



Point Molate

Fiscal Impact Analysis

Methodology

Revenues

- Property Tax
 - Calculated based on sale or construction price
- Property Transfer Tax
 - Calculated based on average percent of properties sold in the county
- Sales & Use Tax
 - Calculated from projected sales, hotel stays, and business activity
- Other Government Revenue
 - Calculated per population served

Expenses

- Calculated per population served
 - Police
 - Fire (Community Plan)
 - Community Services
 - Infrastructure
 - Library
 - General Government
- Calculated per service station
 - Fire (SunCal proposal)

Net General Fund Impact to the City of Richmond at Build Out of Phase 1

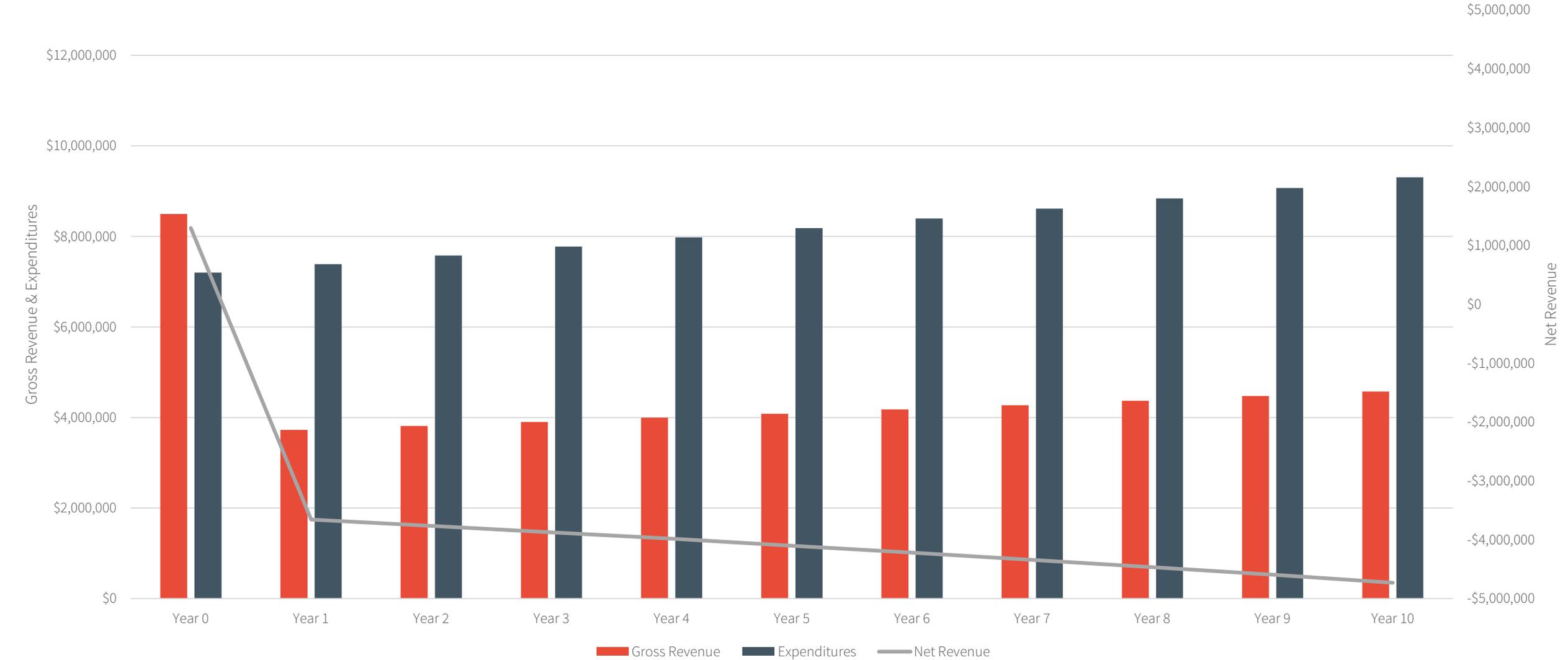
	SunCal Proposal (\$600,000 per home scenario)	SunCal Proposal (\$700,000 per home scenario)	SunCal Proposal (\$900,000 per home scenario)	Community Plan (150 Room)	Community Plan (250 Room)
General Fund Revenue					
Property Taxes	\$2,052,000	\$2,394,000	\$3,078,000	\$303,749	\$372,527
Property Transfer Tax	\$189,000	\$220,500	\$283,500		
Sales Taxes	\$0	\$0	\$0	\$544,000	\$544,000
Business Taxes	\$0	\$0	\$0	\$63,264	\$63,264
Transient Occupancy Tax	\$0	\$0	\$0	\$1,212,165	\$2,020,275
<u>Other Revenues</u>	<u>\$1,402,436</u>	<u>\$1,402,436</u>	<u>\$1,402,436</u>	<u>\$97,097</u>	<u>\$102,668</u>
Total General Fund Revenue	\$3,643,436	\$4,016,936	\$4,763,936	\$2,220,275	\$3,102,733
General Fund Expenses					
Infrastructure and Maintenance Operations	\$436,075	\$436,075	\$436,075	\$30,191	\$31,924
Fire Department*	\$3,653,340	\$3,653,340	\$3,653,340	\$54,629	\$57,763
Library & Cultural Services	\$151,545	\$151,545	\$151,545	\$10,492	\$11,094
Community Services	\$160,653	\$160,653	\$160,653	\$11,123	\$11,761
Police Department	\$1,767,384	\$1,767,384	\$1,767,384	\$122,364	\$129,384
<u>General Government</u>	<u>\$1,028,415</u>	<u>\$1,028,415</u>	<u>\$1,028,415</u>	<u>\$71,202</u>	<u>\$75,287</u>
Total General Fund Expenses	\$7,197,412	\$7,197,412	\$7,197,412	\$300,000	\$317,212
<u>Net General Fund Revenue (rounded '000)</u>	<u>-\$3,554,000</u>	<u>-\$3,180,000</u>	<u>-\$2,433,000</u>	<u>\$1,920,000</u>	<u>\$2,786,000</u>

*Fiscal impact estimates do not include the one-year gain in property transfer tax realized during the point of sale of new homes. Please see the net present value calculation in subsequent slides that does include the one-time sale revenue realized to Richmond. All SunCal scenarios assume a new fire station will be required upon full buildout of Phase 1. Fire station costs were based on the City of Richmond's adopted budget for fire suppression and emergency response. Hatch used per service population unit cost estimates for all other general fund expenditures.

Sun Cal 10-Year General Fund Impact Projection

Average home price \$600,000

Net Present Value to Richmond General Fund over the first 10 years: **-\$25.8 million**



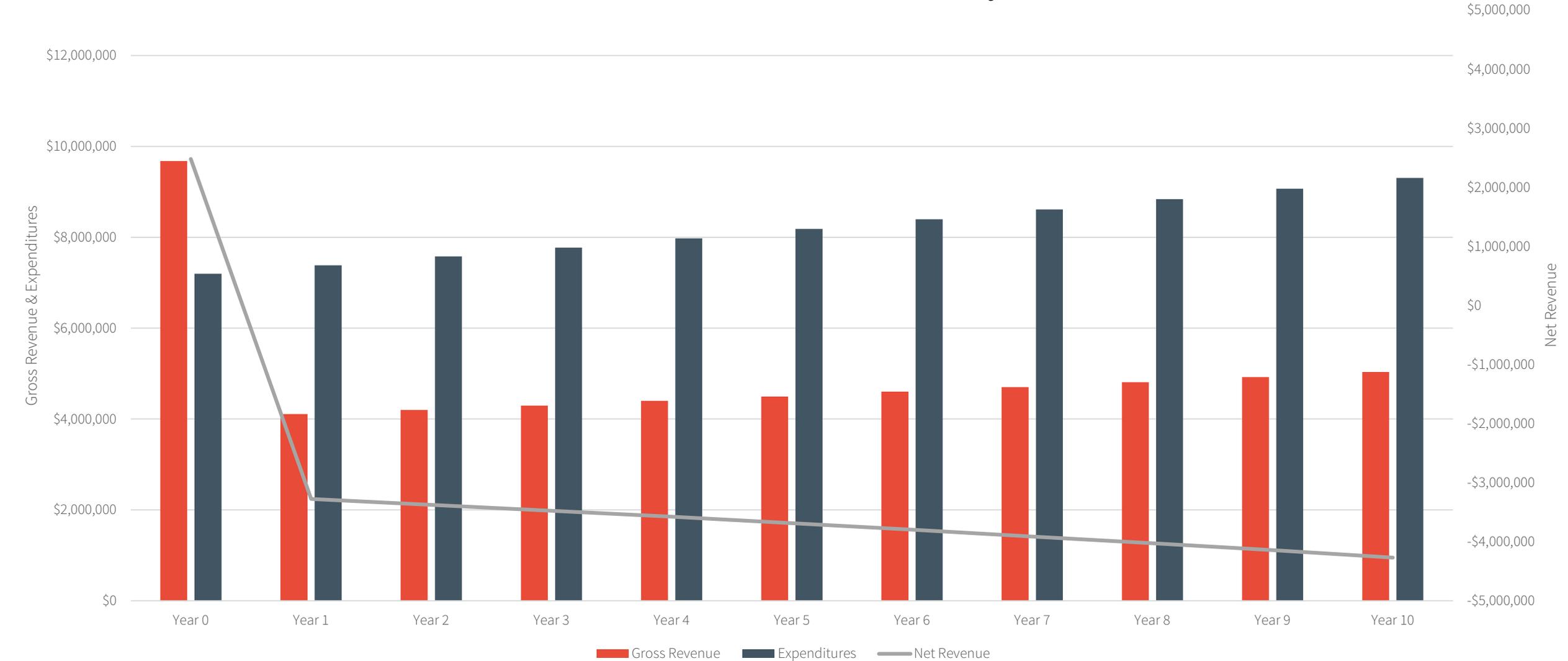
Net Present Value assumes a 7% discount rate



Sun Cal 10-Year General Fund Impact Projection

Average home price \$700,000

Net Present Value to Richmond General Fund over the first 10 years: **-\$21.9 million**



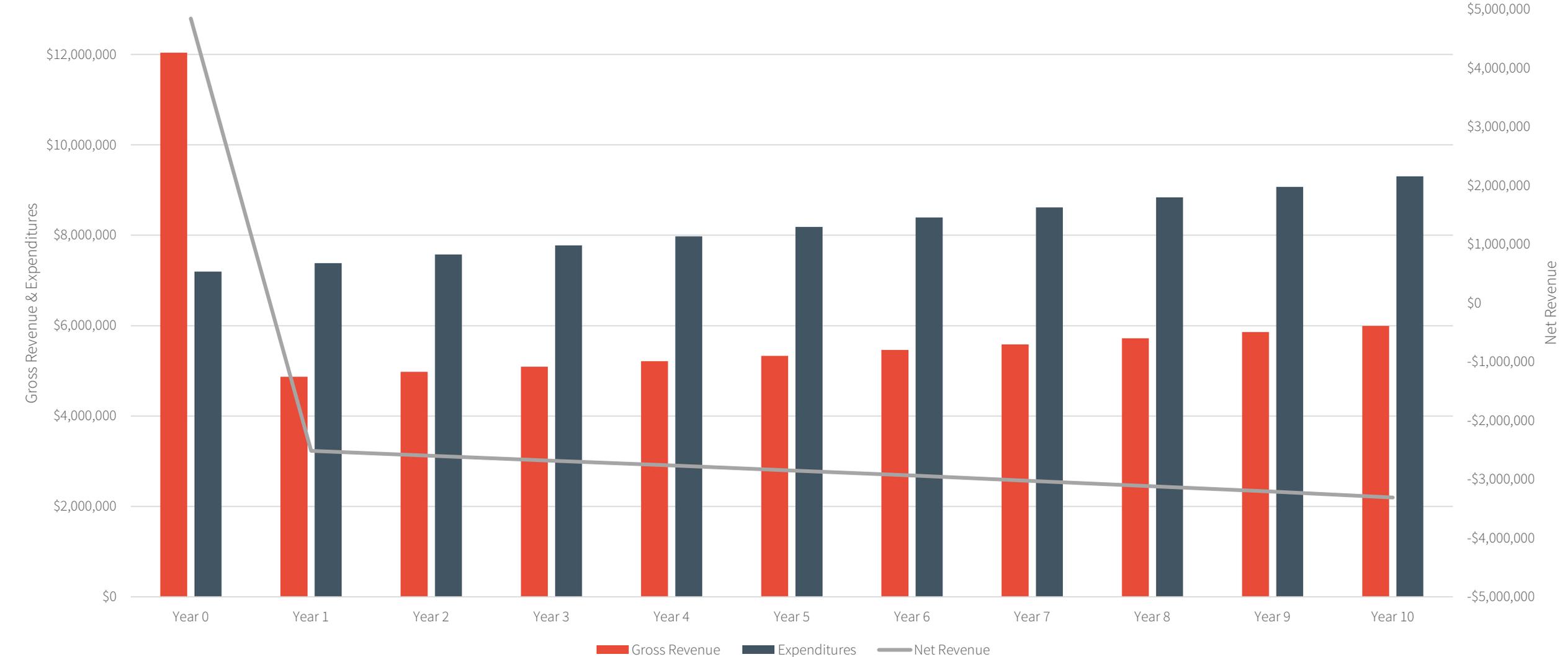
Net Present Value assumes a 7% discount rate



Sun Cal 10-Year General Fund Impact Projection

Average home price \$900,000

Net Present Value to Richmond General Fund over the first 10 years: **-\$14.2 million**



Net Present Value assumes a 7% discount rate



Mello Roos burden *may* erode home prices

- Monthly property tax *without* Mello Roos ranges from **\$800 - \$1,100**
 - At \$300 million infrastructure burden: **\$700/month** Mello Roos obligation
 - At \$500 million infrastructure burden: **\$1,200/month** Mello Roos obligation
- This roughly *doubles* the property tax burden
- High special assessments can erode home prices as homeowners account for the ongoing property tax burden placed on the property versus other comparable properties without a large special assessment. Thus, a new home price of approximately \$700,000 or lower is entirely feasible.

Buyer Profile of Sun Cal Homes: Household incomes range from **\$145,000 to \$210,000** depending on infrastructure cost and home prices

Cost of Unit	\$600,000	\$700,000	\$900,000
Size of Mortgage	\$480,000	\$560,000	\$720,000
Monthly Mortgage Payments	\$2,292	\$2,674	\$3,437
Monthly Property Tax	\$791	\$907	\$1,138
HOA Fees	\$308	\$308	\$308
Homeowner Insurance	\$125	\$125	\$125
Subtotal	\$3,515	\$4,013	\$5,008
<i>Scenario 1: \$300 Million Infrastructure Cost</i>			
Mello Roos Assessment	\$710	\$710	\$710
Total Monthly Obligations	\$4,225	\$4,722	\$5,718
Annual Household Income	\$145,000	\$160,000	\$195,000
<i>Scenario 2: \$500 Million Infrastructure Cost</i>			
Mello Roos Assessment	\$1,183	\$1,183	\$1,183
Total Monthly Obligations	\$4,698	\$5,195	\$6,191
Annual Household Income	\$160,000	\$180,000	\$210,000

Assumptions

Home loan finance: 20% down payment, 4% interest rate, 35% debt to income ratio

Property Taxes: 1.39% tax rate, \$1,150 in assessments

Other costs: \$308 monthly HOA dues, \$125 monthly homeowner insurance premiums

Mello Roos: 3.75% municipal bond interest rate, 40-year bond amortization period

An aerial photograph of an industrial facility, likely a refinery or chemical plant, situated on a peninsula or near a large body of water. The facility features numerous large storage tanks, processing units, and infrastructure. The surrounding landscape is a mix of green hills and developed areas. The text 'Thank You' is overlaid in a large, white, outlined font across the center of the image.

Thank You

Alexander Quinn

Director of Sustainable Economics at Hatch

HATCH