Study as Final

ANAYLSIS/REPORT

The Cortese- Knox-Hertzberg Local Government Reorganization Act outlines the procedures in which LAFCO must follow to process an application for an annexation. An “annexation” means the inclusion, attachment, or addition of territory to a city or a district.

Annexation- Tax Sharing Agreement

One of the requirements to process an application for an annexation is a tax sharing agreement. A tax sharing agreement will set forth how tax revenues generated by the property being annexed are shared between the county and the city.

The county and the cities had a master tax agreement in place that expired in 2009. Since then, annexations must be individually negotiated, and at times, has delayed projects up to a year.

Note: LAFCO is not involved in the negotiation process. R&T Code 99(b)(6) requires that a resolution approving a negotiated property tax agreement be submitted to LAFCO by both the county and the city before an application can be accepted for processing.

Master Tax Sharing Study

During the 1st quarter of 2021, the LAFCO, the county, and the seven cities met to discuss creating a Master Tax Sharing agreement and retaining a consultant to prepare a fiscal analysis. The study would analyze the fiscal impacts from annexing to a city from the county and determine the appropriate portion of the County’s existing property tax share to be retained in the areas that would be annexed.

LAFCO, with the agreement of the county and the cities retained the services of BAE Urban Economics to complete the study. Scope of work attached as **EXHIBIT A**.

Throughout the past year, the county, the cities, LAFCO, and the consultant met and discussed various iterations of the study. The consultant, based on comments received updated the study and it was presented to the cities and the county as Final during the December 14th meeting. A follow-up memo was sent to the cities and the county confirming the completion of the Master Tax Sharing study. Memo attached as **EXHIBIT B**.

Final Report & Next Step

The master tax sharing study is completed and has been provided to the county and the cities. It is now up to the agencies to meet and negotiate a master tax sharing agreement. Final report attached as **EXHIBIT C**.

EXECUTIVE OFFICERS RECOMMENDATION

It is the recommendation of the Executive Officer that LAFCO conduct a public hearing and consider all information presented in both written and oral form. The Executive Officer then recommends, assuming no significant public input warrants to the contrary, that LAFCO take the following action:

OPTION #1: Acceptance of Master Tax Sharing Study as Final

EXHIBIT A: Scope of Work

EXHIBIT B: Memo to County and Cities

EXHIBIT C: Memo and Final Report

cc: County of Imperial, CEO
Cities, City Managers

EXHIBIT A

Scope of Work

EXHIBIT A
SCOPE OF WORK

1. Existing Conditions

BAE will compile basic information regarding existing fiscal conditions for Imperial County, to serve as context for the analysis. BAE will construct the cost and revenue projection portions of the model using a combination of average cost and revenue multipliers and case study approaches. Research for this task will include consultation with County staff, review of the County's operating budget, and compilation and analysis of relevant data, such as the current resident population and employment base within the unincorporated area and the county as a whole. BAE will consult with key County staff in preparing the model, to ensure consistency with County budgetary assumptions and methodologies. As part of this task, BAE will:

- a. Identify County's existing General Fund support from property taxes
- b. Identify County's current average share of property taxes within cities
- c. Identify County's current average per capita and per service population expenditures funded by discretionary revenue sources.

2. Estimate Fiscal Impacts to County from Prototype Projects

Starting from the background information collected in Task 1, BAE will develop a model to estimate the fiscal impacts of different land use types that could occur on land to be annexed to cities, on the County General Fund. Preliminarily, the model will identify impacts from Single-Family Residential, Multifamily Residential, Office, Hotel, and Industrial use prototypes (to be confirmed based on further discussion with LAFCo and member jurisdictions), considering anticipated General Fund service costs and anticipated new discretionary revenues that would be generated for a prototype project defined for each of the listed land use types. Once all other costs and revenues have been projected for each land use type, BAE will then solve for the property tax share that the County General Fund would need, for each prototype to be fiscally neutral to the County. These estimates will provide the basis to establish the lower bound of the property tax share that the County would need to retain post-annexation for each project type. It is assumed that cities will not propose annexations unless the proposal can provide for fiscal neutrality for the County and also provide for fiscal neutrality or better for the city, unless there are other over-riding public benefits, such as job creation, provision of affordable housing, etc.

3. Identify County Property Tax Shares in City Spheres of Influence

An important consideration in determining the appropriate portion of the County's existing property tax share to be retained in areas that would be annexed in the future is the actual amount of the one percent ad valorem property tax that currently accrues to the County General Fund. This is the amount of property tax that is available to be shared between the County and the annexing city upon annexation, which will be subject to the Master Revenue Sharing Agreement.

From LAFCo and the County, BAE will request GIS map files of city spheres of influence and County tax rate areas (TRAs), along with the post-ERAF tax increment allocation factors that dictate the amount of property tax increment that is generated in a given TRA that is allocated to each tax-receiving entity. This will allow BAE to identify the County's existing share of property tax collected within a given TRA that would be available for sharing (i.e., subject to the tax exchange agreement) with the annexing city.

This information will allow BAE to understand what general proportion of the property tax share is available for sharing with the respective cities, while the information from Task 2 will identify what proportion of the County's existing share the County needs to retain in order to achieve fiscal neutrality for an annexation area that would involve a certain land use type, in a given city's sphere of influence. For example, if Task 2 determined that the County would typically require at least a 14 percent share of the one percent ad valorem property tax to achieve fiscal neutrality for a prototypical single-family residential project, in an annexation area where 20 percent of the ad valorem property tax currently goes to the County, the County would need to retain 70 percent of the property tax that is available for sharing. In an annexation area where the County's existing property tax share is 30 percent, then the County would only need to retain 47 percent of its property tax share.

4. Prepare Memo of Findings and Recommendations

BAE will prepare a memo of findings to document the research and analysis conducted in the prior tasks. The memo will conclude with recommendations regarding the minimum property tax share that the County should seek to retain for annexations of land intended for the development of the different land use types listed above, based on the findings from Task 3. Given the potential variation in the proportion of the County's existing property tax share that the County would need to retain in annexation locations, it may be more straightforward to express the property tax exchange agreement in terms of the share of the one percent ad valorem property tax that the County needs to retain (e.g., 14 percent in this example) rather than the proportion of the County's share that it needs to retain, which will likely vary by location within the County.

The memo will also include recommendations for options that the County could incorporate in an updated Master Property Tax Exchange Agreement for situations when the retention of 100 percent of the County's existing property tax share would not provide sufficient property tax revenue to keep the County whole. One example would be an agreement that in cases such as this, the annexing City would set up a CFD or other revenue enhancement mechanism for the annexation area and transfer funds to the County on an annual basis to ensure its fiscal neutrality.

The fiscal analysis of potential impacts to the County from annexations involving different land use types and different locations will provide a basis for discussions of revenue sharing agreements that can ensure fiscal neutrality for the County.

BAE will prepare an Administrative Draft Memo to submit to LAFCo staff. BAE will be available to discuss the Administrative Draft Memo with LAFCo staff via teleconference and answer any questions. Upon receipt of a single, consolidated set of LAFCo staff comments, BAE will prepare a revised Draft Memo to submit to LAFCo staff for distribution to member jurisdictions. BAE will submit the Administrative Draft and Draft Memos in electronic format.

5. Meetings with Member Jurisdictions

In conjunction with the proposed scope of work, BAE staff will participate in up to six meetings with LAFCo, County, and city staff. Preliminarily, these meetings would include:

- a. Kick-off meeting with LAFCo, County, and city representatives to discuss project objectives, methodology, and process; request background information

- b. Meeting with County staff to review County budget, discuss County service delivery in cities and unincorporated area and anticipated impacts from growth within cities
- c. Meeting with LAFCo, County, and city representatives to discuss Draft Report, answer questions, and solicit feedback.
- d. Up to three follow-up meetings with LAFCo, County, and city representatives to discuss report revisions, refinements, and master revenue sharing terms.

The budget for this task assumes that meetings are held in person in Imperial County at the LAFCo offices, and include meeting preparation, travel, lodging, and incidentals.

6. Prepare Final Report

Based on feedback from member jurisdictions on the Draft Report and final direction from LAFCo staff, BAE will revise the Draft Report and submit a Final Report for use by LAFCo and the member jurisdictions. BAE will submit the Final Report in electronic format (.PDF).

7. Analysis of Fiscal Impacts to Cities

In this task, BAE will provide fiscal impact analysis for each of the seven incorporated cities from the City point of view, considering the property tax share retentions recommended from the analysis of annexation impacts to the County. Further, the analysis outlined in the base scope of work does not address situations where prototype projects might generate substantial fiscal surpluses to the annexing city, after making the County whole for the County's expected service costs (e.g., hotel or retail development). In such cases, quantification of the fiscal impacts to the cities and their net fiscal impacts may be of interest to LAFCo and the member jurisdictions, to allow the jurisdictions to engage in discussions with the cities about equitable sharing of projected fiscal surpluses. BAE will conduct fiscal impact analysis for each of the Cities, for the same land use types defined for the County fiscal analysis, utilizing a methodology similar to that used for the County analysis but geared to the budget structure and fiscal conditions in each specific city.

8. Optional Tasks

Beyond the base scope of work outlined above, BAE will be available to perform a range of optional tasks to support preparation of an updated Master Revenue Sharing Agreement, including, but not limited to:

a. Analysis of additional land use types

LAFCo, the County and the cities may request that BAE analyze land use types other than those included in the base scope, for their fiscal impacts to the County and identification of the required property tax share that the County would need to achieve fiscal neutrality for new annexations.

b. Additional Meetings

BAE staff will be available to attend additional meetings as an optional task. These may be conducted as web meetings or as in-person meetings. Such meetings could include presentation to City Councils, the County Board of Supervisors, or the LAFCo Board, or others as may be desirable to LAFCo or the member jurisdictions.

Optional tasks could be added to the scope of the contract with LAFCo, or BAE could contract directly with the requesting jurisdiction for these services.

EXHIBIT B

BUDGET AND PAYMENTS

Maximum Limit & Fee Schedule

Contractor's compensation shall be paid at the schedule shown below in the not to exceed amount of \$210,000.00. All expenses of Contractor, including any expert or professional assistance retained by Contractor to complete the work performed under this contract or miscellaneous expenses such as travel, lodging, and meals shall be borne by the Contractor.

Payment Schedule:

LAFCo will make payment within thirty (30) days after the billing is received and approved by LAFCo and as outlined below.

Budget

Following is a budget for the base scope of work. BAE will complete the Tasks 1 through 7 on a fixed-fee basis. Costs for optional tasks would need to be determined based on the specific requests; however, rough budget ranges for optional tasks are provided for reference below. Following is a preliminary budget breakdown. BAE reserves the right to re-allocate budget across tasks as necessary to best serve project needs; however, in no event shall the total project cost exceed the fixed-fee total unless the Client approves additional scope and budget.

1. Existing Conditions	\$6,000
2. Estimate Fiscal Impacts to County from Prototype Projects	\$19,000
3. Identify County Property Tax Shares in City Spheres of Influence	\$6,500
4. Prepare Draft Memo of Findings and Recommendations	\$6,000
5. Meetings with Member Jurisdictions	\$16,500
6. Prepare Final Report	\$2,000
7. Analysis of Fiscal Impacts to Cities	\$154,000
Total Budget	\$210,000

Optional Tasks (none included at this time)

- a. Fiscal Impacts of Additional Land Uses \$5,000 to \$7,000, depending on use
- b. Additional Meetings (per meeting)
 - i. In-person \$2,000
 - ii. Web meeting \$600

Invoices

Invoices shall be submitted to LAFCo in a form and with sufficient detail as required by LAFCo as defined below. Work performed by Contractor will be subject to final acceptance by LAFCo project manager(s).

- Percent of Task Complete
- Dates services were rendered
- Contract number

Submit all invoices to:

Imperial LAFCo

Attn: Jurg Heuberger
Address: 1122 W. State St.
Suite D, El Centro, Ca 92243
Phone: 760.353.4115
E-mail: jurg@iclafco.com

EXHIBIT B

Memo to County and Cities



Memorandum

Date: December 19, 2022

To: City Managers and County CEO

From: Jurg Heuberger, Executive Officer/Paula Graf, Sr. Analyst

Re: Master Tax Sharing

City Managers and County CEO:

As directed by your group earlier this year, LAFCO retained the services of Bae Urban Economics to assist in developing a Master Tax Sharing agreement between the cities and the County of Imperial.

Over the past year, the group has met on several occasions, provided feedback, and requested revisions to the Fiscal Analysis Results and Preliminary Revenue Sharing Split Calculations.

We are pleased to announce that at the December 14th meeting, the consensus of the group was to accept the Final Fiscal Analysis Results & Preliminary Revenue Sharing Split Calculations.

The next step is for each City to commence negotiations with the County of Imperial for a Master Tax Sharing Agreement.

As a reminder, annexation applications will remain on a hold status until a Master Tax Agreement has been executed and provided to LAFCO.

If you have any questions, feel free to contact our office if you have any questions at 760-353-4115, pg@iclafco.com/jurgh@iclafco.com.

EXHIBIT C

Memo and Final Study

Memorandum

To: Paula Graf and Jurg Heuberger, Imperial County LAFCo

From: Matt Kowta, MCP, Managing Principal

Date: 3/7/2023

Re: Final Master Revenue Sharing Analysis

The accompanying PDF files provide the final Master Revenue Sharing calculations for Imperial County jurisdictions, based on discussion from the 10-12-22 CCMA meeting. Because there was not consensus among the meeting participants as to whether the costs of the Imperial County Sheriff Patrol function should be considered “fixed” or “variable” as new development occurs within areas annexed to the cities, the packet includes two versions of the property tax revenue sharing analysis, a “Baseline” version that calculates fiscal impacts from annexations based on the assumption that costs for Sheriff Patrol functions will be variable, and an “Alternative” version that assumes that costs for Sheriff Patrol functions will be fixed.

Updated Baseline Imperial County Fiscal Assumptions and Calculations

Per discussion in the 10-12-22 CCMA Meeting and follow-up discussions with County staff, I have made the following changes to the baseline County fiscal model.

- Changed Agricultural to fixed.
- Changed Contributions to Others Public to Average (i.e., 100% Variable)
- Changed Sheriff Oren Fox Detention Facility (OFDF) to Average
- Changed Courts Non-Rule 810 to back out \$250,000 of the \$1.8 million budget amount to account for the portion of costs for inmates in the state prisons that are reimbursed by the state.

The net effect of these changes was to increase County expenditures to \$428.62 per service population and \$11.68 per capita versus \$395.53 per service population and 11.68 per capita in 10-12-22 version of model.

- These changes made the overall fiscal picture worse across jurisdictions and land use types
 - Single-family, multifamily, and office do not work in most locations
 - Retail, Industrial, and Hotel continue to work in all locations

Page 1 of the attached PDF titled “**Updated Baseline Fiscal Results and Revenue Splits 12-8-22.PDF**” summarizes Imperial County General Fund expenditures and identifies whether they are assumed be 100% variable (Average), 50% Variable, or Fixed.

Pages 2-4 summarize Brawley General Fund expenditures and their treatment (Variable, 50% Variable, or Fixed) and summarizes the revenue projections (unchanged) and the updated expenditure projections for each prototype project as well as the updated requirements for property taxes to make both the County and the City whole.

Pages 5-7 summarize the updated calculations for Calexico

Pages 8-10 summarize the updated calculations for Calipatria

Pages 11-13 summarize the updated calculations for El Centro

Pages 14-16 summarize the updated calculations for Holtville

Pages 17-19 summarize the updated calculations for Imperial

Pages 20-22 summarize the updated calculations for Westmorland

Pages 23 to 26 (Exhibit 1) in the PDF present the preliminary revenue sharing splits for annexations in each city. The last two lines in the section for each city, “Total County %” and “Total City %” indicate the percentage of the property tax that is available to share that would go to each jurisdiction. For example, for Brawley, 0.342 percent of the 1 percent ad-valorem tax is available to share. For a Single-Family residential project, the County would retain 86.16 percent of the 0.342 that is available to share and 13.84% would be transferred to the City upon annexation.

Where a cell in the “Surplus Portion” line for a given city and prototype project is highlighted in yellow, this indicates that there is not sufficient property tax revenue available to share to make both the annexing city and the County whole. In these situations a standard property tax sharing split cannot be established and other mechanisms will need to be incorporated into the revenue sharing agreement to ensure fiscal viability for both the annexing city and the County.

Alternative Imperial County Fiscal Assumptions and Calculations

Per discussion in the 10-12-22 CCMA Meeting and follow-up discussions with County staff, I have prepared an alternative set of calculations that hold all of other assumptions from the updated Baseline fiscal model constant except for removing the Patrol costs from the County Sheriff-Coroner budget line item. This represents changed fiscal impacts to the County if it is assumed that the County Sheriff Patrol function does not expand as new development occurs

in areas annexed to cities. According to County staff, Patrol functions represent approximately 61 percent of the Sheriff-Coroner budget line item for 2021-2022, or \$12,431,413 of the \$20,379,366 total for that budget item. Removing the Patrol costs leaves approximately \$8 million in variable Sheriff-Coroner costs that are assumed to increase as new development occurs in the cities. Sheriff-Coroner costs that are considered variable in this scenario include: Administration, Investigation, Coroner, and Civil Unit.

The net effect of removing Sheriff Patrol costs was a slight reduction in overall Imperial County expenditures compared to 10-12-22 Baseline and larger reduction from Updated 12-8-22 baseline, to \$371.66 per service population and \$11.68 per capita

- This change had marginal positive effects compared to 10-12-22 Baseline fiscal results and more significant improvements relative to Updated 12-8-22 Baseline fiscal results.
 - Single-family works in all locations except El Centro
 - Multifamily works in Calexico and Holtville
 - Office works in all locations, except El Centro
 - Retail, Industrial and Hotel continue to work in all locations

The PDF file titled, “**Alternative Fiscal Results and Revenue Splits 12-8-22.PDF**” contains the same printouts in the same order as described for the updated baseline PDF above, updated to reflect the removal of the Sheriff Patrol costs.

Discussion from 12-14-22 CCMA Meeting

At the 12-14-22 CCMA meeting, we reviewed the results of the updated modeling and continued the discussion from the 10-12-22 CCMA meeting regarding whether there is any consensus regarding the inclusion or removal of Sheriff’s Patrol costs from the fiscal impact model, based on the updated modeling results. There was no consensus on this issue from discussion at the meeting; however, the group was in agreement that the analysis for the two scenarios described above provided the City and County representatives with sufficient information to inform negotiations to establish updated individual City/County revenue sharing agreements. Meeting participants felt that there would not be overall consensus about a single set of assumptions that would be acceptable to all participants, and that each city would conduct negotiations individually with the County to reach mutually agreeable revenue sharing terms that would apply just to annexations involving the respective city.

Please let me know if I can answer any further questions or provide additional information to help the cities and County formulate their revenue sharing agreements.

FY22 General Fund Expenditures - Imperial County - *Alternative Fiscal Results + Revenue Splits -*

Imperial County	FY 22 Adopted	Fixed, Average, or Marginal (a)	Residents or Service Pop. (b)	Cost per Svc. Pop.	Cost per Resident
General Fund	\$237,700	Average, 50%	Service Population	\$0.54	\$0.00
Board Of Supervisors	\$845,895	Average, 50%	Service Population	\$1.94	\$0.00
County Executive	\$1,817,576	Average, 50%	Service Population	\$4.16	\$0.00
Clerk Of the Board	\$407,325	Average, 50%	Service Population	\$0.93	\$0.00
I.C. Community Tobacco Settlement	\$687,348	Average, 50%	Service Population	\$1.57	\$0.00
	\$0	Fixed		\$0.00	\$0.00
Auditor-Controller	\$2,489,576	Average, 50%	Service Population	\$5.70	\$0.00
Treasurer	\$1,957,732	Average, 50%	Service Population	\$4.49	\$0.00
Assessor	\$2,519,866	Average	Service Population	\$11.55	\$0.00
Procurement Services	\$515,727	Average, 50%	Service Population	\$1.18	\$0.00
County Counsel	\$2,635,022	Average, 50%	Service Population	\$6.04	\$0.00
Human Resources	\$2,793,679	Average, 50%	Service Population	\$6.40	\$0.00
Equal Employment	\$161,949	Average, 50%	Service Population	\$0.37	\$0.00
Registrar Of Voters-Facilities	\$1,153,049	Average	Residents	\$0.00	\$6.41
	\$5,435,355	Average	Service Population	\$24.90	\$0.00
P.W. Architecture & Courts-Non Rule 810	\$361,648	Average	Service Population	\$1.66	\$0.00
	\$1,550,000	Average	Service Population	\$7.10	\$0.00
District Attorney	\$6,283,983	Average	Service Population	\$28.79	\$0.00
Public Defender	\$4,016,898	Average	Service Population	\$18.41	\$0.00
Grand Jury	\$16,474	Fixed		\$0.00	\$0.00
Sheriff-Coroner	\$7,947,953	Average	Service Population	\$36.42	\$0.00
Sheriff's Correction	\$17,833,042	Average	Service Population	\$81.71	\$0.00
Juvenile Hall	\$3,157,785	Average	Service Population	\$14.47	\$0.00
Betty Jo Mcneecce	\$0	Fixed		\$0.00	\$0.00
Probation	\$7,626,009	Average	Service Population	\$34.94	\$0.00
TCF-County	\$2,273,375	Fixed		\$0.00	\$0.00
Agricultural	\$5,651,920	Fixed	Service Population	\$0.00	\$0.00
Planning-Building	\$1,562,568	Average	Service Population	\$7.16	\$0.00
Groundwater	\$23,175	Fixed		\$0.00	\$0.00
County	\$1,120,093	Average	Service Population	\$5.13	\$0.00
Public Administrator	\$1,087,510	Average	Service Population	\$4.98	\$0.00
Planning Commission	\$57,913	Fixed		\$0.00	\$0.00
Planning Department	\$2,012,923	Average	Service Population	\$9.22	\$0.00
Airport Land Use	\$49,868	Fixed		\$0.00	\$0.00
Social Service-Aid To Indigents	\$114,102	Average	Residents	\$0.00	\$0.63
	\$240,000	Fixed		\$0.00	\$0.00
Indigents Burials	\$37,250	Fixed		\$0.00	\$0.00
Veterans Service	\$399,572	Fixed		\$0.00	\$0.00
Cooperative	\$438,534	Fixed		\$0.00	\$0.00
Criminal Grand Jury	\$50,000	Fixed		\$0.00	\$0.00
Security	\$2,340,989	Fixed		\$0.00	\$0.00
Contrib. To Others-	\$2,089,917	Fixed		\$0.00	\$0.00
Cont. To Others Public	\$10,735,228	Average	Service Population	\$49.19	\$0.00
Parks And Recreation	\$834,811	Average	Residents	\$0.00	\$4.64
Budget Fiscal	\$780,785	Fixed		\$0.00	\$0.00
Assessment Appeals	\$5,587	Fixed		\$0.00	\$0.00
Human Exploitation	\$152,201	Fixed		\$0.00	\$0.00
Sheriff-OFDF	\$588,357	Average	Service Population	\$2.70	\$0.00
Commercial Cannabis	\$0	Fixed		\$0.00	\$0.00
Contingency	\$200,000	Fixed		\$0.00	\$0.00
Total General Fund Expenditures	\$105,298,269				
Total Variable Expenditures	\$90,490,709			\$371.66	\$11.68

Notes:

(a) Based on discussions with County staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all revenues that are generated by residents and workers. Unless otherwise noted, most revenues are projected on the basis of service population.

Residents (2021)	179,961
Workers (2021)	76,578
Service Population	218,250

FY22 General Fund Expenditures - City of Brawley

City of Brawley	FY 22 Adopted (a)	Fixed, Average or Case Study (b)	Residents, Workers or Service Pop. (c)	Cost per Service Population	Cost per Resident
City Council	\$100,696	Average, 50%	Service Population	\$1.58	\$0.00
City Clerk	\$306,244	Average, 50%	Service Population	\$4.81	\$0.00
City Manager	\$1,017,523	Average, 50%	Service Population	\$15.97	\$0.00
Fiscal Services	\$2,465,709	Average, 50%	Service Population	\$38.69	\$0.00
City Attorney	\$102,902	Average, 50%	Service Population	\$1.61	\$0.00
Community and Economic Development	\$783,698	Average	Service Population	\$24.59	\$0.00
Police Protection	\$5,557,871	Average	Service Population	\$174.41	\$0.00
Fire Services	\$2,962,251	Average	Service Population	\$92.96	\$0.00
Public Works - Engineering	\$1,009,798	Average	Service Population	\$31.69	\$0.00
Parks and Recreation	\$1,523,218	Average	Residents	\$0.00	\$55.74
Library Services	\$550,992	Average	Residents	\$0.00	\$20.16
Total General Fund Expenditures	\$16,380,902				
Total Variable Expenditures	\$16,380,902			\$386.31	\$75.91

Notes:

(a) Figures are from adopted budget with removal of expenditure on departmental allocation for pension obligation debt service, which will not increase with new development.

(b) Based on discussions with County staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(c) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	27,326
Workers (2021)	9,080
Service Population	31,866

Sources: City of Brawley, 2021; BAE, 2022.

City of Brawley Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Brawley	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$161,776)	(\$129,421)	(\$19,316)	(\$38,631)	(\$11,589)	(\$3,090)
Revenues (a)	\$166,944	\$112,755	\$25,902	\$42,354	\$18,294	\$126,136
Fiscal Impact (Before Sharing of County GF Property Tax)	\$5,168	(\$16,665)	\$6,587	\$3,723	\$6,705	\$123,045

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$134,168)	(\$107,334)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$107,782	\$70,360	\$16,933	\$26,790	\$12,221	\$12,021
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$26,386)	(\$36,974)	(\$1,650)	(\$10,376)	\$1,071	\$9,048

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Brawley - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$26,386)	(\$36,974)	(\$1,650)	(\$10,376)	\$1,071	\$9,048
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$97,603	\$50,302	\$21,326	\$29,281	\$16,690	\$21,333
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.1924	0.5231	0.0551	0.2522	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$54,834	\$76,838	\$3,429	\$21,562	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$26,386	\$36,974	\$1,650	\$10,376	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.342
County ERAF Shift (%)	51.9%

City of Brawley

City of Brawley	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$5,168	(\$16,665)	\$6,587	\$3,723	\$6,705	\$123,045
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$97,603	\$50,302	\$21,326	\$29,281	\$16,690	\$21,333
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.1779	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$26,128	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$16,665	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	36.2%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	NO	YES	YES	YES	YES
YES	NO	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	\$42,769	(\$52,664)	\$17,898	\$7,719	\$16,690	\$21,333
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRA 56-000.

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Calexico

<u>City of Calexico</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
Police Protection	\$4,557,043	Average	Service Population	\$98.08	\$0.00
Traffic Control/Parking	\$629,701	Average	Service Population	\$13.55	\$0.00
Animal Control	\$233,764	Fixed		\$0.00	\$0.00
Fire Services	\$4,555,963	Average	Service Population	\$98.05	\$0.00
Community Development	\$967,405	Average	Service Population	\$20.82	\$0.00
Public Works	\$1,107,477	Average	Service Population	\$23.84	\$0.00
Community Services	\$1,053,788	Average	Residents	\$0.00	\$26.03
Housing	\$322,835	Fixed		\$0.00	\$0.00
Administration/Finance/Non-Dept.	\$3,382,873	Average, 50%	Service Population	\$36.40	\$0.00
Total General Fund Expenditures	\$16,810,849				
Total Variable Expenditures	\$16,254,250			\$290.74	\$26.03

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	40,485
Workers (2021)	11,957
Service Population	46,464

Source: City of Calexico, 2021; BAE, 2022.

City of Calexico Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Calexico	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$126,710)	(\$88,697)	(\$14,537)	(\$29,074)	(\$8,722)	(\$2,326)
Revenues (a)	\$154,608	\$100,718	\$20,262	\$31,006	\$14,929	\$130,969
Fiscal Impact (Before Sharing of County GF Property Tax)	\$27,898	\$12,021	\$5,725	\$1,932	\$6,207	\$128,643

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$153,335)	(\$107,334)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$119,432	\$77,746	\$16,932	\$26,787	\$12,220	\$12,192
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$33,902)	(\$29,588)	(\$1,651)	(\$10,378)	\$1,070	\$9,219

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Calexico - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$33,902)	(\$29,588)	(\$1,651)	(\$10,378)	\$1,070	\$9,219
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$112,177	\$68,652	\$23,285	\$31,970	\$18,223	\$23,292
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.2348	0.3349	0.0551	0.2523	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$70,454	\$61,489	\$3,431	\$21,568	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$33,902	\$29,588	\$1,651	\$10,378	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.374
County ERAF Shift (%)	51.9%

City of Calexico	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$27,898	\$12,021	\$5,725	\$1,932	\$6,207	\$128,643
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$112,177	\$68,652	\$23,285	\$31,970	\$18,223	\$23,292
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	37.8%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	YES	YES	YES	YES	YES
YES	YES	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	\$41,723	\$7,163	\$19,854	\$10,403	\$18,223	\$23,292
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Notes:

- (a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment.
- (b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.
- (c) The Property Tax Increment Allocation Factor is the average increment for TRAs 57-002

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Calipatria

<u>City of Calipatria</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
City Attorney	\$21,000	Average, 50%		\$2.29	\$0.00
Planning	\$251,042	Average	Service Population	\$54.83	\$0.00
City Hall	\$186,611	Average, 50%		\$20.38	\$0.00
Non-Departmental	\$331,873	Average, 50%		\$36.24	\$0.00
CDBG-84	\$2,432	Fixed		\$0.00	\$0.00
Police Dept.	\$334,184	Average	Service Population	\$72.99	\$0.00
Fire Dept.	\$387,074	Average	Service Population	\$84.54	\$0.00
GEN-FTHB	\$24,969	Fixed		\$0.00	\$0.00
Gen-HREHAB	\$24,969	Fixed		\$0.00	\$0.00
Streets	\$36,973	Average	Service Population	\$8.08	\$0.00
Gen-SA	\$32,123	Fixed		\$0.00	\$0.00
PW Shop	\$17,623	Average	Service Population	\$3.85	\$0.00
Library	\$4,897	Average	Residents	\$0.00	\$1.35
Community Bldgs.	\$12,000	Average, 50%		\$1.31	\$0.00
PW Parks	\$82,776	Average	Residents	\$0.00	\$22.83
Total General Fund Expenditures	\$1,750,545				
Total Variable Expenditures	\$1,666,052			\$284.51	\$24.18

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	3,626
Workers (2021)	1,905
Service Population	4,579

Source: City of Calipatria, 2021; BAE, 2022.

City of Calipatria Annexations - Gross Fiscal Impacts (Before Sharing of County General Fund Property Tax)

City of Calipatria	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$100,052)	(\$80,041)	(\$14,226)	(\$28,451)	(\$8,535)	(\$2,276)
Revenues (a)	\$227,157	\$116,031	\$45,020	\$64,209	\$34,535	\$151,319
Fiscal Impact (Before Sharing of County GF Property Tax)	\$127,105	\$35,990	\$30,795	\$35,758	\$26,000	\$149,043

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$134,168)	(\$107,334)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$101,867	\$62,682	\$16,850	\$26,625	\$12,171	\$12,179
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$32,301)	(\$44,652)	(\$1,733)	(\$10,541)	\$1,021	\$9,206

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Calipatria - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$32,301)	(\$44,652)	(\$1,733)	(\$10,541)	\$1,021	\$9,206
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$93,838	\$41,767	\$21,249	\$29,175	\$16,630	\$21,256
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.2441	0.7581	0.0578	0.2562	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$67,126	\$92,793	\$3,601	\$21,906	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$32,301	\$44,652	\$1,733	\$10,541	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF) (c)	0.341
County ERAF Shift (%)	51.9%

City of Calipatria

City of Calipatria	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$127,105	\$35,990	\$30,795	\$35,758	\$26,000	\$149,043
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$93,838	\$41,767	\$21,249	\$29,175	\$16,630	\$21,256
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	83.4%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	NO	YES	YES	YES	YES
YES	NO	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	\$26,712	(\$51,027)	\$17,649	\$7,269	\$16,630	\$21,256
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap, or zero in the case of a net surplus before accounting for the General Fund property tax increment.

(c) The Property Tax Increment Allocation Factor is the average increment for TRA 58-000

Source: BAE, 2022.

FY22 General Fund Expenditures - City of El Centro

City of El Centro	FY 22 Adopted	Fixed, Average or Case Study (a)	Residents, Workers or Service Pop. (b)	Cost per Service Population	Cost per Resident
General Government	\$3,740,762	Average, 50%	Service Population	\$32.28	\$0.00
Public Safety	\$18,293,191	Average	Service Population	\$315.69	\$0.00
Public Works	\$1,993,565	Average	Service Population	\$34.40	\$0.00
Community Development	\$1,226,982	Average	Service Population	\$21.17	\$0.00
Parks and Recreation	\$4,203,670	Average	Residents	\$0.00	\$93.42
Library	\$747,343	Average	Residents	\$0.00	\$16.61
Economic Development	\$409,546	Average	Service Population	\$7.07	\$0.00
Blight Elimination	\$48,976	Average	Service Population	\$0.85	\$0.00
Valley Center Point	\$18,500	Fixed	Fixed	\$0.00	\$0.00
Transfers Out	\$10,000	Fixed	Fixed	\$0.00	\$0.00
Total General Fund Expenditures	\$30,692,535				
Total Variable Expenditures	\$30,664,035			\$411.45	\$110.03

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	44,997
Workers (2021)	25,901
Service Population	57,948

Source: City of El Centro, 2021; BAE, 2022.

City of El Centro Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of El Centro	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$208,593)	(\$125,156)	(\$20,573)	(\$41,145)	(\$12,344)	(\$3,292)
Revenues (a)	\$152,897	\$91,651	\$16,888	\$24,747	\$12,762	\$151,672
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$55,696)	(\$33,505)	(\$3,685)	(\$16,398)	\$418	\$148,381

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$153,335)	(\$92,001)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$125,841	\$75,238	\$17,078	\$27,081	\$12,308	\$12,216
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$27,494)	(\$16,763)	(\$1,504)	(\$10,085)	\$1,158	\$9,242

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

El Centro - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$27,494)	(\$16,763)	(\$1,504)	(\$10,085)	\$1,158	\$9,242
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$106,746	\$65,329	\$22,158	\$30,423	\$17,341	\$22,165
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.1905	0.1897	0.0502	0.2451	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$57,136	\$34,836	\$3,126	\$20,958	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$27,494	\$16,763	\$1,504	\$10,085	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.356
County ERAF Shift (%)	51.9%

City of El Centro

City of El Centro	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$55,696)	(\$33,505)	(\$3,685)	(\$16,398)	\$418	\$148,381
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$106,746	\$65,329	\$22,158	\$30,423	\$17,341	\$22,165
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.2675	0.2630	0.0853	0.2764	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$80,258	\$48,280	\$5,310	\$23,629	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$55,696	\$33,505	\$3,685	\$16,398	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	30.6%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	YES	YES	YES	YES	YES
NO	NO	YES	NO	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	(\$30,648)	(\$17,787)	\$13,722	-\$14,164	\$17,341	\$22,165
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Notes:

- (a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment.
- (b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.
- (c) The Property Tax Increment Allocation Factor is the average increment for TRAs 62-000, 62-002, 74-000, 74-001, 74-002, 74-003

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Holtville

City of Holtville	FY 22 Adopted	Fixed, Average or Case Study (a)	Residents, Workers or Service Pop. (b)	Cost per Service Population	Cost per Resident
Admin	\$949,380			\$79.71	\$0.00
City Council	\$39,734	Average, 50%	Service Population	\$2.75	\$0.00
City Manager	\$228,590	Average, 50%	Service Population	\$15.82	\$0.00
Planning	\$207,843	Average	Service Population	\$28.77	\$0.00
Engineering	\$5,000	Average	Service Population	\$0.69	\$0.00
City Clerk	\$6,060	Average, 50%	Service Population	\$0.42	\$0.00
Farmers Markets	\$10,350	Fixed		\$0.00	\$0.00
Finance	\$161,957	Average, 50%	Service Population	\$11.21	\$0.00
City Treasurer	\$1,994	Average, 50%	Service Population	\$0.14	\$0.00
City Attorney	\$41,300	Average, 50%	Service Population	\$2.86	\$0.00
Non-Departmental	\$246,552	Average, 50%	Service Population	\$17.06	\$0.00
Safety	\$1,603,587			\$218.69	\$0.00
Police	\$942,000	Average	Service Population	\$130.38	\$0.00
Dispatch	\$101,712	Average	Service Population	\$14.08	\$0.00
Animal Control	\$23,574	Fixed		\$0.00	\$0.00
Fire	\$536,301	Average	Service Population	\$74.23	\$0.00
Public Works	\$416,268			\$29.06	\$24.56
Streets	\$156,752	Average	Service Population	\$21.70	\$0.00
Parks	\$153,166	Average	Residents	\$0.00	\$24.56
Gov't Bldgs	\$106,350	Average, 50%	Service Population	\$7.36	\$0.00
Total General Fund Expenditures	\$2,969,235				
Total Variable Expenditures	\$2,935,311			\$327.46	\$24.56

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all revenues that are generated by residents and workers. Unless otherwise noted, most revenues are projected on the basis of service population.

Residents (2021)	6,236
Workers (2021)	1,978
Service Population	7,225

Source: City of Holtville, 2021; BAE, 2022.

City of Holtville Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Holtville	Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$140,807)	(\$50,423)	(\$10,505)	(\$21,010)	(\$6,303)	(\$1,681)
Revenues (a)	\$122,055	\$66,329	\$20,672	\$31,581	\$15,246	\$71,140
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$18,752)	\$15,906	\$10,167	\$10,571	\$8,943	\$69,459

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$153,335)	(\$92,001)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$109,321	\$60,348	\$16,935	\$26,794	\$12,222	\$12,193
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$44,013)	(\$31,653)	(\$1,648)	(\$10,371)	\$1,072	\$9,219

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Holtville - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$44,013)	(\$31,653)	(\$1,648)	(\$10,371)	\$1,072	\$9,219
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$128,926	\$66,444	\$28,170	\$38,678	\$22,046	\$28,179
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.3209	0.4478	0.0550	0.2521	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$91,466	\$65,779	\$3,424	\$21,553	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$44,013	\$31,653	\$1,648	\$10,371	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF) (c)	0.452
County ERAF Shift (%)	51.9%

City of Holtville	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$18,752)	\$15,906	\$10,167	\$10,571	\$8,943	\$69,459
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$128,926	\$66,444	\$28,170	\$38,678	\$22,046	\$28,179
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.1161	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$33,085	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$18,752	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	43.3%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	YES	YES	YES	YES	YES
YES	YES	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	\$4,374	\$666	\$24,746	\$17,124	\$22,046	\$28,179
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRAs 68-005 and 68-020.

Source: BAE, 2022.

FY22 General Fund Revenues - City of Imperial

City of Imperial	FY 22 Adopted	Fixed, Average, or Case Study (a)	Residents, Workers or Service Pop. (b)	Revenue per Service Population	Revenue per Resident
Taxes	\$4,817,717			\$10.93	\$0.00
Secured	\$1,305,846	Case Study		\$0.00	\$0.00
Unsecured	\$146,546	Case Study		\$0.00	\$0.00
Transfer Tax	\$40,000	Case Study		\$0.00	\$0.00
Aircraft Tax	\$57,889	Fixed		\$0.00	\$0.00
Sales Tax	\$2,597,436	Case Study		\$0.00	\$0.00
Cannabis Business Tax	\$350,000	Fixed		\$0.00	\$0.00
Franchises	\$250,000	Average	Service Population	\$10.93	\$0.00
CFD Administrative Tax	\$50,000	Fixed		\$0.00	\$0.00
TOT	\$20,000	Case Study		\$0.00	\$0.00
Licenses and Permits	\$425,128	Average	Service Population	\$18.59	\$0.00
Fines and Penalties	\$8,000	Average	Service Population	\$0.35	\$0.00
Intergovernmental	\$2,253,559			\$0.00	\$0.00
ILVLF	\$1,757,357	Case Study		\$0.00	\$0.00
Homeowners Exemption	\$2,500	Fixed		\$0.00	\$0.00
Housing Authority In Lieu	\$2,100	Fixed		\$0.00	\$0.00
School Resource Officer	\$82,500	Fixed		\$0.00	\$0.00
HIDTA	\$148,842	Fixed		\$0.00	\$0.00
Stonegarden	\$107,973	Fixed		\$0.00	\$0.00
CALEMA/FEMA	\$142,287	Fixed		\$0.00	\$0.00
DHE Detail	\$5,000	Fixed		\$0.00	\$0.00
Homeland Security	\$5,000	Fixed		\$0.00	\$0.00
Charges for Service	\$1,961,708	Average	Service Population	\$85.76	\$0.00
Use of Money and Property	\$6,500	Fixed		\$0.00	\$0.00
Other Revenue	\$223,098			\$6.88	\$3.06
Farmer's Market	\$37,000	Average	Residents	\$0.00	\$1.82
Sponsorship (Community Services)	\$25,000	Average	Residents	\$0.00	\$1.23
Sponsorship - Parade & Rally	\$0	Fixed		\$0.00	\$0.00
"Sale Of Maps, Pubs & Copies"	\$500	Average	Service Population	\$0.02	\$0.00
Sales Of Surplus Property	\$500	Fixed		\$0.00	\$0.00
Police - Dui	\$250	Average	Service Population	\$0.01	\$0.00
Police - Other	\$16,548	Average	Service Population	\$0.72	\$0.00
Post Reimbursement	\$5,000	Average	Service Population	\$0.22	\$0.00
Police Details	\$1,000	Average	Service Population	\$0.04	\$0.00
3% Youth Programs And Education (Cannabis)	\$60,000	Average	Service Population	\$2.62	\$0.00
5% Public Safety (Cannabis)	\$74,000	Average	Service Population	\$3.24	\$0.00
Insurance Dividends	\$800	Fixed		\$0.00	\$0.00
W/C Insurance Claims	\$0	Fixed		\$0.00	\$0.00
Insurance Claims	\$0	Fixed		\$0.00	\$0.00
Not Otherwise Classified	\$2,500	Fixed		\$0.00	\$0.00
Transfers In	\$4,391,878	Fixed		\$0.00	\$0.00
Total General Fund Revenues	\$14,087,588				
Total Variable Revenues	\$8,731,319				
Average	\$2,864,134			\$122.50	\$3.06
Service Population	\$2,802,134			\$122.50	
Residents	\$62,000				\$3.06
Case Study	\$5,867,185				

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting revenue that would be impacted by new development. The average approach assumes Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project

Residents (2021)	20,289
Workers (2021)	5,170
Service Population	22,874

Source: City of Imperial, 2021; BAE, 2022.

City of Imperial Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Imperial	Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$112,525)	(\$78,768)	(\$7,128)	(\$14,257)	(\$4,277)	(\$1,141)
Revenues (a)	\$123,273	\$80,267	\$18,194	\$29,065	\$13,049	\$122,222
Fiscal Impact (Before Sharing of County GF Property Tax)	\$10,748	\$1,499	\$11,066	\$14,808	\$8,772	\$121,082

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$153,335)	(\$107,334)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$105,376	\$67,906	\$16,629	\$26,182	\$12,038	\$12,144
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$47,959)	(\$39,428)	(\$1,954)	(\$10,984)	\$889	\$9,170

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Imperial - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$47,959)	(\$39,428)	(\$1,954)	(\$10,984)	\$889	\$9,170
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$111,552	\$68,270	\$23,155	\$31,792	\$18,122	\$23,162
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.3322	0.4463	0.0652	0.2670	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$99,665	\$81,937	\$4,060	\$22,826	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$47,959	\$39,428	\$1,954	\$10,984	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.372
County ERAF Shift (%)	51.9%

City of Imperial

City of Imperial	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$10,748	\$1,499	\$11,066	\$14,808	\$8,772	\$121,082
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$111,552	\$68,270	\$23,155	\$31,792	\$18,122	\$23,162
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	44.6%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	NO	YES	YES	YES	YES
YES	NO	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share

\$11,887	(\$13,667)	\$19,095	\$8,967	\$18,122	\$23,162
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRA 69-001

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Westmorland

<u>City of Westmorland</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
Operations	\$231,800	Average, 50%	Service Population	\$46.72	\$0.00
City Council	\$22,600	Average, 50%	Service Population	\$4.56	\$0.00
City Clerk	\$4,720	Average, 50%	Service Population	\$0.95	\$0.00
Attorney	\$14,400	Average, 50%	Service Population	\$2.90	\$0.00
Finance	\$6,200	Average, 50%	Service Population	\$1.25	\$0.00
Non-Departmental	\$404,979	Average, 50%	Service Population	\$0.00	\$0.00
Police	\$491,800	Average	Service Population	\$198.27	\$0.00
Fire	\$77,250	Average	Service Population	\$31.14	\$0.00
Public Works	\$32,100	Average	Service Population	\$12.94	\$0.00
Trash Charges	\$215,000	Average	Service Population	\$86.68	\$0.00
Streets	\$0	Average	Service Population	\$0.00	\$0.00
Parks and Recreation	\$86,550	Average	Residents	\$0.00	\$34.89
Youth Hall	\$6,900	Fixed		\$0.00	\$0.00
Building/Planning	\$11,000	Average	Service Population	\$4.43	\$0.00
Total General Fund Expenditures	\$1,605,299				
Total Variable Expenditures	\$1,598,399			\$389.84	\$34.89

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	2,305
Workers (2021)	351
Service Population	2,481

Source: City of Westmorland, 2021; BAE, 2022.

City of Westmorland Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Westmorland	Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$148,658)	(\$118,926)	(\$19,492)	(\$38,984)	(\$11,695)	(\$3,119)
Revenues (a)	\$179,643	\$102,803	\$33,165	\$50,413	\$24,535	\$163,509
Fiscal Impact (Before Sharing of County GF Property Tax)	\$30,985	(\$16,123)	\$13,673	\$11,429	\$12,840	\$160,390

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$134,168)	(\$107,334)	(\$18,583)	(\$37,166)	(\$11,150)	(\$2,973)
Revenues (a)	\$101,159	\$62,116	\$16,851	\$26,625	\$12,171	\$12,179
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$33,009)	(\$45,218)	(\$1,732)	(\$10,540)	\$1,021	\$9,206

Note:

(a) Revenues exclude sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Westmorland - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$33,009)	(\$45,218)	(\$1,732)	(\$10,540)	\$1,021	\$9,206
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$94,351	\$41,995	\$21,365	\$29,335	\$16,721	\$21,372
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.2494	0.7677	0.0578	0.2562	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$68,597	\$93,970	\$3,600	\$21,905	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$33,009	\$45,218	\$1,732	\$10,540	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.343
County ERAF Shift (%)	51.9%

City of Westmorland	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$30,985	(\$16,123)	\$13,673	\$11,429	\$12,840	\$160,390
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$94,351	\$41,995	\$21,365	\$29,335	\$16,721	\$21,372
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.2748	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$33,637	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$16,123	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	52.1%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	NO	YES	YES	YES	YES
YES	NO	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	\$25,754	(\$85,612)	\$17,765	\$7,430	\$16,721	\$21,372
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRAs 90-001

Sources: City of Westmorland, 2021; BAE, 2022.

Exhibit 1: Preliminary Revenue Sharing Splits (12-8-22 Alternative Scenario)

	<u>Single-Family</u>	<u>Multifamily</u>	<u>Retail</u>	<u>Office</u>	<u>Industrial</u>	<u>Hotel</u>
Brawley						
Portion of 1% Ad Valorem Available	0.342	0.342	0.342	0.342	0.342	0.342
Share Needed to Make County Whole	0.192	0.523	0.055	0.252	0.000	0.000
Share Needed to Make City Whole	0.000	0.178	0.000	0.000	0.000	0.000
Surplus Portion	0.150	-0.359	0.287	0.090	0.342	0.342
Total City and County Expenditures	(\$295,943)	(\$236,755)	(\$37,898)	(\$75,797)	(\$22,739)	(\$6,064)
County % of Expenditures	45%	45%	49%	49%	49%	49%
City % of Expenditures	55%	55%	51%	51%	51%	51%
Surplus % to County	0.068	-0.163	0.141	0.044	0.168	0.168
Surplus % to City	0.082	-0.196	0.146	0.046	0.175	0.175
Total County %	0.260	0.361	0.196	0.296	0.168	0.168
Total City %	0.082	-0.018	0.146	0.046	0.175	0.175
County Split	76.05%	105.29%	57.23%	86.56%	49.03%	49.03%
City Split	23.95%	-5.29%	42.77%	13.44%	50.97%	50.97%
Calexico						
Portion of 1% Ad Valorem Available	0.374	0.374	0.374	0.374	0.374	0.374
Share Needed to Make County Whole	0.235	0.335	0.055	0.252	0.000	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	0.139	0.039	0.319	0.122	0.374	0.374
Total City and County Expenditures	(\$280,044)	(\$196,031)	(\$33,120)	(\$66,240)	(\$19,872)	(\$5,299)
County % of Expenditures	55%	55%	56%	56%	56%	56%
City % of Expenditures	45%	45%	44%	44%	44%	44%
Surplus % to County	0.076	0.021	0.179	0.068	0.210	0.210
Surplus % to City	0.063	0.018	0.140	0.053	0.164	0.164
Total County %	0.311	0.356	0.234	0.321	0.210	0.210
Total City %	0.063	0.018	0.140	0.053	0.164	0.164
County Split	83.17%	95.28%	62.58%	85.72%	56.11%	56.11%
City Split	16.83%	4.72%	37.42%	14.28%	43.89%	43.89%

	<u>Single-Family</u>	<u>Multifamily</u>	<u>Retail</u>	<u>Office</u>	<u>Industrial</u>	<u>Hotel</u>
Calipatria						
Portion of 1% Ad Valorem Available	0.341	0.341	0.341	0.341	0.341	0.341
Share Needed to Make County Whole	0.244	0.758	0.058	0.256	0.000	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	0.097	-0.417	0.283	0.085	0.341	0.341
Total City and County Expenditures	(\$234,220)	(\$187,376)	(\$32,808)	(\$65,617)	(\$19,685)	(\$5,249)
County % of Expenditures	57%	57%	57%	57%	57%	57%
City % of Expenditures	43%	43%	43%	43%	43%	43%
Surplus % to County	0.056	-0.239	0.161	0.048	0.193	0.193
Surplus % to City	0.041	-0.178	0.123	0.037	0.148	0.148
Total County %	0.300	0.519	0.218	0.304	0.193	0.193
Total City %	0.041	-0.178	0.123	0.037	0.148	0.148
County Split	87.84%	152.19%	63.99%	89.20%	56.64%	56.64%
City Split	12.16%	-52.19%	36.01%	10.80%	43.36%	43.36%
El Centro						
Portion of 1% Ad Valorem Available	0.356	0.356	0.356	0.356	0.356	0.356
Share Needed to Make County Whole	0.190	0.190	0.050	0.245	0.000	0.000
Share Needed to Make City Whole	0.268	0.263	0.085	0.276	0.000	0.000
Surplus Portion	-0.102	-0.097	0.220	-0.166	0.356	0.356
Total City and County Expenditures	(\$361,927)	(\$217,156)	(\$39,155)	(\$78,311)	(\$23,493)	(\$6,265)
County % of Expenditures	42%	42%	47%	47%	47%	47%
City % of Expenditures	58%	58%	53%	53%	53%	53%
Surplus % to County	-0.043	-0.041	0.105	-0.079	0.169	0.169
Surplus % to City	-0.059	-0.056	0.116	-0.087	0.187	0.187
Total County %	0.147	0.149	0.155	0.166	0.169	0.169
Total City %	0.209	0.207	0.201	0.189	0.187	0.187
County Split	41.36%	41.79%	43.50%	46.79%	47.46%	47.46%
City Split	58.64%	58.21%	56.50%	53.21%	52.54%	52.54%

	<u>Single-Family</u>	<u>Multifamily</u>	<u>Retail</u>	<u>Office</u>	<u>Industrial</u>	<u>Hotel</u>
Imperial						
Portion of 1% Ad Valorem Available	0.372	0.372	0.372	0.372	0.372	0.372
Share Needed to Make County Whole	0.332	0.446	0.065	0.267	0.000	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	0.040	-0.074	0.307	0.105	0.372	0.372
Total City and County Expenditures	(\$265,860)	(\$186,102)	(\$25,711)	(\$51,423)	(\$15,427)	(\$4,114)
County % of Expenditures	58%	58%	72%	72%	72%	72%
City % of Expenditures	42%	42%	28%	28%	28%	28%
Surplus % to County	0.023	-0.043	0.222	0.076	0.269	0.269
Surplus % to City	0.017	-0.032	0.085	0.029	0.103	0.103
Total County %	0.355	0.403	0.287	0.343	0.269	0.269
Total City %	0.017	-0.032	0.085	0.029	0.103	0.103
County Split	95.49%	108.47%	77.14%	92.18%	72.28%	72.28%
City Split	4.51%	-8.47%	22.86%	7.82%	27.72%	27.72%
Holtville						
Portion of 1% Ad Valorem Available	0.452	0.452	0.452	0.452	0.452	0.452
Share Needed to Make County Whole	0.321	0.448	0.055	0.252	0.000	0.000
Share Needed to Make City Whole	0.116	0.000	0.000	0.000	0.000	0.000
Surplus Portion	0.015	0.005	0.397	0.200	0.452	0.452
Total City and County Expenditures	(\$294,142)	(\$142,424)	(\$29,088)	(\$58,175)	(\$17,453)	(\$4,654)
County % of Expenditures	52%	65%	64%	64%	64%	64%
City % of Expenditures	48%	35%	36%	36%	36%	36%
Surplus % to County	0.008	0.003	0.254	0.128	0.289	0.289
Surplus % to City	0.007	0.002	0.144	0.072	0.163	0.163
Total County %	0.329	0.451	0.309	0.380	0.289	0.289
Total City %	0.123	0.002	0.144	0.072	0.163	0.163
County Split	72.71%	99.65%	68.28%	84.01%	63.89%	63.89%
City Split	27.29%	0.35%	31.72%	15.99%	36.11%	36.11%

	<u>Single-Family</u>	<u>Multifamily</u>	<u>Retail</u>	<u>Office</u>	<u>Industrial</u>	<u>Hotel</u>
Westmorland						
Portion of 1% Ad Valorem Available	0.343	0.343	0.343	0.343	0.343	0.343
Share Needed to Make County Whole	0.249	0.768	0.058	0.256	0.000	0.000
Share Needed to Make City Whole	0.000	0.275	0.000	0.000	0.000	0.000
Surplus Portion	0.094	-0.699	0.285	0.087	0.343	0.343
Total City and County Expenditures	(\$282,826)	(\$226,261)	(\$38,075)	(\$76,150)	(\$22,845)	(\$6,092)
County % of Expenditures	47%	47%	49%	49%	49%	49%
City % of Expenditures	53%	53%	51%	51%	51%	51%
Surplus % to County	0.044	-0.332	0.139	0.042	0.167	0.167
Surplus % to City	0.049	-0.368	0.146	0.044	0.176	0.176
Total County %	0.294	0.436	0.197	0.299	0.167	0.167
Total City %	0.049	-0.093	0.146	0.044	0.176	0.176
County Split	85.65%	127.06%	57.43%	87.03%	48.81%	48.81%
City Split	14.35%	-27.06%	42.57%	12.97%	51.19%	51.19%

FY22 General Fund Expenditures - Imperial County (12-8-22 Updated Baseline)

Imperial County	FY 22 Adopted	Fixed, Average, or Marginal (a)	Residents or Service Pop. (b)	Cost per Svc. Pop.	Cost per Resident
General Fund	\$237,700	Average, 50%	Service Population	\$0.54	\$0.00
Board Of Supervisors	\$845,895	Average, 50%	Service Population	\$1.94	\$0.00
County Executive	\$1,817,576	Average, 50%	Service Population	\$4.16	\$0.00
Clerk Of the Board	\$407,325	Average, 50%	Service Population	\$0.93	\$0.00
I.C. Community Tobacco Settlement	\$687,348	Average, 50%	Service Population	\$1.57	\$0.00
	\$0	Fixed		\$0.00	\$0.00
Auditor-Controller	\$2,489,576	Average, 50%	Service Population	\$5.70	\$0.00
Treasurer	\$1,957,732	Average, 50%	Service Population	\$4.49	\$0.00
Assessor	\$2,519,866	Average	Service Population	\$11.55	\$0.00
Procurement Services	\$515,727	Average, 50%	Service Population	\$1.18	\$0.00
County Counsel	\$2,635,022	Average, 50%	Service Population	\$6.04	\$0.00
Human Resources	\$2,793,679	Average, 50%	Service Population	\$6.40	\$0.00
Equal Employment	\$161,949	Average, 50%	Service Population	\$0.37	\$0.00
Registrar Of Voters-Facilities	\$1,153,049	Average	Residents	\$0.00	\$6.41
	\$5,435,355	Average	Service Population	\$24.90	\$0.00
P.W. Architecture & Courts-Non Rule 810	\$361,648	Average	Service Population	\$1.66	\$0.00
	\$1,550,000	Average	Service Population	\$7.10	\$0.00
District Attorney	\$6,283,983	Average	Service Population	\$28.79	\$0.00
Public Defender	\$4,016,898	Average	Service Population	\$18.41	\$0.00
Grand Jury	\$16,474	Fixed		\$0.00	\$0.00
Sheriff-Coroner	\$20,379,366	Average	Service Population	\$93.38	\$0.00
Sheriff's Correction	\$17,833,042	Average	Service Population	\$81.71	\$0.00
Juvenile Hall	\$3,157,785	Average	Service Population	\$14.47	\$0.00
Betty Jo Mcneece	\$0	Fixed		\$0.00	\$0.00
Probation	\$7,626,009	Average	Service Population	\$34.94	\$0.00
TCF-County	\$2,273,375	Fixed		\$0.00	\$0.00
Agricultural	\$5,651,920	Fixed		\$0.00	\$0.00
Planning-Building	\$1,562,568	Average	Service Population	\$7.16	\$0.00
Groundwater	\$23,175	Fixed		\$0.00	\$0.00
County	\$1,120,093	Average	Service Population	\$5.13	\$0.00
Public Administrator	\$1,087,510	Average	Service Population	\$4.98	\$0.00
Planning Commission	\$57,913	Fixed		\$0.00	\$0.00
Planning Department	\$2,012,923	Average	Service Population	\$9.22	\$0.00
Airport Land Use	\$49,868	Fixed		\$0.00	\$0.00
Social Service-Aid To Indigents	\$114,102	Average	Residents	\$0.00	\$0.63
	\$240,000	Fixed		\$0.00	\$0.00
Indigents Burials	\$37,250	Fixed		\$0.00	\$0.00
Veterans Service	\$399,572	Fixed		\$0.00	\$0.00
Cooperative	\$438,534	Fixed		\$0.00	\$0.00
Criminal Grand Jury	\$50,000	Fixed		\$0.00	\$0.00
Security	\$2,340,989	Fixed		\$0.00	\$0.00
Contrib. To Others-	\$2,089,917	Fixed		\$0.00	\$0.00
Cont. To Others Public	\$10,735,228	Average	Service Population	\$49.19	\$0.00
Parks And Recreation	\$834,811	Average	Residents	\$0.00	\$4.64
Budget Fiscal	\$780,785	Fixed		\$0.00	\$0.00
Assessment Appeals	\$5,587	Fixed		\$0.00	\$0.00
Human Exploitation	\$152,201	Fixed		\$0.00	\$0.00
Sheriff-OFDF	\$588,357	Average	Service Population	\$2.70	\$0.00
Commercial Cannabis	\$0	Fixed		\$0.00	\$0.00
Contingency	\$200,000	Fixed		\$0.00	\$0.00
Total General Fund Expenditures	\$117,729,682				
Total Variable Expenditures	\$102,922,122			\$428.62	\$11.68

Notes:

(a) Based on discussions with County staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all revenues that are generated by residents and workers. Unless otherwise noted, most revenues are projected on the basis of service population.

Residents (2021)	179,961
Workers (2021)	76,578
Service Population	218,250

Sources: Imperial County, 2021; BAE, 2022.

FY22 General Fund Expenditures - City of Brawley

City of Brawley	FY 22 Adopted (a)	Fixed, Average or Case Study (b)	Residents, Workers or Service Pop. (c)	Cost per Service Population	Cost per Resident
City Council	\$100,696	Average, 50%	Service Population	\$1.58	\$0.00
City Clerk	\$306,244	Average, 50%	Service Population	\$4.81	\$0.00
City Manager	\$1,017,523	Average, 50%	Service Population	\$15.97	\$0.00
Fiscal Services	\$2,465,709	Average, 50%	Service Population	\$38.69	\$0.00
City Attorney	\$102,902	Average, 50%	Service Population	\$1.61	\$0.00
Community and Economic Development	\$783,698	Average	Service Population	\$24.59	\$0.00
Police Protection	\$5,557,871	Average	Service Population	\$174.41	\$0.00
Fire Services	\$2,962,251	Average	Service Population	\$92.96	\$0.00
Public Works - Engineering	\$1,009,798	Average	Service Population	\$31.69	\$0.00
Parks and Recreation	\$1,523,218	Average	Residents	\$0.00	\$55.74
Library Services	\$550,992	Average	Residents	\$0.00	\$20.16
Total General Fund Expenditures	\$16,380,902				
Total Variable Expenditures	\$16,380,902			\$386.31	\$75.91

Notes:

(a) Figures are from adopted budget with removal of expenditure on departmental allocation for pension obligation debt service, which will not increase with new development.

(b) Based on discussions with County staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(c) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	27,326
Workers (2021)	9,080
Service Population	31,866

Sources: City of Brawley, 2021; BAE, 2022.

City of Brawley Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Brawley	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$161,776)	(\$129,421)	(\$19,316)	(\$38,631)	(\$11,589)	(\$3,090)
Revenues (a)	\$166,944	\$112,755	\$25,902	\$42,354	\$18,294	\$126,136
Fiscal Impact (Before Sharing of County GF Property Tax)	\$5,168	(\$16,665)	\$6,587	\$3,723	\$6,705	\$123,045

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$154,104)	(\$123,283)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$107,782	\$70,360	\$16,933	\$26,790	\$12,221	\$12,021
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$46,322)	(\$52,923)	(\$4,498)	(\$16,071)	(\$638)	\$8,592

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Brawley - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$46,322)	(\$52,923)	(\$4,498)	(\$16,071)	(\$638)	\$8,592
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$97,603	\$50,302	\$21,326	\$29,281	\$16,690	\$21,333
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.3378	0.7488	0.1501	0.3906	0.0272	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$96,264	\$109,982	\$9,347	\$33,399	\$1,326	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$46,322	\$52,923	\$4,498	\$16,071	\$638	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.342
County ERAF Shift (%)	51.9%

City of Brawley

City of Brawley	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$5,168	(\$16,665)	\$6,587	\$3,723	\$6,705	\$123,045
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$97,603	\$50,302	\$21,326	\$29,281	\$16,690	\$21,333
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.1779	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$26,128	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$16,665	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	36.2%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	NO	YES	NO	YES	YES
YES	NO	YES	NO	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	\$1,339	(\$85,808)	\$11,979	(\$4,118)	\$15,365	\$21,333
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRA 56-000.

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Calexico

<u>City of Calexico</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
Police Protection	\$4,557,043	Average	Service Population	\$98.08	\$0.00
Traffic Control/Parking	\$629,701	Average	Service Population	\$13.55	\$0.00
Animal Control	\$233,764	Fixed		\$0.00	\$0.00
Fire Services	\$4,555,963	Average	Service Population	\$98.05	\$0.00
Community Development	\$967,405	Average	Service Population	\$20.82	\$0.00
Public Works	\$1,107,477	Average	Service Population	\$23.84	\$0.00
Community Services	\$1,053,788	Average	Residents	\$0.00	\$26.03
Housing	\$322,835	Fixed		\$0.00	\$0.00
Administration/Finance/Non-Dept.	\$3,382,873	Average, 50%	Service Population	\$36.40	\$0.00
Total General Fund Expenditures	\$16,810,849				
Total Variable Expenditures	\$16,254,250			\$290.74	\$26.03

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	40,485
Workers (2021)	11,957
Service Population	46,464

Source: City of Calexico, 2021; BAE, 2022.

City of Calexico Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Calexico	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$126,710)	(\$88,697)	(\$14,537)	(\$29,074)	(\$8,722)	(\$2,326)
Revenues (a)	\$154,608	\$100,718	\$20,262	\$31,006	\$14,929	\$130,969
Fiscal Impact (Before Sharing of County GF Property Tax)	\$27,898	\$12,021	\$5,725	\$1,932	\$6,207	\$128,643

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$176,118)	(\$123,283)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$119,432	\$77,746	\$16,932	\$26,787	\$12,220	\$12,192
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$56,686)	(\$45,537)	(\$4,499)	(\$16,074)	(\$639)	\$8,763

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Calexico - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$56,686)	(\$45,537)	(\$4,499)	(\$16,074)	(\$639)	\$8,763
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$112,177	\$68,652	\$23,285	\$31,970	\$18,223	\$23,292
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.3927	0.5154	0.1501	0.3907	0.0272	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$117,802	\$94,633	\$9,350	\$33,405	\$1,327	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$56,686	\$45,537	\$4,499	\$16,074	\$639	\$0
^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.374
County ERAF Shift (%)	51.9%

City of Calexico

City of Calexico	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$27,898	\$12,021	\$5,725	\$1,932	\$6,207	\$128,643
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$112,177	\$68,652	\$23,285	\$31,970	\$18,223	\$23,292
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$0	\$0	\$0	\$0	\$0
^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	37.8%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

NO	NO	YES	NO	YES	YES
NO	NO	YES	NO	YES	YES

<i>Additional Pre-ERAF Property Tax Revenue Surplus Available to Share</i>	(\$5,625)	(\$25,980)	\$13,935	-\$1,434	\$16,896	\$23,292
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Notes:

- (a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment.
- (b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.
- (c) The Property Tax Increment Allocation Factor is the average increment for TRAs 57-002

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Calipatria

<u>City of Calipatria</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
City Attorney	\$21,000	Average, 50%		\$2.29	\$0.00
Planning	\$251,042	Average	Service Population	\$54.83	\$0.00
City Hall	\$186,611	Average, 50%		\$20.38	\$0.00
Non-Departmental	\$331,873	Average, 50%		\$36.24	\$0.00
CDBG-84	\$2,432	Fixed		\$0.00	\$0.00
Police Dept.	\$334,184	Average	Service Population	\$72.99	\$0.00
Fire Dept.	\$387,074	Average	Service Population	\$84.54	\$0.00
GEN-FTHB	\$24,969	Fixed		\$0.00	\$0.00
Gen-HREHAB	\$24,969	Fixed		\$0.00	\$0.00
Streets	\$36,973	Average	Service Population	\$8.08	\$0.00
Gen-SA	\$32,123	Fixed		\$0.00	\$0.00
PW Shop	\$17,623	Average	Service Population	\$3.85	\$0.00
Library	\$4,897	Average	Residents	\$0.00	\$1.35
Community Bldgs.	\$12,000	Average, 50%		\$1.31	\$0.00
PW Parks	\$82,776	Average	Residents	\$0.00	\$22.83
Total General Fund Expenditures	\$1,750,545				
Total Variable Expenditures	\$1,666,052			\$284.51	\$24.18

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	3,626
Workers (2021)	1,905
Service Population	4,579

Source: City of Calipatria, 2021; BAE, 2022.

City of Calipatria Annexations - Gross Fiscal Impacts (Before Sharing of County General Fund Property Tax)

City of Calipatria	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$100,052)	(\$80,041)	(\$14,226)	(\$28,451)	(\$8,535)	(\$2,276)
Revenues (a)	\$227,157	\$116,031	\$45,020	\$64,209	\$34,535	\$151,319
Fiscal Impact (Before Sharing of County GF Property Tax)	\$127,105	\$35,990	\$30,795	\$35,758	\$26,000	\$149,043

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$154,104)	(\$123,283)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$101,867	\$62,682	\$16,850	\$26,625	\$12,171	\$12,179
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$52,237)	(\$60,601)	(\$4,581)	(\$16,237)	(\$688)	\$8,750

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Calipatria - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$52,237)	(\$60,601)	(\$4,581)	(\$16,237)	(\$688)	\$8,750
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$93,838	\$41,767	\$21,249	\$29,175	\$16,630	\$21,256
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.3947	1.0289	0.1529	0.3947	0.0293	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$108,556	\$125,937	\$9,519	\$33,743	\$1,429	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$52,237	\$60,601	\$4,581	\$16,237	\$688	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF) (c)	0.341
County ERAF Shift (%)	51.9%

City of Calipatria	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$127,105	\$35,990	\$30,795	\$35,758	\$26,000	\$149,043
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$93,838	\$41,767	\$21,249	\$29,175	\$16,630	\$21,256
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	83.4%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

NO	NO	YES	NO	YES	YES
NO	NO	YES	NO	YES	YES

<i>Additional Pre-ERAF Property Tax Revenue Surplus Available to Share</i>	(\$14,718)	(\$84,171)	\$11,730	-\$4,568	\$15,201	\$21,256
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap, or zero in the case of a net surplus before accounting for the General Fund property tax increment.

(c) The Property Tax Increment Allocation Factor is the average increment for TRA 58-000

Source: BAE, 2022.

FY22 General Fund Expenditures - City of El Centro

<u>City of El Centro</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
General Government	\$3,740,762	Average, 50%	Service Population	\$32.28	\$0.00
Public Safety	\$18,293,191	Average	Service Population	\$315.69	\$0.00
Public Works	\$1,993,565	Average	Service Population	\$34.40	\$0.00
Community Development	\$1,226,982	Average	Service Population	\$21.17	\$0.00
Parks and Recreation	\$4,203,670	Average	Residents	\$0.00	\$93.42
Library	\$747,343	Average	Residents	\$0.00	\$16.61
Economic Development	\$409,546	Average	Service Population	\$7.07	\$0.00
Blight Elimination	\$48,976	Average	Service Population	\$0.85	\$0.00
Valley Center Point	\$18,500	Fixed	Fixed	\$0.00	\$0.00
Transfers Out	\$10,000	Fixed	Fixed	\$0.00	\$0.00
Total General Fund Expenditures	\$30,692,535				
Total Variable Expenditures	\$30,664,035			\$411.45	\$110.03

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	44,997
Workers (2021)	25,901
Service Population	57,948

Source: City of El Centro, 2021; BAE, 2022.

City of El Centro Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of El Centro	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$208,593)	(\$125,156)	(\$20,573)	(\$41,145)	(\$12,344)	(\$3,292)
Revenues (a)	\$152,897	\$91,651	\$16,888	\$24,747	\$12,762	\$151,672
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$55,696)	(\$33,505)	(\$3,685)	(\$16,398)	\$418	\$148,381

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$176,118)	(\$105,671)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$125,841	\$75,238	\$17,078	\$27,081	\$12,308	\$12,216
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$50,278)	(\$30,433)	(\$4,352)	(\$15,781)	(\$551)	\$8,787

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

El Centro - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$50,278)	(\$30,433)	(\$4,352)	(\$15,781)	(\$551)	\$8,787
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$106,746	\$65,329	\$22,158	\$30,423	\$17,341	\$22,165
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.3483	0.3445	0.1452	0.3836	0.0235	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$104,484	\$63,245	\$9,045	\$32,795	\$1,144	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$50,278	\$30,433	\$4,352	\$15,781	\$551	\$0
^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.356
County ERAF Shift (%)	51.9%

City of El Centro

City of El Centro	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$55,696)	(\$33,505)	(\$3,685)	(\$16,398)	\$418	\$148,381
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$106,746	\$65,329	\$22,158	\$30,423	\$17,341	\$22,165
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.2675	0.2630	0.0853	0.2764	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$80,258	\$48,280	\$5,310	\$23,629	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$55,696	\$33,505	\$3,685	\$16,398	\$0	\$0
^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	30.6%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

YES	YES	YES	NO	YES	YES
NO	NO	YES	NO	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	(\$77,996)	(\$46,196)	\$7,803	-\$26,001	\$16,197	\$22,165
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Notes:

- (a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment.
- (b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.
- (c) The Property Tax Increment Allocation Factor is the average increment for TRAs 62-000, 62-002, 74-000, 74-001, 74-002, 74-003

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Holtville

<u>City of Holtville</u>	<u>FY 22 Adopted</u>	<u>Fixed, Average or Case Study (a)</u>	<u>Residents, Workers or Service Pop. (b)</u>	<u>Cost per Service Population</u>	<u>Cost per Resident</u>
Admin	\$949,380			\$79.71	\$0.00
City Council	\$39,734	Average, 50%	Service Population	\$2.75	\$0.00
City Manager	\$228,590	Average, 50%	Service Population	\$15.82	\$0.00
Planning	\$207,843	Average	Service Population	\$28.77	\$0.00
Engineering	\$5,000	Average	Service Population	\$0.69	\$0.00
City Clerk	\$6,060	Average, 50%	Service Population	\$0.42	\$0.00
Farmers Markets	\$10,350	Fixed		\$0.00	\$0.00
Finance	\$161,957	Average, 50%	Service Population	\$11.21	\$0.00
City Treasurer	\$1,994	Average, 50%	Service Population	\$0.14	\$0.00
City Attorney	\$41,300	Average, 50%	Service Population	\$2.86	\$0.00
Non-Departmental	\$246,552	Average, 50%	Service Population	\$17.06	\$0.00
Safety	\$1,603,587			\$218.69	\$0.00
Police	\$942,000	Average	Service Population	\$130.38	\$0.00
Dispatch	\$101,712	Average	Service Population	\$14.08	\$0.00
Animal Control	\$23,574	Fixed		\$0.00	\$0.00
Fire	\$536,301	Average	Service Population	\$74.23	\$0.00
Public Works	\$416,268			\$29.06	\$24.56
Streets	\$156,752	Average	Service Population	\$21.70	\$0.00
Parks	\$153,166	Average	Residents	\$0.00	\$24.56
Gov't Bldgs	\$106,350	Average, 50%	Service Population	\$7.36	\$0.00
Total General Fund Expenditures	\$2,969,235				
Total Variable Expenditures	\$2,935,311			\$327.46	\$24.56

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all revenues that are generated by residents and workers. Unless otherwise noted, most revenues are projected on the basis of service population.

Residents (2021)	6,236
Workers (2021)	1,978
Service Population	7,225

Source: City of Holtville, 2021; BAE, 2022.

City of Holtville Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Holtville	Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$140,807)	(\$50,423)	(\$10,505)	(\$21,010)	(\$6,303)	(\$1,681)
Revenues (a)	\$122,055	\$66,329	\$20,672	\$31,581	\$15,246	\$71,140
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$18,752)	\$15,906	\$10,167	\$10,571	\$8,943	\$69,459

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$176,118)	(\$105,671)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$109,321	\$60,348	\$16,935	\$26,794	\$12,222	\$12,193
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$66,797)	(\$45,323)	(\$4,496)	(\$16,067)	(\$637)	\$8,764

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Holtville - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$66,797)	(\$45,323)	(\$4,496)	(\$16,067)	(\$637)	\$8,764
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$128,926	\$66,444	\$28,170	\$38,678	\$22,046	\$28,179
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.4871	0.6413	0.1500	0.3905	0.0271	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$138,814	\$94,187	\$9,343	\$33,390	\$1,323	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$66,797	\$45,323	\$4,496	\$16,067	\$637	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF) (c)	0.452
County ERAF Shift (%)	51.9%

City of Holtville

City of Holtville	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$18,752)	\$15,906	\$10,167	\$10,571	\$8,943	\$69,459
Change in 1% Property Tax	\$285,000	\$146,880	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$128,926	\$66,444	\$28,170	\$38,678	\$22,046	\$28,179
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.1161	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$33,085	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$18,752	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	43.3%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

NO	NO	YES	YES	YES	YES
NO	NO	YES	YES	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share

(\$42,974)	(\$27,743)	\$18,827	\$5,287	\$20,723	\$28,179
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRAs 68-005 and 68-020.

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Imperial

City of Imperial	FY 22 Adopted	Fixed, Average, or Case Study	Residents, Workers or Service Pop. (a)	Cost per Service Population (a)	Cost per Resident
City Council	\$45,370	Average, 50%	Service Population	\$0.99	\$0.00
Treasurer	\$0	Average, 50%	Service Population	\$0.00	\$0.00
Clerk	\$131,540	Average, 50%	Service Population	\$2.88	\$0.00
Attorney	\$135,000	Average, 50%	Service Population	\$2.95	\$0.00
City Manager	\$1,355,277	Average, 50%	Service Population	\$29.62	\$0.00
Admin. Services	\$1,985,690	Average, 50%	Service Population	\$43.40	\$0.00
Community Development	\$818,853	Average	Residents	\$0.00	\$40.36
Community Services	\$710,045	Average	Residents	\$0.00	\$35.00
Fire Services	\$1,079,791	Average	Service Population	\$47.21	\$0.00
Information Technology	\$709,780	Average, 50%	Service Population	\$15.51	\$0.00
Parks	\$1,286,079	Average	Residents	\$0.00	\$63.39
Police	\$3,569,142	Average	Service Population	\$156.03	\$0.00
Public Services	\$2,222,590	Average	Service Population	\$97.17	\$0.00
Non-Departmental	\$336,852	Average, 50%	Service Population	\$7.36	\$0.00
COVID-19	\$0	Fixed		\$0.00	\$0.00
Total General Fund Expenditures	\$14,386,009				
Total Variable Expenditures	\$14,386,009			\$403.13	\$138.74

Notes:
 (a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all revenues that are generated by residents and workers. Unless otherwise noted, most revenues are projected on the basis of service population.

Residents (2021)	20,289
Workers (2021)	5,170
Service Population	22,874

Source: City of Imperial, 2021; BAE, 2022.

City of Imperial Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Imperial	Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$112,525)	(\$78,768)	(\$7,128)	(\$14,257)	(\$4,277)	(\$1,141)
Revenues (a)	\$123,273	\$80,267	\$18,194	\$29,065	\$13,049	\$122,222
Fiscal Impact (Before Sharing of County GF Property Tax)	\$10,748	\$1,499	\$11,066	\$14,808	\$8,772	\$121,082

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$176,118)	(\$123,283)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$105,376	\$67,906	\$16,629	\$26,182	\$12,038	\$12,144
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$70,743)	(\$55,377)	(\$4,802)	(\$16,680)	(\$820)	\$8,715

Note:

(a) Revenues excluding sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Imperial - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$70,743)	(\$55,377)	(\$4,802)	(\$16,680)	(\$820)	\$8,715
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$111,552	\$68,270	\$23,155	\$31,792	\$18,122	\$23,162
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.4900	0.6268	0.1602	0.4054	0.0350	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$147,013	\$115,081	\$9,979	\$34,663	\$1,705	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$70,743	\$55,377	\$4,802	\$16,680	\$820	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.372
County ERAF Shift (%)	51.9%

City of Imperial

City of Imperial	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$10,748	\$1,499	\$11,066	\$14,808	\$8,772	\$121,082
Change in 1% Property Tax	\$300,000	\$183,600	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$111,552	\$68,270	\$23,155	\$31,792	\$18,122	\$23,162
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$0	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$0	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	44.6%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

NO	NO	YES	NO	YES	YES
NO	NO	YES	NO	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	(\$35,461)	(\$46,811)	\$13,177	-\$2,870	\$16,417	\$23,162
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRA 69-001

Source: BAE, 2022.

FY22 General Fund Expenditures - City of Westmorland

City of Westmorland	FY 22 Adopted	Fixed, Average or Case Study (a)	Residents, Workers or Service Pop. (b)	Cost per Service Population	Cost per Resident
Operations	\$231,800	Average, 50%	Service Population	\$46.72	\$0.00
City Council	\$22,600	Average, 50%	Service Population	\$4.56	\$0.00
City Clerk	\$4,720	Average, 50%	Service Population	\$0.95	\$0.00
Attorney	\$14,400	Average, 50%	Service Population	\$2.90	\$0.00
Finance	\$6,200	Average, 50%	Service Population	\$1.25	\$0.00
Non-Departmental	\$404,979	Average, 50%	Service Population	\$0.00	\$0.00
Police	\$491,800	Average	Service Population	\$198.27	\$0.00
Fire	\$77,250	Average	Service Population	\$31.14	\$0.00
Public Works	\$32,100	Average	Service Population	\$12.94	\$0.00
Trash Charges	\$215,000	Average	Service Population	\$86.68	\$0.00
Streets	\$0	Average	Service Population	\$0.00	\$0.00
Parks and Recreation	\$86,550	Average	Residents	\$0.00	\$34.89
Youth Hall	\$6,900	Fixed		\$0.00	\$0.00
Building/Planning	\$11,000	Average	Service Population	\$4.43	\$0.00
Total General Fund Expenditures	\$1,605,299				
Total Variable Expenditures	\$1,598,399			\$389.84	\$34.89

Notes:

(a) Based on discussions with city staff, BAE determined the method for projecting expenditures that would be impacted by new development. The average approach assumes the expenditures increase based on the average FY22 Expenditure per resident, worker, or service population. The Average, 50% approach assumes that 50% of current General Fund expenditures are variable as the community grows. The case study approach is used for expenditures that are modeled based on the attributes of the prototype development programs.

(b) Service Population is defined as the number of residents plus half the number of workers. The service population is the basis for using an average approach to project all expenditures that are generated by residents and workers. Unless otherwise noted, most expenditures are projected on the basis of service population.

Residents (2021)	2,305
Workers (2021)	351
Service Population	2,481

Source: City of Westmorland, 2021; BAE, 2022.

City of Westmorland Annexations - Gross Fiscal Impacts (Before Sharing of County GF Property Tax)

City of Westmorland	Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$148,658)	(\$118,926)	(\$19,492)	(\$38,984)	(\$11,695)	(\$3,119)
Revenues (a)	\$179,643	\$102,803	\$33,165	\$50,413	\$24,535	\$163,509
Fiscal Impact (Before Sharing of County GF Property Tax)	\$30,985	(\$16,123)	\$13,673	\$11,429	\$12,840	\$160,390

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Expenditures	(\$154,104)	(\$123,283)	(\$21,431)	(\$42,862)	(\$12,858)	(\$3,429)
Revenues (a)	\$101,159	\$62,116	\$16,851	\$26,625	\$12,171	\$12,179
Fiscal Impact (Before Sharing of County GF Property Tax)	(\$52,944)	(\$61,167)	(\$4,580)	(\$16,236)	(\$687)	\$8,750

Note:

(a) Revenues exclude sharing of current County General Fund share of property tax.

Source: BAE, 2022.

Westmorland - Minimum Property Tax Increment Shares Required for Fiscal Neutrality

Imperial County	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	(\$52,944)	(\$61,167)	(\$4,580)	(\$16,236)	(\$687)	\$8,750
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
County GF Property Tax Share Revenue Available (Pre-ERAF)	\$94,351	\$41,995	\$21,365	\$29,335	\$16,721	\$21,372
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.4001	1.0385	0.1529	0.3946	0.0293	0.0000
Pre-ERAF Property Tax Revenue Needed to Make County Whole	\$110,026	\$127,113	\$9,518	\$33,742	\$1,428	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$52,944	\$61,167	\$4,580	\$16,236	\$687	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

County General Fund Property Tax Increment Allocation Factor Available to Share (Pre-ERAF)	0.343
County ERAF Shift (%)	51.9%

City of Westmorland	Single-Family	Multifamily	Retail	Office	Industrial	Hotel
Gross Fiscal Impact Before Re-Allocation of County GF Property Tax Share	\$30,985	(\$16,123)	\$13,673	\$11,429	\$12,840	\$160,390
Change in 1% Property Tax	\$275,000	\$122,400	\$62,273	\$85,500	\$48,735	\$62,291
GF Revenue Available (Pre-ERAF)	\$94,351	\$41,995	\$21,365	\$29,335	\$16,721	\$21,372
Share of 1% Property Tax Increment Needed, Pre-ERAF (a)	0.0000	0.2748	0.0000	0.0000	0.0000	0.0000
Pre-ERAF Property Tax Revenue Needed to Make City Whole	\$0	\$33,637	\$0	\$0	\$0	\$0
Post-ERAF Property Tax Revenue Needed (b)	\$0	\$16,123	\$0	\$0	\$0	\$0
^^ Equal to Gross Fiscal Impact						

Assumptions

City ERAF Shift (%)	52.1%
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Is There Sufficient Property Tax to Share to Make the County Whole?

Is There Sufficient Property Tax to Share to Make the City Whole as Well as the County?

NO	NO	YES	NO	YES	YES
NO	NO	YES	NO	YES	YES

Additional Pre-ERAF Property Tax Revenue Surplus Available to Share	(\$15,675)	(\$118,756)	\$11,847	-\$4,407	\$15,292	\$21,372
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Notes:

(a) The increment required is equal to the pre-ERAF share of property tax increment that would be required to fill a fiscal gap accounting for the jurisdiction's ERAF shift. There is no minimum required property tax increment when a jurisdiction has a fiscal surplus before accounting for sharing of the County General Fund's share of property tax.

(b) This shows the ERAF-adjusted revenue based on applying the minimum required increment, which accounts for the ERAF shift. Therefore the ERAF-adjusted Revenue is equal to the fiscal gap.

(c) The Property Tax Increment Allocation Factor is the average increment for TRAs 90-001

Sources: City of Westmorland, 2021; BAE, 2022.

Exhibit 1: Preliminary Revenue Sharing Splits (12-8-22 Updated Baseline Scenario)

	<u>Single-Family</u>	<u>Multifamily</u>	<u>Retail</u>	<u>Office</u>	<u>Industrial</u>	<u>Hotel</u>
Brawley						
Portion of 1% Ad Valorem Available	0.342	0.342	0.342	0.342	0.342	0.342
Share Needed to Make County Whole	0.338	0.749	0.150	0.391	0.027	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	0.005	-0.406	0.192	-0.048	0.315	0.342
Total City and County Expenditures	(\$315,879)	(\$252,703)	(\$40,746)	(\$81,493)	(\$24,448)	(\$6,519)
County % of Expenditures	49%	49%	53%	53%	53%	53%
City % of Expenditures	51%	51%	47%	47%	47%	47%
Surplus % to County	0.002	-0.198	0.101	-0.025	0.166	0.180
Surplus % to City	0.002	-0.208	0.091	-0.023	0.149	0.162
Total County %	0.340	0.551	0.251	0.365	0.193	0.180
Total City %	0.002	-0.208	0.091	-0.023	0.149	0.162
County Split	99.30%	160.76%	73.37%	106.67%	56.36%	52.60%
City Split	0.70%	-60.76%	26.63%	-6.67%	43.64%	47.40%
Calexico						
Portion of 1% Ad Valorem Available	0.374	0.374	0.374	0.374	0.374	0.374
Share Needed to Make County Whole	0.393	0.515	0.150	0.391	0.027	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	-0.019	-0.142	0.224	-0.017	0.347	0.374
Total City and County Expenditures	(\$302,828)	(\$211,980)	(\$35,968)	(\$71,936)	(\$21,581)	(\$5,755)
County % of Expenditures	58%	58%	60%	60%	60%	60%
City % of Expenditures	42%	42%	40%	40%	40%	40%
Surplus % to County	-0.011	-0.082	0.133	-0.010	0.207	0.223
Surplus % to City	-0.008	-0.059	0.090	-0.007	0.140	0.151
Total County %	0.382	0.433	0.283	0.381	0.234	0.223
Total City %	-0.008	-0.059	0.090	-0.007	0.140	0.151
County Split	102.10%	115.83%	75.81%	101.81%	62.53%	59.58%
City Split	-2.10%	-15.83%	24.19%	-1.81%	37.47%	40.42%

Calipatria

Portion of 1% Ad Valorem Available	0.341	0.341	0.341	0.341	0.341	0.341
Share Needed to Make County Whole	0.395	1.029	0.153	0.395	0.029	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	-0.054	-0.688	0.188	-0.053	0.312	0.341
Total City and County Expenditures	(\$254,155)	(\$203,324)	(\$35,656)	(\$71,313)	(\$21,394)	(\$5,705)
County % of Expenditures	61%	61%	60%	60%	60%	60%
City % of Expenditures	39%	39%	40%	40%	40%	40%
Surplus % to County	-0.032	-0.417	0.113	-0.032	0.187	0.205
Surplus % to City	-0.021	-0.271	0.075	-0.021	0.124	0.136
Total County %	0.362	0.612	0.266	0.363	0.217	0.205
Total City %	-0.021	-0.271	0.075	-0.021	0.124	0.136
County Split	106.17%	179.33%	77.98%	106.25%	63.53%	60.10%
City Split	-6.17%	-79.33%	22.02%	-6.25%	36.47%	39.90%

El Centro

Portion of 1% Ad Valorem Available	0.356	0.356	0.356	0.356	0.356	0.356
Share Needed to Make County Whole	0.348	0.344	0.145	0.384	0.023	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	0.008	0.011	0.211	-0.028	0.332	0.356
Total City and County Expenditures	(\$384,711)	(\$230,827)	(\$42,003)	(\$84,007)	(\$25,202)	(\$6,721)
County % of Expenditures	46%	46%	51%	51%	51%	51%
City % of Expenditures	54%	54%	49%	49%	49%	49%
Surplus % to County	0.003	0.005	0.107	-0.014	0.170	0.182
Surplus % to City	0.004	0.006	0.103	-0.014	0.163	0.174
Total County %	0.352	0.350	0.253	0.369	0.193	0.182
Total City %	0.004	0.006	0.103	-0.014	0.163	0.174
County Split	98.85%	98.27%	71.01%	103.82%	54.25%	51.02%
City Split	1.15%	1.73%	28.99%	-3.82%	45.75%	48.98%

Imperial

Portion of 1% Ad Valorem Available	0.372	0.372	0.372	0.372	0.372	0.372
Share Needed to Make County Whole	0.490	0.627	0.160	0.405	0.035	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	-0.118	-0.255	0.212	-0.034	0.337	0.372

Total City and County Expenditures	(\$288,643)	(\$202,050)	(\$28,559)	(\$57,118)	(\$17,136)	(\$4,569)
County % of Expenditures	61%	61%	75%	75%	75%	75%
City % of Expenditures	39%	39%	25%	25%	25%	25%

Surplus % to County	-0.072	-0.156	0.159	-0.025	0.253	0.279
Surplus % to City	-0.046	-0.099	0.053	-0.008	0.084	0.093

Total County %	0.418	0.471	0.319	0.380	0.288	0.279
Total City %	-0.046	-0.099	0.053	-0.008	0.084	0.093

County Split	112.39%	126.73%	85.80%	102.25%	77.39%	75.04%
City Split	-12.39%	-26.73%	14.20%	-2.25%	22.61%	24.96%

Holtville

Portion of 1% Ad Valorem Available	0.452	0.452	0.452	0.452	0.452	0.452
Share Needed to Make County Whole	0.487	0.641	0.150	0.391	0.027	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	-0.035	-0.189	0.302	0.062	0.425	0.452

Total City and County Expenditures	(\$316,926)	(\$156,094)	(\$31,936)	(\$63,871)	(\$19,161)	(\$5,110)
County % of Expenditures	56%	68%	67%	67%	67%	67%
City % of Expenditures	44%	32%	33%	33%	33%	33%

Surplus % to County	-0.019	-0.128	0.203	0.041	0.285	0.304
Surplus % to City	-0.015	-0.061	0.099	0.020	0.140	0.149

Total County %	0.468	0.513	0.353	0.432	0.312	0.304
Total City %	-0.015	-0.061	0.099	0.020	0.140	0.149

County Split	103.41%	113.49%	78.02%	95.50%	69.08%	67.11%
City Split	-3.41%	-13.49%	21.98%	4.50%	30.92%	32.89%

Westmorland

Portion of 1% Ad Valorem Available	0.343	0.343	0.343	0.343	0.343	0.343
Share Needed to Make County Whole	0.400	1.039	0.153	0.395	0.029	0.000
Share Needed to Make City Whole	0.000	0.000	0.000	0.000	0.000	0.000
Surplus Portion	-0.057	-0.695	0.190	-0.052	0.314	0.343
Total City and County Expenditures	(\$302,761)	(\$242,209)	(\$40,923)	(\$81,846)	(\$24,554)	(\$6,548)
County % of Expenditures	51%	51%	52%	52%	52%	52%
City % of Expenditures	49%	49%	48%	48%	48%	48%
Surplus % to County	-0.029	-0.354	0.100	-0.027	0.164	0.180
Surplus % to City	-0.028	-0.341	0.091	-0.025	0.149	0.163
Total County %	0.371	0.685	0.252	0.368	0.194	0.180
Total City %	-0.028	-0.341	0.091	-0.025	0.149	0.163
County Split	108.16%	199.52%	73.59%	107.16%	56.44%	52.37%
City Split	-8.16%	-99.52%	26.41%	-7.16%	43.56%	47.63%