

MISSION BOULEVARD CORRIDOR SPECIFIC PLAN



APPENDIX C FISCAL IMPACT ANALYSIS AND ADDENDUM

Mission Boulevard Corridor Specific Plan - Appendix C



Project Report

Mission Boulevard Corridor Specific Plan Fiscal Impact Report

Prepared for

**Hall Alminana and
The City of Hayward
Hayward, California**

Submitted by

AECOM Economics (Part of AECOM Technical Services)

Formerly Economics Research Associates (ERA)

January 3, 2011,

Project No. 18480

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I. Introduction and Executive Summary

Mission Boulevard is the key north-south corridor in the eastern portion of Hayward. This older commercial corridor is currently experiencing economic disinvestment and physical deterioration. Most notably, a number of long-established automobile dealerships have recently vacated this corridor. The City of Hayward has retained a team of consultants led by Hall Alminana to assist in the preparation of a Specific Plan and Form-Based Code, along with a long term Economic Development Strategy and a program-level Environmental Impact Report (EIR). AECOM Economics, formerly Economics Research Associates (ERA), is serving as the economics and fiscal consultant on the consultant team. This fiscal impact analysis is the second of two reports prepared by AECOM Economics. The first report, a real estate market and economic development strategy report, was completed in May of 2010.

The Specific Plan Area consists of two distinct sections of Mission Boulevard. The northern section extends from A Street, or the northern edge of the downtown core, to the northern City limits, or approximately Rose Street. The southern section ranges from Harder Road on the south to East Jackson Street, or the southern edge of the downtown core, on the north. The southern section will be improved as part of the State Route-238 Corridor Improvement Project. The Project Area is within the City's Mission/Foothill Redevelopment Project Area and comprises some 600 properties comprising 240 acres along Mission Boulevard.

This report was prepared by the San Francisco office of AECOM Economics, part of AECOM Technical Services (ATS), with William "Bill" Lee serving as project manager and author.

Summary of Fiscal Impact

The combined impact of the State Route 238 Corridor Improvement Project, the City's economic development efforts, the actions by the Hayward Redevelopment Agency to induce private development, and the guidance and zoning protection provided by this Specific Plan and Form-Based Code adoption will transform the Mission Boulevard Corridor over the next 20 years. The transformation will be from a corridor of vacant automobile dealerships, underutilized commercial property, and deteriorated buildings to one which the entire City of Hayward can take pride in. The new Mission Boulevard will help change the perception of Hayward for people of the Bay Area.

New development will generate new sales tax for the City's General Fund and new property tax increments for the Redevelopment Agency. The amount of new development used in this fiscal analysis, projected by the *Mission Boulevard Market and Strategy Report* released in May of 2010, includes 800 residential units, 200,000 square feet of retail commercial space, and 100,000 square feet of industrial/service commercial space over the next 20 years. The improvements to the public

realm within the corridor will stimulate not only new development, but also renovation of existing properties. The resulting fiscal impact is shown in **Table 1** below for 2020 and 2030.

TABLE 1

**SUMMARY OF ANNUAL FISCAL IMPACT OF MISSION BOULEVARD SPECIFIC PLAN
AND FORM BASED CODE IMPLEMENTATION**

Annual Impact in Year	2020	2030
Estimated General Fund Revenue Impact	\$717,148	\$1,667,854
Estimated General Fund Expenditure Impact	(481,096)	(1,127,970)
Net City of Hayward General Fund Impact	\$236,052	\$539,884
Net General Fund Impact with CSD of \$500/unit per year ¹	\$404,052	\$939,884
Tax Increment Impact to Hayward Redevelopment Agency	\$652,159	\$1,799,975

¹ Community Services District (CSD) municipal service fee applied to each new residential unit on a yearly basis

II. The Fiscal Impact of Mission Boulevard Transformation

Mission Boulevard through Hayward is in long term transition from a region serving state highway to a more local serving community arterial. On June 30, 2010, the California Transportation Commission approved the relinquishment of the traversable SR-238; meaning the portion of Mission Boulevard in the southern project area will no longer be a State highway and will become part of the City of Hayward's local street network. As its role changes and the arterial is redesigned in accordance to the SR-238 Improvement Plan, the land uses and urban development along this boulevard will also transform. Assuming adoption by the Hayward City Council, the transformation of this corridor will be guided by the Mission Boulevard Corridor Specific Plan, as well as the Form-Based Code, which is an integral part of the Plan.

Development Program

In the market and strategy report, AECOM Economics recommended commercial development that targets the growing Asian and Hispanic population in Hayward and neighboring communities, and the growing but underserved California State University East Bay (CSUEB) campus community. Portions of this corridor will also offer opportunities for residential development. The market-based development program used in the fiscal analysis is detailed in **Table 2** below. It includes 800 residential units, of which 660 units are market rate and 140 units are affordable, 200,000 square feet of commercial space and 100,000 square feet of industrial/service commercial space.

TABLE 2

PROJECTED DEVELOPMENT PROGRAM - BASED ON MARKET AND STRATEGY STUDY¹

	2010-20	2020-30	Total
Residential Units			
Townhomes	36	44	80
Condominiums	80	120	200
Market Rate Apartments	160	220	380
Affordable Apartments	<u>60</u>	<u>80</u>	<u>140</u>
Total Residential Units	336	464	800
Commercial/Industrial SF			
Retail Commercial	100,000	100,000	200,000
Industrial/Service Commercial	<u>40,000</u>	<u>60,000</u>	<u>100,000</u>
Total Commercial/Industrial	140,000	160,000	300,000

¹ Mission Boulevard Market Analysis and Economic Development Strategy, May 2010

When fully occupied, these levels of development will add approximately 1,710 new residents and 907 new employees to this corridor (see **Table 3**). The fiscal analysis in this report uses these new residents and employees to estimate municipal service cost and revenue increases. Check format

TABLE 3

PROJECTED NEW POPULATION AND EMPLOYMENT

	Ratios	2010-20	2020-30	Total
Residential Population	Per Unit			
Townhomes	2.4	86	106	192
Condominiums	2.2	176	264	440
Market Rate Apartments	2.1	336	462	798
Affordable Apartments	<u>2.0</u>	<u>120</u>	<u>160</u>	<u>280</u>
Total New Residential Population	2.1	718	992	1,710
Commercial/Industrial Employment	Per 1,000 SF			
Retail Commercial	2.86	286	286	572
Industrial/Service Commercial	<u>3.35</u>	<u>134</u>	<u>201</u>	<u>335</u>
Total New Employment	3.02	420	487	907

Source: South Hayward BART Concept Plan Fiscal Analysis in 2006

Employees and students, because they spend less time in Hayward, tend to place a lower per capita burden on municipal services as compared to residents. In addition, intergovernmental and other municipal revenue sources are often related more directly to resident population than to the number of employees. Each employee and student is estimated to impose one-third the service burden of one resident. As shown in **Table 4**, Hayward therefore has a service population of 183,635. The service population is sometimes called “resident equivalents.”

TABLE 4

ESTIMATED CURRENT DEMOGRAPHIC FACTORS IN HAYWARD AND SERVICE POPULATION

	Key Demographic Characteristics	Service Weight	Service Population
Population	150,800	1.00	150,800
Households	46,000		
Employment	71,000	0.33	23,430
Students (CSUEB & Chabot)	28,500	0.33	9,405
Total Service Population			183,635

Source: City of Hayward, AECOM, CSUMB and Chabot College

General Fund Revenues and Expenses

In addition to applying development-based or service population-based estimates of General Fund revenue and expenditure, certain municipal line item revenues or costs vary more with growth and development than others. For example, on the cost side, library and public works costs vary more with population growth than City Council, City Clerk and City Attorney costs. Therefore, the analysis of the major line items included a fixed versus variable cost allocation. The detailed methodology used to estimate General Fund revenue by line item is shown in **Table 5**. Sales, Property, and Property Transfer Tax estimates are based upon the types and amounts of new development. The methodology used to estimate General Fund expenditures is detailed in **Table 6**, and many of the revenues and expenditures estimates are based upon service population.

Assessed Value of New Development

The assessed values were estimated based upon the expected new development in the corridor and the value per square foot or per unit obtained from online sources such as CoStar, Real Estate Economics and Redfin.com (see **Table 7**). Building space and the number of residential units were multiplied against the estimated value per square foot or per unit to calculate assessed value. The assessed value of new development will total approximately \$103 million by 2020 and \$269 million by 2030.

TABLE 5

GENERAL FUND REVENUES AND FORECASTING METHOD BY LINE ITEM

General Fund Revenue ¹	Amount	Method	Gross per Service Population	Fixed	Variable	Net per Additional Service Population
Property Tax	\$40,699,344	Development	--	--	--	--
Sales Tax	25,630,173	Development	--	--	--	--
Property Transfer Tax	3,852,507	Development	--	--	--	--
Franchise Tax	5,831,272	Service Population	\$31.75	75%	25%	\$7.94
Business Tax	2,502,991	Service Population	\$13.63	75%	25%	\$3.41
Excise Tax	1,858,267	Service Population	\$10.12	75%	25%	\$2.53
Other Taxes	4,958,591	Service Population	\$27.00	50%	50%	\$13.50
Motor Vehicle in Lieu Fees	522,508	Service Population	\$2.85	25%	75%	\$2.13
Investment Earnings	2,132,768	Not Applicable	--	--	--	--
Disposition of Capital Assets	2,362,950	Not Applicable	--	--	--	--
Miscellaneous	2,289,663	Service Population	\$12.47	50%	50%	\$6.23
Intergovernment Transfers	3,277,254	Service Population	\$17.85	75%	25%	\$4.46
Total Revenues (Excluding Tax Inc)	\$95,918,288					

¹ Accrual Basis from City of Hayward Annual Financial Report for FY ending June 30, 2010

TABLE 6

GENERAL FUND EXPENDITURES AND FORECASTING METHOD BY LINE ITEM

General Fund Expenditures ¹	Amount	Method	Gross per Service Population	Fixed	Variable	Net per Additional Service Population
General Government	\$12,844,106	Service Population	\$69.94	95%	5%	\$3.50
Public Safety	89,391,667	Service Population	\$486.79	5%	95%	\$462.45
Public Works and Transportation	5,097,319	Service Population	\$27.76	5%	95%	\$26.37
Library and Neighborhood Services	9,448,832	Service Population	\$51.45	5%	95%	\$48.88
Planning and Building	6,383,986	Fees Cover Cost	--	--	--	--
Maintenance Services	3,899,394	Service Population	\$21.23	5%	95%	\$20.17
Interest on Long Term Debt	4,175,089	Not Applicable	--	--	--	--
Total Expenditures ²	\$131,240,393					

¹ Accrual Basis from City of Hayward Annual Financial Report for FY ending June 30, 2010

² Excludes Redevelopment Agency

Table 7

ESTIMATED ASSESSED VALUE FROM NEW DEVELOPMENT

Total Development by 2020	Units or SF	Value per Unit or SF	Total Assessed Value	Annual Gross Property Tax @ 1%
Residential Units				
Townhomes	36	\$425,000	\$15,300,000	\$153,000
Condominiums	80	375,000	30,000,000	300,000
Market Rate Apartments	160	180,000	28,800,000	288,000
Affordable Apartments	<u>60</u>	Not Taxable	<u>0</u>	<u>0</u>
Total Residential Units	336		\$74,100,000	\$741,000
Commercial/Industrial SF				
Retail Commercial	100,000	220	22,000,000	220,000
Industrial/Service Commercial	<u>40,000</u>	<u>160</u>	<u>6,400,000</u>	<u>64,000</u>
Total Commercial/Industrial	140,000	\$203	\$28,400,000	\$284,000
Total by 2020			\$102,500,000	\$1,025,000
Total Development by 2030				
Residential Units				
Townhomes	80	\$476,000	\$38,080,000	\$380,800
Condominiums	200	420,000	84,000,000	840,000
Market Rate Apartments	380	202,000	76,760,000	767,600
Affordable Apartments	<u>140</u>	Not Taxable	<u>0</u>	<u>0</u>
Total Residential Units	800		\$198,840,000	\$1,988,400
Commercial/Industrial SF				
Retail Commercial	200,000	250	50,000,000	500,000
Industrial/Service Commercial	<u>100,000</u>	<u>200</u>	<u>20,000,000</u>	<u>200,000</u>
Total Commercial/Industrial	300,000	\$233	\$70,000,000	\$700,000
Total by 2030			\$268,840,000	\$2,688,400

Property Transfer Tax

The City currently has a property transfer tax that applies to the sale of the real property at a rate of \$4.50 per \$1,000 of sales price. New development within the Mission Boulevard Specific Plan Area will therefore generate property transfer tax as properties turn over. To estimate the annual property transfer tax that the projected new development will generate for the City, AECOM estimated based upon industry averages that owner-occupied residential units turn over every seven years or 14 percent in any one year. Rental properties (excluding affordable units) are assumed to turn over every ten years. Retail property is projected to turn over about every eight years. Using these estimates, the turn over from new development will generate approximately \$56,800 annually in 2020 and \$162,700 annually in 2030 in Property Transfer Tax revenues (see Table 8).

Sales Tax

This Specific Plan/Form Based Code, the Route 238 Corridor Improvement Project, plus the City's economic development and redevelopment activities, will cause this corridor to generate new sales tax revenue in two ways:

- The new retail commercial development will generate sales tax by retaining a greater portion of local resident and employee or student sales currently lost to neighboring cities and by attracting shoppers from neighboring cities.
- The combination of public realm improvements and resulting new development will cause existing properties to generate more sales and sales tax through some combination of property renovation and tenant turnover.

TABLE 8

ESTIMATED PROPERTY TRANSFER TAX FROM NEW DEVELOPMENT

Total in 2020	Total Assessed Value	Avg Annual Turnover Percentage	Amount Subject to Property Transfer Tax	Property transfer Tax @ \$4.50 per \$1,000 of Value
Residential Units				
Townhomes	\$15,300,000	14%	2,142,000	\$9,639
Condominiums	30,000,000	14%	4,200,000	18,900
Market Rate Apartments	28,800,000	10%	2,880,000	12,960
Affordable Apartments	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>
Total Residential Units	\$74,100,000	12%	\$9,222,000	\$41,499
Commercial/Industrial SF				
Retail Commercial	22,000,000	12%	2,640,000	11,880
Industrial/Service Commercial	<u>6,400,000</u>	<u>12%</u>	<u>768,000</u>	<u>3,456</u>
Total Commercial/Industrial	\$28,400,000	12%	\$3,408,000	\$15,336
Total in 2020	\$102,500,000		\$12,630,000	\$56,835
Total in 2030				
Residential Units				
Townhomes	\$41,440,000	14%	5,801,600	\$26,107
Condominiums	91,400,000	14%	12,796,000	57,582
Market Rate Apartments	85,500,000	10%	8,550,000	38,475
Affordable Apartments	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0</u>
Total Residential Units	\$218,340,000	12%	\$27,147,600	\$122,164
Commercial/Industrial SF				
Retail Commercial	55,000,000	12%	6,600,000	29,700
Industrial/Service Commercial	<u>20,000,000</u>	<u>12%</u>	<u>2,400,000</u>	<u>10,800</u>
Total Commercial/Industrial	\$75,000,000	12%	\$9,000,000	\$40,500
Total in 2030	\$293,340,000		\$36,147,600	\$162,664

Source: CaliforniaCityFinance.com and AECOM

The breakdown of new development retail square footage by type, the expected sales per square foot per year, the resulting taxable retail sales and sales tax generation are all shown in **Table 9**. These calculations recognize the fact that many of the items sold in grocery stores do not pay sales tax. AECOM acknowledges the likelihood that some of the sales in the new development along Mission Boulevard will represent a shift from other retailers in Hayward. However, we have made the assumption that this shift will be offset by the retail sales generated by new residents living in new residential development along the corridor spending money in various retail districts in Hayward outside this corridor.

According to information provided by the City, these two sections of Mission Boulevard generated \$1.44 million in sales tax revenue in fiscal year 2009. As shown in **Table 10**, over 90 percent of this revenue comes from the southern section from Jackson to Harder. The 2009 sales tax information would have included the reported sales of Hayward Chevrolet, Hartzheim Dodge and Hayward Mazda, all which have left Mission Boulevard. However, 2009 was an extremely poor year for automobile sales, and the remaining dealerships (Honda, Toyota, Volkswagen and Nissan) will benefit from having fewer local competitors as the regional economy rebounds from the severe recession of 2008 and 2009. Because of the infrastructure improvements planned and the anticipated Specific Plan/Form Base Code adoption, we expect the existing retail properties in the corridor to improve sales performance. We have estimated this increase to be 20 percent from 2009 to 2020 and 45 percent from 2009 to 2030. Given the changes expected along the corridor, these estimates may be conservative. This increase is in addition to the sales tax generated by the expected new development, and it assumes rebound from the current recession particularly for the automobile industry. The total additional sales tax revenue expected in this project area is therefore \$579,000 by 2020 and nearly \$1.3 million by 2030.

TABLE 9
ESTIMATED SALES TAX FROM NEW DEVELOPMENT AFTER 2010

	Square Footage	Retail Sales per SF	Total Sales	Taxable Percentage	Taxable Sales	Hayward Sales Tax @ 0.75%
Total in 2020						
Commercial Development						
Grocery Store	22,000	\$450	9,900,000	33%	3,267,000	24,503
Other Retail & Restaraunts	<u>78,000</u>	<u>400</u>	<u>31,200,000</u>	<u>98%</u>	<u>30,576,000</u>	<u>229,320</u>
Total Retail Comercial	100,000	\$411	41,100,000		33,843,000	253,823
Industrial/Service Commercial SF						
Industrial	32,000	N A	N A	N A	N A	N A
Service Commercial	<u>8,000</u>	<u>600</u>	<u>4,800,000</u>	<u>100%</u>	<u>4,800,000</u>	<u>36,000</u>
Total Industrial/Service Commercial	40,000	600	4,800,000		4,800,000	36,000
Total in 2020					\$38,643,000	\$289,823
Total in 2030						
Commercial Development						
Grocery Store	48,000	\$495	23,760,000	33%	7,840,800	58,806
Other Retail & Restaraunts	<u>152,000</u>	<u>440</u>	<u>66,880,000</u>	<u>98%</u>	<u>65,542,400</u>	<u>491,568</u>
Total Retail Comercial	200,000	\$453	90,640,000		73,383,200	550,374
Industrial/Service Commercial SF						
Industrial	80,000	N A	N A	N A	N A	N A
Service Commercial	<u>20,000</u>	<u>600</u>	<u>12,000,000</u>	<u>100%</u>	<u>12,000,000</u>	<u>90,000</u>
Total Industrial/Service Commercial	100,000	600	12,000,000		12,000,000	90,000
Total in 2030					\$85,383,200	\$640,374

TABLE 10

ESTIMATED NEW SALES TAX FROM NEW DEVELOPMENT PLUS CORRIDOR RENOVATION

Mission Boulevard Sales Tax Collection in FY 2009 ¹	
North City Border to A Street	124,535
Jackson to Harder	<u>1,320,389</u>
Total Sales Tax Collection in 2009	\$1,444,924
Estimated Project Area Sales Tax Collection in 2020	
Real Increase from 2009 level due to Renovation @ 20%	288,985
Sales Tax from New Development	<u>289,823</u>
Total Net Gain in Sales Tax Collection by 2020	\$578,807
Estimated Project Area Sales Tax Collection in 2030	
Real Increase from 2009 level due to Renovation @ 45%	650,216
Sales Tax from New Development	<u>640,374</u>
Total Net Gain in Sales Tax Collection by 2030	\$1,290,590

¹ City of Hayward Economic Development Department

Property Tax Impacts

The tax increment flow to the Redevelopment Agency and the pass-through to the City's General Fund from new development is shown in **Table 11**. The increment flow to the Agency is estimated to be \$428,000 by 2020 and \$1.2 million by 2030. The estimates start with gross property tax generated by new development and subtracts first the 20 percent low and moderate income housing set aside and both the Tier 1 and Tier 2 pass through amounts to compute the net amount available to the Agency to support projects and operations. The City's General Fund is then estimated to receive 16 percent of the pass-through amounts, which only amounts to \$47,000 in 2020 and \$134,000 in 2030.

The project area tax increment gain for the Redevelopment Agency will clearly be in excess of the tax increment generated by new development attracted to the corridor. The Route 238 improvements, the development framework and land use assurance provided by the Specific Plan/Form Based Code, and the economic development efforts by the City and its Redevelopment Agency will upgrade the entire corridor over time. The resulting increase in assessed value from turnover, renovation and upgrading of properties not redeveloped will generate tax increment as well. This increase is estimated in **Table 12**. We have estimated that the Specific Plan Area generates 45 percent of the Mission/Foothill Area property tax revenue. The incremental growth over the 2010 level without counting new development is estimated at \$225,000 in 2020 and \$584,000 in 2030. When combined with the new development projected by the market analysis, the total additional tax increment generated to the Hayward Redevelopment Agency is estimated to be \$652,000 by 2020 and \$1.8 million by 2030.

TABLE 11

ESTIMATION OF PROPERTY TAXES AND TAX INCREMENT FROM NEW DEVELOPMENT AFTER 2010

	By 2020	By 2030
Gross Property Tax From New Development	\$1,025,000	\$2,688,400
Less Estimated Frozen Base Amount for Land	(123,000)	(123,000)
Gross Tax Increment from New Development	902,000	2,565,400
Less 20% for Low and Moderate Income Housing Set Aside	(180,400)	(513,080)
Tax Increment Remaining After L & M Housing Set Aside	721,600	2,052,320
Less Tier 1 Pass Through @ 25%	(180,400)	(513,080)
Net Tax Increment Available after Tier 1 Pass Through	541,200	1,539,240
Less Tier 2 Pass Through @ 21%	(113,652)	(323,240)
Net TI Available for RDA Programs after Tier 1 & 2 Pass Through	\$427,548	\$1,216,000
Total Pass Through Payments from Tier 1 & 2	294,052	836,320
City of Hayward General Fund Share	16%	16%
General Fund Property Tax Receipts	\$47,048	\$133,811

TABLE 12

PROJECT AREA TAX INCREMENT FORECAST DETAIL

Year	Mission /Foothill Redevelopment Area ¹	Est. Specific Plan Project Area @ 45%	Percentage Growth Over 2010	Gain Over 2010 Due to Renovation	New Development Due to Specific Plan	Total Specific Plan Area TI Increase
2010	1,889,898	850,454	0.0%	0	0	0
2011	1,756,609	790,474	-7.1%	-59,980	0	-59,980
2012	1,839,527	827,787	-2.7%	-22,667	0	-22,667
2013	1,903,550	856,598	0.7%	6,143	0	6,143
2014	1,968,853	885,984	4.2%	35,530	0	35,530
2015	2,035,462	915,958	7.7%	65,504	0	65,504
2016	2,103,404	946,532	11.3%	96,078	85,510	181,587
2017	2,172,705	977,717	15.0%	127,263	171,019	298,282
2018	2,243,391	1,009,526	18.7%	159,072	256,529	415,601
2019	2,315,491	1,041,971	22.5%	191,517	342,038	533,555
2020	2,389,034	1,075,065	26.4%	224,611	427,548	652,159
2021	2,464,047	1,108,821	30.4%	258,367	506,393	764,760
2022	2,515,770	1,132,097	33.1%	281,642	585,238	866,880
2023	2,592,677	1,166,705	37.2%	316,251	664,083	980,334
2024	2,671,493	1,202,172	41.4%	351,718	742,928	1,094,646
2025	2,751,886	1,238,349	45.6%	387,895	821,773	1,209,668
2026	2,833,886	1,275,249	49.9%	424,795	900,618	1,325,413
2027	2,917,527	1,312,887	54.4%	462,433	979,463	1,441,896
2028	3,002,840	1,351,278	58.9%	500,824	1,058,308	1,559,132
2029	3,089,860	1,390,437	63.5%	539,983	1,137,153	1,677,136
2030	3,187,620	1,434,429	68.7%	583,975	1,216,000	1,799,975

¹ From CSG/Advisors prepared in August 2009 for the Hayward Redevelopment Agency

Overall General Fund and Tax Increment Impacts

Once the major line item impacts have been estimated, the overall General Fund revenue and cost impacts are compiled in **Tables 13** and **14** respectively. As discussed previously, each new resident is assigned the full service population or resident equivalent weight and each new employee is assigned a one-third service population weight. The overall General Fund impact is \$717,000 in revenue and \$481,000 in cost by 2020 and \$1.13 million in revenue and \$1.67 million in expenditures by 2030. The net General fund balance is then \$236,000 in 2020 and \$540,000 in 2030. Check format

Because the Mission Boulevard Specific Plan/Form-Based Code is one of the important instruments in the revitalization of a primarily commercial corridor that has suffered disinvestment due to the recession and the restructuring of the automobile industry, the potential sales tax gain is

considerable. It is clearly in the City of Hayward's fiscal interest to pursue the revitalization of this important commercial corridor.

TABLE 13

GENERAL FUND REVENUES IMPACT FROM MISSION BLVD SPECIFIC PLAN AND FORM BASED CODE IMPLEMENTATION

General Fund Revenue	New Population			New Employment			Total General Plan Revenue Impact	
	Net per Additional Service Population @ 100% Weight	By 2020	By 2030	Net per Additional Service Employment @ 33% Weight	By 2020	By 2030	By 2020	By 2030
New Population or Employment		718	1,710		420	907		
Revenue Line Items								
Property Tax	--	--	--	--	--	--	47,048	133,811
Sales Tax	--	--	--	--	--	--	578,807	1,290,590
Property Transfer Tax	--	--	--	--	--	--	56,835	162,664
Franchise Tax	\$7.94	5,703	13,575	\$2.62	1,100	2,376	6,803	15,951
Business Tax	\$3.41	2,448	5,827	\$1.12	472	1,020	2,920	6,847
Excise Tax	\$2.53	1,817	4,326	\$0.83	351	757	2,168	5,083
Other Taxes	\$13.50	9,699	23,087	\$4.46	1,871	4,041	11,571	27,128
Motor Vehicle in Lieu Fees	\$2.13	1,533	3,649	\$0.70	296	639	1,829	4,288
Investment Earnings	--	--	--	--	--	--	--	--
Disposition of Capital Assets	--	--	--	--	--	--	--	--
Miscellaneous	\$6.23	4,479	10,661	\$2.06	864	1,866	5,343	12,527
Intergovernment Transfers	\$4.46	3,205	7,629	\$1.47	618	1,335	3,824	8,965
Total Revenues (Excluding TI)							\$717,148	\$1,667,854

TABLE 14

GENERAL FUND OPERATING EXPENDITURE IMPACT FROM MISSION BLVD SPECIFIC PLAN AND FORM BASED CODE IMPLEMENTATION

General Fund Revenue	New Population			New Employment			Total General Fund Expenditure Impact	
	Net per Additional Service Population @ 100% Weight	By 2020	By 2030	Net per Additional Service Employment @ 33% Weight	By 2020	By 2030	By 2020	By 2030
New Population or Employment		718	1,710		420	907		
Expenditure Line Items								
General Government	\$3.50	2,512	5,980	\$1.15	485	1,047	2,997	7,027
Public Safety	\$462.45	332,224	790,790	\$152.61	64,096	138,416	396,320	929,206
Public Works and Transportation	\$26.37	18,944	45,093	\$8.70	3,655	7,893	22,599	52,985
Library and Neighborhood Services	\$48.88	35,117	83,588	\$16.13	6,775	14,631	41,892	98,218
Planning and Building	--	--	--	--	--	--	--	--
Maintenance Services	\$20.17	14,492	34,495	\$6.66	2,796	6,038	17,288	40,533
Interest on Long Term Debt	--	--	--	--	--	--	--	--
Total Expenditures¹							\$481,096	\$1,127,970

¹ Excludes Redevelopment Agency

While the General fund balance is positive, the incorporation of this Project Area into a community services district (CSD) would further protect the City’s General Fund position. Assuming a CSD assessment of \$500 per housing unit per year for all types of housing, the General Fund balance climbs to \$404,000 by 2020 and \$940,000 by 2030. Without the CFD, the General Fund balance is \$236,000 for the year 2020 and \$540,000 for 2030.

Since this project area is part of the Mission/Foothill Redevelopment Project Area, the revitalization of this corridor also brings enhanced tax increment flow to the Hayward Redevelopment Agency. The additional tax increment flow over the fiscal year 2010 receipts is projected to be \$652,000 per year by 2020 and grows to \$1.8 million per year by 2030. These amounts are net of all pass through revenues. The overall fiscal impact on the City and its Redevelopment Agency is shown in **Table 15**.

TABLE 15

SUMMARY OF FISCAL IMPACT OF MISSION BOULEVARD SPECIFIC PLAN AND FORM BASED CODE IMPLEMENTATION

Annual Impact in Year	2020	2030
Estimated General Fund Revenue Impact	\$717,148	\$1,667,854
Estimated General Fund Expenditure Impact	(481,096)	(1,127,970)
Net City of Hayward General Fund Impact	\$236,052	\$539,884
Net General Fund Impact with CSD of \$500/unit per year¹	\$404,052	\$939,884
Tax Increment Impact to Hayward Redevelopment Agency	\$652,159	\$1,799,975

¹ Community facilities district (CSD) to charge annual municipal services fee for all new residential units in Project Area

III. The Community Development Implication of Plan Alternatives

The Hall Alminana planning team advanced a Preferred Regulating Plan (see attached) for these two sections of Mission Boulevard, and the fiscal analysis in the preceding sections analyzed the transformation that is likely assuming implementation of this Preferred Plan. The planning team also advanced two alternative Regulating Plans that showed alternative concepts for specific subareas of the Plan Area: Alternatives A and B. These alternative concepts have implications for attracting real estate development, and an evaluation of four key subarea concepts from a fiscal/economic impact perspective is presented below. The preferred and alternative Regulating Plans are shown at the end of this Report.

Frontage Road on West Side of Mission

The Preferred Plan shows a frontage road on the west side of Mission Boulevard extending from one parcel south of Berry Avenue to one parcel north of Harder Road. Neither Alternative A nor B advances this concept. This frontage road is one of the most important urban design elements of this Specific Plan.

While this frontage road will require the dedication of private property and expenditures for construction, AECOM Economics is of the opinion that it will accelerate the development of this portion of Mission Boulevard and cause this new development to take on a more urban character. The more urban characteristics of this new development along the frontage road, likely retail commercial and mixed-use, will signal a departure from the suburban style commercial centers of the last couple of decades and mark a new beginning for Mission Boulevard. The lots in this sub-area appear to have sufficient depth to allow development flexibility and the properties to reap the full benefit of the frontage road. The properties in this area are generally vacant or not intensively developed. Harder Road has substantial east-west traffic, so this stretch of Mission Boulevard is a good area for the City and Redevelopment Agency to invest in projects that will have a catalytic impact on the entire corridor. Because the Route 238 improvements will remove peak-period commute parking from this stretch of Mission Boulevard, an urban format commercial project fronting on Mission Boulevard is unlikely to succeed without this frontage road. AECOM Economics strongly endorses this frontage road concept.

Civic Space North of A Street

The Preferred Plan proposes a civic space zone on the east side of Mission Boulevard from A Street to five parcels north of Hotel Avenue. The other alternatives do not include this civic space. If this northern section of Mission Blvd is viewed as a future retail and mixed-use street, this civic space works against that objective. Successful commercial streets desire continuous retail frontage on both sides of the street. However, because the east side of this section of Mission Boulevard is within the

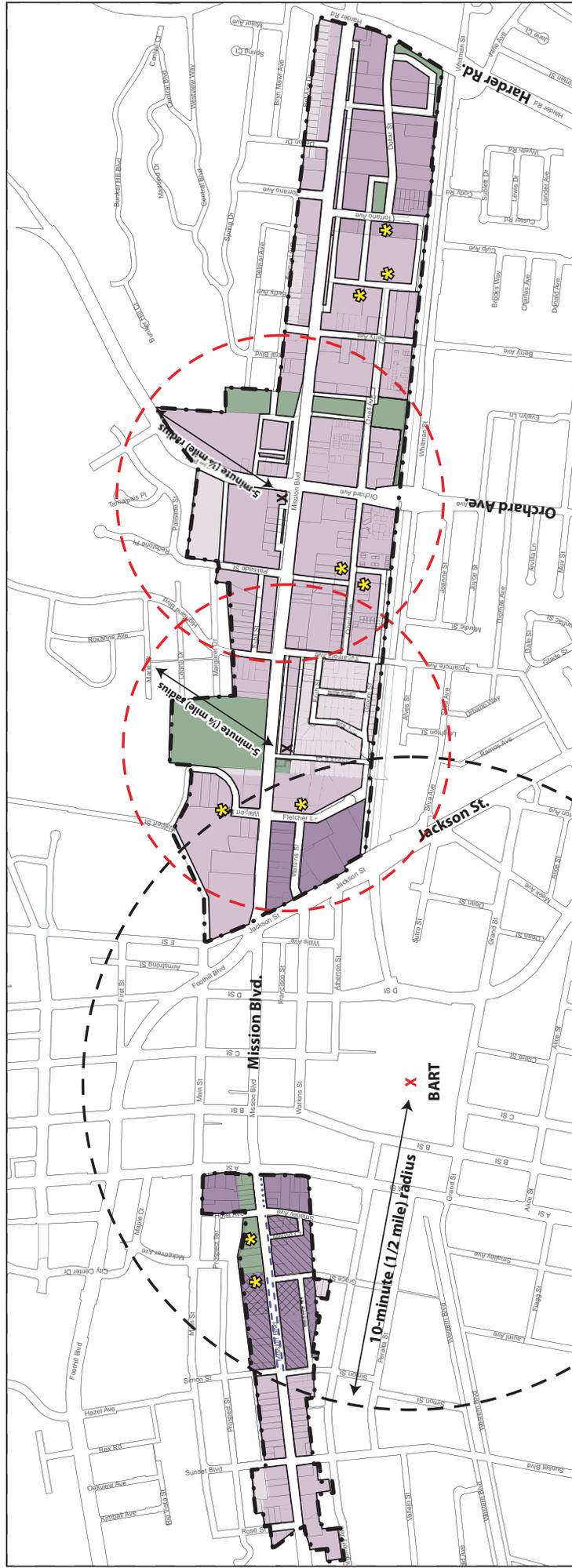
fault setback zone of the Hayward Fault, AECOM supports a civic open space at this location. If the earthquake fault were not an issue, we would suggest a prominent mixed-use building for this corner, possibly three or four levels of housing or office over ground floor retail use, because this property is adjacent to the downtown and within a five or six minute walk of the Hayward BART Station.

Civic Space at Mission and E Street

Both Alternatives A and B propose a significant civic open space to be located at the southeast corner of Mission Boulevard and E Street. However, the Preferred Plan does not advance this concept. Since the site is above Mission Boulevard, not particularly visible from that major corridor, and adjacent to Bret Harte Middle School, a park at this site may lead to future safety problems.

SMARTCODE
Mission Boulevard Corridor

PREFERRED REGULATING PLAN (Figure 1-1)



For illustrative purpose only:

- 10-minute walking radius (1/2 mile from BART)
- 5-minute walking radius (1/4 mile)

- Legend**
- Project Area
 - Parcels
 - Terminated Vistas
 - Mandatory Shopfront Overlay
 - Recommended Shopfront Overlay
 - Civic Space Zone
 - T3 Sub-Urban Zone: 4.3 DU/acre min; 17.5 DU/acre max
 - T4-1 Urban General Zone: 17.5 DU/acre min; 35 DU/acre max
 - T4-2 Urban Center Zone: 17.5 DU/acre min; 35 DU/acre max
 - T5 Urban Center Zone: 35 DU/acre min; 55 DU/acre max
 - Height Overlay 1: 2 to 3 Story
 - Height Overlay 2: 2 to 4 Story

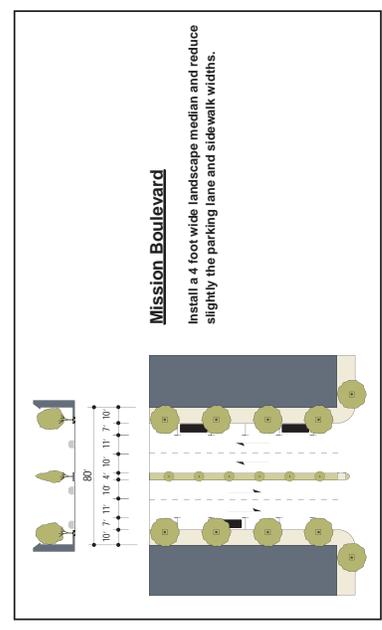
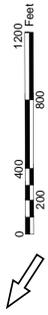
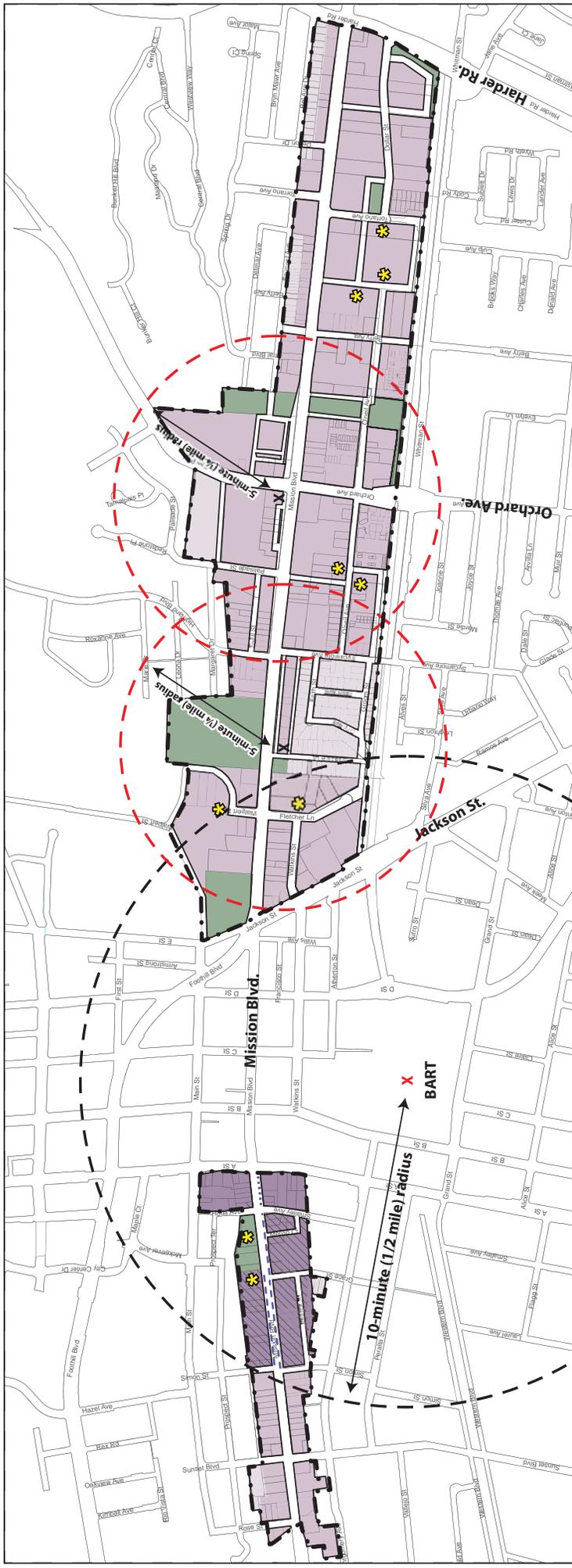


FIG-1-1

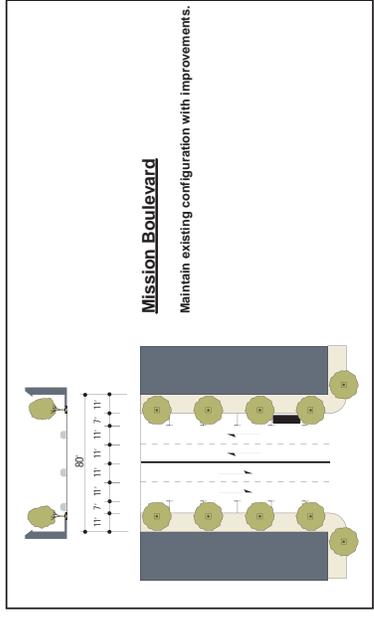
October 8, 2010



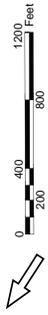
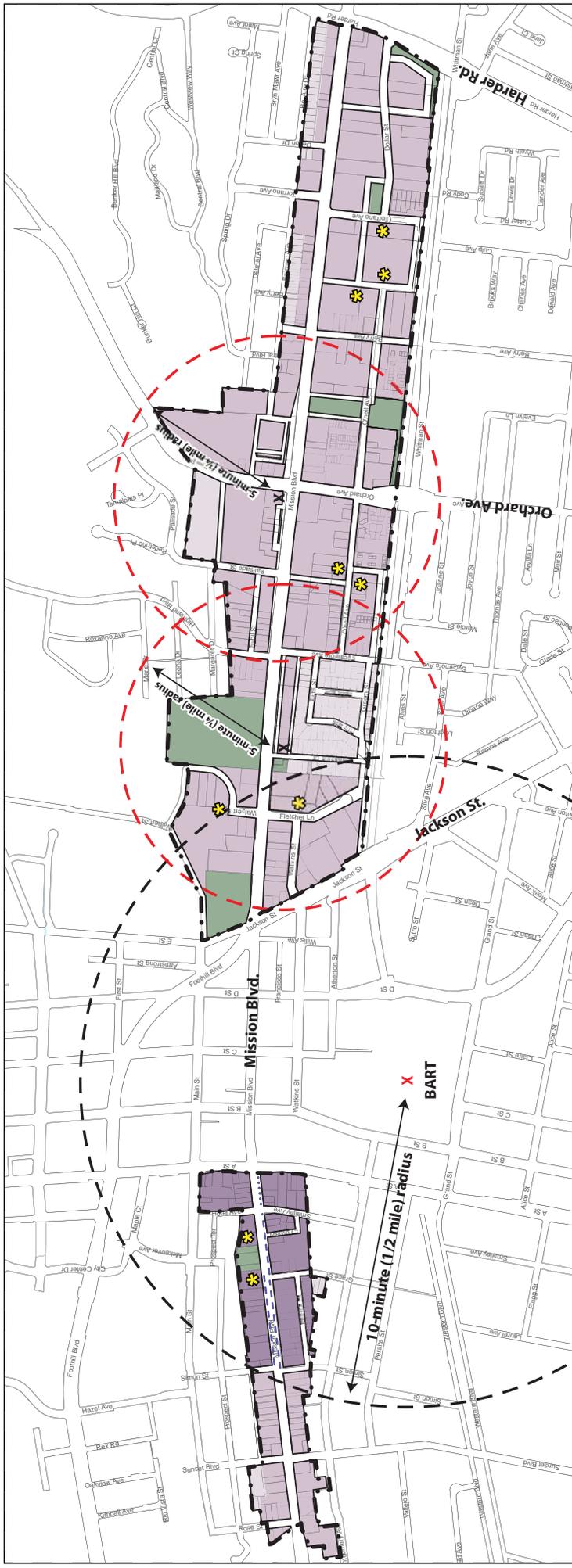
For illustrative purpose only:

- 10-minute walking radius (1/2 mile from BART)
- 5-minute walking radius (1/4 mile)

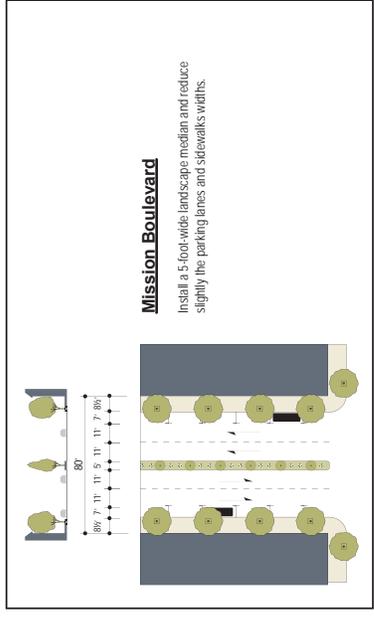
- Legend**
- Project Area
 - Parcels
 - Terminated Vistas
 - Mandatory Shopfront Overlay
 - Recommended Shopfront Overlay
 - T3 Sub-Urban Zone: 4.3 DU/acre min; 12 DU/acre max
 - T4-1 Urban General Zone: 17.5 DU/acre min; 35 DU/acre max
 - T5 Urban Center Zone: 35 DU/acre min; 55 DU/acre max
 - Height Overlay 1: 2 to 3 Story
 - Civic Space Zone



October 8, 2010



- Legend**
- Project Area
 - Parcels
 - Terminated Vistas
 - Mandatory Shopfront Overlay
 - Recommended Shopfront Overlay
 - T3 Sub-Urban Zone: 4.3 DU/acre min; 17.5 DU/acre max
 - T4-1 Urban General Zone: 17.5 DU/acre min; 35 DU/acre max
 - T5 Urban Center Zone: 35 DU/acre min; 65 DU/acre max
 - Civic Space Zone
- For illustrative purpose only:**
- 10-minute walking radius (1/2 mile from BART)
 - 5-minute walking radius (1/4 mile)



October 8, 2010