

RESOLUTION NO. 3613

A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL APPROVE A PROPOSED RESIDENTIAL AND COMMERCIAL DEVELOPMENT WITHIN THE EAST AREA ONE EXPANSION AREA INCLUDING GENERAL PLAN AMENDMENTS, SPECIFIC PLAN/PREZONING, GROWTH MANAGEMENT ALLOCATIONS, DEVELOPMENT AGREEMENT, AND APPLICATION FOR ANNEXATION.

(PROJECT NO. 2006-CDP-02)

The Planning Commission of the city of Santa Paula does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

- A. On May 16, 2006, Limoneira Company ("Applicant") filed an application with the City for General Plan Amendments, prezone/specific plan ("EA1SP"), development agreement, and reorganization (annexation) for the East Area 1 ("EA1") Expansion Area (collectively, the "Project").
- B. The Project application was reviewed by City's Planning Department for, in part, for consistency with the General Plan and conformity with the Santa Paula Municipal Code ("SPMC").
- C. The City reviewed the Project's environmental impacts pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 California Code of Regulations §§15000, *et seq.*, the "CEQA Guidelines"), and the City's Environmental Guidelines ("Santa Paula Guidelines"); CEQA, CEQA Guidelines and Santa Paula Guidelines collectively referred to as "CEQA Regulations";
- D. The Planning Department completed its review and scheduled a public hearing regarding the application before this Commission for February 25, 2008 and February 26, 2008.
- E. On February 25, 2008 and February 26, 2008, the Planning Commission held joint public hearings with the City Council regarding the Project.
- F. This Resolution, and its findings, is adopted based upon the evidence set forth in the entire record including, without limitation, documentary and testimonial evidence; the staff report; and such additional information set forth in the administrative record that is too voluminous to reference.

SECTION 2: Factual Findings. In addition to the findings of fact set forth in Resolution No. 3612, which are incorporated by reference as if fully set forth, the Planning Commission finds that the following facts exist:

-
- A. The Project includes 1,500 dwelling units, 150,000 square feet of light industrial, 285,000 square feet of commercial, 375,800 square feet of civic, 66.8 acres of parkland and greenways, 55 acres of Agricultural Preserve (proposed to be actively farmed) and 80 acres of natural open space.
 - B. The Applicant proposes to construct the Project on a portion of real property located within the EA1 Expansion Area consisting of approximately 501 acres which includes the following Ventura County Assessor Parcel numbers (APNs): 040-0-180-565, 040-0-180-435, 107-0-200-115, and 107-0-045-015 (the "Property"). The Property is located east of Santa Paula Creek, north of Telegraph Road, west of Haun/Orcutt Creeks and south of the Topatopa Mountains within unincorporated Ventura County.
 - C. The Project is located outside of the City Urban Restriction Boundary ("CURB"). In accordance with General Plan Section III(F), voter approval is required to amend General Plan Figure LU-4a for expanding the CURB around the Property.
 - D. In accordance with General Plan Section III(G) and SPMC Chapter 16.237, the Project also requires voter approval to increase the density and land use intensity set forth in General Plan Figure LU-5 and Table LU-7 as they affect EA1 and, more specifically, the Property.
 - E. The Property is currently vacant with the exception of nine existing residences, agricultural related facilities (e.g., barn, chemical storage areas, and packinghouse) and agriculture uses.
 - F. The Property is bounded by Santa Paula Creek to the west. Areas to the north and east are comprised of agriculture and natural lands. Lands to the south are comprised of light industrial and residential uses.
 - G. The Property is located within the City's Area of Interest (but outside of its current Sphere of Influence) and is within an area contemplated by the General Plan for future development of urban uses. The City designated the EA1 location as a General Plan Expansion Area on April 13, 1998.
 - H. The proposed General Plan Amendments for the Project include the following, as detailed in attached Exhibit "A," which is incorporated into this Resolution:
 - 1. **Land Use Element:** Land Use Figures LU-4 and LU-5 will be revised, and new Figure LU-5A added, to identify the East Area 1 Expansion Area as the "East Area 1 Specific Plan (SP-3)" land use designation. Land Use Tables LU-5 and LU-7 will be revised,

subject to voter approval, to include accurate adjusted acreages of land use categories and dwelling unit counts to be consistent with the EA1SP and identify "East Area 1 Specific Plan (SP-3)" as a new land use designation. Text revised in Land Use Sections III.B and IV.I to reflect changes in the East Area 1 project description and to include additional details in terms of land use acreages, maximum dwelling units, and infrastructure improvements.

2. **Circulation Element:** Circulation Figures CI-3, CI-5 and CI-6 will be revised to reflect East Area 1's proposed arterial, collector and access roadway configuration, as well as daily trips generated per the project Traffic Study. Circulation Table CI-3 will be revised to reflect the average daily trips and peak hour trips associated with the EA1SP as identified in the project Traffic Study.

SECTION 3: Environmental Review. This Resolution incorporates by reference the findings, analysis, and recommendations set forth in Planning Commission Resolution No. 3612 which recommends that the City Council certify the FEIR, make findings of fact, and adopt statements of overriding considerations for the for the overall East Area One Project proposed by the Applicant.

SECTION 4: General Plan Consistency. In accordance with SPMC § 16.212.050, the Planning Commission finds that the Project, if the proposed General Plan Amendments are adopted, would conform to the City's General Plan as follows:

- A. The Project is in the public interest, and there will be a community benefit resulting from the amendment since:
 1. The Project will allow the City to approve and implement the EA1SP by creating consistency between that document and the Santa Paula General Plan goals and policies.
 2. Implementation of the EA1SP will result in a direct public benefit through construction and funding of the following: one public elementary schools, one high school and one post-secondary facility/community college; a fire station and police substation; water, wastewater and reclaimed water infrastructure that will, in addition to the EA1SP, serve the greater Santa Paula community; improved traffic level of service for affected City intersections; improved public community and neighborhood parks that substantially increase the City's active parklands; bicycle and multipurpose trails which connect with existing community trails; and substantial open space dedications.
 3. Implementation of the EA1SP will result in community benefit through a net increase in City revenues.

4. The implementation of the EA1SP allows the City to continue to meet its share of regional housing needs, provides for economic development within the City, encourages efficient growth patterns by locating new development contiguous to existing development, and promotes stability in long term physical and economic development planning.
- B. The Project is consistent with the goals, policies and objectives of the General Plan as documented in this Resolution below, and the staff report.
- C. The Project will not conflict with SPMC Title 16 as set forth in this Resolution.
- D. In the event that the proposed amendment is a change to the land use policy map, that the amendment will not adversely affect surrounding properties.

SECTION 5: *Specific Plan.* The Property is currently not zoned by the SPMC. Approving the proposed Specific Plan for East Area 1 will constitute rezoning for the Property. The area would be designated *East Area 1 Specific Plan SP-3* on the City's zoning map. The EA1SP is not effective until LAFCO approves annexation of the Project area into the City. Pursuant to SPMC §§ 16.216.050 and 16.216.070, the Planning Commission finds as follows:

- A. The proposed EA1SP promotes public health, safety, and general welfare, and serves the goals and purposes of SPMC Title 16, as follows:
 1. The SPMC allows for the establishment and administration of Specific Plan Zones in Chapters 16.25 and 16.216 and establishes a designation for EA1SP of SP-3.
 2. The Project would provide a mechanism by which the Property can be zoned and annexed into the City, providing for market rate and inclusionary housing in accordance with the GP Housing Element and SPMC; active public park area; a fire station and police substation; elementary school, high school and post secondary facility/community college; parks and greenways, open space, trail system and agricultural preserve; and infrastructure that will serve both the development and the City as a whole, thus promoting public health, safety and general welfare through a balance of impacts and benefits to the community as stated, without limitation, in Resolution No. 3612 which recommends that the City Council certify the FEIR and adopt statements of overriding considerations.
 3. The Project would serve the goals and purpose of the SPMC

because development of the Property would be consistent with the SPMC, provide housing, result in a fiscally neutral or positive effect on the City's general fund, provide for needed schools, infrastructure and parklands.

- B. EA1SP is consistent with the goals, policies, and objectives of the General Plan as shown in attached Exhibit "B", which is incorporated by reference.
1. East Area 1 is identified in the General Plan as an Expansion Area for future urban development.
 2. The General Plan Land Use Element requires Specific Plans for all expansion areas before development can occur and requires fiscal impact analysis for those Projects. The proposed Project implements these requirements.
 3. The project provides for land uses, infrastructure and amenities consistent and/or in addition to those identified by the General Plan for the East Area 1 Expansion Area.
 4. EA1SP includes requirements for homebuyers regarding measures for protection of wildlife as required by the General Plan for expansion areas.
 5. The General Plan Amendment, recommended for approval in this Resolution, would incorporate references to the EA1SP into the General Plan Land Use and Circulation Elements, adds the "East Area 1 Specific Plan (SP-3)" land use designation to the General Plan, and revises East Area 1 Project descriptions currently present in the GP to make them consistent with the Specific Plan.
 6. SPMC § 16.25.040 states that the land use designations, standards and other requirements set in an adopted Specific Plan supersede those of the SPMC. If the City Council and City of Santa Paula electorate adopts a General Plan Amendment, as recommended in this Resolution, it would establish consistency between the GP and the EA1 Specific Plan.
- C. The EA1SP will not adversely affect surrounding properties because:
1. The EA1SP (SP3) land use designations are compatible with surrounding land uses. The project site is bounded by Santa Paula Creek to the west, a natural physical barrier which provides ample distances from adjacent residential areas and proposed civic and residential land uses. Areas to the north are comprised of agriculture and natural lands, uses proposed under the EA1SP.

Lands to the east which are comprised of agricultural uses will be buffered by vegetative screening and fencing to reduce potential conflicts between residential and agricultural uses. Lands to the south are comprised of light industrial and residential uses, consistent with those proposed within this area of the EA1SP.

2. A Fuel Management Plan, Fire Protection Plan and a new fire station (including associated equipment) are provided to mitigate wildfire hazards and provide fire suppression and emergency services to East Area 1 and adjacent City areas.
3. A transportation and circulation analysis for the EA1SP is included in the East Area 1 Specific Plan Final EIR and determined that implementation of proposed traffic mitigations will reduce traffic impacts.
4. A hydrology analysis prepared for the EA1SP is included in the East Area 1 Specific Plan Final EIR, and determined that flows from the implemented project will not exceed existing conditions and will address historic flooding issues associated with Haun Creek at State Route 126.

SECTION 3: Development Agreement Findings. In accordance with SPMC § 16.234.070, the Planning Commission makes the following findings:

- A. The proposed Development Agreement (“DA”) is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable Specific Plans as follows:
 1. The East Area 1 Expansion Area is designated in the General Plan for future urban development.
 2. The DA furthers the goals of the General Plan by facilitating development within the East Area 1 Expansion Area and implementing the EA1SP (SP-3) as recommended for approval by the Planning Commission.
 3. Nothing in the DA creates an inconsistency between the General Plan (as amended by the Project), the general land uses (as amended by the Project), the general land uses (as proposed by the Project), or the EA1SP (SP-3) as recommended for approval by the Planning Commission.
- B. The DA is compatible with the uses authorized in, and regulations prescribed for, the zone in which the real property is or will be located as follows:

1. The Applicant is seeking annexation of real property affected by the EA1SP, a General Plan amendment, and the DA.
 2. The DA implements the EA1SP (SP-3) and provides additional public benefits including, without limitation, schools, parks, neighborhoods, open space, commercial areas, and other amenities. Such development is consistent with the EA1SP and the General Plan's anticipated use of the East Area 1 Expansion Area.
- C. The DA will promote public convenience, general welfare, and good land practice as follows:
1. The Project provides the schools, parks, and infrastructure required by the relevant policies and implementation measures in the General Plan and provides or exceeds the specifically required trail, park and open space requirements in the General Plan. The EA1SP includes protections for wildlife as required by the General Plan in Expansion Areas.
 2. The General Plan amendment incorporates references to the EA1SP into the General Plan Land Use, Circulation and Conservation & Open Space Elements and adds the "East Area 1 Specific Plan (SP-3)" land use designation to the General Plan and revises East Area 1 Project descriptions currently present in the General Plan to make them consistent with the Specific Plan
 3. The DA implements the provisions of the EA1SP.
 4. The project contemplated by the EA1SP and DA will mitigate impacts as outlined in an adopted Mitigation Monitoring and Reporting Program.
 5. Implementation of the EA1SP will result in community benefit through a net increase in City revenues
 6. Implementation of the EA1SP will result in a direct public benefit through construction and funding of the following: one public elementary schools, one high school and one post-secondary facility/community college; a fire station and police substation; water, wastewater and reclaimed water infrastructure that will, in addition to the EA1SP, serve the greater Santa Paula community; improved traffic level of service for affected City intersections; improved public community and neighborhood parks that substantially increase the City's active parklands; bicycle and

multipurpose trails which connect with existing community trails; and substantial open space dedications.

7. The implementation of the EA1SP allows the City to continue to meet its share of regional housing needs, provides for economic development, encourages efficient growth patterns by locating new development contiguous to existing development, and promotes stability in long term physical and economic development planning.
- D. The DA meets the requirements outlined in SPMC § 16.234.030 for applicability of a development agreement, including
1. Construction on the subject property will be phased;
 2. The Project proposes over 20 dwelling units and consists of over 2 acres in size;
 3. The applicant has submitted a request for a General Plan Amendment for 1,500 dwelling units within the EA1SP.
- E. The DA will not adversely affect the orderly development of property or the preservation of property values as follows:
1. The SPMC allows for the establishment of Specific Plan Zones in Chapter 16.25. An application was filed by the applicant for the EA1SP on May 16, 2006, which provides for the orderly development of 1,500 dwelling units, 150,000 square feet of light industrial, 285,000 square feet of commercial, 375,800 square feet of civic, 66.8 acres of parkland and greenways, 55 acres of Agricultural Preserve (proposed to be actively farmed) and 80 acres of natural open space. The EA1SP is designated as SP-3 in the SPMC in anticipation of a Specific Plan for the expansion area.
 2. Requires implementation of the required mitigation measures identified in the FEIR.
 3. Notes that the project be fiscally neutral or positive and requires payment of fees to cover general fund shortfalls in years 5, 6 & 7 of construction
 4. Allocates growth management units to allow the orderly implementation of the project without precluding planned growth in other areas of the City
 5. Requires development of the Project in accordance with the City's design review process and the design guidelines of the specific

plan, to assure the City of high quality development.

6. Requires an inclusionary housing plan in accordance with the SPMC.
- F. The DA will promote and encourage the development of the proposed project in that the DA:
1. Facilitates development of the East Area 1 Expansion Area as anticipated by the General Plan.
 2. Imposes phasing requirements for infrastructure improvements and community facilities such as the fire station, police substation and community parks.
 3. Specifies the required approvals to implement the project.
 4. Outlines the applicable development impact fees required for the project.
 5. Encourages completion of the project within a reasonable time period by imposing a termination date on the DA of twenty five (25) years.

SECTION 4: Annexation Findings. The Planning Commission makes the following findings in accordance with SPMC § 16.236.120:

- A. The proposed reorganization (annexation) is consistent with the goals, policies and objectives of the General Plan:
1. The proposed reorganization includes existing developments contiguous with the City's boundary and growth consistent with General Plan Policy 4.d.d.
 2. East Area 1 is identified in the General Plan as an expansion area for future urban development.
 3. The General Plan Land Use Element requires Specific Plans for all expansion areas before development can occur and requires fiscal impact analysis for those Projects. The proposed Project implements these requirements.
 4. The SPMC allows for the establishment and administration of Specific Plan Zones in Chapter 16.25 and 16.216 and establishes a designation for EA1SP of SP-3.

5. The Project provides the schools, parks, and infrastructure required by the relevant policies and implementation measures in the General Plan and provides or exceeds the specifically required trail, park and open space requirements in the General Plan. The EA1SP includes protections for wildlife as required by the General Plan in Expansion Areas.
 6. The General Plan Amendment incorporates references to the EA1SP into the General Plan Land Use and Circulation Elements and adds the "East Area 1 Specific Plan (SP-3)" land use designation to the General Plan and revises East Area 1 Project descriptions currently present in the General Plan to make them consistent with the Specific Plan
 7. SPMC § 16.25.040 states that the land use designations, standards and other requirements set in an adopted Specific Plan supersede those of the SPMC. This Resolution recommending that the City Council adopt a General Plan Amendment for the property establishes consistency between the GP and the EA1SP.
- B. The proposed reorganization (annexation) will not adversely or significantly impact surrounding properties, as the proposed uses are compatible with neighboring single-family residences (western boundary), light industrial and residential uses (southern boundary), agriculture (eastern boundary) and open space and agriculture (northern boundary). Furthermore, the proposed uses are found to be consistent with the framework of the City's General Plan as previously noted above.
- C. The City of Santa Paula, with the EA1SP development improvements, will be able to adequately serve the public health, safety and general welfare of residents within the reorganized (annexed) area by providing local fire protection, police protection, and emergency medical services. Implementation of the EA1SP will result in a direct public benefit through construction and/or funding of the following: one elementary school, one high school and one post-secondary facility/community college; a fire station and police substation; water, sewer and reclaimed water infrastructure that will, in addition to the EA1SP, serve the greater Santa Paula community; improved traffic level of service for affected City intersections; improved public community and neighborhood parks.
- D. The City has sufficient capacity and ability for providing all city services upon reorganization (annexation), or within a reasonable time of reorganization (annexation). Municipal services (water, sewer, solid waste, schools, parks and recreation, and street maintenance) have been evaluated as part of the environmental analysis for the EA1SP area, and found to be adequately provided as part of the proposed development

improvements.

- E. A Fiscal Impact Analysis was prepared for the Project by Stanley Hoffman Associates (SHA), dated November 12, 2007 (see Exhibit "C"). The City's consultant, P&D Consultants (P&D), peer reviewed the methodology, assumptions, and conclusions for the City. The fiscal analysis was prepared in compliance with General Plan requirements for all expansion area Specific Plans and in support of the proposed annexation of the project area into the City. The analysis compared revenues generated by East Area 1 to city service costs to determine if the project's tax revenues will be sufficient to fund the project's need for city services. Under the baseline scenario used in the study, the report shows that at buildout East Area 1 will annually generate approximately \$2.5 to \$3.0 million in gross revenues with annual service costs of approximately \$1.8 million. Thus an estimated surplus of \$800,000 to \$1.2 million surplus is anticipated. Based on the assumed phasing and buildout schedule, there are annual shortfalls in years 5, 6 and 7 of the project of approximately \$630,000. The project Development Agreement requires the Applicant (Limoneira Company) to cover this shortfall.

SECTION 6: Water Supply Assessment Findings. The Planning Commission makes the following findings:

- A. Based on analysis contained in Exhibit "D", which is incorporated by reference, the entire record, and in accordance with Water Code § 10911(C), the Planning Commission finds that projected water supplies are sufficient to satisfy the demands of the Project and existing and future planned uses. In partial support of this finding, the Planning Commission finds the following matters of note in the overall record:
1. The City of Santa Paula is identified as the public water supplier for the Project;
 2. The City's Municipal water supplies are derived from groundwater contained within the Santa Paula Groundwater Basin which is recharged by Santa Clara River, Santa Paula Creek, and other local streams. The groundwater is pumped from City-operated water wells. A total of five (5) active wells located throughout the City (Wells 1-B, 11, 12, 13, and 14) are utilized and which can produce up to 10.6 million gallons per day. The City currently has access to 5,412 acre-feet per year (AFY) from the Santa Paula Groundwater Basin. Additional City municipal water supplies include a wheeling agreement with Farmers Irrigation Company to purchase 500 AFY from Santa Paula Creek. Therefore, the City's combined water supply is 5,912 AFY. These water supplies are treated before to distribution via the City's water conditioning

facilities (Well 12 Water Conditioning Facility and the Steckel Water Conditioning Facility).

3. Potable water supplies within the project site are derived from three on-site wells located within the south central portion of the project site. These wells draw from the Santa Paula and Fillmore Groundwater Basins, respectively and supply the domestic and agricultural needs of the project site. Currently, a total of 405 acres are under agricultural production with the remainder comprised of non-irrigated open space and urban uses (associated with ranch operations). The Applicant has a combined on-site groundwater allocation of 1,283.1 AFY from the Santa Paula Groundwater Basin and a total of 329 AFY from the Fillmore Groundwater Basin. Therefore, the combined groundwater sources available on-site from these basins is 1,612.1 AFY.
4. An analysis prepared by the City's Public Works Department and contained within the Water Supply Assessment and Verification for the East Area 1 Specific Plan (see Appendix Q of the DEIR) indicates that the proposed land uses would require from 1,744.4 AFY to 1,359.2 AFY of potable water. Of this total, between 866.0 AFY and 1,050.5 AFY is potable water demand and 308.7 AFY is non-potable water demand for irrigation of parks, athletic fields, and agricultural preserve. The City would supply the portions of the project overlying the respective groundwater basins with water from those basins. This will require between 854.0 AFY and 983.5 AFY of groundwater production from the Santa Paula Basin and between 320.7 AFY and 375.3 AFY of groundwater production from the Fillmore Basin. These supplies would be derived via five new on-site wells (two standby wells). Water supplied from these wells would be treated at the City's existing Steckel Conditioning Facility and distributed via the City existing distribution system and the project site.
5. Based upon the analysis contained within the Water Supply Assessment and Verification for the East Area 1 Specific Plan, the City of Santa Paula will have sufficient right to extract the necessary 1,744.4 AFY to 1,359.2 AFY from the project site to serve the proposed East Area 1 Specific Plan, based on the parameters of the existing basin management program, the nature of the existing use programs implemented by the City, and the proposed transfer of sufficient quantities of groundwater rights to serve the proposed subdivision without decreasing availability of water supply for its existing customers. Therefore, the City will have sufficient water supplies to meet the anticipated demand during normal, single dry and multiple dry years.

6. In accordance with SPMC § 52.021, landowners or developers are required to transfer their groundwater rights to the City as a condition of project approval. The East Area 1 Specific Plan Area has an adjudicated groundwater right to produce from the Santa Paula Basin, and an overlying groundwater right to produce groundwater from the Fillmore Basin. Upon annexation, the Applicant must transfer a portion of these rights in sufficient quantity to meet all of the anticipated water demands of the project in accordance with the DA.

SECTION 7: Recommendations. The Planning Commission recommends that the City Council:

- A. Certify the Water Supply Assessment entitled "Revised Draft Water Supply Assessment and Verification for the East Area 1 Specific Plan Project", and dated February 2008.
- B. Modify Figure LU-4 and LU-5 (subject to voter approval) as well as land use text for the East Area 1 Expansion Area, adds new figure LU-5A detailing the land uses and densities for the EA1SP and modify Land Use Element text to include a new "Specific Plan Areas" section which details the East Area 1 Specific Plan land uses (see attached and Exhibits "E", "F" and "G") which are incorporated by reference;
- C. Revise Figure CI-3 Circulation Plan Map to show East Area 1 access points. Modify Circulation Element table CI-3 Trip Generation Development Potential and CI-5 Buildout Average Daily Trip Traffic Volumes (see Exhibits "H", "I" and "J").
- D. Allocate 1500 Growth Management Allocations for the proposed Project in accordance with SPMC Chapter 16.106. The Planning Commission notes that there are 1,785 allocations available at this time, but additional allocations will become available over the term of the Project.
- E. Adopt the EA1SP (SP-3), dated November 2007, as the rezoning for the Property within the Specific Plan boundaries, with a total of 1,500 dwelling units, 150,000 square feet of light industrial, 285,000 square feet of commercial, 375,800 square feet of civic, 66.8 acres of parkland & greenways, 55 acres of Agricultural Preserve (proposed to be actively farmed) and 80 acres of natural open space. The area will be designated *East Area 1 Specific Plan SP-3* on the City's zoning map as shown in attached Exhibit "K", subject to the conditions set forth in attached Exhibit "M".
- F. Authorize the Mayor to execute the DA on the City's behalf. The City Manager, or designee, is authorized to execute amendments or operative

memoranda as permitted by the DA, in a form approved by the City Attorney.

- G. Authorize the City Manager, or designee, to file an application with LAFCO for the purpose of reorganizing (annexing) the Property, including the land shown on Exhibit "L", within the City's jurisdiction in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

SECTION 8: *Reliance on the Record.* Each and all of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 9: *Limitations.* The Planning Commission's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the lack of knowledge of future events. In all instances, best efforts were made to form accurate assumptions.

SECTION 10: *Summaries of Information.* All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 11: This Resolution will become effective immediately upon adoption and remain effective unless superseded by a subsequent resolution.

SECTION 12: The Commission Secretary is directed to mail a copy of this Resolution to the Applicant and the Representative and to any other person requesting a copy.

SECTION 13: This Resolution may be appealed within ten (10) calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED AND ADOPTED this 25th day of February, 2008.

Michael Sommer,
Chairperson

ATTEST:

Secretary
City of Santa Paula Planning Commission

APPROVED AS TO FORM:

Karl H. Berger,
City Attorney

EXHIBIT A
GENERAL PLAN AMENDMENTS

EXHIBIT A
GENERAL PLAN ELEMENT AMENDMENTS

Amendment A Land Use Element, Section III.B. "East Area 1", page LU-22, text revised.

~~**East Area 1.** Approximately 541 acres of land are located to the east of Santa Paula Creek to Haun Creek, the eastern boundary. Most of the land is located to the north of the railroad tracks and SR 126. Primary access to town should be taken by extending Santa Paula Street. Additional road connections to SR 126 should also be developed. A multi-purpose trail should link East Area 1 to neighborhoods in Santa Paula Canyon via a trail only bridge spanning Santa Paula Creek. The development would have minimal impacts on traffic on SR 126. Extension of sewer service to this site would be costly due to its distant location from the treatment plant and trunk lines. Other utilities, however, would be relatively easier to provide. Expansion into East Area 1 would result in conversion of existing agricultural lands. The site is within the Santa Paula-Fillmore greenbelt, so amendment of the agreement would be necessary. The impact on wildlife would be low because of the area's current agricultural use, which provides no significant habitat value. Drainage would be to the Santa Clara River without significant impact on the City. The site is in the Santa Paula Creek flood plain. Santa Paula creek is slated for improved flood control facilities in 1997-1998 and 1998-1999 by the Corps of Engineers.~~

East Area 1 Specific Plan (SP-3). Approximately 501 acres located east of Santa Paula Creek, west of Haun/Orcutt Creeks, south of the Topatopa Mountains and north of Telegraph Road. Hallock and Santa Paula Creek Drives will provide the primary north-south vehicular access, while Teague-McKevett and Santa Paula Boulevards will provide primary east-west access. In addition, a bridge across Santa Paula Creek will be constructed along Santa Paula Street. The infrastructure plan includes both on- and off-site improvements including, domestic water conveyance and storage systems, five new water wells, recycled water facilities, sewer conveyance including force main and sewer lift station and storm water conveyance and detention. Water would be supplied via existing groundwater resources and are adequate to supply the proposed land uses. Water supplies would be transferred to the City, per Section 52.021 of the Santa Paula Municipal Code. Utility and service systems would also be provided (including standard utilities) and include a police substation, fire station, elementary school, high school and post-secondary institution/community college.

Amendment B Land Use Element, Table LU-5: “Land Uses and Build-Out for the Expansion Areas”, page LU-24.

Table LU-5. Land Uses and Build-Out for the Expansion Areas

Expansion Area	Acreage/Use	Buildout	Gross Density
Adams Canyon 5,413 acres	4,694 acres/SFR	1,980 dwelling units	0.42 acres
	15 acres/MFR	180 dwelling units	13.3 du per acre
	5 acres/MFR	90 dwelling units	20 du per acre
	10 acres / neighborhood comm.	152,460 SF	0.35 FAR
	25 acres/schools	2 schools	12.5 acres per school
	34 acres active parks	park and recreation	n/a
	230 acres resort hotel with golf course	hotel/golf course	200 room hotel
	150 acres/hotel and golf	Golf course/recreational amenity	n/a
	220 acres/passive open space	open space	n/a
Fagan Canyon 543.5 acres	543.5/SFR	10 dwelling units	0.02du per acre
East Area 1 541 acres	342 acres/SFR	742 dwelling units	2.2 du per acre
	20 acres/MFR	90 dwelling units	5 du per acre
	5 acres/MFR	68 dwelling units	15 du per acre
	10 acres/school	one school	10 acres per school
	13.5 acres active park	park and recreation	n/a
	150 acres/hotel and golf	hotel and golf	n/a
East Area 1 501 acres	SFR/MFR	1,500 dwelling units	n/a
	10.8 acres	Elementary school	n/a
	8.3 acres	High School	n/a
	14.1	Post-secondary facility/community college	n/a
	55 acres	Agricultural Preserve	n/a
	79 acres	Open Space	n/a
	Light Industrial	150,000	n/a
	Commercial	285,000	n/a
	Civic	375,800	n/a
East Area 2 26 acres (plus 110 acres in 1978 SOI)	50 acres/Highway commercial	544,500 SF	0.25 FAR
	55 acres/light Ind./R+D	718,740 SF	0.30 FAR
	31 acres/Industrial	337,590 SF	0.25 FAR
West Area 2*125 acres (plus 68 in 1978 SOI)	125 acres/Light Ind./R+D	1,905,750 SF	0.35 FAR
South Mountain 1,292 acres	15 acres / active parks (6 soccer fields)	park/recreation	n/a

	Approx. 100 acres / regional park (staging area for canyon hiking trails)	park/recreation	n/a
	remainder retains current uses	current uses	n/a

Source: Santa Paula General Plan Advisory Committee, City of Santa Paula Planning Department, Rincon. Consultants. Total housing buildout is 10% lower than Advisory Committee recommendations to accommodate. Growth Management Ordinance caps through the 2020 planning horizon. Note that the Single Family Residential use category includes all land not designated for other uses. Therefore, gross densities are low because of incorporation of undevelopable hillside and open space areas.

* Buildout of East Area 2 and West Area 2 incorporate 1978 Sphere of Influence acreage that is vacant or developed in agricultural uses.

Amendment C Land Use Element, Section IV.I., page LU-40, text revision.

Special Study Areas. Special Study Areas are those areas within the City General Plan area that require special policy consideration and standards. This Land Use Element presents some specific policies for these Special Study Areas. Further study and recommendations in these areas may be developed within the 2020 planning horizon. The areas include the Downtown Design Development/Improvement Plan Area, the Harvard Boulevard Corridor, the Railroad Corridor, the South East Neighborhood, and City Entrances/Gateways.

~~Specific Plan Areas. The Land Use element requires Specific Plans for all expansion areas. These plans must be completed prior to review of Annexation proposals by the City Each Specific Plan will address the locations for the land uses called for in this Element. Mitigation of environmental impacts and design standards for new development must also be addressed.~~

J. Specific Plan Areas

The Land Use Element requires Specific Plans for all expansion areas. These plans must be completed before the City considers annexation proposals. Each Specific Plan must address locations for land uses identified by this Land Use Element. Mitigation of environmental impacts and design standards for new development must also be addressed.

The following Specific Plan Areas are approved by the City of Santa Paula:

East Area 1 Specific Plan (SP-3). Approximately 501 acres located east of Santa Paula Creek, west of Haun/Orcutt Creeks, south of the Topatopa Mountains and north of Telegraph Road. Hallock and Santa Paula Creek Drives will provide the primary north-south vehicular access, while Teague-McKevett and Santa Paula Boulevards will provide primary east-west access. In addition, a bridge across Santa Paula Creek will be constructed along Santa Paula Street. The infrastructure plan includes both on- and off-site improvements including, domestic water conveyance and storage systems, five new water wells, recycled water facilities, sewer conveyance including force main and sewer lift station and

storm water conveyance and detention. Water would be supplied via existing groundwater resources and are adequate to supply the proposed land uses. Water supplies would be transferred to the City, per Section 52.021 of the Santa Paula Municipal Code. Utility and service systems would also be provided (including standard utilities) and include a police substation, fire station, elementary school, high school and post-secondary institution/community college.

EXHIBIT B
GENERAL PLAN CONSISTENCY
Previously provided in the Final Environmental Impact Report

EXHIBIT C
EAST AREA 1 FISCAL IMPACT ANALYSIS

East Area One Specific Plan Fiscal Analysis of Annexation City of Santa Paula

Prepared for:

Limoneira Company
1141 Cummings Road
Santa Paula, California 93060

Parkstone Companies
860 Hampshire Road, Suite U
Westlake Village, California 91361

November 12, 2007

SRHA Job #1115

CONTENTS

TABLES	ii
CHAPTER 1 INTRODUCTION	1
1.1 Background	1
1.2 Approach	2
1.3 Summary	2
1.4 Report Organization	5
CHAPTER 2 PROJECT DESCRIPTION	6
2.1 Project Location	6
2.2 Estimated Development	6
2.3 Infrastructure	10
2.4 Assessed Valuation	10
CHAPTER 3 CITY OF SANTA PAULA FISCAL ASSUMPTIONS	17
3.1 General Assumptions	17
3.2 Revenue Assumptions	19
3.3 Cost Assumptions	25
CHAPTER 4 CITY OF SANTA PAULA FISCAL ANALYSIS	28
4.1 Cumulative Fiscal Analysis	28
4.2 Potential Impact of Proposition 13 Property Tax Limitations	29
CHAPTER 5 FISCAL ANALYSIS WITH HOUSING SENSITIVITY RUNS	34
5.1 Cumulative Fiscal Analysis	34
APPENDIX A SUPPORTING TABLES FOR FISCAL ANALYSIS	43
APPENDIX B FISCAL IMPACTS AND PROPOSITION 13	59
APPENDIX C PERSONS AND AGENCIES CONTACTED	66

TABLES

1-1	Projected Annual Recurring Fiscal Impacts at Buildout	4
2-1	Proposed Residential Uses at Build-Out.....	7
2-2	Proposed Commercial and Industrial Uses at Build-Out.....	8
2-3	Preliminary Phasing	9
2-4	Estimated Parks and Greenways at Buildout.....	11
2-5	Estimated Roadways at Buildout.....	12
2-6	Estimated Roadway Phasing.....	13
2-7	Estimated Net Valuation.....	14
2-8	Valuation Assumptions for Residential and Commercial Uses.....	15
2-9	Estimated Incremental Valuation.....	16
3-1	Summary of Demographic and Economic Assumptions	18
3-2	Estimated Resident Equivalent Population Calculation	20
3-3	Summary of Recurring Revenue Factors.....	21
3-4	Calculation for Residential Turnover Rate	22
3-5	Tax Rate Area Property Tax Allocations Prior to and Upon Annexation	23
3-6	Summary of Recurring Cost Factors.....	26
4-1	Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts	30
4-2	Net Cumulative Fiscal Impact: After Road Slurry Seal and Grind & Overlay Costs	32
4-3	Housing Price Index (HPI) Oxnard-Thousand Oaks-Ventura.....	33
5-1	Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts	
	With 10% Reduction from August 2007 Housing Values.....	35
5-2	Net Cumulative Fiscal Impact: After Road Slurry Seal and Grind & Overlay Costs	
	With 10% Reduction from August 2007 Housing Values.....	37
5-3	Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts	
	With 20% Reduction from August 2007 Housing Values.....	38
5-4	Net Cumulative Fiscal Impact: After Road Slurry Seal and Grind & Overlay Costs	
	With 20% Reduction from August 2007 Housing Values.....	40
5-5	Estimated Housing Values.....	41
5-6	Median Home and Condominium Values: Ventura County & Santa Paula.....	42

CHAPTER 1 INTRODUCTION

This report presents an analysis of the fiscal impact of the proposed East Area One Specific Plan. The proposed Specific Plan Area includes approximately 501 acres located along the eastern edge of the City of Santa Paula. The analysis is presented for development over a 10-year phasing period as provided by Parkstone Companies with the fiscal analysis extended over a 20-year period.

The proposed East Area One Specific Plan would allow the development of a mixed-use community consisting of several residential neighborhoods with complementary public, commercial and light industrial uses. Development of up to 1,600 total residential units, including 100 assisted living units, would be permitted by the proposed Specific Plan. Also, the Specific Plan would allow development of an estimated 435,000 square feet of office, retail, light industrial and assisted living facilities. This total also includes about 75,000 square feet for the assisted living units. In addition, about 375,800 square feet of schools, community college and other civic uses are proposed. The population of the project at build-out is estimated at 5,275 and employment from the non-residential uses is estimated at 1,035.

Recurring fiscal impacts are projected to the City of Santa Paula upon annexation of the East Area One Specific Plan to the City of Santa Paula for the provision of municipal services such as police protection, fire protection, community services, public works maintenance, planning and building and safety and general government services. Recurring revenues and costs are projected to the City's General Fund and Gas Tax Fund. After annexation, Ventura County will continue to provide Countywide services, which are provided to all residents of the County, whether they live in cities or in unincorporated areas. The projected impacts to the County for provision of these countywide services upon annexation are not projected as part of this analysis.

1.1 Background

Although the East Area One Specific Plan Area is currently located within the unincorporated area of Ventura County, it is located within the planning area of the City of Santa Paula as defined in the City's General Plan. This site is identified as a potential expansion area in the Santa Paula General Plan. The City's General Plan requires the preparation of a Specific Plan for each potential expansion area within the City's Planning Area and a fiscal evaluation prior to consideration of

annexation. The City's General Plan also defines a City Urban Restriction Boundary that restricts the provision of urban services to land within this boundary. The East Area One Planning Area is currently located outside of this boundary.

Entitlement of this proposed project includes a General Plan Amendment to include the site within the City's Urban Restriction Boundary and amend the General Plan Land Use Map to allow the proposed uses. Subsequent to these actions by the City, the Specific Plan Area will be annexed by the City.

1.2 Approach

The fiscal analysis is based on data and assumptions from the following sources:

- City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.
- Population, housing units and persons per household from the State of California, Department of Finance (DOF), *City/County Population and Housing Estimates, January 1, 2006*.
- Employment estimates for 2005 from the Southern California Association of Governments (SCAG) *RTP (Regional Transportation Plan) 2007 Preliminary Forecasts*.
- Project land uses, valuation and infrastructure improvement information from the project proponent, and the *East Area One Specific Plan, Santa Paula*, June 1, 2006, prepared by HDR/Town Planning. Updated land uses for April 13, 2007 were used as the basis for this analysis.
- Fiscal impacts are presented over a 20-year period and assuming full build-out of the proposed land uses.
- Cost and revenue factors are projected in constant 2007 dollars with no adjustment for possible future inflation.

1.3 Summary

Fiscal impacts are presented in constant 2007 dollars for the City's General Fund and Gas Tax Fund. The projected impacts are based on the project description provided by Parkstone Companies and an analysis of the City's Fiscal Year proposed 2006-2007 Budget. Discussions with City and project team staff have assisted in developing the fiscal factors used for the analysis. One time capital fees have not been projected as part of this analysis.

Table 1-1 summarizes the projected fiscal impacts to the City after build-out and after the 20-year phasing period. The projected effect of Proposition 13 limiting housing appreciation to a 2 percent annual maximum, unless ownership is transferred for those houses that turnover, is included. The property tax valuation is projected to decline in real dollars in relationship to what the assessed valuation would have been if all the housing were at its market value.

The table also compares the sensitivity tests of a 10 percent and a 20 percent reduction in estimated market housing values. The phased fiscal analyses over a 20-year period are shown in Chapters 4 and 5. As shown, after build-out, a recurring annual surplus of \$809,214 is projected for the proposed project. This results in a revenue/cost ratio of 1.46. Key General Fund revenues include property tax, property tax in-lieu of motor vehicle license fees and sales tax from the proposed retail and light industrial uses. Major projected costs include fire, police protection and general government.

As shown in Table 1-1, the projected annual surplus declines to \$616,987, with a revenue/cost ratio of 1.35 with a hypothetical 10 percent reduction in the estimated market housing values. Also shown in Table 1-1, with a hypothetical 20 percent reduction in housing values, the projected annual surplus declines to \$424,761, with a revenue/cost ratio of 1.24. This sensitivity analysis is meant to present the potential fiscal impacts of several “what if” conditions recognizing that there are a range of assumptions and time periods that could be tested. As a result of the hypothetical reduction in valuation, several other revenues are also impacted in addition to property tax, including property transfer tax and property tax in lieu of motor vehicle license fees.

Additionally, in Chapters 4 and 5, the fiscal impacts of including phased slurry seal and grind and overlay costs are included. Typically, slurry seal is considered an operations and maintenance cost and is intended to maintain roads so that frequent full rebuilding of roads is not required. Grind and overlay costs reflect a full rebuilding of the roads and are generally considered capital costs. The fiscal analysis shows that both the projected road operations and maintenance and capital costs for the proposed project can be covered by the projected surpluses, particularly if a portion of the annual surpluses are set aside as a reserve fund to pay for future capital costs.

Table 1-1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring Fiscal Impacts at Build-Out
(In constant 2007 dollars)

Source	Build-out	Percent of Total	Build-out, with Valuation Adjustment @ 10%	Build-out, with Valuation Adjustment @ 20%
A. GENERAL FUND				
<u>General Fund Annual Recurring Revenues</u>				
Proposition 13 Adjusted Property Tax	\$832,800	32.2%	\$757,054	\$681,309
Residential Property Transfer Tax - Initial Sale	\$0	0.0%	0	0
Residential Property Transfer Tax - Turnover	\$34,356	1.3%	30,997	27,639
Property Tax in Lieu of MVLFF	\$1,139,205	44.1%	1,036,234	933,262
On-Site Sales and Use Tax	\$212,971	8.2%	212,971	212,971
Offsite Retail Sales and Use Tax	\$75,281	2.9%	65,129	54,978
Business License Fee	\$15,132	0.6%	15,132	15,132
Franchise Fees	\$68,674	2.7%	68,674	68,674
Animal Licenses	\$3,403	0.1%	3,403	3,403
Fines and Forfeitures	\$20,214	0.8%	20,214	20,214
Motor Vehicle In-Lieu Fees	\$40,722	1.6%	40,722	40,722
Prop 172-1/2 Sales Tax for Public Safety	\$41,862	1.6%	41,862	41,862
Recreation Class Admin Fees	\$4,165	0.2%	4,165	4,165
Gas Tax	<u>\$94,652</u>	<u>3.7%</u>	<u>94,652</u>	<u>94,652</u>
Total	\$2,583,438	100.0%	\$2,391,210	\$2,198,984
<u>General Fund Annual Recurring Costs</u>				
General Government	\$211,525	11.9%	\$211,525	\$211,525
Police	\$440,903	24.9%	440,903	440,903
Fire	\$819,525	46.2%	819,525	819,525
Buildings and Grounds Maintenance	\$148,986	8.4%	148,986	148,986
Other Public Works	\$14,552	0.8%	14,552	14,552
Planning/Building & Safety	\$50,518	2.8%	50,518	50,518
Community Services	<u>\$88,215</u>	<u>5.0%</u>	<u>88,215</u>	<u>88,215</u>
Total	\$1,774,223	100.0%	\$1,774,223	\$1,774,223
Annual Surplus or (Deficit)	\$809,214		\$616,987	\$424,761
Revenue/Cost Ratio	1.46		1.35	1.24

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

1.4 Report Organization

Chapter 1 provides an introduction to the East Area One Specific Plan project and a summary of the fiscal impact analysis. Chapter 2 presents the land uses, population and assessed valuation for the proposed East Area One Specific Plan. The general demographic and economic assumptions and fiscal factors are presented in Chapter 3. The fiscal impacts for the Specific Plan over the 20-year phasing period, in constant 2007 dollars, are shown in Chapter 4. Chapter 5 presents the fiscal analysis for the 10 percent and 20 percent housing sensitivity runs over a 20-year period. Appendix A presents the supporting tables for the fiscal analysis while Appendix B presents the fiscal analysis reflecting the projected impacts of Proposition 13 property tax limitations. Appendix C includes the persons and agencies contacted during preparation of this fiscal analysis.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents a description of the land uses for the East Area One Specific Plan. The annexation area of the project includes residential and non-residential uses, as well as parks and greenways, open space, roadways and drainage. The total project area encompasses about 509 acres, and is proposed to be phased over a 10-year period.

2.1 Project Location

The East Area One Specific Plan Area is located in unincorporated Ventura County at the eastern edge of the City of Santa Paula. The project site is bounded by hillside agricultural land to the north, Haun Creek to the east, Main Street and Southern Pacific Railroad to the south, and Santa Paula Creek to the west.

2.2 Estimated Development

Proposed Residential uses at build-out are presented in Table 2-1. As shown, there are an estimated 1,600 residential units of varying densities proposed for the project. This includes single-family attached, single-family detached, work-live and assisted living units. The total project population at buildout is estimated at 5,275 based on a factor of 3.52 persons per housing unit for all unit types except the work-live units and assisted living units, which assume an average of 2.00 persons per unit and 1.00 person per unit, respectively.

Proposed Non-Residential square footage is presented in Table 2-2. As shown, these uses include an estimated 435,000 square feet of office, retail, light industrial and assisted living facilities. Square footage for the work-live units are included since employment estimated for these uses is based on square footage per employee. Employment is estimated based on industry standards for the different uses and is projected to be 1,035 at build-out. Incremental residential and non-residential development over the 10-year phasing period is shown in Table 2-3.

Table 2-1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Proposed Residential Uses at Build-Out

Description	Units	Persons per Household ¹	Population
<u>Unit Type</u>			
SFA	266	3.52	936
SFD	607	3.52	2,138
Multi-Family	557	3.52	1,961
Work/Live: ED	<u>70</u>	2.00	<u>140</u>
Subtotal	1,500		5,175
Assisted Living Units (75,000 square feet)	<u>100</u>	<u>1.00</u>	<u>100</u>
Total	1,600		5,275

1. Population is projected based on the Department of Finance, January 1, 2006 estimated average persons per household of 3.52 for all units except Work/Live and Assisted Living.

Sources: Stanley R. Hoffman Associates, Inc.
HDR/Town Planning. April 13, 2007.
California Department of Finance.

Table 2-2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Proposed Commercial and Industrial Uses at Build-Out

Description	Total ¹	Office	Retail	Industrial	Assisted Living	Work/Live Units ¹
<u>A. Land Uses</u>		<u>Square Feet</u>				
Haun Creek Neighborhood	225,000	60,000	90,000		75,000	
East Santa Paula Railroad District	210,000	40,000	20,000	150,000		70,000
Total	435,000	100,000	110,000	150,000	75,000	70,000
<u>B. Employment</u>		<u>Employment</u>				
Square Feet per Employee	n/a	250	500	750	1,000	500
Employment	1,035	400	220	200	75	140

1. Square footage for Work/Live units is not included in the total square feet, but are included here as part of the total employment estimate. Work/Live units are included within the residential unit total.

Source: Stanley R. Hoffman Associates, Inc.
HDR/Town Planning. June 28, 2006.

Table 2-3
East Area One Specific Plan
Preliminary Phasing

I. Residential Planning Area	Neighborhood/District	1	2	3	4	5	6	7	8	9	10	TOTAL
A	Santa Paula Creek Neighborhood											
	SFD	123	15	123	123	123	109	109	55	63	0	326
	SFA	15	15	15	15	15	64	64	32	31	0	191
B	Foothill Neighborhood											
	SFD	0	0	0	0	0	0	0	120	119	0	369
	SFA	0	0	0	0	0	0	0	108	108	0	323
D	Hahn Creek Neighborhood:											
	SFD	123	15	123	123	123	65	65	0	0	0	745
	SFA	15	15	15	15	15	9	9	0	0	0	93
E	East Santa Paula Railroad District											
	Work/Live	0	0	35	35	35	0	0	0	0	0	70
	MF	89	89	89	89	89	46	46	0	0	0	537
TOTAL RESIDENTIAL UNITS		123	123	168	123	123	209	174	175	173	119	1,500
TOTAL ASSISTED LIVING UNITS		0	0	0	0	0	0	0	0	0	0	0
TOTAL UNITS		123	123	168	123	123	209	274	175	173	119	1,600

II. Commercial/Industrial Planning Area	Neighborhood/District	1	2	3	4	5	6	7	8	9	10	TOTAL
D	Hahn Creek Neighborhood:											
	Office	0	0	0	0	90,000	0	115,000	0	0	20,000	225,000
	Neighborhood Retail Assisted Living (100 units)	0	0	0	0	60,000	0	40,000	0	0	20,000	60,000
E	East Santa Paula Railroad District											
	Office	0	0	50,000	0	0	50,000	0	20,000	50,000	40,000	210,000
	Support Retail Industrial	0	0	50,000	0	0	50,000	0	20,000	20,000	20,000	40,000
TOTAL COMMERCIAL/INDUSTRIAL SQ. FT.		0	0	50,000	0	90,000	50,000	115,000	20,000	50,000	60,000	435,000

Source: Stanley R. Hoffman Associates, Inc.
Parkstone Companies.

2.3 Infrastructure

Detailed parks and greenways planned for the project are shown in Table 2-4. As shown, an estimated 65.80 acres of parks and greenways are planned for the project. About 8.37 acres of the total 65.80 park acres will be public and maintained by the City, with the remainder to be privately maintained.

Table 2-5 presents the detailed roadway calculations by thoroughfare. About 54,893 lineal feet of roadways are planned for the East Area One Specific Plan. As shown in Table 2-6, this represents about 20.79 lane miles of roads phased over the 10-year period (assuming 2-lane roads.) These roads will be publicly maintained; including street maintenance and street sweeping. At this time there are two new signalized intersections identified for the project. Drainage, parkway landscaping along major roadways and street lighting will be covered by a Landscape Maintenance District (LMD).

2.4 Assessed Valuation

Projected property tax to the City of Santa Paula is based on the total project net assessed valuation after annexation. Since the project area is currently in the unincorporated area of Ventura County, the County is the local jurisdiction that is currently receiving property tax.

As shown in Table 2-7, the total new valuation at build-out for the East Area One Specific Plan is estimated at \$854.59 million, including residential valuation of \$784.39 million and non-residential development of \$70.20 million. As shown, the estimated new valuation less the existing valuation of the project area results in an estimated total net valuation of \$848.05 million. The existing valuation of the project area is estimated at about \$6.54 million. Detailed information about existing valuation is presented in Table A-1.

As shown in Table 2-8, the average valuation per unit ranges from \$250,000 for an assisted living or work-live unit to an estimated at \$769,000 for a single-family detached unit based on valuations provided by Parkstone Companies. Commercial valuation is estimated based on \$100 per square foot for light industrial uses, \$145 per square foot for commercial uses and \$330 per square foot for assisted living uses. Table 2-9 shows the incremental valuation for both residential and non-residential development over the 10-year phasing period.

Table 2-4
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Parks and Greenways at Build-Out

Planning Area	Parks & Greenways	Acres	Public Maintenance	Private Maintenance
A: Santa Paula Creek Neighborhood	Santa Paula Creek Greenway N	2.81		2.81
	Neighborhood Park 1	1.38		1.38
	Neighborhood Park 2	0.74		0.74
	Paseo 1	0.11		0.11
	Paseo 2	0.10		0.10
		5.14		5.14
B: Foothill Neighborhood	Neighborhood Park 1	1.36		1.36
	Neighborhood Park 2	1.09		1.09
	Neighborhood Park 3	0.72		0.72
	Neighborhood Park 4	0.98		0.98
	Haun Creek Greenway N	7.26		7.26
		11.41		11.41
C: Santa Paula Creek Civic District¹	Santa Paula Creek Greenway S	2.70		2.70
	Community Park N	7.51	7.51	
	Community Park S	0.86	0.86	
	Boomerang Green	0.88		0.88
		11.95	8.37	3.58
	Central Green	2.55		2.55
	Park Block 1	0.88		0.88
	Park Block 2	0.55		0.55
	Santa Paula Plaza	0.83		0.83
	Paseo	0.19		0.19
	Haun Creek Greenway S	32.30		32.30
		37.30		37.30
Totals [ac]		65.80	8.37	57.43

1. The 8.37 acres of public parks are assumed to be phased at the start of development in year 3.

Source: Stanley R. Hoffman Associates, Inc.
HDR Town Planning.

**Table 2-5
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Roadways at Build-Out**

Right of Way Description	Width in Feet			Road Lineal Feet by Planning Area					Total Lineal Feet
	Parkway	Median	Trail	A	B	C	D	E	
Hallock Main Street	0	0	0	0	0	0	1,173	297	1,470
Hallock Boulevard	16	22	0	0	0	0	857	0	857
Hallock Drive	16	34	8	3,229	0	0	0	0	3,229
Hallock Plaza	0	0	0	0	0	0	225	225	450
Santa Paula Boulevard	16	12	0	0	0	841	0	862	1,703
Santa Paula Creek Drive	16	12	0	0	0	1,727	0	0	1,727
Park Blocks	16	0	0	0	0	0	660	0	660
Palm Avenue	30	0	0	0	0	0	903	0	903
Central Green	0	0	0	0	0	919	1,075	0	1,994
Teague McKeveatt Boulevard	16	22	0	891	558	706	743	0	2,898
Neighborhood Street 1	16	0	0	7,044	7,646	4,439	8,230	0	27,359
Neighborhood Street 2	23	0	0	0	8,902	0	0	0	8,902
Triangle Green	8	0	0	0	690	0	0	0	690
Neighborhood Green	8	0	0	2,051	0	0	0	0	2,051
Alley	0	0	0	0	0	0	0	0	0
TOTAL				13,215	17,796	8,632	13,866	1,384	54,893

Source: Stanley R. Hoffman Associates, Inc.
Parkstone Companies.

Table 2-6
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Roadway Phasing

Planning Area	1	2	3	4	5	6	7	8	9	10	TOTAL
A						13,215					13,215
B								17,796			17,796
C	8,632										8,632
D	13,866										13,866
E			1,384								1,384
Total Lineal Feet	22,498	0	1,384	0	0	13,215	0	17,796	0	0	54,893
Lane Miles ¹	8.52	0.00	0.52	0.00	0.00	5.01	0.00	6.74	0.00	0.00	20.79
Signalized Intersection	1						1				2

1. Assumes that all roads have two lanes.

Source: Stanley R. Hoffman Associates, Inc.
 Parkstone Companies.

Table 2-7
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Net Valuation
(In Constant 2007 dollars)

<u>New Valuation</u>	
Residential	\$784,387,000
Non-Residential	<u>\$70,200,000</u>
Total	\$854,587,000
<u>Existing Valuation</u>¹	(\$6,535,635)
<u>Total Net Valuation</u>	\$848,051,365

1. Detailed information about existing valuation is presented in Table A-1.

Source: Stanley R.Hoffman Associates, Inc.
County of Ventura Assessor, 2005-2006 Tax Year.

Table 2-8
East Area One Annexation Fiscal Analysis
City of Santa Paula
Valuation Assumptions for Residential and Commercial Uses
(In Constant 2007 dollars)

Description	Average Price
<u>Residential Valuation</u>	
	<u>Per Unit</u>
SF detached	\$769,000
SF attached	\$484,500
Multi-family	\$301,000
Work-Live	\$250,000
Assisted Living Units	\$250,000
<u>Commercial Valuation</u>	
	<u>Per Sq. Ft.</u>
Industrial Valuation per square foot	\$100
Commercial Valuation per square foot	\$145
Assisted Living Units	\$330

Source: Parkstone Companies

Table 2-9
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Incremental Valuation
(in constant 2007 dollars)

	1	2	3	4	5	6	7	8	9	10	TOTAL
I. Residential Planning Area											
A Santa Paula Creek Neighborhood											
SFD	\$0	\$0	\$0	\$0	\$0	\$69,734,000	\$69,734,000	\$35,201,000	\$33,947,500	\$0	\$208,616,500
SFA	\$0	\$0	\$0	\$0	\$0	\$49,216,000	\$49,216,000	\$24,608,000	\$23,839,000	\$0	\$146,879,000
MF	\$0	\$0	\$0	\$0	\$0	\$18,411,000	\$18,411,000	\$9,680,000	\$9,205,500	\$0	\$55,717,500
	\$0	\$0	\$0	\$0	\$0	\$2,107,000	\$2,107,000	\$903,000	\$903,000	\$0	\$6,020,000
B Foothill Neighborhood											
SFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,866,000	\$88,866,000	\$88,097,000	\$265,829,000
SFA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,052,000	\$83,052,000	\$82,283,000	\$248,387,000
MF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,814,000	\$5,814,000	\$5,814,000	\$17,442,000
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D Hahn Creek Neighborhood:											
SFD	\$47,529,500	\$47,529,500	\$47,529,500	\$47,529,500	\$47,529,500	\$25,612,000	\$25,612,000	\$0	\$0	\$0	\$288,871,500
SFA	\$11,535,000	\$11,535,000	\$11,535,000	\$11,535,000	\$11,535,000	\$6,921,000	\$6,921,000	\$0	\$0	\$0	\$71,517,000
MF	\$9,205,500	\$9,205,500	\$9,205,500	\$9,205,500	\$9,205,500	\$4,845,000	\$4,845,000	\$0	\$0	\$0	\$55,717,500
	\$26,789,000	\$26,789,000	\$26,789,000	\$26,789,000	\$26,789,000	\$13,846,000	\$13,846,000	\$0	\$0	\$0	\$161,637,000
E East Santa Paula Railroad District											
Work/Live	\$0	\$0	\$10,535,000	\$0	\$0	\$10,535,000	\$0	\$0	\$0	\$0	\$21,070,000
	\$0	\$0	\$10,535,000	\$0	\$0	\$10,535,000	\$0	\$0	\$0	\$0	\$21,070,000
TOTAL BY YEAR	\$47,529,500	\$47,529,500	\$68,064,500	\$47,529,500	\$47,529,500	\$105,881,000	\$95,346,000	\$124,067,000	\$122,813,500	\$88,097,000	\$784,387,000
II. Commercial/Industrial Planning Area											
D Hahn Creek Neighborhood:											
Office	\$0	\$0	\$0	\$0	\$13,050,000	\$0	\$30,550,000	\$0	\$0	\$2,900,000	\$46,500,000
Retail	0	0	0	0	8,700,000	0	0	0	0	0	8,700,000
Assisted Living (100 units)	0	0	0	0	4,350,000	0	5,800,000	0	0	2,900,000	13,050,000
	0	0	0	0	0	0	24,750,000	0	0	0	24,750,000
E East Santa Paula Railroad District											
Office	\$0	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$2,900,000	\$5,000,000	\$5,800,000	\$23,700,000
Retail	0	0	0	0	0	0	0	2,900,000	0	2,900,000	5,800,000
Industrial	0	0	5,000,000	0	0	0	0	0	0	2,900,000	2,900,000
	0	0	5,000,000	0	5,000,000	0	0	0	5,000,000	0	15,000,000
TOTAL BY YEAR	\$0	\$5,000,000	\$0	\$0	\$13,050,000	\$5,000,000	\$30,550,000	\$2,900,000	\$5,000,000	\$8,700,000	\$70,200,000

Source: Stanley R. Hoffman Associates, Inc.
Limoneira Company

CHAPTER 3 CITY OF SANTA PAULA FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the fiscal impact analysis of the proposed project. The general demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs. The City's adopted revenues and costs for fiscal year (FY) 2006-07 as presented in the *City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007* and discussions with key City staff are the sources for calculating fiscal factors.

3.1 General Assumptions

Fiscal impacts are projected based on a per capita, per employee, or per resident equivalent population basis. The resident equivalent population is the City's population plus the estimated non-residential employment weighted at 50.0 percent. This weighting accounts for the estimated less frequent use of City public services by employment versus the resident population. General fund revenue and cost factors were estimated by dividing the FY 2006-07 budget categories by the City's resident population, employment or total resident equivalent population where appropriate. Table 3-1 provides the general assumptions for this fiscal analysis.

Population. As shown in Table 3-1, the State Department of Finance (DOF) estimates the City of Santa Paula's January 1, 2006 total population at 29,133. This total City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented Motor Vehicle License fees and State gas taxes. The total City population also includes about 243 persons living in group quarters, resulting in an estimated household population of 28,890.

Employment. For fiscal factors that are only impacted by employment, such as business license fees, the City's total employment is used as the basis for calculating the factor. The Southern California Association of Governments' (SCAG) 2007 preliminary forecasts provide an estimated total City employment estimate of 8,550 for 2005.

Resident Equivalent Population. Several revenues and costs are impacted by both population and employment growth. Therefore, these fiscal factors are estimated by allocating total budgeted revenues or costs to both population and employment. As shown in Table 3-1, an estimated resident equivalent population of 32,094 was used to calculate the fiscal factors that apply to both population

Table 3-1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Summary of Demographic and Economic Assumptions

Assumption	Description
<u>Population and Housing¹</u>	
29,133	Total Resident Population
<u>243</u>	Group Quarters
28,890	Household Population
8,219	Total Occupied Housing Units
3.52	Average Household Size
2.00	Average Household Size: Work/Live
1.00	Average Household Size: Assisted Living
<u>Employment</u>	
8,550	Total Employment ²
5,923	Estimated Non-Resident Employment (Place of Work, Census 2000)
2,961	Non-resident employment at 50% ³
<u>Population and Employment</u>	
32,094	Total Resident Equivalent Population (Population + Non-Res. Employment @ 50%)
90.8%	Percent of Residential Population to Total Resident Equivalent Population

- Notes: 1. Population and housing estimates are from the California Department of Finance estimates as of January 1, 2006.
2. The mid-2005 total employment estimate is based on the Southern California Association of Governments (SCAG) RTP 2007 Preliminary Forecasts.
3. The non-resident employment of 5,923 is weighted by 50% to account for the estimated less frequent use of City public services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census 2000 (SF3).

Southern California Association of Governments, *RTP 2007 Preliminary Forecasts.*

and employment. This includes the resident population of 29,133 and the estimated weighted non-resident employment of 2,961. As shown in Table 3-2, according to Census 2000 data, about 30.7 percent of the City's labor force worked in their place of residence, or 69.3 percent of the total labor force worked outside their place of residence. This results in an estimate of 5,923 jobs in the City that are held by non-residents (69.3 percent of 8,550). This number is then weighted by 50.0 percent to account for the less intense use of City services by employment when compared to residents.

Housing Units. According to DOF estimates for the City of Santa Paula as of January 1, 2006, occupied housing units are estimated at 8,219.

Persons per Household. DOF estimates the average persons per household at 3.52 for the City of Santa Paula for January 1, 2006. This estimate is based on the household population estimate of 28,890 and the occupied housing unit estimate of 8,219. The persons per household factor are used to estimate incremental population growth associated with residential development for all units except for the work-live units and assisted living units. Population for the work-live units was estimated at an average of 2.00 persons per household and population for the assisted living units was estimated at 1.00 person per household.

3.2 Revenue Assumptions

The General Fund revenue factors used in preparing the fiscal analysis for the East Area One Specific Plan are presented in Table 3-3. This includes annual recurring revenues to the City's General Fund and Gas Tax fund. One-time and non-recurring revenues, such as such as permit fees, grants and reimbursements, are typically excluded from the recurring General Fund revenue estimates. The City's 2006-07 General Fund revenues are shown in Table A-2.

Property Taxes. Property tax revenues are projected based on the City's estimated share of the 1 percent property tax levy for the East Area One Specific Plan. As shown in Table 3-5, based on the Master Property Tax Agreement between the County of Ventura and the City of Santa Paula, the fiscal analysis assumes that upon annexation, 13.74 percent of the current allocation of 20.91 percent to the County General Fund will shift to the City of Santa Paula General Fund. In addition to this shift, the City will receive the total current property tax allocation to the County Fire Department (15.41 percent) because the City will assume provision of fire services upon annexation. The total property tax allocation to the City upon annexation is estimated at about 18.29 percent of the basic

Table 3-2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Resident Equivalent Population Calculation

<u>Labor Force: total workers 16 years and over</u>		
Worked in place of residence	3,372	30.7%
Worked outside place of residence	<u>7,601</u>	69.3%
	10,973	
Estimated Employment (SCAG, 2005)	8,550	100.0%
Estimated non-residential employment	5,923	69.3%
Non-residential employment at 50%	2,961	
Resident Population	29,133	
Total Resident Equivalent Population	32,094	

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census 2000 (SF3).
Southern California Association of Governments, *RTP 2004 Projections*.

one percent property tax levy. The current allocations for Tax Rate Area (TRA) 81002 in the County of Ventura are shown in Table A-3.

Real Property Transfer Tax. Sales of real property are taxed by the County of Ventura at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on data from the 2000 Census, residential development is assumed to change ownership at an approximate average rate of about 8.0 percent per year, as shown in Table 3-4. Turnover was estimated based on the most recent Census data provided, which was all of 1999 and through March 2000, or 15 months. Property transfer tax is also assumed upon the initial sale of the residence, or in the first year. Turnover is assumed in the subsequent years after the initial sale and is assumed at an average rate of 8.0 percent per year. Although there is some property transfer tax associated for non-resident development, it is minimal and is not estimated for this analysis.

Table 3-3
East Area One Annexation Fiscal Analysis
City of Santa Paula
Summary of Recurring Revenue Factors
(In Constant 2007 dollars)

General Fund	FY 2006-07 Adopted Budget	Projection Basis ¹	Projection Factor
A. GENERAL FUND			
Property Taxes	\$4,753,300	Assessed Valuation	18.29% GF allocation of 1% levy upon annexation
Real Property Transfer Tax	\$65,000	Property turnover assumptions	8.0% Annual Residential turnover rate 0.0% Annual Non-resident turnover rate
Property Tax in Lieu of MVLFF ²	\$1,680,000	Assessed Valuation	\$1,349 per \$1,000,000 increase in assessed valuation
Sales and Use Tax	\$1,522,500	Taxable Sales	1.0% of taxable sales 10.8% Use tax
Business License Fee	\$125,000	Employment	\$14.62 per employee
Franchise Fees	\$380,500	Resident Equivalent Population	\$11.86 per resident equivalent population
Animal Licenses	\$19,000	Household Population	\$0.66 per capita
Fines and Forfeitures	\$112,000	Resident Equivalent Population	\$3.49 per resident equivalent population
Motor Vehicle In-Lieu Fees	\$224,902	Population	\$7.72 per capita
Prop 172-1/2 Sales Tax for Public Safety	\$231,200	Population	\$7.94 per capita
Recreation Class Admin Fees	\$23,000	Population	\$0.79 per capita
B. GAS TAX - STREETS FUND			
State Gasoline Tax ³	\$522,750	Population	\$17.94 per capita

- Notes: 1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied to the estimated project's resident equivalent population, which represents the total population plus 50% of the estimated non-resident employment.
2. The State has lowered the MVLFF rate, which reduces the amount of MVLFF received by cities counties. However, they will provide property taxes to offset the MVLFF backfill. This amount will change according to the growth of gross assessed valuation for the City.
3. These funds are specially earmarked for road related expenses.

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table 3-4
East Area One Annexation Fiscal Analysis
City of Santa Paula
Calculation for Residential Turnover Rate

Total:	8,157		
Owner occupied:	4,691	Total Owner-Occupied Units: 2000	4,691
Moved in 1999 to March 2000	462	Households moved 1999 to March 2000	462
Moved in 1995 to 1998	1,037	Percent Turnover (15 months)	8.0%
Moved in 1990 to 1994	837		
Moved in 1980 to 1989	874		
Moved in 1970 to 1979	721		
Moved in 1969 or earlier	760		

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

Table 3-5
East Area One Annexation Fiscal Analysis
City of Santa Paula
Tax Rate Area (TRA) Property Tax Allocations Prior to and Upon Annexation

Description of Fund ¹	Tax Rate Allocations for TRA 81002		
	Prior to Annexation ²	Upon Annexation ³	
		County	City of Santa Paula
General Fund	0.20919020610	0.18044747178	0.02874273432
County Fire Protection District	0.15410800180	n/a	0.15410800180
Blanchard/Santa Paula Library District ⁴	0.01798306070	0.01798306070	n/a
County Flood Control District ⁵	0.02698754780	0.02698754780	n/a
Total			0.18285073612

- Notes: 1. Only the property tax allocations for the funds analyzed in this report are presented in this table.
2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
3. Based on the Master Property Tax Agreement between Ventura County and the City of Santa Paula, the fiscal analysis assumes that upon annexation, 13.74% of the current allocation of 20.91% to the County General Fund will shift to the City of Santa Paula General Fund. In addition to this shift, the City will receive the total current property tax allocation to the County Fire Department (15.41%) because the City will assume provision of fire services upon annexation.
4. The Blanchard/Santa Paula Library District is a special district separate from the Ventura County Library system. No jurisdictional change is assumed.
5. No jurisdictional change is assumed for the County Flood Control District.

Sources: Stanley R. Hoffman Associates, Inc.
Ventura County County Auditor-Controller, Property Tax Division, TRA allocations
Ventura County Board of Supervisors, *Resolution agreeing to negotiated exchange of property tax revenues for transfers of service responsibilities and boundary changes between the County and the City of Santa Paula.*

Property Tax in Lieu of MVLF. In FY 2005-2006, cities and counties began receiving additional property tax revenue to replace vehicle license fee revenue that was cut when the state repealed the state general fund backfill for the reduction in MVLF. This property tax in lieu of VLF grows with the change in gross assessed valuation of taxable property in the jurisdiction from the prior year. Property tax in lieu of MVLF allocations are in addition to other property tax apportionments. Estimated property tax in-lieu of MVLF revenues are projected at \$1,349 per \$1.0 million increase in assessed valuation, shown in Table A-4. These revenues are estimated at \$1.14 million at build-out.

Sales and Use Tax. Sales tax revenues to the local jurisdiction are projected at one percent of taxable sales. The City receives 1.0 percent of the taxable sales of most goods occurring within City limits. In addition to sales tax revenue, the City receives revenues from use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State BOE to counties and

cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales. Use

tax revenues to Santa Paula are estimated at an additional 10.8 percent of point-of-sale taxable sales tax. As shown in Table A-5, on-site retail taxable sales are projected at \$17.18 million at build-out, and are phased beginning in year 5. Retail taxable sales are projected for the neighborhood retail uses based on median taxable sales per square foot of \$150 and for the support retail uses based on median taxable sales per square foot of \$184, as shown in Table A-6 and Table A-7. As shown in Table A-8, non-retail taxable sales for the industrial uses are projected at \$2.11 million at build-out, and are phased in years 1, 3 and 9. Non-retail taxable sales are projected for the industrial uses based on estimated non-retail taxable sales per employee for the City of Santa Paula, or \$10,187, as shown in Table A-9.

Off-site Sales and Use Tax. Retail sales tax will also accrue to the City as a result of the new project residents shopping at the City's retail establishments. To estimate the potential off-site retail purchases of project residents, the fiscal analysis estimates that the average household income is about 25.0 percent of the average housing value. In addition, it assumes that annual household retail taxable purchases are approximately 32.0 percent of annual household income. This is based on the U. S. Bureau of Labor Statistics, *Consumer Expenditure Survey, 2001*. Table A-10 of Appendix A shows the calculation for estimated offsite taxable sales from project households. As shown, estimated annual retail taxable sales from the households vary over the 10-year phasing period, but are projected at \$45.57 million at build-out. An estimated capture rate of 15.0 percent was used by the fiscal consultant to represent future household retail purchases within the City (not captured on-site within the project area), resulting in an estimated \$6.84 million in taxable sales at build-out. This number is a net number, and accounts for the deduction of the estimated \$17.18 million of on-site taxable sales. Off-site sales tax from the residents at the assisted living facility units was not estimated as part of this calculation.

Business License Fees. Based on FY 2006-07, estimated revenues of \$125,000 and the City's total employment estimate of 8,550, business licenses are projected at \$14.62 per employee.

Franchise Fees. Based on FY 2006-07, estimated franchise revenues of \$380,500 and the resident equivalent population estimate of 32,094, franchise fees are projected at \$11.86 per resident equivalent population.

Animal Licenses. Based on FY 2006-07 estimated revenues of \$19,000 and the City's total

population estimate of 29,133, animal license revenues are projected at \$0.66 per capita.

Fines and Forfeitures. These revenues are projected at \$3.49 per resident equivalent population based on estimated FY 2006-07 revenues of \$112,000 and the City's resident equivalent population of 32,094.

Motor Vehicle In Lieu Fees. Based on FY 2006-07 estimated revenues of \$224,902 and the City's total population of 29,133, motor vehicle in lieu fees are projected at \$7.72 per capita.

Proposition 172 – ½ Cent Sales Tax for Public Safety. These revenues are projected at \$7.94 per capita based on estimated FY 2006-07 revenues of \$231,200 and the population estimate of 29,133.

Recreation Class Administration Fees. Based on FY 2006-07 estimated revenues of \$23,000 and the City's total population of 29,133, recreation class administration fees are projected at \$0.79 per capita.

State Gas Tax Fund. These revenues are projected at \$17.94 per capita based on estimated FY 2006-07 revenues of \$522,750 and the City's total population estimate of 29,133.

3.3 Cost Assumptions

The General Fund cost factors used in preparing the fiscal analysis for the East Area One Specific Plan are presented in Table 3-6. The City's FY 2006-07 estimated General Fund expenditures are the basis for the cost assumptions in the fiscal analysis, and are presented in Table A-11. As with revenue factors, cost factors become assumptions for the fiscal analysis, and are used to project recurring costs generated by population and employment growth.

General Government. General government citywide functions include several categories of administration, or indirect expenditures. General government citywide functions include City Administration and Financial Services. General government overhead costs are projected at an average rate of 16.57 percent of direct department services costs according to the City's FY 2006-2007 budget information, as shown in Table A-11. A marginal rate of 12.72 percent -- at 75 percent of the average rate -- is used in the fiscal analysis based on the assumption that not all administration costs increase directly with new growth.

Police. Based on estimated annual police costs provided by Santa Paula Police Department management staff, annual police costs is projected at \$76.12 per capita. Detailed cost calculations are presented in Table A-12. As shown, these costs are estimated based on the additional staffing, equipment and facilities needs generated as a result of the projected East Area One population.

Table 3-6
East Area One Annexation Fiscal Analysis
City of Santa Paula
Summary of Recurring Cost Factors
(In Constant 2007 dollars)

General Fund	FY 2006-07 Adopted Budget	Projection Basis ¹	Projection Factor
General Government	\$1,785,132	Percent of direct costs	12.72% City estimated overhead rate
Police ²	\$4,769,555	Case Study	\$76.12 per capita
Fire ³	\$1,719,999	Resident Equivalent Population	\$53.59 per resident equivalent population
Buildings and Grounds Maint. ⁴	\$526,459	Case Study	\$17,800.00 per public park acre
Other Public Works ⁵	\$80,628	Resident Equivalent Population	\$2.51 per resident equivalent population
Planning/Building & Safety ⁶	\$1,347,202	Resident Equivalent Population	\$8.72 per resident equivalent population
Community Services	\$487,196	Population	\$16.72 per capita

Note: 1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied to the estimated project's resident equivalent population, which represents the total population plus 50% of the employment.

2. Police costs are estimated based on information provided by the City's Police Chief as shown in Table A-12.
3. Fire costs are estimated based on information provided by the Santa Paula Fire Department as shown in Table A-13.
4. Park maintenance costs are estimated based on information provided by the City's Public Works Department.
5. Includes the costs for street maintenance and signalized intersections.
6. Cost per resident equivalent population is based on the assumption that inspection, planning and other related permits and fees will offset a portion of costs.

Sources: Stanley R. Hoffman Associates, Inc.

City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2006.*

Fire. Based on FY 2006-07 estimated existing fire service costs of \$1,719,999 and the resident equivalent population estimate of 32,094, fire costs are projected at \$53.59 per resident equivalent population for years 1 through 4. A new fire station is assumed to be constructed mid-way through the project in year 5. Starting in this year, the annual costs are estimated at \$819,525 based upon a fair share allocation of 70.0 percent of annual operation and maintenance costs for the new station, which will provide service to the East Area One project in addition to future East Area Two and the commercial/industrial/residential area south and west of the East Area One project. Detailed cost calculations are presented in Table A-13.

Buildings and Ground Maintenance. The annual costs for park maintenance are projected at \$17,800 per developed public park acre according to information received from the City.

Other Public Works. This includes the costs for street maintenance and maintenance of signalized intersections, which are estimated based on the costs of other public works, excluding buildings and grounds maintenance. These are estimated based on a total budget works budget of \$607,087 for FY 2006-07 less \$526,459 for buildings and grounds maintenance, or \$80,628. This results in a cost of \$2.51 per resident equivalent based on the City's resident equivalent population of 32,094. These costs are assumed to reflect citywide maintenance of roads and related maintenance, as well as the maintenance of the estimated new lane miles of public roads in the Specific Plan area.

Planning/Building and Safety. These costs are projected at a net cost of \$8.72 per resident equivalent based on estimated FY 2006-07 planning and building safety costs of \$1,347,202 less \$1,067,300 of planning and building fees. The detailed estimates are shown in Table A-14.

Community Services. These costs are projected at \$16.72 per capita based on estimated FY 2006-07 costs of \$487,196 and the City's total population of 29,133.

CHAPTER 4 CITY OF SANTA PAULA FISCAL ANALYSIS

4.1 Cumulative Fiscal Analysis

The General Fund fiscal analysis is presented in Table 4-1, Parts 1 and 2, over a projected 20 year phasing period in 2007 constant dollars using the August 2007 estimated housing values. Table 4-2 presents the fiscal impacts after the public works road operations and maintenance costs for slurry seal and grind and overlay are included. The City of Santa Paula Public Works Department in their memorandum dated July 31, 2007, stated that slurry seal and grind and overlay costs should be accounted for during years 7 and 14 (slurry seal) and year 20 (grind and overlay) assuming initial road construction occurs in Year 1. These costs are included in the fiscal analysis to account for how street operations and maintenance can be funded from the General Fund surplus generated by the East Area One project. This analysis has been prepared over a twenty-year period to show how the road phasing will be affected by the slurry seal and grind and overlay schedule given that not all road segments are built in year 1, but are estimated to be built over Years 1 through 8.

Fiscal Analysis in Constant 2007 Dollars. As shown in Table 4-1, Part 1, the projection yields a positive fiscal surplus in each year (except for years 5 and 6) ranging from \$115,912 in Year 1 to \$1,351,348 in Year 10. There is a projected deficit of \$345,633 in Year 5, the first year of the new fire station, and a small deficit of \$15,756 in year 6. The build-out year -- after completion of the 20-year phased development -- is projected to have a fiscal surplus of \$809,214 with a revenue/cost ratio of 1.46. The projected net present value of the cumulative surplus over the 20-year period is \$7,616,598, at an estimated 5.0 percent discount rate. The net cumulative fiscal impact at year 10 is \$14,128,296.

The first year after completion of development (shown as year 11), the fiscal surplus is about 8 percent less than Year 10, because there is no ongoing property transfer tax from new development sold for the first time after construction is completed. The ongoing property transfer tax is from residential turnover only, estimated at a turnover rate of 8 percent. While there would be some turnover of commercial properties, it is assumed to be relatively low and was not projected.

Fiscal Analysis after Road Slurry Seal and Grind & Overlay Costs. As shown in Table 4-2, the projection yields a positive fiscal surplus in each year (except for years 5, 6 and 7) ranging from \$115,912 in Year 1 to \$1,351,348 in Year 10. This results in a net cumulative fiscal impact of \$12,611,074 in year 20 after accounting for slurry seal and grind and overlay costs.

4.2 Potential Impact of Proposition 13 Property Tax Limitations

The Proposition 13 property tax limitation that a home would not increase in assessed value more than a maximum of 2 percent a year, even if housing price appreciation was greater, causes property tax to decrease in real dollars relative to other prices that are assumed to increase with inflation. In order to test the hypothetical reduction in property tax relative to other revenues, since the analysis has been prepared in 2007 constant dollars, a projection was made under various appreciation and turnover assumptions. This has been reflected in the analysis shown in Tables 4-1 and 4-2.

Property tax revenues are projected based on Proposition 13 limitations and are presented in detail in Appendix B. Table B-1, Parts 1 and 2 present the Proposition 13 analysis for the residential valuation only using an annual turnover estimate of 8 percent and a price appreciation annual average of 7.3 percent based on historic housing price trend data.

Table B-2, Parts 1 and 2 presents the Proposition 13 analysis for the non-residential valuation where no turnover is assumed. Therefore, the non-residential valuation is brought in at the market value in the year it is phased in and inflated at 2 percent per year thereafter. And finally, Table B-3, Parts 1 and 2 presents the summary of the residential and non-residential valuation along with an adjustment for the existing valuation.

The annual housing price appreciation rate was estimated at 7.3 percent based on a 20 year average of the Housing Price Index over the 1987 to 2007 period for the Oxnard-Thousand Oaks-Ventura area, as shown in Table 4-3. This data is from the Office of Federal Housing Enterprise Oversight and shows that for the 20-year period, there were many fluctuations that were both positive and negative. While the more recent 10 year period of 1997 to 2007 shows a higher average annual rate of 11.9 percent, prices have recently moderated considerably and it is felt that the 20-year period represents a better long-term average. As previously indicated, the annual residential turnover rate is estimated at 8.0 percent. This analysis is meant to represent a plausible scenario recognizing that there are a range of assumptions and time periods that could be tested.

Table 4-1 -- Part 1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring General Fund and Gas Tax Cumulative
Fiscal Impacts
August 2007 Estimated Housing Values

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
A. GENERAL FUND										
General Fund Annual Recurring Revenues										
Property Taxes	\$74,958	\$161,866	\$273,916	\$360,824	\$471,594	\$671,077	\$901,278	\$1,133,438	\$1,367,146	\$1,544,140
Proposition 13 Property Tax Adjustment	1.00	1.01	1.02	0.98	0.95	0.93	0.92	0.90	0.88	0.86
Proposition 13 Adjusted Property Tax	\$74,958	\$163,827	\$280,020	\$354,101	\$448,573	\$627,226	\$828,445	\$1,022,296	\$1,208,897	\$1,330,356
Residential Property Transfer Tax - Initial Sale	26,141	26,141	30,954	26,141	26,141	57,253	52,440	68,237	67,547	48,453
Residential Property Transfer Tax - Turnover	0	2,091	4,183	6,659	8,750	10,841	15,422	19,617	25,076	30,480
Property Tax in Lieu of MVLF	63,625	127,250	209,281	272,906	354,000	500,040	668,570	838,533	1,009,629	1,139,205
On-Site Sales and Use Tax	0	0	7,525	7,525	57,396	64,921	131,415	131,415	138,940	212,971
Offsite Retail Sales and Use Tax	6,321	12,642	20,126	26,447	25,288	39,131	41,837	58,337	74,670	75,281
Business License Fee	0	0	1,998	1,998	6,384	8,382	10,648	11,818	12,792	15,132
Franchise Fees	5,134	10,267	17,041	22,174	29,086	37,994	47,365	55,143	62,758	68,874
Animal Licenses	285	570	900	1,185	1,470	1,919	2,322	2,727	3,128	3,403
Fines and Forfeitures	1,511	3,022	5,016	6,527	8,561	11,183	13,942	16,231	18,473	20,214
Motor Vehicle In-Lieu Fees	3,343	6,685	10,568	13,911	17,254	22,526	28,031	32,786	37,488	40,722
Prop 172-1/2 Sales Tax for Public Safety	3,436	6,873	10,864	14,301	17,737	23,157	28,816	33,704	38,537	41,862
Recreation Class Admin Fees	342	684	1,081	1,423	1,764	2,304	2,867	3,353	3,834	4,165
Gas Tax	7,770	15,539	24,585	32,334	40,104	52,359	65,153	76,206	87,134	94,652
Total	\$192,864	\$375,591	\$624,123	\$787,633	\$1,042,509	\$1,459,238	\$1,937,273	\$2,370,403	\$2,788,903	\$3,125,571
General Fund Annual Recurring Costs										
General Government	\$8,684	\$17,368	\$47,631	\$56,315	\$167,957	\$177,758	\$188,058	\$196,657	\$205,089	\$211,525
Police	32,958	65,917	109,404	142,363	186,738	243,927	304,097	354,029	402,921	440,903
Fire	23,205	46,411	77,030	100,235	819,525	819,525	819,525	819,525	819,525	819,525
Buildings and Grounds Maintenance	0	0	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986
Other Public Works	1,088	2,176	3,611	4,699	6,163	8,051	10,037	11,685	13,298	14,552
Planning/Building & Safety	3,776	7,553	12,535	16,312	21,396	27,949	34,843	40,564	46,166	50,518
Community Services	7,241	14,482	22,894	30,135	37,376	48,798	60,722	71,023	81,208	89,215
	\$76,953	\$153,905	\$422,091	\$499,044	\$1,388,142	\$1,474,994	\$1,566,267	\$1,642,469	\$1,717,193	\$1,774,223
Annual Surplus or (Deficit)	\$115,912	\$221,686	\$202,031	\$288,589	(\$345,633)	(\$15,756)	\$371,006	\$727,934	\$1,071,710	\$1,351,348
Revenue/Cost Ratio	2.51	2.44	1.48	1.58	0.75	0.99	1.24	1.44	1.62	1.76
Cumulative Fiscal Impact	\$115,912	\$337,597	\$539,629	\$828,217	\$482,584	\$466,828	\$837,834	\$1,565,768	\$2,637,478	\$3,983,826
Net Present Value over Twenty Years @ 5% =										
										\$7,616,598

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table 4-1 -- Part 2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring General Fund and Gas Tax Cumulative
Fiscal Impacts
August 2007 Estimated Housing Values

Source	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
A. GENERAL FUND										
General Fund Annual Recurring Revenues										
Property Taxes	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140	\$1,544,140
Proposition 13 Property Tax Adjustment	0.82	0.78	0.75	0.71	0.68	0.65	0.62	0.59	0.57	0.54
Proposition 13 Adjusted Property Tax	\$1,269,471	\$1,211,374	\$1,155,936	\$1,103,038	\$1,052,561	\$1,004,396	\$958,436	\$914,580	\$872,732	\$832,800
Residential Property Transfer Tax - Initial Sale	0	0	0	0	0	0	0	0	0	0
Residential Property Transfer Tax - Turnover	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356
Property Tax in Lieu of MVLJ	1,139,205	1,139,205	1,139,205	1,139,205	1,139,205	1,139,205	1,139,205	1,139,205	1,139,205	1,139,205
On-Site Sales and Use Tax	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971
Offsite Retail Sales and Use Tax	75,281	75,281	75,281	75,281	75,281	75,281	75,281	75,281	75,281	75,281
Business License Fee	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132
Franchise Fees	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674
Animal Licenses	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403
Fines and Forfeitures	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214
Motor Vehicle In-Lieu Fees	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722
Prop 172-172 Sales Tax for Public Safety	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862
Recreation Class Admin Fees	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165
Gas Tax	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652
Total	\$3,020,109	\$2,962,011	\$2,906,574	\$2,853,676	\$2,803,199	\$2,755,034	\$2,709,074	\$2,665,218	\$2,623,370	\$2,583,438
General Fund Annual Recurring Costs										
General Government	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525
Police	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903
Fire	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525
Buildings and Grounds Maintenance	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986
Other Public Works	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552
Planning/Building & Safety	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518
Community Services	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215
Total	\$1,774,223									
Annual Surplus or (Deficit)	\$1,245,885	\$1,187,788	\$1,132,351	\$1,079,452	\$1,028,976	\$980,811	\$934,850	\$890,995	\$849,147	\$809,214
Revenue/Cost Ratio	1.70	1.67	1.64	1.61	1.58	1.55	1.53	1.50	1.48	1.46
Cumulative Fiscal Impact	\$5,234,712	\$6,422,500	\$7,554,851	\$8,634,303	\$9,663,279	\$10,644,090	\$11,578,940	\$12,469,935	\$13,319,081	\$14,128,296
Net Present Value over Twenty Years @ 5% =	\$7,616,598									

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table 4-3
East Area One Annexation Fiscal Analysis
City of Santa Paula
Housing Price Index (Hpi)
Oxnard-Thousand Oaks-Ventura
(Data is for first quarter of the year)

Year	Housing Price Index	Percent Change
1987	76.8	na
1988	89.4	16.4%
1989	115.4	29.0%
1990	125.2	8.5%
1991	116.8	-6.7%
1992	114.8	-1.7%
1993	108.9	-5.1%
1994	104.5	-4.0%
1995	100.0	-4.3%
1996	102.8	2.8%
1997	102.9	0.1%
1998	108.9	5.9%
1999	118.3	8.7%
2000	132.8	12.2%
2001	145.5	9.5%
2002	160.9	10.6%
2003	184.6	14.7%
2004	220.7	19.6%
2005	276.1	25.1%
2006	322.5	16.8%
2007	315.8	-2.1%
AAGR: 1987 - 2007		7.3%
AAGR: 1997 - 2007		11.9%

Source: Stanley R. Hoffman Associates, Inc.
Housing Price Index, Office of Federal Housing
Enterprise Oversight

CHAPTER 5 FISCAL ANALYSIS WITH HOUSING SENSITIVITY RUNS

5.1 Cumulative Fiscal Analysis

This chapter provides the annual and the cumulative fiscal impacts for the proposed East Area One development for two housing sensitivity runs with a 10 percent and a 20 percent reduction from the estimated August 2007 housing values. The City recommended that a sensitivity analysis be performed using housing valuations that are lower than the ones used in the August 2007 analysis in order to reflect potential variation in housing prices for the Santa Paula

With 10.0 Percent Reduction in August 2007 Values. Table 5-1, Parts 1 and 2, presents the net cumulative analysis with a 10 percent reduction in the August 2007 single family and multi-family housing values. As shown, this reduces the projected net cumulative fiscal impact to about \$10.88 million after 20 years and a revenue/cost ratio of 1.35 compared with 1.46 shown earlier in Chapter 4. Table 5-2 shows the fiscal impacts, after road slurry seal and grind and overlay costs are accounted for, resulting in a net cumulative fiscal impact of \$9.15 million by year 20.

With 20.0 Percent Reduction in August 2007 Values. Table 5-3, Parts 1 and 2, presents the same net cumulative analysis with a 20 percent reduction in the August 2007 single and multi-family housing values. As shown, this reduces the projected net cumulative fiscal impact further to about \$7.62 million after 20 years and a revenue/cost ratio of 1.24 compared with 1.46 shown earlier in Chapter 4. Table 5-4 shows the fiscal impacts, after road slurry seal and grind and overlay costs are accounted for, resulting in a net cumulative fiscal impact of \$5.69 million by year 20.

Average Housing Values. The average housing values used in each of the scenarios are presented in Table 5-5. The estimated housing values are shown as averaging \$533,788 for the August 2007 values for single and multi-family homes. With a 10 percent reduction, the average drops to \$480,409, and further to \$427,030 with a 20 percent reduction. Table 5-6 shows median housing value trends for Ventura County and the Santa Paula area from 2001 to 2006. The estimated August 2007 housing values are based on the most recent East Area One market information. While not directly comparable to average values, according to DQ News the median home and condominium sales in the Santa Paula area (zip codes 93060 and 93061) have risen rapidly during 2001 to 2006 reaching an estimated median home value of \$555,000 and an estimated median condominium value of \$323,000 in 2006, as shown, in Table 5-6.

Table 5-1 -- Part 1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts
With 10% Reduction From August 2007 Housing Values
(In constant 2007 dollars)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
A. GENERAL FUND										
<u>General Fund Annual Recurring Revenues</u>										
Property Taxes	\$66,267	\$144,484	\$247,843	\$326,060	\$428,140	\$610,188	\$822,956	\$1,032,431	\$1,243,682	\$1,404,567
Proposition 13 Property Tax Adjustment	1.00	1.01	1.02	0.98	0.95	0.93	0.92	0.90	0.88	0.86
Proposition 13 Adjusted Property Tax	\$66,267	\$146,235	\$253,313	\$319,917	\$407,249	\$670,345	\$756,712	\$931,141	\$1,099,430	\$1,209,756
Residential Property Transfer Tax - Initial Sale	23,527	23,527	28,340	23,527	23,527	52,009	47,196	61,413	60,793	43,608
Residential Property Transfer Tax - Turnover	0	1,882	3,764	6,032	7,914	9,796	13,957	17,732	22,645	27,509
Property Tax in Lieu of MVL	57,219	114,437	190,048	247,267	321,942	455,117	610,764	784,002	918,540	1,036,234
On-Site Sales and Use Tax	0	0	7,525	7,525	57,396	64,921	131,415	131,415	138,940	212,971
Offsite Retail Sales and Use Tax	5,689	11,378	18,230	23,919	22,127	34,702	36,140	50,990	65,689	65,129
Business License Fee	0	0	1,998	1,998	6,384	8,362	10,648	11,818	12,792	15,132
Franchise Fees	5,134	10,267	17,041	22,174	28,068	37,994	47,365	55,143	62,758	68,674
Animal Licenses	285	570	900	1,185	1,470	1,919	2,322	2,727	3,128	3,403
Fines and Forfeitures	1,511	3,022	5,016	6,527	8,561	11,183	13,942	16,231	18,473	20,214
Motor Vehicle In-Lieu Fees	3,343	6,685	10,568	13,911	17,254	22,526	28,031	32,786	37,488	40,722
Prop 172-1/2 Sales Tax for Public Safety	3,436	6,873	10,864	14,301	17,737	23,157	28,816	33,704	38,537	41,862
Recreation Class Admin Fees	342	684	1,081	1,423	1,764	2,304	2,867	3,353	3,834	4,165
Gas Tax	7,770	15,539	24,565	32,334	40,104	52,359	65,153	76,206	87,134	94,652
Total	\$174,521	\$341,099	\$573,254	\$722,040	\$962,515	\$1,346,715	\$1,795,329	\$2,188,662	\$2,570,182	\$2,884,031
<u>General Fund Annual Recurring Costs</u>										
General Government	\$8,684	\$17,368	\$47,631	\$56,315	\$167,957	\$177,758	\$188,058	\$196,657	\$205,089	\$211,525
Police	32,958	65,917	109,404	142,363	186,738	243,927	304,097	354,029	402,921	440,903
Fire	23,205	46,411	77,030	100,235	819,525	819,525	819,525	819,525	819,525	819,525
Buildings and Grounds Maintenance	0	0	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986
Other Public Works	1,088	2,176	3,611	4,699	6,163	8,051	10,037	11,685	13,298	14,552
Planning/Building & Safety	3,776	7,553	12,535	16,312	21,396	27,949	34,843	40,564	46,166	50,518
Community Services	7,241	14,482	22,894	30,135	37,376	48,798	60,722	71,023	81,208	88,215
Total	\$76,953	\$153,905	\$422,091	\$499,044	\$1,388,142	\$1,474,994	\$1,566,267	\$1,642,469	\$1,717,193	\$1,774,223
Annual Surplus or (Deficit)	\$97,568	\$187,194	\$151,163	\$222,996	(\$425,627)	(\$128,279)	\$229,062	\$546,193	\$852,989	\$1,109,807
Revenue/Cost Ratio	2.27	2.22	1.36	1.45	0.69	0.91	1.15	1.33	1.50	1.63
Cumulative Fiscal Impact	\$97,568	\$284,762	\$435,925	\$658,920	\$233,293	\$105,014	\$334,076	\$680,269	\$1,733,258	\$2,843,066
Net Present Value over Twenty Years @ 5% =										

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table 5-1 -- Part 2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts
With 10% Reduction from August 2007 Housing Values
(In constant 2007 dollars)

Source	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
A. GENERAL FUND										
General Fund Annual Recurring Revenues										
Property Taxes	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567	\$1,404,567
Proposition 13 Property Tax Adjustment	0.82	0.78	0.75	0.71	0.68	0.65	0.62	0.59	0.56	0.54
Proposition 13 Adjusted Property Tax	\$1,154,351	\$1,101,485	\$1,051,042	\$1,002,910	\$956,984	\$913,162	\$871,348	\$831,450	\$793,380	\$757,054
Residential Property Transfer Tax - Initial Sale	0	0	0	0	0	0	0	0	0	0
Residential Property Transfer Tax - Turnover	30,997	30,997	30,997	30,997	30,997	30,997	30,997	30,997	30,997	30,997
Property Tax in Lieu of MVLFF	1,036,234	1,036,234	1,036,234	1,036,234	1,036,234	1,036,234	1,036,234	1,036,234	1,036,234	1,036,234
On-Site Sales and Use Tax	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971
Offsite Retail Sales and Use Tax	65,129	65,129	65,129	65,129	65,129	65,129	65,129	65,129	65,129	65,129
Business License Fee	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132
Franchise Fees	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674
Animal Licenses	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403
Fines and Forfeitures	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214
Motor Vehicle In-Lieu Fees	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722
Prop 172-1/2 Sales Tax for Public Safety	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862
Recreation Class Admin Fees	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165
Gas Tax	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652
Total	\$2,788,507	\$2,735,641	\$2,685,198	\$2,637,066	\$2,591,140	\$2,547,318	\$2,505,504	\$2,465,606	\$2,427,536	\$2,391,210
General Fund Annual Recurring Costs										
General Government	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525
Police	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903
Fire	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525
Buildings and Grounds Maintenance	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986
Other Public Works	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552
Planning/Building & Safety	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518
Community Services	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215
Total	\$1,774,223	\$1,774,223								
Annual Surplus or (Deficit)	\$1,014,283	\$961,418	\$910,975	\$862,843	\$816,917	\$773,095	\$731,281	\$691,383	\$653,313	\$616,987
Revenue/Cost Ratio	1.57	1.54	1.51	1.49	1.46	1.44	1.41	1.39	1.37	1.35
Cumulative Fiscal Impact	\$3,657,349	\$4,818,767	\$5,729,741	\$6,592,584	\$7,409,501	\$8,182,596	\$8,913,877	\$9,605,260	\$10,258,572	\$10,875,559
Net Present Value over Twenty Years @ 5% =	\$5,802,998									

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table 5-3 -- Part 1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts
With 20% Reduction from August 2007 Housing Values
(In constant 2007 dollars)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
A. GENERAL FUND										
General Fund Annual Recurring Revenues										
Property Taxes	\$7,576	\$127,102	\$221,771	\$291,287	\$384,686	\$549,300	\$744,634	\$931,423	\$1,120,217	\$1,264,994
Proposition 13 Property Tax Adjustment	1,00	1.01	1.02	0.98	0.95	0.93	0.92	0.90	0.88	0.86
Proposition 13 Adjusted Property Tax	\$7,576	\$128,643	\$226,607	\$285,734	\$365,925	\$513,464	\$684,978	\$839,986	\$989,964	\$1,089,155
Residential Property Transfer Tax - Initial Sale	20,913	20,913	25,725	20,913	20,913	46,765	41,952	54,589	54,038	38,763
Residential Property Transfer Tax - Turnover	0	1,673	3,346	5,404	7,077	8,750	12,491	15,848	20,215	24,538
Property Tax in Lieu of MVL	50,814	101,628	170,817	221,630	289,884	410,193	552,954	689,470	827,451	933,262
On-Site Sales and Use Tax	0	0	7,525	7,525	57,396	64,921	131,415	131,415	138,940	212,971
Offsite Retail Sales and Use Tax	5,057	10,113	16,334	21,391	18,967	30,274	30,444	43,644	56,710	54,978
Business License Fee	0	0	1,998	1,998	6,384	8,382	10,648	11,818	12,792	15,132
Franchise Fees	5,134	10,267	17,041	22,174	29,086	37,994	47,365	55,143	62,758	66,674
Animal Licenses	285	570	900	1,185	1,470	1,919	2,322	2,727	3,128	3,403
Fines and Forfeitures	1,511	3,022	5,016	6,527	8,561	11,183	13,942	16,231	18,473	20,214
Motor Vehicle In-Lieu Fees	3,343	6,685	10,568	13,911	17,254	22,526	28,031	32,786	37,488	40,722
Prop 172-1/2 Sales Tax for Public Safety	3,436	6,873	10,864	14,301	17,737	23,157	28,816	33,704	38,537	41,862
Recreation Class Admin Fees	342	684	1,081	1,423	1,764	2,304	2,867	3,353	3,834	4,165
Gas Tax	7,770	15,539	24,555	32,334	40,104	52,359	65,153	76,206	87,134	94,652
Total	\$156,179	\$306,609	\$522,387	\$656,450	\$882,522	\$1,234,193	\$1,653,379	\$2,006,920	\$2,351,462	\$2,642,492
General Fund Annual Recurring Costs										
General Government	\$8,684	\$17,368	\$47,631	\$56,315	\$167,957	\$177,758	\$188,058	\$196,657	\$205,089	\$211,525
Police	32,958	65,917	109,404	142,363	186,738	243,927	304,097	354,029	402,921	440,903
Fire	23,205	46,411	77,030	100,235	819,525	819,525	819,525	819,525	819,525	819,525
Buildings and Grounds Maintenance	0	0	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986
Other Public Works	1,088	2,176	3,611	4,699	6,163	8,051	10,037	11,685	13,298	14,552
Planning/Building & Safety	3,776	7,553	12,535	16,312	21,396	27,949	34,843	40,564	46,166	50,518
Community Services	7,241	14,482	22,894	30,135	37,376	48,798	50,722	71,023	91,208	98,215
Total	\$76,953	\$153,905	\$422,091	\$499,044	\$1,388,142	\$1,474,994	\$1,566,267	\$1,642,469	\$1,717,193	\$1,774,223
Annual Surplus or (Deficit)	\$79,227	\$152,704	\$100,296	\$157,406	(\$505,620)	(\$240,801)	\$87,112	\$364,451	\$634,269	\$868,269
Revenue/Cost Ratio	2.03	1.99	1.24	1.32	0.64	0.84	1.06	1.22	1.37	1.49
Cumulative Fiscal Impact	\$79,227	\$231,931	\$332,227	\$489,632	(\$15,988)	(\$256,789)	(\$169,677)	\$194,775	\$829,043	\$1,697,312
Net Present Value over Twenty Years @ 5% =										
										\$3,989,412

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table 5-3 -- Part 2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Annual Recurring General Fund and Gas Tax: Cumulative Fiscal Impacts
With 20% Reduction from August 2007 Housing Values
(In constant 2007 dollars)

Source	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
A. GENERAL FUND										
General Fund Annual Recurring Revenues										
Property Taxes	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994	\$1,264,994
Proposition 13 Property Tax Adjustment	0.82	0.78	0.75	0.71	0.68	0.65	0.62	0.59	0.56	0.54
Proposition 13 Adjusted Property Tax	\$1,039,232	\$991,598	\$946,148	\$902,784	\$861,408	\$821,930	\$784,262	\$748,321	\$714,029	\$681,309
Residential Property Transfer Tax - Initial Sale	0	0	0	0	0	0	0	0	0	0
Residential Property Transfer Tax - Turnover	27,639	27,639	27,639	27,639	27,639	27,639	27,639	27,639	27,639	27,639
Property Tax in Lieu of MFLF	933,262	933,262	933,262	933,262	933,262	933,262	933,262	933,262	933,262	933,262
On-Site Sales and Use Tax	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971	212,971
Offsite Retail Sales and Use Tax	54,978	54,978	54,978	54,978	54,978	54,978	54,978	54,978	54,978	54,978
Business License Fee	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132	15,132
Franchise Fees	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674	68,674
Animal Licenses	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403	3,403
Fines and Forfeitures	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214	20,214
Motor Vehicle In-Lieu Fees	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722	40,722
Prop 172-1/2 Sales Tax for Public Safety	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862	41,862
Recreation Class Admin Fees	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165	4,165
Gas Tax	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652	94,652
Total	\$2,556,906	\$2,509,272	\$2,463,823	\$2,420,459	\$2,379,083	\$2,339,604	\$2,301,937	\$2,265,996	\$2,231,704	\$2,198,984
General Fund Annual Recurring Costs										
General Government:	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525	211,525
Police	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903	440,903
Fire	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525	819,525
Buildings and Grounds Maintenance	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986	148,986
Other Public Works	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552	14,552
Planning/Building & Safety	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518	50,518
Community Services	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215	88,215
Total	\$1,774,223									
Annual Surplus or (Deficit)	\$782,683	\$735,049	\$689,600	\$646,236	\$604,859	\$565,381	\$527,713	\$491,773	\$467,481	\$424,761
Revenue/Cost Ratio	1.44	1.41	1.39	1.36	1.34	1.32	1.30	1.28	1.26	1.24
Cumulative Fiscal Impact	\$2,479,996	\$3,215,044	\$3,904,644	\$4,550,879	\$5,155,738	\$5,721,119	\$6,248,833	\$6,740,806	\$7,198,086	\$7,622,847
Net Present Value over Twenty Years @ 5% =	\$3,989,412									

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

**Table 5-5
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Housing Values**

Description	Number of Units	Average Price: August 2007	Average Price: August 2007 w/10% Reduction	Average Price: August 2007 w/20% Reduction
SF detached	607	\$769,000	\$692,100	\$615,200
SF attached	266	\$484,500	\$436,050	\$387,600
Multi-family	<u>557</u>	<u>\$301,000</u>	<u>\$270,900</u>	<u>\$240,800</u>
Units:Sub-total/Average Value	1,430	\$533,788	\$480,409	\$427,030
	0			
Work-Live	70	\$250,000	\$250,000	\$250,000
Assisted Living Units	<u>100</u>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>
Units:Sub-total/Average Value	170	\$250,000	\$250,000	\$250,000
Total Units	1,600			

Source: Stanley R. Hoffman Associates, Inc.

Table 5-6
East Area One Annexation Fiscal Analysis
City of Santa Paula
Median Home and Condominium Values: Ventura County & Santa Paula

PANEL A. MEDIAN HOME VALUES: ANNUAL DATA, 2001 - 2006

	2001	2002	2003	2004	2005	2006
Ventura County	\$285,000	\$339,000	\$400,000	\$525,000	\$619,000	\$638,000
Santa Paula ¹	\$221,000	\$250,000	\$300,000	\$427,000	\$513,000	\$555,000
Ratio of Santa Paula to Ventura County	0.78	0.74	0.75	0.81	0.83	0.87

PANEL B MEDIAN CONDOMINIUM VALUES: ANNUAL DATA, 2001 - 2006

	2001	2002	2003	2004	2005	2006
Ventura County	\$190,000	\$233,000	\$282,000	\$358,000	\$415,000	\$432,000
Santa Paula ¹	\$125,000	\$149,000	\$200,000	\$255,000	\$305,000	\$323,000
Ratio of Santa Paula to Ventura County	0.66	0.64	0.71	0.71	0.73	0.75

Sources: Stanley R. Hoffman Associates, Inc.

DQ News - Accessed September 28, 2007

1. Santa Paula is defined in DQ News data as zip codes 93060 and 93061.

**APPENDIX A
SUPPORTING TABLES FOR FISCAL ANALYSIS**

A-1	Estimated Existing Valuation	44
A-2	General Fund and Gas Tax Revenues, City of Santa Paula: 2006-2007	45
A-3	Tax Rate Area (TRA) Property Tax Allocations: Ventura County	47
A-4	Estimated Increase in Property Tax – Vehicle License Fees.....	48
A-5	Estimated Retail Taxable Sales from On-Site Retail.....	49
A-6	Retail Taxable Sales Assumptions: Neighborhood Retail.....	50
A-7	Retail Taxable Sales Assumptions: Support Retail	51
A-8	Estimated Non-Retail Taxable Sales	52
A-9	Non-Retail Taxable Sales Assumptions	53
A-10	Estimated Off-Site Taxable Sales from New Households.....	54
A-11	General Fund Expenditures, City of Santa Paula: 2006-2007	55
A-12	Estimated Annual Police Costs.....	56
A-13	Estimated Annual Fire Costs at Build-Out	57
A-14	General Fund Planning/Building & Safety Costs: 2006-2007.....	58

Table A-1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Existing Valuation
(In constant 2007 dollars)

Tax Rate Area	Parcel Number	Land Value	Improvement Value	Total Assessed Valuation
81002	040-0180-565	\$4,866,068	\$1,264,586	\$6,130,654
	040-0180-435	\$315,817	\$89,164	\$404,981
TOTAL		\$5,181,885	\$1,353,750	\$6,535,635

Source: Stanley R. Hoffman Associates, Inc.
County of Ventura Assessor, 2005-2006 Tax Year.

Table A-2
East Area One Annexation Fiscal Analysis
City of Santa Paula
General Fund and Gas Tax Revenues, City of Santa Paula: 2006-2007
(In constant 2007 dollars)

Revenue Category	Total	Non-recurring	Recurring
A. GENERAL FUND			
Total Property Related Taxes			
Property Taxes	\$4,753,300	\$0	\$4,753,300
Delinquent Secured Taxes	26,000	0	26,000
Interest & Penalties on Taxes	<u>5,000</u>	<u>0</u>	<u>5,000</u>
<i>Subtotal</i>	<i>\$4,784,300</i>	<i>\$0</i>	<i>\$4,784,300</i>
Total Other Taxes			
Sales & Use Taxes	\$1,522,500	\$0	\$1,522,500
Transient Occupancy Tax	110,000	0	110,000
Real Property Transfer Tax	65,000	0	65,000
Business License Fee	125,000	0	125,000
Franchise Fees	380,500	0	380,500
Commercial Solid Waste Haulers	<u>40,000</u>	<u>0</u>	<u>40,000</u>
<i>Subtotal</i>	<i>\$2,243,000</i>	<i>\$0</i>	<i>\$2,243,000</i>
Total Licenses & Permits			
Animal Licenses	\$19,000	\$0	\$19,000
Building	350,000	350,000	0
Electrical/Plumbing/Mechanical	88,000	88,000	0
Other Licenses and Permits	<u>138,825</u>	<u>138,825</u>	<u>0</u>
<i>Subtotal</i>	<i>\$595,825</i>	<i>\$576,825</i>	<i>\$19,000</i>
Fines, Forfeitures and Penalties			
Criminal Fines	\$60,000	\$0	\$60,000
Vehicle Code Fines	<u>52,000</u>	<u>0</u>	<u>52,000</u>
<i>Subtotal</i>	<i>\$112,000</i>	<i>\$0</i>	<i>\$112,000</i>
Total From Use of Money/Property			
Investment Earnings	\$18,000	\$0	\$18,000
Community Center Endowment Interest to General Fund	13,300	0	13,300
Rental & Concessions	260,348	0	260,348
Bus Shelter Payment	9,000	0	9,000
Southdown Royalty	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Subtotal</i>	<i>\$308,648</i>	<i>\$0</i>	<i>\$308,648</i>
Total Revenue From Other Agencies			
Motor Vehicle In-Lieu	\$224,902	\$0	\$224,902
Prop 172-1/2 Sales Tax for Public Safety	231,200	0	231,200
P.O.S.T. Reimbursements	10,000	0	10,000
Homeowners Property Tax Relief	26,000	0	26,000
State Reimburse for Fire Mutual Aid	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Subtotal</i>	<i>\$502,102</i>	<i>\$0</i>	<i>\$502,102</i>
Total Charges For Current Services			
General Plan Fee	\$109,520	\$109,520	\$0
Planning Fees	241,520	241,520	0
Sale of Reports, Maps, Publications	2,400	0	2,400
Administrative Citation Fees	3,600	0	3,600
Plan Check Fees	248,260	248,260	0
Fast Track Plan Check	20,000	20,000	0
Plan Filing Fee	1,000	0	1,000
Inspection Fees	10,000	0	10,000
Animal Control Fees	1,750	0	1,750
Weed Abatement Fees	1,000	0	1,000
Investigation & Processing Fees	1,000	0	1,000
Filming Fees - Recreation	10,000	0	10,000
Cable TV Announcements	100	0	100
Filming Fees - Services 7 Equipment	33,000	0	33,000
Returned Check Charge	2,000	0	2,000
Employee Garnishment Charge	200	0	200
School Resource Officer Reimb	70,080	0	70,080
Miscellaneous Police Services	100	0	100
Fingerprints	300	0	300
Vehicle Release & Storage Charges	35,000	0	35,000
Fire Safety Inspections	10,000	0	10,000
Fire Special Services	5,000	0	5,000

Table A-2 (cont'd)
East Area One Annexation Fiscal Analysis
City of Santa Paula
Summary of Revenues, 2006-2007
(In constant 2007 dollars)

Revenue Category	Total	Non-recurring	Recurring
Hazardous Materials	29,000	0	29,000
Business Tax Processing Fee	10,000	0	10,000
Utility Application Fee	10,000	0	10,000
Sales of Reports, Maps, etc.	5,300	0	5,300
Facilities Cleanup	<u>12,000</u>	<u>0</u>	<u>12,000</u>
<i>Subtotal</i>	\$872,130	\$619,300	\$252,830
<u>Total Other Revenue</u>			
Recreation Class Admin Fee	\$23,000	\$0	\$23,000
Worker's Compensation 4850 Plan	40,000	0	40,000
Miscellaneous/Reimbursements/Other	<u>172,430</u>	<u>0</u>	<u>172,430</u>
<i>Subtotal</i>	\$235,430	\$0	\$235,430
<u>Total Overhead Transfers</u>			
Overhead to Gen Fund - Mobile Home	\$1,375	\$0	\$1,375
Overhead to Gen Fund - NPDES	5,530	0	5,530
Overhead to Gen Fund - Stormwater	36,594	0	36,594
Overhead to Gen Fund - Gas Tax	128,441	0	128,441
Overhead to Gen Fund - Refuse	185,884	0	185,884
Overhead to Gen Fund - WW Reclam	154,318	0	154,318
Overhead to Gen Fund - Water	378,855	0	378,855
Overhead to Gen Fund - RDA	<u>130,933</u>	<u>0</u>	<u>130,933</u>
<i>Subtotal</i>	\$1,021,930	\$0	\$1,021,930
Available Resources From Prior Years	\$1,740,000	\$0	\$1,740,000
TOTAL GENERAL FUND	\$12,415,365	\$1,196,125	\$11,219,240
B. GAS TAX - STREETS FUND			
State Gasoline Tax	<u>\$522,750</u>	<u>\$0</u>	<u>\$522,750</u>
TOTAL GAS TAX FUND	\$522,750	\$0	\$522,750

Source: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table A-3
East Area One Annexation Fiscal Analysis
City of Santa Paula
Tax Rate Area (TRA) Property Tax Allocations: Ventura County
(In constant 2007 dollars)

Property Tax Allocations - County of Ventura	
Agency	TRA 81002 Allocations Prior to Annexation
EL SCH GEN ST PAULA	0.2150460572
HI SCH GEN ST PAULA	0.1534443755
VTA COM COLLEGE GEN	0.0551609894
VTA COLLEGE CHILD CTR	0.0002851920
COUNTY GENERAL FUND	0.2091902061
E.R.A.F.	0.0401233504
E.R.A.F. 93-94 SHIFT	0.0971375085
CO SUPT OF SCHOOLS	0.0243748165
* FIRE PROTECTION DIST	0.1541080018
* COUNTY FLOOD ZN ADM	0.0024861262
* COUNTY FLOOD ZN #2	0.0245014216
BLANCHARD/ SANTA PAULA LIB	0.0179830607
UNITED WTR CONS DIST	<u>0.0061588941</u>
Total	1.0000000000

Source: Stanley R. Hoffman Associates, Inc.
Ventura County Auditor-Controller, Property Tax Division.

TABLE A-4
EAST AREA ONE ANNEXATION FISCAL ANALYSIS
CITY OF SANTA PAULA
ESTIMATED INCREASE IN PROPERTY TAX - VEHICLE LICENSE FEES
(in constant 2007 dollars)

A. CALCULATION OF VLF PROPERTY TAX FACTOR

2004/2005	2005/2006	Change in VLF
\$1,664,381	\$1,835,543	\$171,162
\$1,234,048,319	\$1,360,956,198	\$126,907,879
		\$0.001349
		\$1,349

Property Tax - VLF
Assessed Valuation
VLF Increase per Assessed Valuation (AV) Increase
VLF Increase per \$1,000,000 increase in AV

B. ESTIMATED PROJECT VLF PROPERTY TAX

	1	2	3	4	5	6	7	8	9	10	Total
Incremental Assessed Valuation (AV) to Santa Paula ¹	\$47,166,008	\$47,166,008	\$62,582,201	\$47,166,008	\$60,116,205	\$110,033,014	\$124,933,164	\$125,995,993	\$126,836,019	\$96,056,724	\$848,051,365
VLF Increase per \$1,000,000 Increase in AV	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Estimated Project VLF Property Tax ²	\$63,627	\$63,627	\$84,423	\$63,627	\$81,097	\$148,435	\$168,535	\$169,969	\$171,102	\$129,561	\$1,144,021

times
equals

- The projected increase in assessed valuation is adjusted for the existing valuation, as previously shown in Table 2-7.
- Under State law, according to section 97.70 of AB 2115, the existing valuation of the annexation area cannot be used in adjusting the base from which to estimate increases in property tax in lieu of VLF. Only the increase in assessed valuation from new development is used.

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Account and Reporting, Revenue and Taxation Code Section 97.90
(c) 1 (B) (i) Vehicle License Fee Adjustment Amounts, 2004-2005 and 2005-2006.

Table A-5
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Retail Taxable Sales from On-Site Retail
(In constant 2007 dollars)

Year	1	2	3	4	5	6	7	8	9	10	TOTAL
Estimated Industrial Square Feet	0	0	50,000	0	0	50,000	0	0	50,000	0	150,000
Estimated Industrial Employment	0	0	67	0	0	67	0	0	67	0	200
Projected Non-Retail Taxable Sales¹	\$0	\$0	\$679,165	\$0	\$0	\$679,165	\$0	\$0	\$679,165	\$0	\$2,037,496
Estimated Non-retail Taxable Sales/Employee	\$10,187	\$10,187	\$10,187	\$10,187	\$10,187	\$10,187	\$10,187	\$10,187	\$10,187	\$10,187	n/a
Estimated Non-Retail Sales Tax @ 1%	\$0	\$0	\$6,792	\$0	\$0	\$6,792	\$0	\$0	\$6,792	\$0	\$20,375
Use Tax @ 10.8% of Sales Tax	0	0	733	0	0	733	0	0	733	0	2,200
Estimated Total Sales & Use Tax	\$0	\$0	\$7,525	\$0	\$0	\$7,525	\$0	\$0	\$7,525	\$0	\$22,575

1. Based on the estimated 150,000 square feet of light industrial uses, this results in about \$13.58 taxable sales per square foot.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2004.

Table A-6
East Area One Annexation Fiscal Analysis
City of Santa Paula
Retail Taxable Sales Assumptions: Neighborhood Retail
(In constant 2007 dollars)

Retail Category	Sales Per Square Foot ¹	Percent Taxable ²	Percent Center Sq.Ft.	Taxable Sales Per Sq. Ft.
Grocery	\$349	30%	40%	\$105
Drugstore	\$513	62%	15%	\$318
Apparel	\$164	100%	5%	\$164
General Merchandise	\$133	100%	10%	\$133
Eating and Drinking	\$253	100%	10%	\$253
Other Retail	\$133	100%	5%	\$133
Services	\$205	25%	<u>15%</u>	\$51
			100%	
Overall Retail Sales/Sq. Ft.				\$150

- Note: 1. Median sales per square foot factors are from the *2006 Urban Land Institute's Dollars & Cents of Shopping Centers*.
2. Based on California State Board of Equalization data, about 30% of food sales and 62% of drugstore sales are estimated to be taxable.

Source: Stanley R. Hoffman Associates, Inc.
Urban Land Institute, Dollars & Cents of Shopping Centers: 2006.

Table A-7
East Area One Annexation Fiscal Analysis
City of Santa Paula
Retail Taxable Sales Assumptions: Support Retail
(In constant 2007 dollars)

Retail Category	Sales Per Square Foot¹	Percent Taxable	Percent Center Sq.Ft.	Taxable Sales Per Sq. Ft.
Sandwich/Coffee Shop	\$276	100%	15%	\$276
Restaurant	\$253	100%	35%	\$253
Other Retail	\$133	100%	35%	\$133
Services	\$205	25%	<u>15%</u>	\$51
			100%	
Neighborhood Retail				\$184

Note: 1. Median sales per square foot factors are from the *2006 Urban Land Institute's Dollars & Cents of Shopping Centers*.

Source: Stanley R. Hoffman Associates, Inc.
Urban Land Institute, Dollars & Cents of Shopping Centers: 2006.

Table A-8
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Non-Retail Taxable Sales
(In constant 2007 dollars)

Year	1	2	3	4	5	6	7	8	9	10	TOTAL
Estimated Industrial Square Feet	0	0	50,000	0	0	50,000	0	0	50,000	0	150,000
Estimated Industrial Employment	0	0	67	0	0	67	0	0	67	0	200
Projected Non-Retail Taxable Sales ¹	\$0	\$0	\$703,220	\$0	\$0	\$703,220	\$0	\$0	\$703,220	\$0	\$2,109,659
Estimated Per Employee Non-retail Taxable Sales	\$10,548	\$10,548	\$10,548	\$10,548	\$10,548	\$10,548	\$10,548	\$10,548	\$10,548	\$10,548	n/a
Estimated Non-Retail Sales Tax (@ 1%)	\$0	\$0	\$7,032	\$0	\$0	\$7,032	\$0	\$0	\$7,032	\$0	\$21,097
Use Tax @ 10.8% of Sales Tax	0	0	759	0	0	759	0	0	759	0	2,278
Estimated Total Sales & Use Tax	\$0	\$0	\$7,792	\$0	\$0	\$7,792	\$0	\$0	\$7,792	\$0	\$23,375

1. Based on the estimated 150,000 square feet of light industrial uses, this results in about \$13.67 taxable sales per square foot.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2004.

Table A-9
East Area One Annexation Fiscal Analysis
City of Santa Paula
Non-Retail Taxable Sales Assumptions
(In constant 2007 dollars)

Description	
City of Santa Paula	
Total Non-Retail Taxable Sales 2004 ¹	\$50,882,587
Estimated Employment 2004 (excluding retail and service) ²	4,995
Estimated Per Employee Non-retail Taxable Sales ³	\$10,187

1. Based on non-retail taxable sales transactions for the City of Santa Paula during 2004, inflated to 2007 dollars with CPI factor of 1.131 for March.
2. The per employee factor has been estimated based on the distribution of Retail, Service and Other employment provided in the SCAG 2001 RTP for year 2000. Other employment, which includes industrial, warehousing, distribution and transportation employment, was estimated at 59.3 percent of the total employment based on the distribution applied from the SCAG 2001 RTP.

Sources: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments (SCAG) RTP 2001 and RTP 2004.
California State Board of Equalization, 2004.

Table A-10
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Off-Site Taxable Sales from New Households
(In Constant 2007 Dollars)

	Year	Factors	1	2	3	4	5	6	7	8	9	10	TOTAL
Estimated New Residential Valuation			\$47,529,500	\$47,529,500	\$58,064,500	\$47,529,500	\$47,529,500	\$105,881,000	\$95,346,000	\$124,057,000	\$122,813,500	\$88,097,000	\$784,387,000
Annual Household Income at 25% of Housing Value	25.0%		\$11,882,375	\$11,882,375	\$14,516,125	\$11,882,375	\$11,882,375	\$28,470,250	\$23,838,500	\$31,016,750	\$30,703,375	\$22,024,250	\$166,096,750
Annual Taxable Retail Household Purchases at 32% of Annual Income	32.0%		\$3,802,400	\$3,802,400	\$4,645,200	\$3,802,400	\$3,802,400	\$8,470,500	\$7,627,700	\$9,925,400	\$9,825,100	\$7,047,800	\$62,751,300
		<i>minus</i>	\$0	\$0	\$0	\$0	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$17,180,000
On-Site Annual Taxable Retail Sales		<i>equals</i>	\$3,802,400	\$3,802,400	\$4,645,200	\$3,802,400	(\$697,600)	\$8,470,500	\$1,627,700	\$9,925,400	\$9,825,100	\$367,800	\$45,571,300
Estimated Off-Site Taxable Retail Sales			\$570,360	\$570,360	\$696,780	\$570,360	(\$104,640)	\$1,270,575	\$244,155	\$1,488,810	\$1,473,765	\$55,170	\$6,835,695
Estimated Annual Off-Site Retail Sales Tax to City @	1.0%		\$5,704	\$5,704	\$6,968	\$5,704	(\$1,046)	\$12,706	\$2,442	\$14,888	\$14,738	\$552	\$68,357
Use Tax as a percentage of Taxable Sales @	10.8%		\$617	\$617	\$754	\$617	(\$113)	\$1,375	\$264	\$1,611	\$1,595	\$60	\$7,399
Total Estimated Off-Site Sales and Use Tax			\$6,321	\$6,321	\$7,722	\$6,321	(\$1,160)	\$14,081	\$2,706	\$16,500	\$16,333	\$611	\$75,756

Sources: Stanley R. Hoffman Associates, Inc.
Bureau of Labor Statistics, *Consumer Expenditure Survey, 2001.*

Table A-11
East Area One Annexation Fiscal Analysis
City of Santa Paula
General Fund Expenditures, City of Santa Paula: 2006-2007
(In constant 2007 dollars)

General Fund Expenditures	Total	General Government	Departmental Costs
A. GENERAL FUND			
<u>General Government</u>			
City Administration	\$1,387,039	\$1,387,039	
Financial Services	398,093	398,093	
<u>Non-General Government</u>			
Building & Safety	\$607,724		\$607,724
Community Services	487,196		487,196
Fire	1,719,999		1,719,999
Planning	739,478		739,478
Police	4,769,555		4,769,555
Building and Grounds Maintenance	526,459		526,459
Other Public Works	80,628		80,628
Economic Development	2,500		2,500
Operating Transfers Out	\$56,770		\$56,770
General Fund Total	\$10,775,441	\$1,785,132	\$8,990,309
Estimated Average Overhead Rate¹		16.57%	
Estimated Marginal Overhead Rate @	75%	12.43%	

1. The average rate is estimated as the ratio of the general fund expenditures over the total general fund budget.

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

Table A-12
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Annual Police Costs
(In constant 2007 dollars)

Description	Amount	Estimated Additional Personnel ¹	Total
<u>Annual Cost per Sworn Officer</u>			
Annual Salary and Benefits	\$53,768	5.5	\$295,724
Academy Training	\$970	5.5	\$5,335
Annual Maintenance	<u>\$1,700</u>	5.5	<u>\$9,350</u>
	\$56,438		\$310,409
<u>Annual Cost per Non-Sworn Employment</u>			
Annual Salary and Benefits	\$41,953	1.5	\$62,930
Uniforms	<u>\$250</u>	1.5	<u>\$375</u>
	\$42,203		\$63,305
<u>Annualized Cost per Vehicle</u>			
Cost of one Vehicle	\$24,500	0.2	\$4,900
Initial Set-up	<u>\$9,500</u>	0.2	<u>\$1,900</u>
	\$34,000		\$6,800
<u>Facility Maintenance Cost</u>			
Annualized Facility Maintenance @ 5% ²	5.0%		\$13,388
TOTAL ANNUAL POLICE COSTS @ BUILD-OUT			\$393,901
Estimated Project Household Population			5,175
Estimated Cost per Capita			\$76.12

1. The estimate for additional sworn officers in East Area One is based on the City's current ratio of 1.06 officers per 1,000 population, as provided by Chief MacKinnon in a memorandum to Warren Sprague, P&D Consultants, July 5, 2007.
2. The estimated capital cost of the new 2,142-square foot facility is \$267,750, at \$125 per square foot. The size is based on the American Architectural Institute standards for police facilities which recommends a total of 306 square feet of space per fulltime employee. Annualized facility maintenance costs are estimated at 5% of the total valuation of the new facility (5% x \$267,750 = \$13,388).

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2006.*

Table A-13
East Area One Annexation Fiscal Analysis
City of Santa Paula
Estimated Annual Fire Costs at Build-Out
(In constant 2007 dollars)

Staffing/Equipment	Amount	Estimated Additional Personnel ¹	Estimated Total Costs
<u>Personnel</u>			
Battalion Chief	\$100,000	3	\$300,000
Captain	\$85,000	3	\$255,000
Engineer	\$75,000	3	\$225,000
Firefighter	\$65,000	3	\$195,000
Fire Prevention	\$60,000	1	\$60,000
Secretary	\$40,000	1	<u>\$40,000</u>
			\$1,075,000
<u>Engine</u>			
Annualized Replacement Cost ²			\$40,000
Total Estimated Operations and Replacement Costs			\$1,115,000
Maintenance/Repair (5% of Estimated Costs) ³		5.0%	\$55,750
TOTAL ESTIMATED ANNUAL FIRE COSTS			\$1,170,750
Estimated Fair Share Allocation to East Area One⁴			\$819,525

1. Fire personnel, facility and equipment needs provided by Chief Richard Araiza, Santa Paula Fire Department. per email correspondence from Warren Sprague, August 10, 2007.
2. Annualized replacement cost is based on an estimated total engine cost of \$400,000, spread over 10 years, resulting in an estimated \$40,000 annually per email correspondence from Warren Sprague, P&D Consultants, August 10, 2007.
3. Annual maintenance and repair costs are estimated at 5% of the total personnel and annualized fire engine replacement costs (\$1,115,000 x 5% = \$55,750).
4. The allocation for the East Area One project's fair share of the annual operations and maintenance for the new fire station is estimated at 70%; this is based on East Area One's estimated distribution of future population and employment over the larger service area that includes East Area One, East Area Two and the commercial/industrial/residential area south and west of the East Area One project, per email from Warren Sprague, P&D Consultants, August 14, 2007.

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula Fire Department.

Table A-14
East Area One Annexation Fiscal Analysis
City of Santa Paula
General Fund Planning/Building & Safety Costs: 2006-2007
(In constant 2007 dollars)

Total Building Safety Costs		\$607,724
Total Planning Costs		<u>\$739,478</u>
		\$1,347,202
	<i>minus</i>	
Inspection Fees		10,000
Electrical/Plumbing/Mechanical		88,000
Building Permits		350,000
Plan Check Fees		248,260
Fast Tract Plan Check		20,000
Planning Fees		241,520
General Plan Fee		<u>109,520</u>
Total One-Time Fees		\$1,067,300
	<i>equals</i>	
Net Recurring Building & Planning Costs		\$279,902
 Resident equivalent population ¹		 32,094
Cost Factor (per resident equivalent)¹		\$8.72

1. The resident equivalent is based on the estimated Santa Paula resident population plus employment weighted at 50% as shown in Table 3-1.

Sources: Stanley R. Hoffman Associates, Inc.
City of Santa Paula, Adopted Budget For Fiscal Year 2006-2007.

**APPENDIX B
FISCAL IMPACTS AND PROPOSITION 13**

Tables B-1 through B-3 present the proposed East Area One projected cumulative fiscal impacts over 20 years with a projected Proposition 13 property tax adjustment. This is based on the Proposition’s limitations that properties that are not sold have their value increased at a maximum of 2 percent per year while those properties that are sold have their value increased to current market value. An 8 percent turnover rate is estimated for residential properties, as shown previously in Table 3-4 (with no turnover rate estimated for non-residential properties which are assumed to turnover infrequently). Additionally, it is estimated that the annual housing value appreciation rate will average 7.3 percent annually, as shown previously in Table 4-3. The tables are summarized below:

Table B-1, Part 1 and Part 2 – This table presents the projected Proposition 13 adjustment for the phased residential valuation.

Table B-2, Part 1 and Part 2 – This table presents the projected Proposition 13 adjustment for the phased non-residential valuation.

Table B-3, Part 1 and Part 2 – This table presents the summary of the projected Proposition 13 adjustment for the phased total valuation (residential and non-residential valuation).

B-1	Projected Impacts of Proposition 13 Property Tax Limitations: Residential Valuation.....	60
B-2	Projected Impacts of Proposition 13 Property Tax Limitations: Non-Residential Valuation	62
B-3	Projected Impacts of Proposition 13 Property Tax Limitations: Total Valuation	64

Table B-1 -- Part 1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Impacts of Proposition 13 Property Tax Limitations: Residential Valuation
(In thousands)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Valuation in constant \$'s										
Residential AV Increment (\$000s)	\$38,024	\$38,024	\$46,774	\$38,024	\$38,024	\$85,027	\$76,277	\$99,254	\$98,254	\$70,478
Cumulative Residential AV (\$000s)	\$38,024	\$76,047	\$122,821	\$160,844	\$198,868	\$283,895	\$360,172	\$459,425	\$557,676	\$628,154
Estimated Valuation Under Prop. 13										
Appreciation Rate	7.3%	100.0%	100.0%	100.0%	107.3%	115.1%	123.5%	132.6%	142.2%	152.6%
Proposition 13 AV Limitation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Turnover Rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
YEAR PROPERTY FIRST SOLD										
1	\$38,024	\$38,945	\$39,869	\$40,856	\$41,847	\$42,861	\$43,900	\$44,964	\$46,054	\$47,170
2		\$38,024	\$38,945	\$39,869	\$40,856	\$41,847	\$42,861	\$43,900	\$44,964	\$46,054
3			\$46,774	\$47,907	\$49,069	\$50,258	\$51,476	\$52,724	\$54,002	\$55,311
4				\$40,799	\$41,788	\$42,801	\$43,839	\$44,901	\$45,990	\$47,105
5					\$43,778	\$44,839	\$45,926	\$47,039	\$48,179	\$49,347
6						\$105,040	\$107,586	\$110,194	\$112,865	\$115,601
7							\$101,109	\$103,560	\$106,071	\$108,642
8								\$141,171	\$144,593	\$148,098
9									\$149,946	\$153,581
10										\$115,412
Estimated Residential AV	\$38,024	\$76,969	\$125,608	\$169,452	\$217,337	\$327,646	\$436,697	\$568,454	\$732,664	\$886,320
Comparison with Market Valuation										
Estimated Market Valuation	\$38,024	\$76,047	\$122,821	\$172,586	\$228,962	\$350,717	\$477,429	\$653,452	\$851,099	\$1,028,641
Ratio: Assessed Value/Market Value	1.00	1.01	1.02	0.98	0.95	0.93	0.91	0.90	0.88	0.86

Source: Stanley R. Hoffman Associates, Inc.

Table B-1 -- Part 2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Impacts of Proposition 13 Property Tax Limitations: Residential Valuation
(In thousands)

	Assumptions	11	12	13	14	15	16	17	18	19	20
Estimated Valuation in constant \$'s											
Residential AV Increment (\$000s)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Residential AV (\$000s)		\$628,154	\$628,154	\$628,154	\$628,154	\$628,154	\$628,154	\$628,154	\$628,154	\$628,154	\$628,154
Estimated Valuation Under Prop. 13											
Appreciation Rate	7.3%	\$48,314	\$49,485	\$50,684	\$51,913	\$53,171	\$54,460	\$55,780	\$57,132	\$58,517	\$59,936
Proposition 13 AV Limitation	2.0%	\$47,170	\$48,314	\$49,485	\$50,684	\$51,913	\$53,171	\$54,460	\$55,780	\$57,132	\$58,517
Annual Turnover Rate	8.0%	\$56,652	\$58,025	\$59,432	\$60,872	\$62,348	\$63,859	\$65,407	\$66,993	\$68,616	\$70,280
		\$48,246	\$49,416	\$50,614	\$51,841	\$53,097	\$54,384	\$55,703	\$57,053	\$58,436	\$59,852
		\$50,543	\$51,768	\$53,023	\$54,309	\$55,625	\$56,973	\$58,354	\$59,769	\$61,218	\$62,702
		\$118,403	\$121,273	\$124,213	\$127,224	\$130,308	\$133,467	\$136,702	\$140,015	\$143,409	\$146,886
		\$111,275	\$113,972	\$116,735	\$119,565	\$122,463	\$125,432	\$128,472	\$131,586	\$134,776	\$138,043
		\$151,688	\$155,365	\$159,131	\$162,988	\$166,939	\$170,985	\$175,130	\$179,375	\$183,723	\$188,177
		\$157,303	\$161,116	\$165,022	\$169,022	\$173,119	\$177,315	\$181,614	\$186,016	\$190,525	\$195,143
		\$118,209	\$121,074	\$124,009	\$127,015	\$130,094	\$133,248	\$136,478	\$139,786	\$143,174	\$146,645
Estimated Residential AV		\$907,804	\$929,809	\$952,348	\$975,433	\$999,077	\$1,023,295	\$1,048,100	\$1,073,505	\$1,099,527	\$1,126,180
Comparison with Market Valuation											
Estimated MV		\$1,103,732	\$1,184,304	\$1,270,799	\$1,363,524	\$1,463,081	\$1,569,865	\$1,684,465	\$1,807,431	\$1,939,373	\$2,080,948
Ratio: Assessed Value/Market Value		0.82	0.79	0.75	0.72	0.68	0.65	0.62	0.59	0.57	0.54

Source: Stanley R. Hoffman Associates, Inc.

Table B-2 -- Part 1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Impacts of Proposition 13 Property Tax Limitations: Non-Residential Valuation
(In Thousands)

	1	2	3	4	5	6	7	8	9	10
Estimated Valuation in constant \$'s										
Non-Residential AV Increment (\$000s)	\$0	\$0	\$5,000	\$0	\$13,050	\$5,000	\$30,550	\$2,900	\$5,000	\$8,700
Cumulative Non-Residential AV (\$000s)	\$0	\$0	\$5,000	\$5,000	\$18,050	\$23,050	\$53,600	\$56,500	\$61,500	\$70,200

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Valuation Under Prop. 13										
Appreciation Rate	7.3%	100.0%	100.0%	107.3%	115.1%	123.5%	132.6%	142.2%	152.6%	163.8%
Proposition 13 AV Limitation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Turnover Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

YEAR	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
PROPERTY FIRST SOLD										
1	\$0									
2		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4				\$5,100	\$5,202	\$5,306	\$5,412	\$5,520	\$5,631	\$5,743
5					\$0	\$0	\$0	\$0	\$0	\$0
6					\$15,025	\$15,325	\$15,632	\$15,944	\$16,263	\$16,589
7						\$6,177	\$6,300	\$6,426	\$6,555	\$6,686
8							\$40,496	\$41,306	\$42,132	\$42,974
9								\$4,125	\$4,207	\$4,291
10									\$7,631	\$7,783
Estimated Non-Residential AV	\$0	\$0	\$5,000	\$5,100	\$20,227	\$26,808	\$67,840	\$73,322	\$82,419	\$98,314

Comparison with Market Valuation										
Estimated Market Valuation	\$0	\$0	\$5,000	\$5,365	\$20,781	\$28,475	\$71,050	\$80,361	\$93,858	\$114,957
Ratio: Assessed Value/Market Value	n/a	n/a	1.00	0.95	0.97	0.94	0.95	0.91	0.88	0.86

Source: Stanley R. Hoffman Associates, Inc.

Table B-2 -- Part 2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Impacts of Proposition 13 Property Tax Limitations: Non-Residential Valuation
(In thousands)

	11	12	13	14	15	16	17	18	19	20
Estimated Valuation in constant \$'s	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Residential AV Increment (\$'000s)	\$70,200	\$70,200	\$70,200	\$70,200	\$70,200	\$70,200	\$70,200	\$70,200	\$70,200	\$70,200
Cumulative Non-Residential AV (\$'000s)										
Assumptions										
Estimated Valuation Under Prop. 13	11	12	13	14	15	16	17	18	19	20
Appreciation Rate	7.3%	188.5%	202.3%	217.1%	232.9%	249.9%	266.2%	287.7%	308.7%	331.3%
Proposition 13 AV Limitation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Turnover Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YEAR PROPERTY FIRST SOLD	1	2	3	4	5	6	7	8	9	10
Estimated Non-Residential AV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$5,858	\$5,975	\$6,095	\$6,217	\$6,341	\$6,468	\$6,597	\$6,729	\$6,864	\$7,001
	\$16,920	\$17,259	\$17,604	\$17,956	\$18,315	\$18,682	\$19,055	\$19,436	\$19,825	\$20,221
	\$6,820	\$6,956	\$7,095	\$7,237	\$7,382	\$7,530	\$7,680	\$7,834	\$7,990	\$8,150
	\$43,834	\$44,711	\$45,605	\$46,517	\$47,447	\$48,396	\$49,364	\$50,351	\$51,358	\$52,386
	\$4,377	\$4,465	\$4,554	\$4,645	\$4,738	\$4,833	\$4,929	\$5,028	\$5,129	\$5,231
	\$7,939	\$8,098	\$8,260	\$8,425	\$8,593	\$8,765	\$8,941	\$9,119	\$9,302	\$9,488
	\$14,532	\$14,822	\$15,119	\$15,421	\$15,730	\$16,044	\$16,365	\$16,692	\$17,026	\$17,367
	\$100,280	\$102,286	\$104,332	\$106,418	\$108,547	\$110,718	\$112,932	\$115,191	\$117,495	\$119,844
Comparison with Market Valuation										
Estimated Market Valuation	\$123,349	\$132,353	\$142,015	\$152,382	\$163,506	\$175,442	\$188,249	\$201,991	\$216,737	\$232,559
Ratio: Assessed Value/Market Value	0.81	0.77	0.73	0.70	0.66	0.63	0.60	0.57	0.54	0.52

Source: Stanley R. Hoffman Associates, Inc.

Table B-3 -- Part 1
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Impacts of Proposition 13 Property Tax Limitations: Total Valuation
(In thousands)

	1	2	3	4	5	6	7	8	9	10
Estimated Valuation in constant \$'s										
Residential AV	\$38,024	\$76,969	\$125,608	\$169,452	\$217,337	\$327,646	\$436,697	\$588,454	\$752,664	\$886,320
Non-Residential AV	\$0	\$0	\$5,000	\$5,100	\$20,227	\$26,808	\$67,840	\$73,322	\$92,419	\$98,314
Net Total Assessed Valuation	\$38,024	\$76,969	\$130,608	\$174,552	\$237,564	\$354,454	\$504,538	\$661,775	\$835,083	\$984,634
Estimated Market Valuation-Residential	\$38,024	\$76,047	\$122,821	\$172,586	\$228,962	\$350,717	\$477,429	\$653,452	\$851,099	\$1,028,641
Estimated Market Valuation-Non-Res.	0.00	0.00	5,000.00	5,365.00	20,781.49	28,475.42	71,049.93	80,361.32	93,858.47	114,956.93
Total Estimated Market Value	38,023.6	76,047.2	127,820.8	177,951.0	249,744.0	379,192.2	548,478.4	733,812.9	944,957.9	1,143,596.1
Ratio: Assessed Value/Market Value	1.00	1.01	1.02	0.98	0.95	0.93	0.92	0.90	0.88	0.86

Source: Stanley R. Hoffman Associates, Inc.

Table B-3 -- Part 2
East Area One Annexation Fiscal Analysis
City of Santa Paula
Projected Impacts of Proposition 13 Property Tax Limitations: Total Valuation
(In thousands)

	11	12	13	14	15	16	17	18	19	20
Estimated Valuation in constant \$'s										
Residential AV	\$907,804	\$929,809	\$952,348	\$975,433	\$999,077	\$1,023,295	\$1,048,100	\$1,073,505	\$1,099,527	\$1,126,780
Non-Residential AV	\$100,280	\$102,286	\$104,332	\$106,418	\$108,547	\$110,718	\$112,932	\$115,191	\$117,495	\$119,844
Net Total Assessed Valuation	\$1,008,085	\$1,032,095	\$1,056,680	\$1,081,851	\$1,107,624	\$1,134,013	\$1,161,032	\$1,188,696	\$1,217,022	\$1,246,624
Estimated Market Valuation-Residential	\$1,103,732	\$1,184,304	\$1,270,759	\$1,363,524	\$1,463,061	\$1,569,865	\$1,684,465	\$1,807,431	\$1,939,373	\$2,080,948
Estimated Market Valuation-Non-Res.	123,348.79	132,353.25	142,015.04	152,382.13	163,506.03	175,441.97	188,249.23	201,991.43	216,736.80	232,558.59
Total Estimated Market Value	1,227,080.8	1,316,657.7	1,412,773.7	1,515,906.2	1,626,567.3	1,745,306.7	1,872,714.1	2,009,422.2	2,156,110.1	2,313,506.1
Ratio: Assessed Value/Market Value	0.82	0.78	0.75	0.71	0.68	0.65	0.62	0.59	0.56	0.54

Source: Stanley R. Hoffman Associates, Inc.

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX C PERSONS AND AGENCIES CONTACTED

CITY OF SANTA PAULA

Janna Minsk, Planning Director
(805) 933-4214

John Quinn, Finance Director
(805) 933-4204

Sandy Easley, Assistant Finance Director
(805) 933-4204

Chief Richard Araiza, Santa Paula Fire Department
(805) 933-4225

Cliff Finley, Public Works Department
(805) 933-4212

Chief Steve MacKinnon, Santa Paula Police Department
(805) 525-4474

PARKSTONE COMPANIES

Michael Penrod
(805) 373-8808, extension 105

Chad Penrod
(805) 373-8808, extension 106

CONSULTANTS

EDAW

Gil Ruiz, Senior Project Manager
(714) 835-4447
(323) 449-1050 (cell)

Warren Sprague, Economist
(714) 648-2094

HDR / Town Planning

Oliver Kuehne, Senior Town Planner
(503) 423-3864

Impact Sciences, Inc.

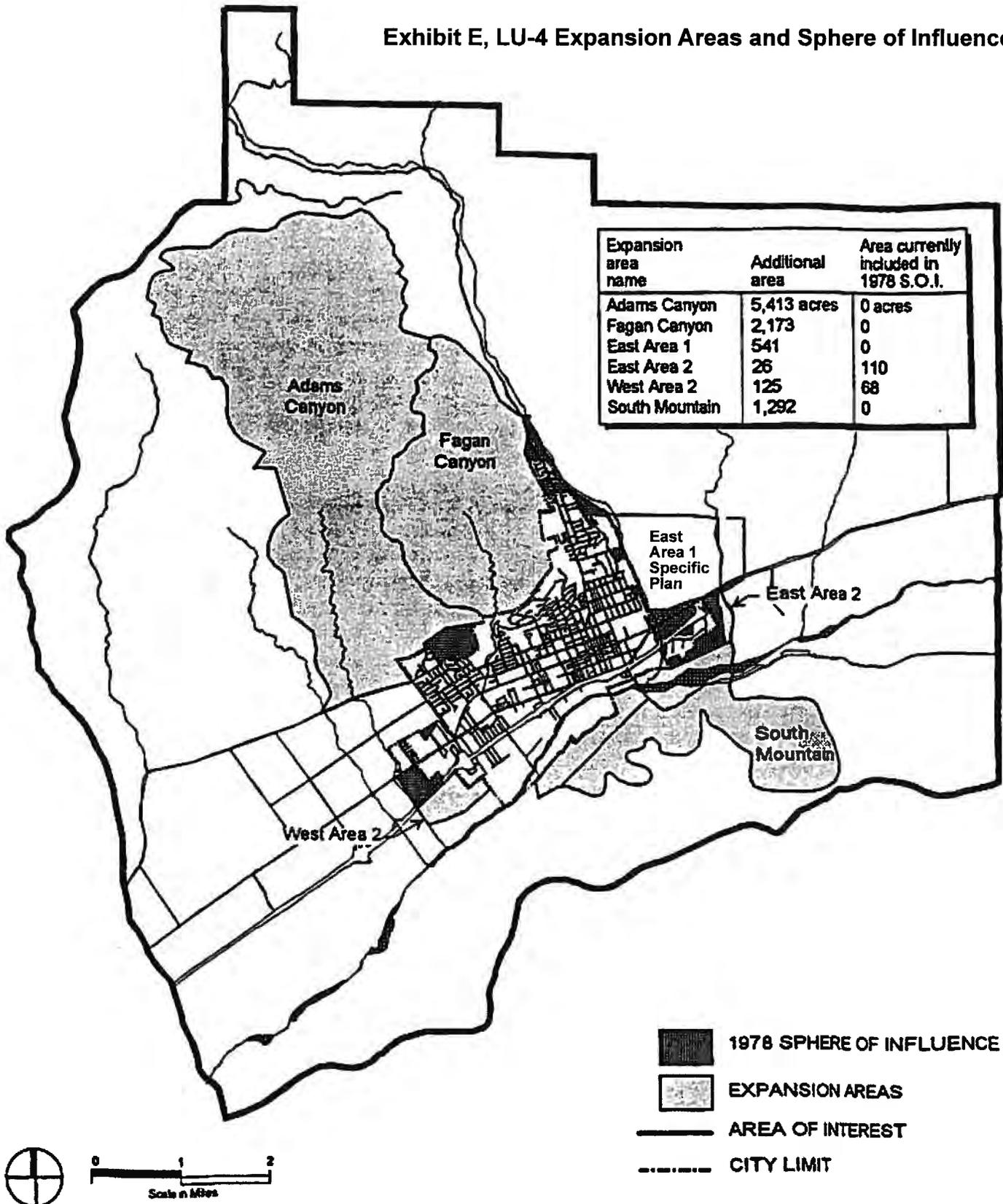
Joe Gibson, Senior Project Manager
(805) 437-1900

Tony Locacciato, Managing Principal
(805) 437-1900

EXHIBIT D
REVISED DRAFT WATER SUPPLY ASSESSMENT AND VERIFICATION FOR THE
EAST AREA 1 SPECIFIC PLAN
(see Resolution 6457, Exhibit "A")

EXHIBIT E
LU-4 EXPANSION AREA AND SPHERE OF INFLUENCE

Exhibit E, LU-4 Expansion Areas and Sphere of Influence



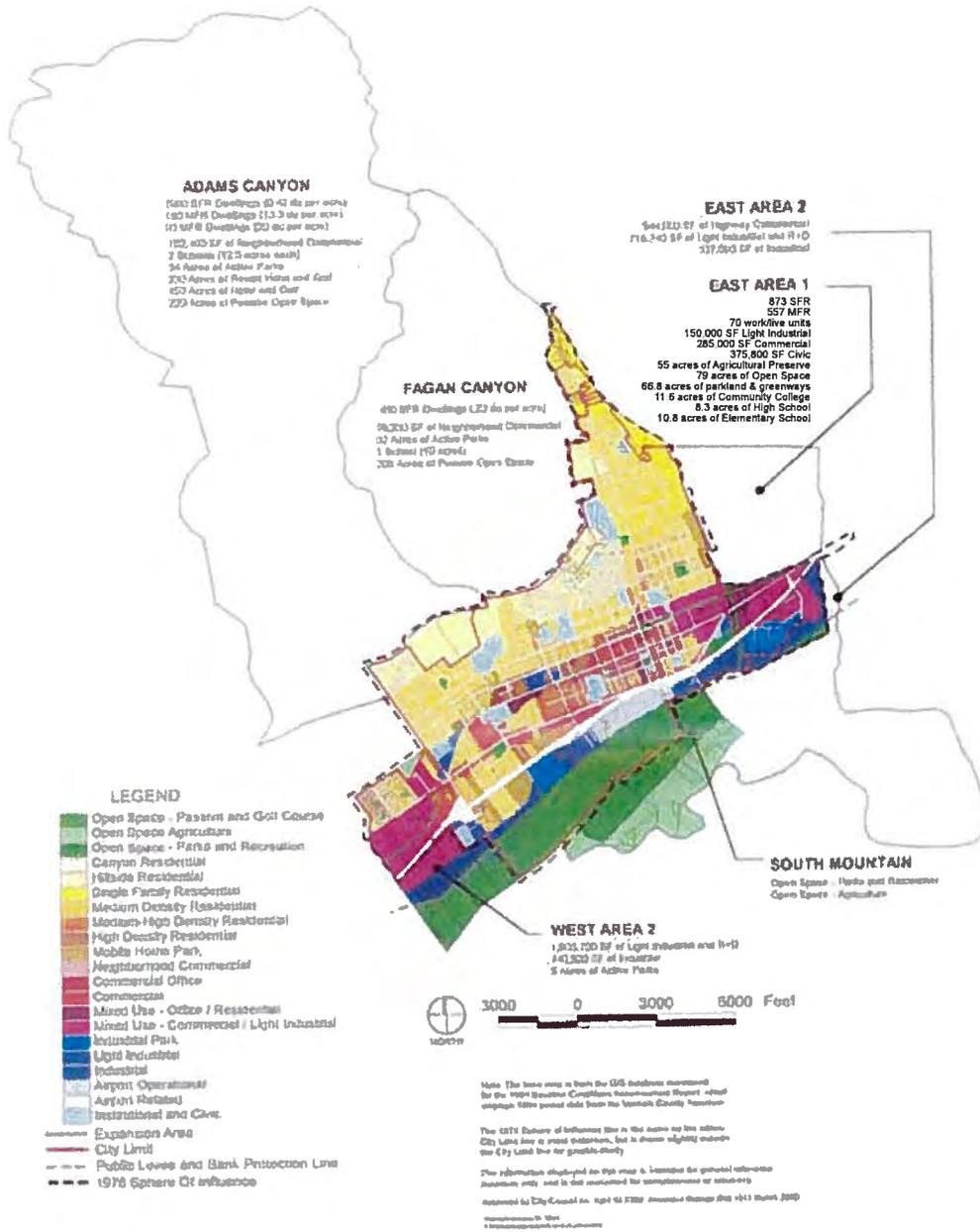
Expansion Areas and Sphere of Influence

Figure LU-4

EXHIBIT F
LU-5, LAND USE PLAN

Figure LU-5 (11 x 17)

**Exhibit LU-5
Land Use Plan**



Land Use Plan

Figure LU-5

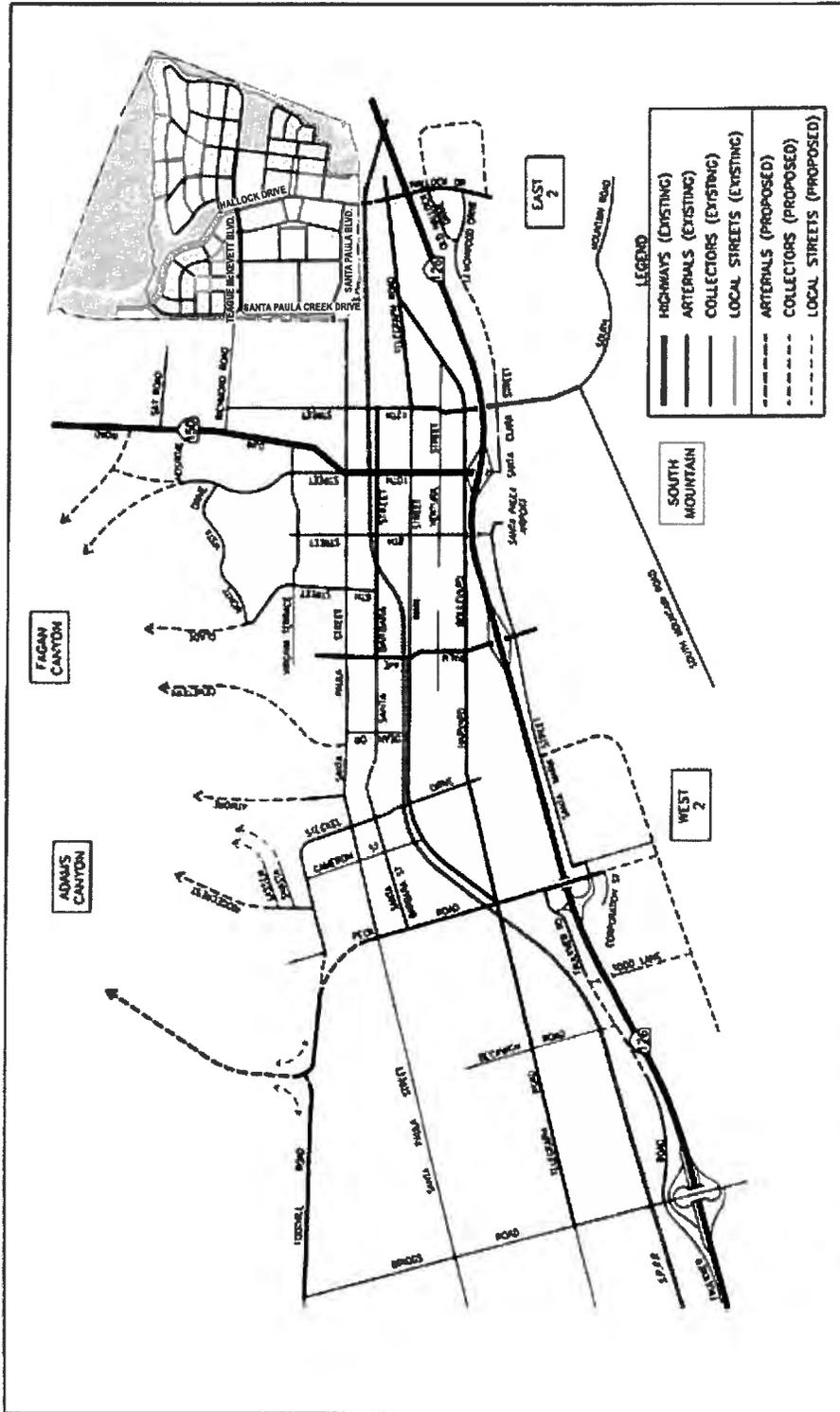
EXHIBIT G
LU-5A, EAST AREA 1 SPECIFIC PLAN LAND USE PLAN

Exhibit LU-5A East Area 1 Specific Plan Land Use Plan



**East Area 1 Specific Plan
Land Use Plan**

EXHIBIT H
CI-3, CIRCULATION PLAN MAP



Source: Associated Transportation Engineers



Figure CI-3

Circulation Plan Map

CI-11

EXHIBIT I
TABLE CI-3, TRIP GENERATION

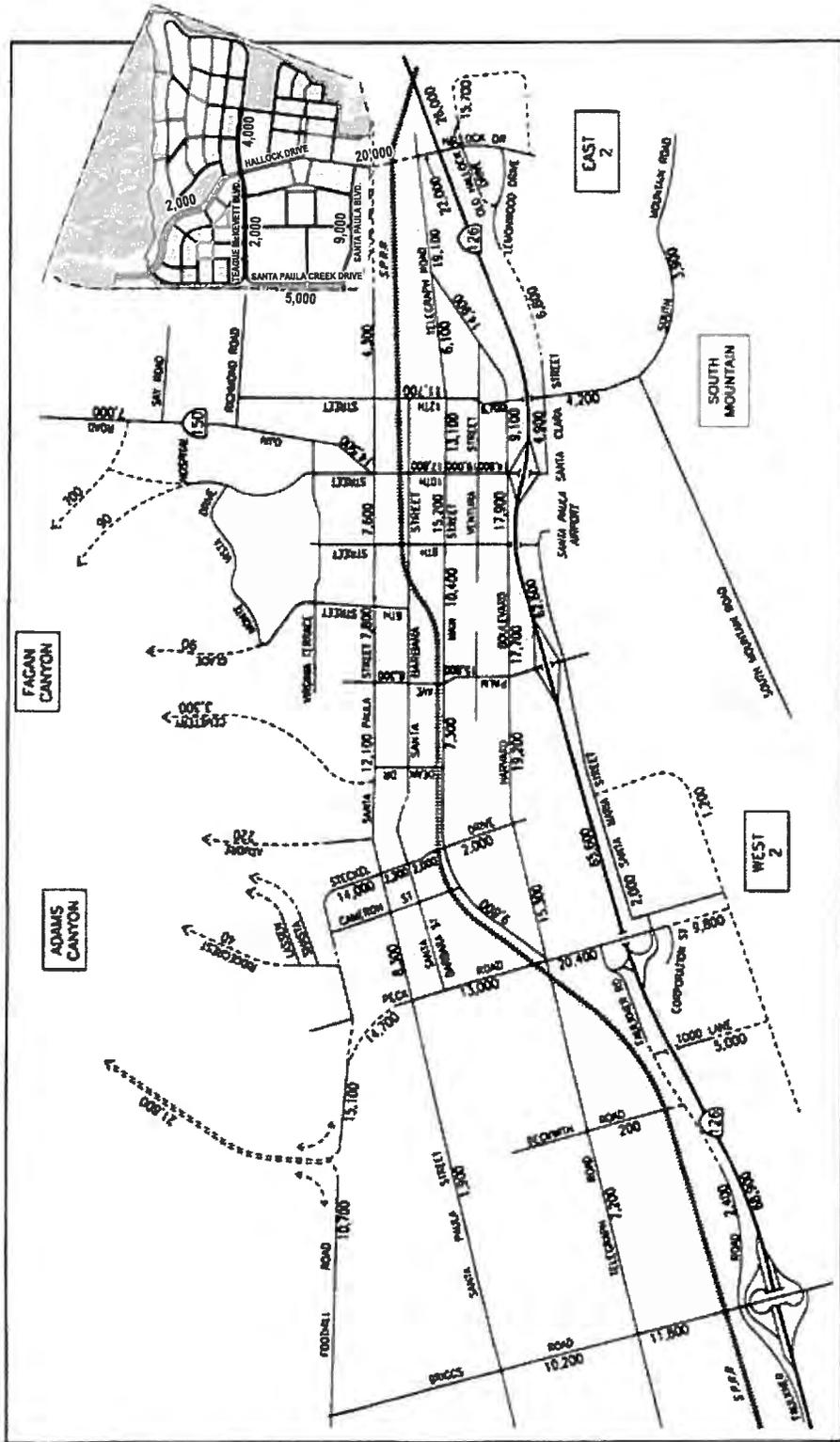
**Table CI-3
Trip Generation –
Development Potential**

Development Area/Land Use	Size	Average Daily Trips	Peak Hour Trips
EXISTING CITY AREAS			
Single Family Residence	207 Units	1,977	178
Neighborhood Commercial	228,690 SF	6,508	123
Industrial	1,154,340 SF	4,894	681
	Subtotal	13,379	982
WEST 2			
Research & Development	1,905,750 SF	8,080	1,124
Industrial	740,520 SF	3,140	437
	Subtotal	11,220	1,561
EAST 1			
Single Family Residence	742 873 Units	6,023 8,355	637 1,537
Condominium	90 268 Units	448 1,570	42 257
Apartment	68 289 Units	397 1,942	36 326
<u>Live/Work</u>	70 Units	470	79
<u>Assisted Living</u>	150 Beds	399	54
<u>Office</u>	123,000 SF	1,354	374
<u>Shopping Center</u>	75,000 SF	3,221	358
<u>Commercial</u>	12,000 SF	515	57
<u>Civic Facilities</u>	65,000 SF	4,480	461
<u>Light Industrial</u>	15,000 SF	1,046	285
<u>Elementary School</u>	10 Acres 35,400 SF	90 513	5 277
<u>High School</u>	110,400 SF	1,423	455
<u>Community College</u>	165,000 SF	4,536	912
<u>Open Space - Park</u>	13.5 12.0 Acres	10 27	1
<u>Golf Course Open Space</u>	18 Holes 209.2 Acres	575 477	51 14
	Subtotal	7,543 30,328	772 5,437
EAST 2			
Highway Commercial	544,500 SF	35,381	3,133
Research & Development	718,740 SF	3,047	424
Industrial	337,590 SF	1,431	199
	Subtotal	39,859	3,756
ADAMS CANYON			
Single Family Residence	1,980 Units	16,073	1,700
Condominium	180 Units	897	84
Apartment	90 Units	526	48
Neighborhood Commercial	152,460 SF	930	84
School	25 Acres	225	11
Park	34 Acres	26	2
Hotel	230 Units	2,001	175
Golf Course	36 Holes	1,150	103

	Subtotal		21,828	2,207
FAGAN CANYON				
Single Family Residence		1,598 Units	15,330	1,410
SECTION 1: Multi-Family Residence		294 Units	1,900	158
SECTION 2: Elementary Schools (2)		19.2 Acres	1,540	232
Neighborhood Commercial		25,000 SF	2,760	160
Park		49.7 Acres	73	2
	Subtotal		21,603	1,962
SOUTH MOUNTAIN				
Passive Recreation /6 soccer fields		15 acres	NA	NA
	Total		98,167	9,730

EXHIBIT J
CI-5, BUILDOUT AVERAGE DAILY TRAFFIC VOLUMES

CI-5 Buildout Average Daily Traffic Volumes



Source: Associated Transportation Engineers



Figure CI-5

Buildout Average Daily Traffic Volumes

CI-19

EXHIBIT K
EAST AREA 1 SPECIFIC PLAN SP-3

Exhibit K East Area 1 Specific Plan (SP-3)



East Area 1 Specific Plan
Land Use Plan

EXHIBIT L
EAST AREA 1 BOUNDARY LOCATION MAP

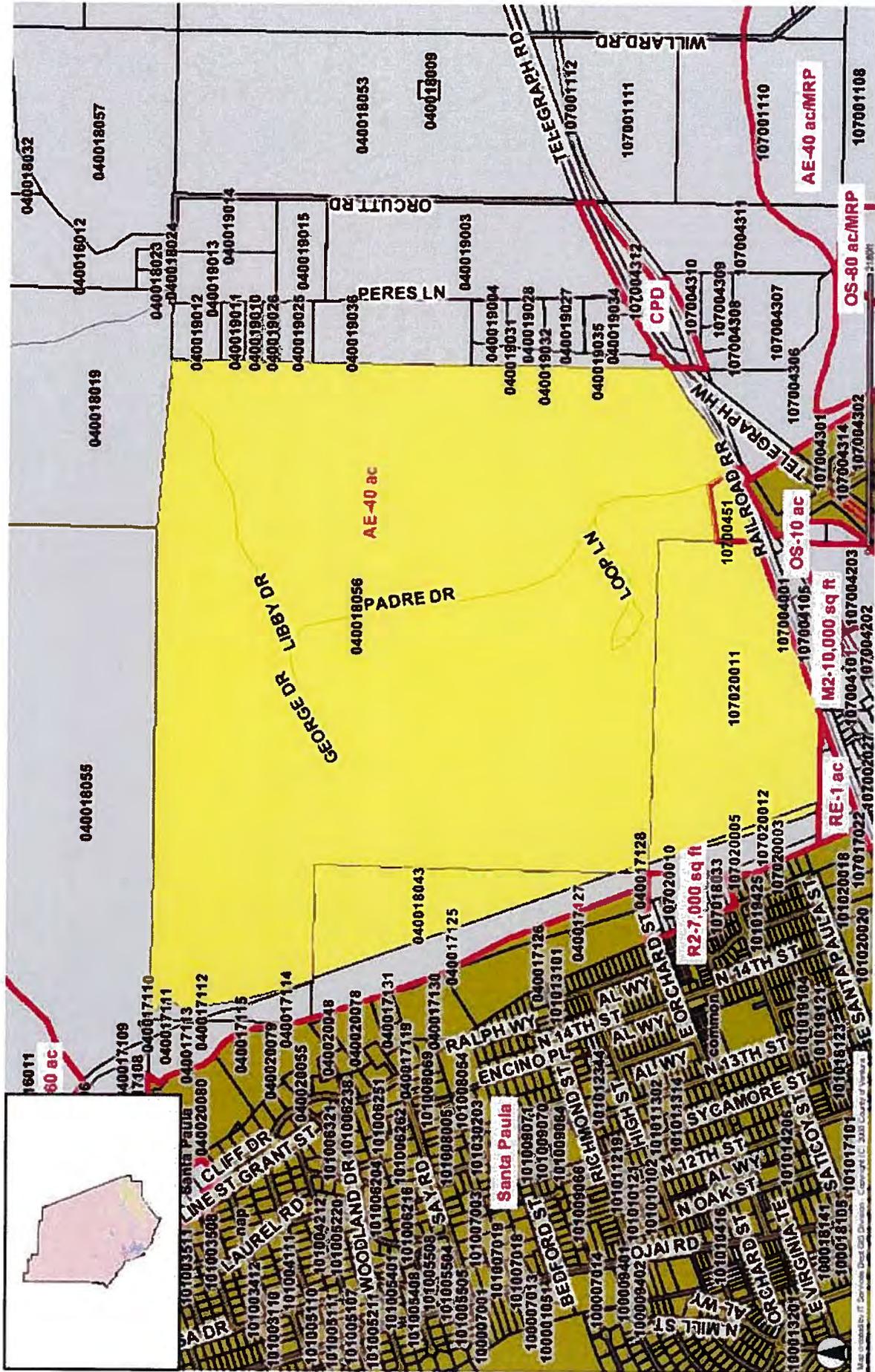


Exhibit L, Boundary Location of the East Area 1 Specific Plan

EXHIBIT M
CONDITIONS OF APPROVAL

EXHIBIT M
CONDITIONS OF APPROVAL

2006-CDP-02 CONDITIONS OF APPROVAL

GENERAL

1. Within 48 hours of the approval of the project, the Applicant must deliver to the Planning Department a cashier's check or money order made payable to the County Clerk in the amount of Two Thousand Six Hundred Fifty Six Dollars and Seventy Five Cents (\$2,656.75) which includes the Two Thousand Six Hundred and Six Dollars and Seventy Five Cents (\$2,606.75) fee, required by Fish and Game Code Section 711.4(d)(3) plus the fifty Dollars (\$50.00) County administrative fee, to enable the City to file the Notice of Determination for the Environmental Impact Report required under Public Resources Code Section 21151 and California Code of Regulations Section 15904.
2. Applicant agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of Project # 2006-CDP-02. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of Project # 2006-CDP-02, Applicant agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section "the City" includes the City of Santa Paula's elected officials, appointed officials, officers, and employees.
3. All development within this site must be in accordance with the requirements of all City ordinances, except as expressly modified herein or by development agreement, and State laws, and the approved Specific Plan. Regulations or procedures not covered by the Specific Plan or appurtenant documents must be subject to the City ordinances in effect at the time entitlement is required except as modified by the project's Development Agreement.
4. The Applicant or the Applicant's successor-in-interest is responsible for maintaining the undeveloped portion of the site including weed abatement and litter removal.
5. The Applicant must comply with all provisions of the project's Development Agreement. Annual monitoring is required as outlined in the Agreement.

6. The Applicant must comply with all mitigation measures identified in the Final Environmental Impact Report prepared for the East Area 1 Specific Plan and related approvals. A Mitigation Monitoring and Reporting Program (MMRP) was prepared as part of the environmental review for the project and is attached as Exhibit "B" to Resolution No. 6458. The mitigation measures of the MMRP are incorporated into these conditions of approval by reference.
7. In compliance with state law, the Mitigation Monitoring and Reporting Program (MMRP) will be administered for the project. Before the City issues the first Certificate of Occupancy, the Applicant must pay a deposit of \$30,000 for the administration of the MMRP. This fee must be paid no later than January 1st of each year and is subject to change.

PLANNING DEPARTMENT

8. Within sixty (60) days of approval of the Specific Plan, the Applicant must submit a final copy reflecting any changes necessary to make the document consistent with City Council's final action. The final Specific Plan must be reviewed for consistency and approved by the Planning Director.
9. Approval of this Specific Plan is contingent upon and will not become effective nor will it vest until a General Plan Amendment (GPA) is approved by the City Council, or the voters (as applicable), and an Environmental Impact Report (EIR) or any other environmental review under the provisions of the California Environmental Quality Act (CEQA) are certified by the City Council.
10. The specific plan will not become effective until such time as the Property is annexed into the City.
11. The owner/Applicant must prepare and record a declaration of Covenants, Conditions and Restrictions (CC&R's) as required by California Civil Code §1353 *et seq.* sufficient to enforce owner/Applicant obligations to the City under this approval. Before the city approves the first final map for the project, the CC&R's must be reviewed and approved by the City Attorney. Project CC&Rs must include provisions requiring the incorporation of drought tolerant landscaping and minimal turf areas in ornamental planting areas of residential yards (excluding orchard plantings). The Applicant must pay the City's costs associated with such review.
12. The Applicant must provide the prospective home buyers disclosure of the following items. Proof of this disclosure, must be provided to the Planning Department and included in the Master Covenants, Codes and Restrictions (CC&R's) for the project before the city issues the first certificate of occupancy.
 - a. The presence of an active community parks/detention basins that will include sports field lighting for evening use;

- b. Continued agricultural uses on the 55 acres on the northern edge of the Specific Plan area; and
- c. Location of a fire station site and police substation in the East Santa Paula Railroad District.

Inclusionary Housing

13. The Applicant must prepare an Affordable Housing Plan in accordance with the requirements of the SPMC and the provisions of the project's Development Agreement. The Plan will include details about the required inclusionary housing within the project, its distribution, and require deed restrictions for all for-sale inclusionary housing units. The builder of the inclusionary rental housing must investigate the provision of on-site childcare.

Schools

14. The Applicant must mitigate elementary school impacts as outlined in the executed East Area 1 Development Agreement, to the satisfaction of the Santa Paula Elementary School District. At the time of each subdivision map for neighborhoods within the Specific Plan, a letter from the School District Superintendent must be provided outlining the requirements for that neighborhood. Proof of compliance must be provided before the City issues building permits.
15. The Applicant must mitigate High School impacts as outlined in the East Area 1 Development Agreement to the satisfaction of the Santa Paula Union High School District.

Cultural Resources

16. Before the start of grading activities in native soils, the project specifications must require a qualified Native American monitor to be present during grading activities within native soils. The Native American monitor will be authorized to halt construction, if necessary, in the immediate area where buried cultural remains are encountered.

Growth Management

17. A maximum of 500 building permits per year can be issued.

COMMUNITY SERVICES DEPARTMENT

18. The Applicant must provide park improvements to mitigate recreation impacts as outlined in the East Area 1 Development Agreement adopted on _____, 2008 as incorporated by reference in Development

Agreement Article 3.1 Parks and Open Space to the satisfaction of the Community Services Director.

PUBLIC WORKS DEPARTMENT

Grading and Drainage

19. The selection of the City reviewer of geotechnical/soils evaluations must be made by the public works director and paid for by the Applicant.
20. All grading must conform to Chapter 33 of the California Building Code (CBC), as adopted by the SPMC.
21. Before the City approves any grading permit, a master grading and drainage plan for the project must be prepared and approved as part of the first subdivision map approval for the project. The master grading plan must demonstrate conformance with the limits of grading exhibit of the project's EIR, the standards of the Specific Plan, and CBC.
22. Each application for a phase of development must include a conceptual grading plan to indicate at a minimum:
 - a. Preliminary quantity estimates for grading.
 - b. Techniques and methods which will be used to prevent erosion and sedimentation during and after the grading process in compliance with the City Standards and NPDES requirements.
 - c. Preliminary pad and roadway elevations.
 - d. Designation of borrow or stockpile site locations for import/export material.
 - e. Approximate time frames for development including the identification of areas which will be graded during the rainy months.
 - f. The extent of all remedial/corrective grading required.
 - g. Interim basins and drainage requirements per phase based upon a Hydrology and hydraulics analysis
23. Before the City issues any grading permit that will affect jurisdictional drainages, the applicant must provide proof to the Public Works and Planning Departments that the conditions of the 404 and 1602 permits pertaining to the Barranca and or Santa Paula Creek restoration are met or bonded for (if required by the regulatory agencies) and will be implemented consistent with the timing requirements of the permits. The applicant must apply for and obtain the necessary regulatory permits from the California Department of Fish and Game, United States Army Corps of Engineers, and Regional Water Quality Control Board.

24. If subsequent Geotechnical and Soils Reports determine that dewatering of the site is necessary during construction, necessary permits (i.e., in compliance with NPDES permit) must be obtained from appropriate agencies before the city approves the grading plans.
25. Major grading activities should be scheduled during the dry season (April 1 through October 15), or as otherwise approved by the City. No grading will be allowed outside of this timeframe without the City approved BMP's installed.
26. The grading plan must include an Erosion Control Plan (ECP) to be approved as part of the grading permit. The ECP must include provisions for soils stabilization, which may include revegetation of graded areas, as directed by the City.
27. The site must be watered during grading operations to control dust. In addition to implementing mitigation measures for air quality impacts contained in the Final EIR for the proposed project, the Applicant must monitor forecasts for east wind conditions and limit grading operations when east winds exceed 20 miles per hour for more than an hour as directed by the City.
28. A Construction Management Plan, including construction truck routes, traffic control plan, and a staging plan, must be submitted for review and City approval before the city issues any grading permit. The plan must include limitation to the duration of the grading operation and construction activities, and a daily time schedule of operations. Primary construction access must be via established city truck routes.
29. The City's paveout policy applies:
 - a. The Applicant must remove and reconstruct any existing public improvements adjacent to the limits of the project found to be damaged during the construction of this project.
 - b. Before the City issues a grading permit, the developer must post a security deposit for emergency road purposes to insure restoration of the public right-of-way, or for correction of hazardous, unsafe or emergency conditions within the public right-of-way. The amount of the deposit will be determined by the City engineer based upon review of the Construction Management Plan.
30. All public streets must be maintained and swept using a pickup type street sweeper if necessary on a daily basis during grading operation and construction activities. Cash deposit, letter of credit, or posting of bond to guarantee maintenance of all public rights-of-way affected by the grading operations and construction activities must be posted before the city issues

grading permits. Upon submittal of subdivision maps which include street improvements, additional street sweeping requirements will be applied.

Drainage

31. Drainage and flood control facilities, including modifications to the existing on-site drainages and Haun Creek must be undertaken in accordance with the requirements of the City and Ventura County Watershed Protection District (VCWPD), subject to the approval of the Department of Public Works and VCWPD, as applicable.
32. The Developer must construct the proposed on and offsite drainage facility improvements and the detention basin provisions as recommended in the Specific Plan and Drainage Study documents and as directed by the Department of Public Works and VCWPD, as applicable. An appropriate maintenance mechanism and operations plan must be established as part of final design. The drainage facilities must comply with the City's NPDES permit requirements and utilize BMP's such as bioswales, median drainage swales, rain gardens, parkway drainage gardens, trash excluders etc.
33. Drainage facilities within each phase must be constructed immediately after the completion of the site grading and before or concurrently with the initial site development within that phase.
34. During each phase of development, storm water runoff must be reduced to less than or equal to the existing condition or as outlined in the NPDES permit requirements and utilize BMP's such as bioswales, median drainage swales, rain gardens, parkway drainage gardens, trash excluders etc
35. As required by the Public Works Department, additional Hydrology and Hydraulic studies must be submitted with subsequent tentative maps and development applications to study the drainage impacts and analyze necessary measures to mitigate the runoff created as part of the development of this project. The studies must include, without limitation, the hydraulic analysis for the sizing of the required storm drain system. Appropriate facilities for proper drainage within the development must be provided and constructed as directed and approved by the City Engineer.
36. The development must be protected from offsite drainage, and any water concentration must be conveyed by means of adequate facilities to the natural water courses of the area, and existing storm drain system designed to convey the development's runoff.
37. The Developer must protect downstream properties from damages caused by alteration of the drainage patterns; i.e., concentration or diversion of flow.

Protection must be provided by constructing adequate drainage facilities, including enlarging existing facilities or by securing drainage easements.

Stormwater Quality

38. Development must be undertaken in accordance with conditions and requirements of the Ventura Countywide Stormwater Quality Management Program, National Pollution Discharge Elimination System (NPDES) Permit No. CAS004002 and current permit updates. Project construction must incorporate Best Management Practices (BMPs) applicable to the development for review and approval by the city engineer and utilize BMP's such as bioswales, median drainage swales, rain gardens, parkway drainage gardens, trash excluders etc. The Applicant must provide a storm water pollution control system as part of a Stormwater Quality Master Plan during construction in conformance with the SPMC, to the satisfaction of the City Engineer. The Applicant must also obtain a discharge permit for storm water.
39. Before the city issues a grading permit, the developer must submit a Notice of Intent (NOI) to the California State Water Resources Control Board, Storm Water Permit Unit in accordance with the NPDES Construction General Permit (No. CAS000002); Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activities. The developer must comply with all additional requirements of this General Permit, including preparation of a Stormwater Pollution Prevention Plan (SWPPP). Before the city issues a grading permit, the developer must submit a copy of the project receipt of Notice of Intent to the city.
40. A method to ensure the implementation and maintenance of all stormwater BMPs and utilize BMP's such as bioswales, median drainage swales, rain gardens, parkway drainage gardens, trash excluders etc and other drainage facilities must be established, including without limitation, landscaping which must be properly maintained with efficient irrigation to reduce runoff and promote surface filtration and minimize the use of fertilizers and pesticides that can contribute to urban runoff pollution. The method will be subject to the review and approval of the City Engineer.
41. Parking and associated drive areas with five or more spaces must be designed to minimize degradation of storm water quality. BMP's, such as oil/water separators, sand filter, basins or approved equals, must be installed to intercept and effectively prohibit pollutants from discharging to the storm drain system. The design must be submitted to the City Engineer for review and approval before the city issues a grading permit.

Water, Wastewater, and Reclaimed Water

42. The project Developer must pay a fair share of the costs for water supply, water distribution system, wastewater collection and recycled water distribution facility improvements that benefit the project but are constructed to also serve areas of the City outside the project area in accordance with the provisions of the project's Development Agreement.
43. The project Developer must prepare a detailed infrastructure construction-phasing plan addressing the extent and schedule of necessary infrastructure requirements required by the project pursuant to these Conditions of Approval and the Development Agreement. The plan must be approved by the Public Works Director before the City approves the first subdivision map for the project.
44. All water, sewer and recycled water facilities must be constructed by the project Developer in accordance with the requirements and specifications of the City Public Works Director and the approved project Specific Plan and its technical studies, state and federal requirements, and to meet local code provisions. Such requirements must be applied at the subdivision plan stages of the development.
45. Before the City issues a grading permit, existing abandoned wells must be demolished by the project Developer pursuant to the requirements and procedures of California Department of Water Resources (DWR), State Department of Health Services (SDHS) and the County of Ventura.
46. Before approval of grading plans by the City Public Works Director, the project applicant must finalize in an agreement with the City rights to water (in acre-feet) that the Applicant will provide for the project pursuant to the analysis completed in the project's approved Water Supply Assessment (WSA) and according to the existing ordinances and requirements of the City. Said agreement must include the dedication procedure's including the timing of the availability of the necessary water rights. The Applicant must then dedicate to the City such rights or as a substitute provide the fees as specified by the City.
47. At each phase of development, the applicant must submit a report outlining the water supply assessment requirements and the impact if any to the Santa Paula and Fillmore Groundwater basins. This report must be submitted and approved by the city Public Works Director.
48. Upon annexation of the project area into the City, water rights from existing wells associated with the land of the project must be transferred to the City in accordance with City of Santa Paula Municipal Code. The water resource guidelines require new development to provide water rights sufficient to meet the needs of the new development plus 25% for unforeseen fluctuations in usage.

49. Before approval of building permits by the City, the project Applicant must ensure to the satisfaction of the City Public Works Director that the project incorporates water conservation Best Management Practices (BMP's) and water conserving measures in the projects landscaping and building plans as identified in the project Water Supply Assessment (WSA) and in the Draft Specific Plan. These measures and BMP's must include of the installation of the following facilities: use of recycled water; front loading washing machines as fixture units to be installed in each unit; ultra low flow toilets; low flow showerheads; evapotranspiration irrigation controllers, and, tankless hot water heaters. The project Developer must provide to the City Public Works Director for review and approval water conservation education materials and notification for the proper use and maintenance of water conservation facilities. Said notification is required to be provided to each new homeowner by the project Developer upon sale of each new home.
50. The project Applicant must plan, design and obtain City Public Works Director approval for the engineering design and construction inspection of the on- and off-site site potable water facilities noted in the Final Environmental Impact Report (including associated Technical Reports).
51. **Water Tanks.** A view/aesthetics analysis must be performed for each water tank within the East Area 1 development as part of preliminary design for such water tanks. If this analysis indicates that the tanks cannot be adequately screened by a combination of location, plant materials and paint color, the feasibility (including without limitation, geotechnical and hydraulic) of partially burying the tanks must be evaluated to the satisfaction of the Public Works Director. The City Council will make a final determination regarding water tank design based upon these analyses.
52. Supply wells and treatment facilities: Five wells and above ground appurtenant facilities (treatment and appurtenances, etc.) are to be provided as noted in the Final Environmental Impact Report. The final design, selection of materials and operation of the below and above ground facilities must be approved by the Public Works Director.
53. Before the submission of the first subdivision map, a sewer system project study report must be prepared to finalize the analysis contained within the Final Environmental Impact Report. The report must verify or modify the recommendation for the final alignment and sizing. The report must be submitted to the Public Works Department for review and approval. The report must include the wastewater collection facilities required for all of the in-tract services, based on the City approved project. The final design, selection of materials and operation of the facilities must be approved by the Public Works Director. All facilities will be installed by the developer.

54. Before the submittal of the first subdivision map for the development, the project applicant must prepare a final recycled water master plan for submittal to and approval by the City Public Works Director. The master plan must include the distribution facilities required for all of the in-tract services, the conveyance facilities to provide water from the new WRF to the project site and to meet operational storage requirements based on the City approved project.

Circulation and Traffic

55. A traffic study and circulation analysis must be submitted for review and approval concurrent with each subdivision map within the specific plan area to confirm compliance with the assumptions of the FEIR and determine specific phase/neighborhood requirements, including without limitation, access requirements, signalization requirements, and off-site improvements.

56. Signal warrant analyses must be provided to determine the timing and need for each signal identified by the EIR mitigation measures. The warrant analysis must be provided at the time of subdivision map submittal for each subdivision. Signals need to incorporate conduit between the signals for synchronization and preemptive emergency vehicle devices. Such devices will be approved by the city Public Works Director and installed by the developer for signals located within the development.

57. Private roads and alleys may be as narrow as 20 feet unobstructed travel width, not including parking with Fire Department approval at the time of subdivision map review.

58. Public roads must maintain a 20 foot clear distance for emergency vehicle access. Local roads with parking on both sides within each neighborhood must provide a minimum paved width of 36 feet. Exceptions to this standard maybe approved by the City Engineer on a case-by-case basis as part of subdivision map approvals.

59. Cul-de-sacs with planters must maintain clear unobstructed travel around the planters, not including parking. Conformance with this standard must be proved to the satisfaction of the City Engineer during subdivision map review and approval.

60. The gradient for a fire apparatus access road must comply with the CFC. Conformance with this standard must be proven to the satisfaction of the Fire Chief and City Engineer during tentative map review and approval.

61. All traffic calming devices that could impede or slow emergency vehicle access are prohibited, except those approved individually on a map by map basis when they maintain the required travel widths and radii and are

consistent with the provisions of the Specific Plan. Traffic calming devices must be approved by the city Fire Chief and Public Works Director and installed by the developer. Approvals must occur during the subdivision map review.

62. Maximum cul-de-sac length must not exceed 600 feet. Minimum turning radius on any cul-de-sac must be forty (40) feet for residential and forty-five (45) feet for commercial. Conformance with this standard must be proved to the satisfaction of the City Engineer during tentative map review and approval. Exceptions to this standard maybe approved by the City Engineer on a case-by-case basis as part of subdivision map approvals.
63. Street trees must be planted on all streets within the project based upon an approved landscape plan and the standards adopted in the East Area 1 Specific Plan and as approved by the city Public Works Director. The Applicant must maintain trees until accepted by the Homeowners Association. A security deposit must be posted with the City to insure maintenance before recordation of any subdivision maps within the project.
64. The Applicant must dedicate to the public all rights of access to and from lots abutting on limited access roads. This dedication must be so designated in the certificate attached to final development maps with the intention that the owners of lots abutting said limited access roads must have no rights whatsoever in said road, except as determined by the City Engineer and the Traffic Engineer.
65. Streets within the project area must be constructed consistent with the road cross sections and standards within the adopted Specific Plan. Streets within the neighborhoods of the Specific Plan must be designed to maximize vehicular and pedestrian connectivity and minimize the use of cul-de-sacs. Compliance with Specific Plan standards and the goal of maximizing connectivity will be required before the City approves subdivision maps within the project area.
66. Applicant must grant temporary easements for, and construct, turnarounds not less than 40-foot in radius at the dead end of all streets for which regular turnarounds are not shown on the tentative map to provide temporary turnarounds until such streets are extended. A separate security deposit must be posted with the City to insure satisfactory removal of the temporary improvements. A turnaround is not required on streets which extend less than two lots or 150 feet.
67. Cross gutters may be permitted on minor streets only at those points where the traffic would normally be expected to stop.

68. Before the City issues a grading permit, traffic circulation and control on adjacent streets, including all curb openings, control signs for regulation, warning, and guidance of traffic, must be designed as required by the Traffic Engineer. These must include, without limitation, stop signs, speed signs, "Not a Through Street" signs, turn prohibition signs, one-way signs, parking signs, together with required pavement striping, raised pavement markers, and road symbols. Traffic circulation and control onsite must meet the approval of the Director of Planning and the Traffic Engineer.
69. Permanent Ventura County survey monuments per Road Standards Plate E-4, Revision D, must be set at the intersection of street centerlines at the beginning and end of curves in centerlines, and at other locations designated by the City Engineer. All other centerline monuments must be in accordance with standard survey practice. A complete set of all street centerline ties (a minimum of three per monument), each inked on a reproducible of the recorded map with a blueline print, must be submitted before final project acceptance.
70. Ramps and other handicap facilities (sidewalk, walk, appurtenances) must be constructed for the physically handicapped in locations specified by the City Engineer. Handicap facilities must be constructed and existing facilities must be reconstructed within the project limits, as necessary, in accordance with Title 24 of the California Building Code, and Americans with Disabilities Act ("ADA") requirements.
71. Direct routes to school facilities from neighborhoods crossing collector and arterial streets must have in pavement crosswalk lights. Location and manufacturer must be approved by the city Public Works Director.
72. Before the city issues a grading permit, the Applicant must design, and before occupancy, the Applicant must provide intersection sight distance in a manner acceptable to the Public Works Director for all roads within the specific plan area. The following guidelines must be used in all cases:
 - a. Uncontrolled Intersections: The corner cut-back is a triangular horizontal plane defined by the point of intersection of the front and side property lines and two points located 50 feet back along the property lines. No visual obstruction which exceeds two feet high must be constructed within the corner cutback area.
 - b. Controlled Intersections: Sight distance must be provided as set forth in the SPMC.
73. The Applicant must comply with Business and Professions Code § 8771. Two corner records are required to be filed with the County Surveyor:

- a. First, when monuments exist which control the location of subdivisions, tracts, streets, or highways, or provide survey control, the monuments must be located and referenced by a licensed land surveyor before the time when any streets or highways are reconstructed or relocated and a corner record of the references must be filed with the county surveyor.
- b. Then, the monuments must be reset in the surface of the new construction and a corner record filed with the county surveyor before the recording of a certificate (Notice) of completion for the project.

Sufficient controlling monuments must be retained or replaced in their original positions to enable land lines, property corners, and tract boundaries to be re-established without devious surveys necessarily originating on monuments differing from those that currently control the area.

74. Before the City approves improvement plans, the Applicant must furnish to the Department of Public Works a street lighting plan. The plan must include all street lumens proposed within the project boundaries. For each of the project streets that connect to an existing street, the plan must identify the location of the first existing street light on the existing street. For street lights located on local streets, the lights must be located a maximum of 220 feet apart. For street lights located on collector streets, the lights must be located a maximum of 200 feet apart. For street lights located on primary and secondary arterial streets, the lights must be located a maximum of 200 feet apart.
75. Applicant must obtain all necessary encroachment permits before the city approves any subdivision map or grading permit as applicable. This must include, without limitation, Southern California Edison Company, Southern California Gas Company, Verizon Communications (telephone), Time Warner (cable television), Ventura County Flood Control District, Ventura County Roads, and Caltrans.
76. Transit will be provided as detailed in the MMRP.

POLICE AND FIRE DEPARTMENTS

98. An irrevocable offer of the approved public safety facility site of no less than one acre in size must be offered to the City. The characteristics of the site must be in substantial conformance with the following, to the satisfaction of the Fire and Police Chiefs:
 - a. The site cannot include slopes or hillsides and must be located in the proposed Village Core.
 - b. Title to the site must be conveyed to the City free and clear of any geologic and flood hazards and easements, the timing of such

conveyance must be at the City's discretion, pursuant to the provisions of the project's Development Agreement.

- c. The public safety facility site must be free of any hazardous materials and a Phase I Environmental Site Assessment (and a Phase II if warranted) must be completed at Applicant's expense.
 - d. A soils report, site survey and topographic map for the site must be provided to the City by the applicant.
 - e. The Fire and Police Departments will coordinate the design of the public safety facility with the applicant. The Departments has final approval of the public safety facility design.
 - f. The applicant must install the necessary connections to allow the fire and police department to override traffic signals installed as part of the project during emergency responses.
 - g. The public safety facility site must be improved by the applicant at its sole cost including a two inch water line stub and shut off valve, a six inch diameter fire sprinkler service line stub, a fire hydrant, connection to a sewer line, all utility connections to the property line, and all off site street improvement adjacent to the site, including curbs, sidewalk, traffic sign, and signal.
99. Public safety facility construction is required as outlined in the Development Agreement. In addition to this requirement, interim fire protection must be provided on the project site before any permanent structures are erected, including without limitation, provision of a graded pad, temporary trailer for fire department staff office use, a water connection point, and a fire engine for emergency response. The location of this interim facility must be determined at the time of the first subdivision map within the project in conjunction with the Fire Chief and City Engineer.
100. The applicant must install signs on the proposed public safety facility sites stating that a public safety facility will be constructed on that site. In addition, the applicant must provide disclosures to all future property owners of the fact of the public safety facility being constructed on the project site.
101. The project must comply with the California Fire Code, as adopted by the SPMC unless a specific exception is requested and approved in writing by the Fire Chief.

By signing this document, Applicants certify that it read, understood, and agrees to the Project Conditions listed in this document.

Harold S. Edwards
Limoneira Company

Date