



KEYSER MARSTON ASSOCIATES

**FISCAL IMPACT ANALYSIS
OF REQUESTED AMENDMENTS
TO DOWNTOWN SPECIFIC PLAN
Sunnyvale, CA**

Prepared for:
City of Sunnyvale

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I. EXECUTIVE SUMMARY

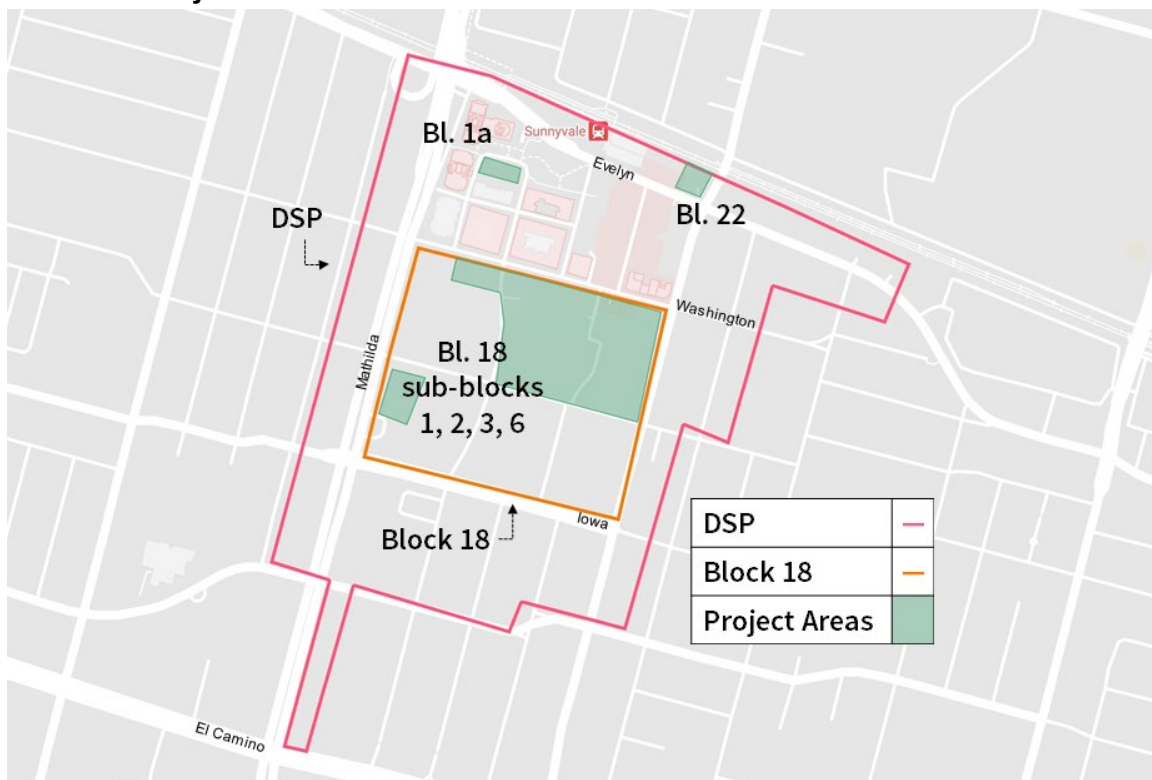
A. Introduction

The City of Sunnyvale is currently reviewing proposed amendments to the Downtown Specific Plan (DSP) that would change the permitted land use mix and development intensity on six properties totaling approximately 16 acres. Keyser Marston Associates, Inc. (KMA) has prepared this evaluation of the fiscal impacts on the City of Sunnyvale General Fund to be generated by potential near term development of the six properties under the existing Downtown Specific Plan (DSP) (“Allowed scenario”) and requested amendments (“Proposed scenario”). The two scenarios are informed by an analysis of market demand for currently allowed and proposed land uses, presented in the separate report – Downtown Specific Plan Amendments, Market Analysis, Sunnyvale, CA (November 2018).

B. Study Boundaries

The boundaries of the DSP area and the six properties are shown in the following map. The DSP area comprises roughly 125 acres across 23 blocks in downtown Sunnyvale. The six properties, referred to as the project area, include a 0.5-acre property in Block 1a, a 1.5-acre property in Block 22, and four properties totaling 14 acres in Block 18 (referred to as sub-blocks 1, 2, 3, and 6).

Exhibit 1. Study Area Boundaries



C. Proposed DSP Amendments

The existing DSP allows for the development of up to 2,200 residential units, 200 hotel rooms, 1,080,000 square feet of office uses, and 1,367,000 square feet of retail/commercial uses. On the six project area properties, development capacity remains for 43 residential units, 518,000 square feet of retail, 19,000 square feet of office, and all 200 hotel rooms. The requested amendments would modify the land use program in the project area to allow for an additional 750 residential units and 915,000 square feet of office while reducing allowed retail uses by 322,000 square feet and eliminating the 200 allowed hotel rooms. These modifications to the DSP would accommodate specific proposed projects located in Blocks 1a, 18, and 22.

D. Land Use Scenarios For Fiscal Evaluation

Per the direction of City staff, this analysis evaluates the fiscal impacts on the Sunnyvale General Fund to be generated by land uses with the potential to be developed over the next five years under existing DSP entitlements and proposed DSP amendments. KMA conducted a market analysis to determine the maximum near-term development potential of existing and proposed land uses (presented in a separate report¹). The analysis identified near-term market support for up to 1,000 residential units, up to 225,000 square feet of retail, and up to 1 million square feet of office in the project area. The estimate reflects market support for net new development which may come in the form of new development or the redevelopment of existing properties with additional units or commercial area. While there remains a long-term opportunity to develop a 200-room, select-service hotel as allowed by the DSP, timing for a hotel in the project area is unlikely to fall within the five-year horizon given the number of hotel rooms already in the development pipeline.

The fiscal analysis evaluates the following land use scenarios indicative of near-term development potential under current entitlements and proposed amendments respectively:

- *Allowed scenario* – Near-term development potential achievable under current entitlements, consisting of 43 residential units, 225,000 square feet of retail, and 19,000 square feet of office. While current entitlements allow for a hotel of up to 200 rooms in Block 18, hotel development is excluded based on market findings that timing of this opportunity is not likely to be realized in the next five years.
- *Proposed scenario* – Near-term development potential achievable under proposed DSP amendments, consisting of 793 residential units, 196,000 square feet of retail, and

¹ Downtown Specific Plan Amendments, Market Analysis, Sunnyvale, CA (November 2018)

934,000 square feet of office. The proposed scenario reflects the full buildout of proposed DSP amendments based on market findings that proposed land uses fall within the range of near-term development potential.

Exhibit 2. Near-Term Land Use Scenarios

	Additional Allowed ¹	Additional Proposed	5 Year Market Support	5-Year Market Potential		
				Allowed	Proposed	Difference
Residential (Units)	43	793	1,000	43	793	750
Retail (SF)	518,000	196,000	225,000	225,000	196,000	(29,000)
Office (SF)	19,000	934,000	1,000,000	19,000	934,000	915,000
Hotel (Rooms)	200	0	0	0	0	0
Estimated FAR ²	1.0	2.9	3.3	0.4	2.9	2.5

Source: KMA interpretation of Notice of Preparation, Downtown Specific Plan Amendments and Specific Development EIR (May 2018), and Sunnyvale DSP Amendments Market Analysis (November 2018).

¹ Includes replacement/ retention of existing uses potentially subject to demolition.

² Floor area ratio estimated by KMA. Excludes existing uses not subject to amendments.

As shown in the exhibit above, the overall near-term development potential of the Proposed land use scenario is significantly greater than the Allowed scenario. The reason is twofold. First, the gross floor area of all uses proposed by DSP amendments is estimated to be nearly three times greater than the maximum floor area allowed by current entitlements. Second, as stated above, the Proposed and Allowed land use scenarios reflect only development potential achievable in the next five years. KMA's market analysis identified near-term development potential for the additional office and residential land uses proposed by DSP amendments. In contrast, the timing for a hotel and most of the retail uses that would be eliminated by proposed amendments was found to fall outside the five-year study horizon. If these uses were included in the Allowed scenario, the results of the fiscal impact analysis would change.

E. Land Use Scenarios by Block and Sub-Block

Allowed and Proposed land use scenarios reflect near-term development potential under existing entitlements and proposed amendments, respectively. Allowed and Proposed land use scenarios for each of the blocks and sub-blocks are shown in the exhibits below. As shown, within each of the blocks, the near-term development potential is greater under the Proposed scenario than the Allowed scenario, consistent with the project area overall. The location of land uses under the Proposed scenario reflects what has been proposed by the applicants. No adjustments are necessary given that proposed land uses appear to fall within the range of near-term development potential. Under the Allowed land use scenario, the amount of retail development achievable in the near-term is less than the maximum permitted by current entitlements. Retail that is included in the Allowed scenario is allocated to blocks and sub-blocks in proportion to the distribution proposed by the applicants. As mentioned above, the hotel permitted in sub-block 6

of Block 18 is excluded from the Allowed scenario given that the timing of this opportunity is not likely to be realized in the next five years.

Exhibit 3. Land Use Scenarios by Block

	<u>5-Year Market Potential¹</u>	
	Allowed	Proposed
Block 1a		
Residential (Dwelling Units) ²	43	0
Retail (SF)	5,000	5,000
Office (SF)	0	99,000
Block 18		
Residential (Dwelling Units)	0	793
Retail (SF)	220,000	191,000
Office (SF)	7,000	766,000
Block 22		
Office (SF)	12,000	69,000
Total Project Area		
Residential (Dwelling Units)	43	793
Retail (SF)	225,000	196,000
Office (SF)	19,000	934,000

¹ Scenarios reflect only those allowed/ proposed uses supported by near-term market demand. See text for further explanation.

² Allowed scenario includes retention of 20 existing residential units.

Exhibit 4. Block 18 Land Use Scenarios by Sub-Block

	<u>5-Year Market Potential¹</u>	
	Allowed	Proposed
Sub-Block 1		
Retail (SF)	0	0
Office (SF)	7,000	141,000
Sub-Block 2		
Residential (Dwelling Units)	0	1
Sub-Block 3		
Residential (Dwelling Units)	0	400
Retail (SF)	166,000	146,000
Office (SF)	0	480,000
Sub-Block 6		
Residential (Dwelling Units)	0	392
Retail (SF)	54,000	45,000
Office (SF)	0	145,000

¹ Scenarios reflect only those allowed/ proposed uses supported by near-term market demand. See text for further explanation.

F. Approach and Assumptions

The fiscal analysis estimates the incremental change in revenues and costs to the City General Fund associated with the above land use scenarios in the aggregate and for each of the impacted blocks. Sites and land uses in the DSP area not subject to the requested amendments are excluded from the assessment.

The impact on the Sunnyvale General Fund is estimated using a combination of “marginal” and “average” estimating approaches. The marginal approach is used to estimate leading sources of tax revenues, including property tax, property tax in-lieu of Vehicle License Fee (VLF), property transfer tax and sales tax. Under the marginal approach, revenues are calculated by applying City tax rates to the estimated change in the project area’s tax base (e.g., assessed values, in the case of property tax). The average approach is used to estimate the remaining revenue sources as well as all service costs. The average approach estimates revenues and costs based on average factors per service population unit derived from the City’s 2017-2018 Adopted Budget.

G. Summary of Aggregate Fiscal Impacts

1. Key Findings

- Retail and office land uses within the project area are estimated to generate a fiscal surplus to the City’s General Fund, while residential land uses are estimated to be fiscally neutral. As a result, near-term development potential under both scenarios is anticipated to generate an annual fiscal surplus to the City.
- As mentioned previously, Allowed and Proposed land use scenarios reflect near-term development potential permitted by current entitlements and proposed amendments respectively. Office development potential in the Proposed scenario is much greater than in the Allowed scenario (by 915,000 SF), while retail development potential is slightly less in the Proposed scenario versus in the Allowed scenario (by 29,000 SF). As both office and retail uses are anticipated to generate a net fiscal surplus, the positive impact on net General Fund revenues due to the large increase in office development potential between Proposed and Allowed scenarios outweighs the negative impact on net General Fund revenues associated with the small decrease in retail development potential between Proposed and Allowed scenarios. Thus, the projected net annual surplus to be generated by the Proposed scenario is anticipated to be greater than the surplus to be generated by the Allowed scenario.
- As KMA’s market analysis indicates, timing for a hotel in the project area is unlikely to fall within the five-year horizon given the number of hotel rooms already in the development pipeline. Thus, the fiscal impacts from a 200-room hotel development, as

permitted under current entitlements, are not included in the analysis. If this fiscal analysis were to consider a longer-term development horizon and include the 200-room hotel in the Allowed scenario, then the Transient Occupancy Tax alone would increase annual revenues under this scenario by approximately \$1.2 million. Net of City service costs (conservatively estimated at 30% of gross City revenues), the addition of a hotel to the Allowed scenario would result in a larger aggregate net annual surplus than that generated by the Proposed scenario.

2. Aggregate Net General Fund Impact

Fiscal impacts on the City's General Fund to be generated by the near-term land use scenarios are presented in Exhibit 5. Upon buildout, the Allowed scenario is expected to generate annual revenues of \$1.16 million and annual expenditures of \$153,000, resulting in a net annual surplus of \$1.01 million. The Proposed scenario is expected to generate annual revenues of \$3.40 million and annual expenditures of \$1.62 million, resulting in a net annual surplus of \$1.79 million. Thus, the net annual surplus from the Proposed scenario exceeds the net annual surplus from the Allowed scenario by approximately \$779,000 due to the factors described above.

Exhibit 5. Net Annual Incremental City General Fund Fiscal Impact

	5-Year Market Potential		
	Allowed	Proposed	Difference
Total General Fund Revenues	\$1,159,000	\$3,400,000	\$2,241,000
Total General Fund Expenditures	\$153,000	\$1,615,000	\$1,463,000
Net Annual Fiscal Surplus/(Deficit)	\$1,006,000	\$1,785,000	\$779,000

3. Annual General Fund Revenues

As shown in Exhibit 6, the annual General Fund revenues generated under the Proposed scenario are estimated to exceed annual revenues under the Allowed scenario by \$2.24 million. Revenues are greater under the Proposed scenario across all revenue categories. Property tax and property tax in-lieu of vehicle license fee (VLF) revenues are greater under the Proposed scenario because the overall near-term development potential is greater, thus driving up the assessed property values in the Proposed scenario. Despite including fewer retail uses, the Proposed scenario also leads in sales taxes due to off-site taxable spending by residents and workers and taxable sales generated by office tenants. Most remaining revenue sources (Utility Users Tax, Franchise Fees, etc.) are tied to the project area's service population, which is significantly greater under the Proposed scenario versus the Allowed scenario (see Section II).

Under the Allowed scenario, sales tax is the largest source of General Fund revenues contributing \$914,000 annually (79% of total revenues), followed by property tax contributing \$156,000 annually, and property tax in-lieu of vehicle license fee (VLF) revenue contributing

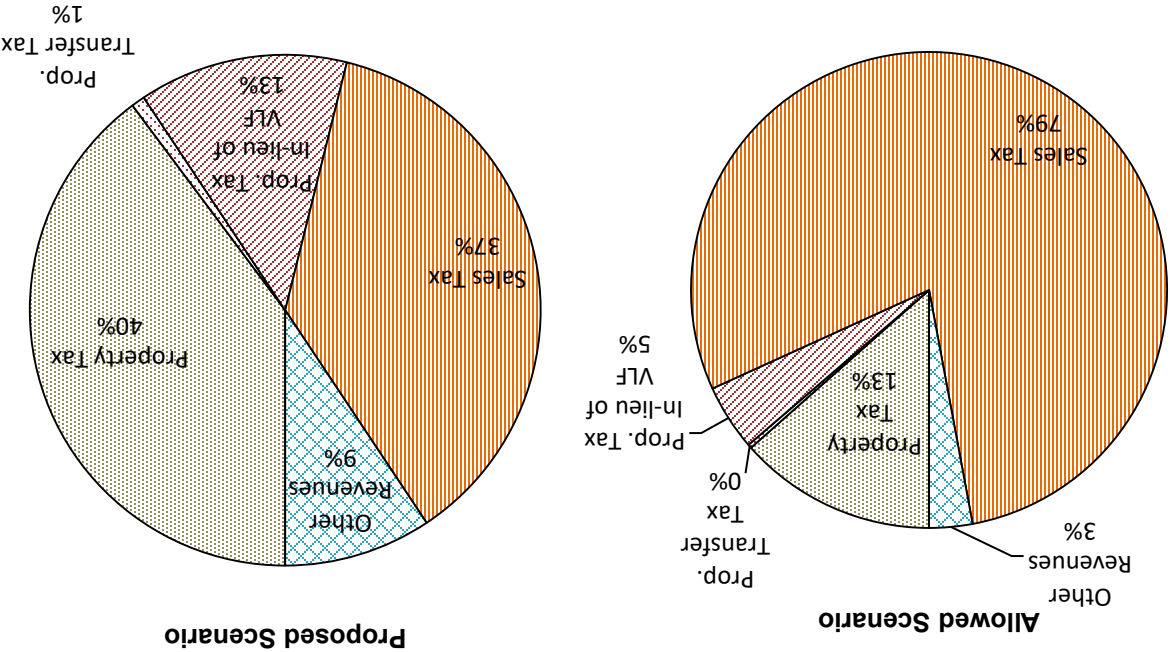
\$52,000 annually. The outsized impact of sales tax is due to retail uses representing most of the near-term development potential under the Allowed scenario. Thus, taxable sales from retail activities drive up the sales tax revenues relative to other revenue sources.

Under the Proposed scenario, property tax is the largest source of General Fund revenues contributing \$1.35 million annually (40% of total revenues), followed by sales tax contributing \$1.26 million annually (37% of total revenues), and property tax in-lieu of VLF contributing \$447,000 annually. The outsized impact of property tax and property tax in-lieu of VLF revenues is due to this scenario's development intensity, which drives growth in assessed values.

Exhibit 6. Annual General Fund Revenues

5-Year Market Potential			
	Allowed	Proposed	Difference
Property Tax	\$156,000	\$1,345,000	\$1,189,000
Sales Tax	\$914,000	\$1,264,000	\$350,000
Property Tax in Lieu of VLF	\$52,000	\$447,000	\$395,000
Property Transfer Tax	\$3,000	\$29,000	\$26,000
Other Revenues	\$34,000	\$315,000	\$281,000
Total General Fund Revenues	\$1,159,000	\$3,400,000	\$2,241,000

Exhibit 7. Annual General Fund Revenue Composition



4. Annual General Fund Expenditures

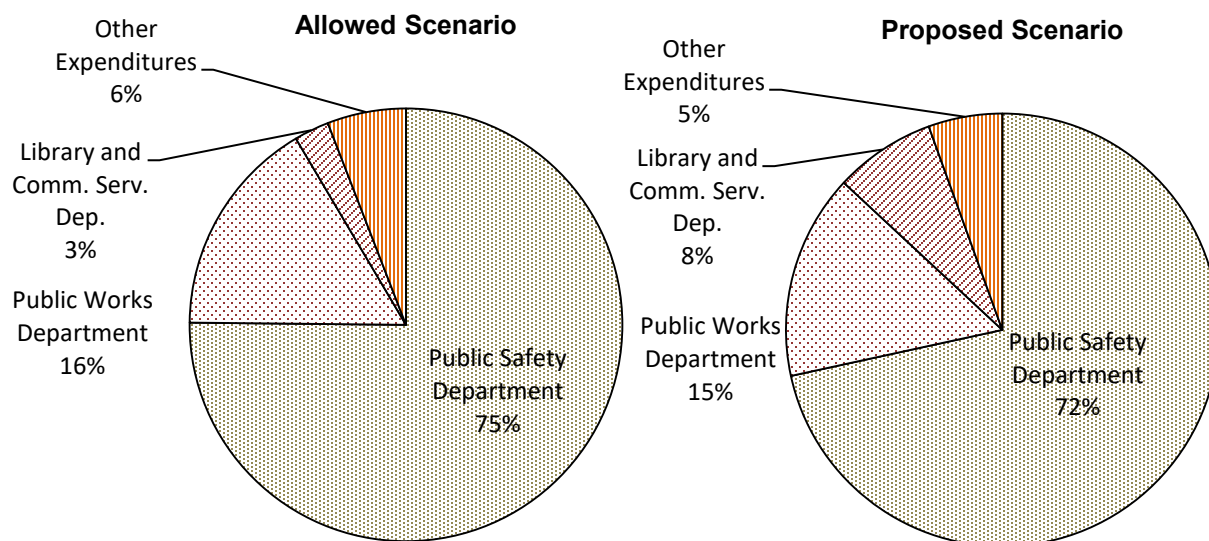
As shown in Exhibit 8, the incremental annual cost to provide services is anticipated to approximate \$153,000 under the Allowed scenario and \$1.62 million under the proposed scenario. Thus, annual General Fund expenditures under the Proposed scenario are expected to exceed annual expenditures under the Allowed scenario by \$1.46 million. All expenditures are estimated based on the project area's service population, which is projected to be significantly greater under the Proposed scenario versus the Allowed scenario (see Section II).

Under the Allowed scenario, the single largest annual expenditure is expected to be for the Department of Public Safety at \$115,000 or 75% of the total. The second and third largest anticipated annual expenditures are for the Department of Public Works and the Library and Community Services Department, respectively. Similarly, for the Proposed scenario, the single largest annual department expenditure is for Public Safety at \$1.16 million or 72% of the total, followed by Public Works at \$248,000 and Library and Community Services at \$122,000.

Exhibit 8. Annual General Fund Expenditures

	5-Year Market Potential		
	Allowed	Proposed	Difference
Public Safety	\$115,000	\$1,156,000	\$1,041,000
Public Works	\$25,000	\$248,000	\$223,000
Library and Comm. Svc	\$4,000	\$122,000	\$118,000
Other Expenditures	\$9,000	\$89,000	\$81,000
Total General Fund Expenditures	\$153,000	\$1,615,000	\$1,463,000

Exhibit 9. General Fund Expenditure Composition



5. Net General Fund Impact by Block and Sub-Block

Per Exhibit 10, the fiscal surplus to the City's General Fund is greater under the Proposed land use scenario than the Allowed land use scenario for each of the three impacted blocks (Block 1a, 18 and 22) consistent with the area-wide results. Land uses within Block 18, where most of the development potential is allocated, generate the largest fiscal surplus to the City at over \$1.6 million per year under the Proposed scenario and nearly \$1 million per year under the Allowed scenario.

Within Block 18, the net fiscal surplus under the Proposed scenario exceeds the fiscal surplus under the Allowed scenario for sub-blocks 1, 3 and 6. For sub-block 2, the fiscal impact of development is estimated to be fiscally neutral under both Allowed and Proposed scenarios, because this sub-block involves the addition of a single residential unit under the Proposed scenario and no development under the Allowed scenario.

Exhibit 10. Net Annual General Fund Impact by Block

	Net Fiscal Impact		
	Allowed	Proposed	Difference
Block 1a	\$13,000	\$115,000	\$102,000
Block 18	\$986,000	\$1,607,000	\$621,000
Block 22	\$12,000	\$65,000	\$53,000
Total, Project Area	\$1,011,000	\$1,787,000	\$776,000

Final figures may not match with figures in Exhibit 5 due to rounding.

Exhibit 11. Net Annual General Fund Impact by Block 18 Sub-Block

	Net Fiscal Impact		
	Allowed	Proposed	Difference
Sub-block 1	\$7,000	\$135,000	\$128,000
Sub-block 2	\$0	\$0	\$0
Sub-block 3	\$738,000	\$1,118,000	\$380,000
Sub-block 6	\$241,000	\$354,000	\$113,000

II. DSP AMENDMENTS AND LAND USE SCENARIOS

The existing DSP allows for the development of up to 2,200 residential units, 200 hotel rooms, 1,080,000 square feet of office uses, and 1,367,000 square feet of retail/commercial uses. On the six project area properties, development capacity remains for 43 residential units, 518,000 square feet of retail, 19,000 square feet of office, and all 200 hotel rooms. The requested amendments would modify the land use program in the project area to allow for 793 residential units and 934,000 square feet of office while reducing allowed retail uses to 196,000 square feet and eliminating the 200 allowed hotel rooms. These modifications to the DSP would accommodate the specific development proposals located in Blocks 1a, 18, and 22, summarized as follows:

- Block 1a (Kasick) – A seven-story, approximately 100,000 square foot office building with 5,000 square feet of ground floor retail. The proposal would require the addition of office entitlements to Block 1a, a reduction in retail entitlements, and the elimination of residential entitlements.
- Block 18 (STC Venture/ CityLine) – The applicant has proposed projects covering four sub-blocks of Block 18, totaling 793 residential units, 191,000 square feet of retail, and 766,000 square feet of office:
 - Sub-block 1 – A six-story, approximately 141,000 square foot office building along Mathilda Avenue. The proposal would require an increase in allowed office uses and a reduction in allowed retail uses.
 - Sub-block 2 – The addition of one residential unit to an existing residential complex. Entitlements in sub-block 2 are otherwise exhausted.
 - Sub-block 3 – A 10-story mixed-use building, a 7-story office building, and several smaller structures totaling 146,000 square feet of retail, 400 residential units, and 480,000 square feet of office, along with outdoor public space and two levels of underground parking. The existing two-story retail building would be demolished. This proposal would require a reduction in allowed retail uses and the addition of housing and office entitlements to sub-block 3 of Block 18.
 - Sub-block 6 – A seven-story, mixed-use building with approximately 45,000 square feet of ground-floor retail and 392 apartment units. This proposal would require a reduction in allowed retail uses, the elimination of allowed hotel uses, and the addition of housing entitlements to sub-block 6.

- Block 22 (Giurland Inc./Murphy Square) – A three-story office building located at the northwest corner of W. Evelyn Avenue and N. Sunnyvale Avenue totaling 69,000 square feet. This proposal would require an increase in allowed office uses.

This fiscal analysis compares the fiscal impacts of the above proposals with the impacts of a hypothetical development program that is consistent with existing DSP entitlements and supported by near-term market demand. Per KMA's market analysis, currently allowed retail and hotel land uses exceed near-term development potential, while proposed land uses fall within the range of near-term development potential. A comparison of Allowed and Proposed land use scenarios to current entitlements is provided in the exhibit below.

For purposes of this analysis, all residential units are assumed to be market-rate, Class A, high-density apartments (other than 20 existing, lower-density apartment units in Block 1a, assumed to be retained under the Allowed scenario). Office development is assumed to be predominantly Class A product comparable to recently built projects in downtown Sunnyvale. Finally, the retail development program is assumed to include a mix of comparison goods, eating, drinking, and entertainment, and local serving retail and services (pharmacy, hair salon, fitness center).

Exhibit 12. Land Use Scenarios versus Current Entitlements

	Current	Scenarios (per 5-Yr. Demand)	
	Entitlements	Allowed	Proposed
Block 1a			
Residential (Dwelling Units) ¹	43	43	0
Retail (SF)	11,000	5,000	5,000
Office (SF)	0	0	99,000
Block 18			
Residential (Dwelling Units)	0	0	793
Retail (SF)	507,000	220,000	191,000
Office (SF)	7,000	7,000	766,000
Hotel Rooms	200	0	0
Block 22			
Office (SF)	12,000	12,000	69,000
Total Project Area			
Residential (Dwelling Units)	43	43	793
Retail (SF)	518,000	225,000	196,000
Office (SF)	19,000	19,000	934,000
Hotel (Rooms)	200	0	0

¹ Current entitlements and Allowed scenario include retention of 20 existing residential units.

Upon buildout of the Proposed scenario, the growth in the project area population is estimated to total 1,622 residents and 3,828 workers; while upon buildout of the Allowed scenario, the growth is estimated to total 88 residents and 603 workers. The resident population is projected based on the average number of residents per unit in the DSP area as reported by the US Census and ESRI Business Analyst. The workforce population is projected based on typical employment densities of office and retail uses informed by KMA's experience with similar projects and recent Environmental Impact Reports prepared on behalf of the City.

Exhibit 13. Growth in Project Area Population

	Allowed scenario	Proposed scenario
Residents	88	1,622
Workers	603	3,828
Resident Equivalents*	289	2,897

** New residents plus one-third of the number of new employees.*

III. FISCAL IMPACT: BLOCK 1A

As per KMA estimates, the five-year market potential for the Allowed scenario in Block 1a includes 43 residential units and 5,000 SF of retail uses; while the five-year market potential for the Proposed scenario includes 5,000 SF of retail uses and 99,000 SF of office uses. The 43 residential units under the Allowed scenario are assumed to consist of 20 existing residential units to be retained and 23 additional units to be developed.

Exhibit 14. Block 1A: Land Use Scenarios

	5-Yr Market Potential	
	Allowed	Proposed
Residential (Dwelling Units)	43	-
Retail (SF)	5,000	5,000
Office (SF)	-	99,000

Allowed scenario includes retention of 20 existing residential units.

A. Block 1A: Net General Fund Impact

The Allowed scenario is expected to generate annual revenues of \$65,000 and annual expenditures of \$52,000, resulting in a net annual surplus of \$13,000. The Proposed scenario is expected to generate annual revenues of \$179,000 and annual expenditures of \$64,000, resulting in a net annual surplus of \$115,000. Thus, the net annual surplus from the Proposed scenario exceeds the net annual surplus from the Allowed scenario by \$102,000. The larger surplus under the Proposed scenario is consistent with the finding that office uses in the project area generate a fiscal surplus while residential uses are fiscally neutral.

Exhibit 15. Block 1A: Net Incremental Impact

	5-Year Market Potential		
	Allowed	Proposed	Difference
Total Revenues	\$65,000	\$179,000	\$114,000
Total Expenditures	\$52,000	\$64,000	\$12,000
Net Fiscal Surplus/(Deficit)	\$13,000	\$115,000	\$102,000

B. Block 1A: Annual General Fund Revenues

Annual General Fund revenues under the Proposed scenario are expected to exceed annual revenues under the Allowed scenario by \$114,000. Revenues are greater under the Proposed scenario across all revenue categories.

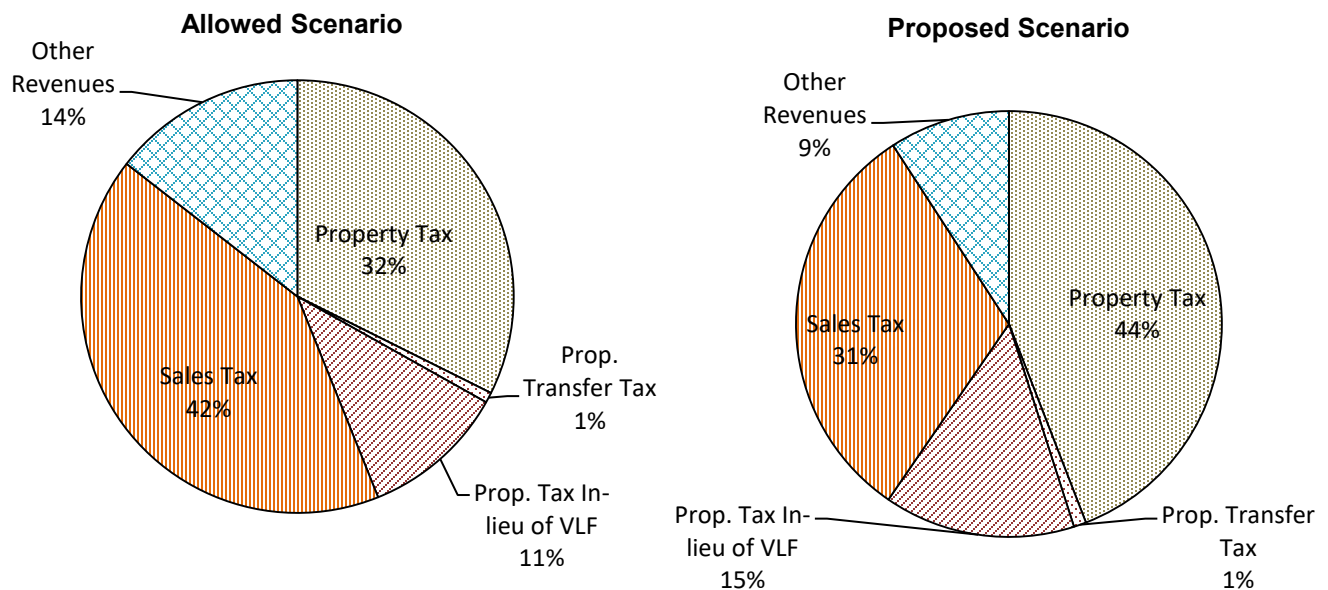
Under the Allowed scenario, sales tax is the largest source of General Fund revenues contributing \$27,000 annually (42% of total revenues), followed by property tax contributing \$21,000 annually, and property tax in-lieu of VLF contributing \$7,000 annually; whereas under the Proposed scenario, property tax is the largest source of General Fund revenues contributing

\$79,000 annually (44% of total revenues), followed by sales tax contributing \$56,000 annually, and property tax in-lieu of VLF contributing \$26,000 annually.

Exhibit 16. Block 1A: Annual General Fund Revenues

	5-Year Market Potential		
	Allowed	Proposed	Difference
Property Tax	\$21,000	\$79,000	\$58,000
Prop. Transfer Tax	\$500	\$1,700	\$1,200
Prop. Tax in Lieu of VLF	\$7,000	\$26,000	\$19,000
Sales Tax	\$27,000	\$56,000	\$29,000
Other Revenues	\$9,400	\$16,400	\$7,000
Total General Fund Revenues	\$65,000	\$179,000	\$114,000

Exhibit 17. Block 1A: Annual General Fund Revenue Composition



C. Block 1A: Annual General Fund Expenditures

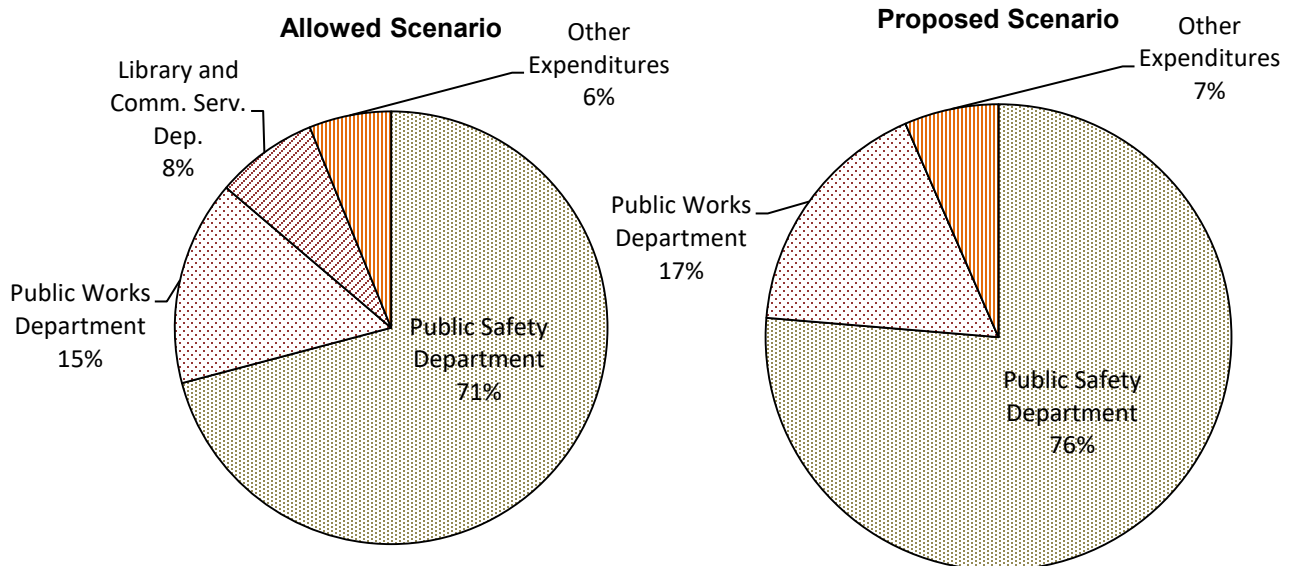
The incremental annual cost to provide services is anticipated to approximate \$52,000 under the Allowed scenario and \$64,000 under the Proposed scenario. Thus, annual General Fund expenditures under the Proposed scenario are expected to exceed annual expenditures under the Allowed scenario by \$12,000 to fulfill the service requirements of the Proposed scenario's larger population.

Exhibit 18. Block 1A: General Fund Expenditures

	5-Year Market Potential		
	Allowed	Proposed	Difference
Public Safety Department	\$37,000	\$49,000	\$12,000
Public Works Department	\$8,000	\$11,000	\$3,000
Library and Comm. Svc. Dep.	\$4,000	\$0	(\$4,000)
Other Expenditures	\$3,200	\$4,200	\$1,000
Total General Fund Expenditures	\$52,000	\$64,000	\$12,000

Under the Allowed scenario, the single largest annual expenditure is expected to be for the Department of Public Safety at \$37,000 or 71% of the total. The second and third largest anticipated annual expenditures are for the Department of Public Works and the Library and Community Services Department, respectively. Similarly, for the Proposed scenario, the single largest annual department expenditure is for Public Safety at \$49,000 or 76% of the total. The second largest anticipated annual expenditure is for Public Works at \$11,000. Library and Community Services Department expenditures are anticipated to be negligible under the Proposed scenario based on the assumption that residents, rather than office workers are the primary service population of this department.

Exhibit 19. Block 1A: Annual General Fund Expenditure Composition



IV. FISCAL IMPACT: BLOCK 18

The analysis for Block 18 is presented as the aggregate of fiscal impacts occurring in sub-block 1, sub-block 2, sub-block 3, and sub-block 6. As per KMA estimates, the near-term development potential of Block 18 is significantly greater under the Proposed scenario versus the Allowed scenario. The five-year market potential for the Allowed scenario includes 220,000 SF of retail uses and 7,000 SF of office uses; while the five-year market potential for the Proposed scenario includes 793 residential units, 191,000 SF of retail uses, and 766,000 SF of office uses. While the near-term development potential of the Proposed scenario is equivalent to the maximum buildout of proposed DSP amendments, the near-term development potential of the Allowed scenario is less than the maximum allowed under current entitlements based on market findings that the timing of remaining retail and hotel uses is not likely to be realized in the next five years. If the horizon of the analysis were extended to include these uses as part of the Allowed scenario, the results of the fiscal analysis would change.

Exhibit 20. Block 18: Land Use Scenarios

	<u>5-Yr Market Potential</u>	
	Allowed	Proposed
Residential (Dwelling Units)	-	793
Retail (SF)	220,000	191,000
Office (SF)	7,000	766,000
Hotel (Rooms)	-	-

*Note: Aggregate of the program of sub-block 1, sub-block 2, sub-block 3, and sub-block 6.
Includes retail under construction in Block 18, sub-block 1.*

A. Block 18: Net General Fund Impact

The aggregate impact of Block 18 land uses under the Allowed scenario is estimated to generate annual revenues of \$1.08 million and annual expenditures of \$93,000, representing a net annual surplus of \$986,000. The aggregate impact of Block 18 land uses under the Proposed scenario is estimated to generate annual revenues of \$3.12 million and annual expenditures of \$1.51 million, representing a net annual surplus of \$1.61 million. Thus, the net annual surplus from the Proposed scenario exceeds the net annual surplus from the Allowed scenario by \$621,000 due to near-term development potential being significantly greater under this scenario.

Under both scenarios, development in sub-blocks 1, 3 and 6 generates a surplus. The Proposed scenario supports a larger fiscal surplus in sub-blocks 1, 3, and 6 again owing to fact that the near-term development potential in each sub-block is greater under this scenario than the Allowed scenario. In sub-block 2, the fiscal impact of development is estimated to be fiscally neutral under both Allowed and Proposed scenarios, because this sub-block involves the development of a single residential unit under the Proposed scenario and no development under the Allowed scenario.

As described above, the fiscal impacts from a 200-room hotel, as permitted in sub-block 6 of Block 18 under current entitlements, are excluded from the Allowed scenario given the focus on near-term development potential. If the fiscal analysis were to consider a longer-term development horizon and include the 200-room hotel in the Allowed scenario, then the Transient Occupancy Tax alone would increase annual revenues under this scenario by approximately \$1.2 million. Net of City service costs (conservatively estimated at 30% of gross City revenues), the addition of a hotel to the Allowed scenario would result in a larger net General Fund surplus in Block 18 than what is supported by the Proposed scenario.

Exhibit 21. Block 18: Net Incremental Impact

	5-Year Market Potential		
	Allowed	Proposed	Difference
Total Revenues			
Block 18 : Sub-Block 1	\$11,000	\$221,000	\$210,000
Block 18 : Sub-Block 2	\$0	\$1,000	\$1,000
Block 18 : Sub-Block 3	\$805,000	\$1,958,000	\$1,153,000
Block 18 : Sub-Block 6	<u>\$263,000</u>	<u>\$935,000</u>	<u>\$672,000</u>
	\$1,079,000	\$3,115,000	\$2,036,000
Total Expenditures			
Block 18 : Sub-Block 1	\$4,000	\$86,000	\$82,000
Block 18 : Sub-Block 2	\$0	\$1,000	\$1,000
Block 18 : Sub-Block 3	\$67,000	\$840,000	\$773,000
Block 18 : Sub-Block 6	<u>\$22,000</u>	<u>\$581,000</u>	<u>\$559,000</u>
	\$93,000	\$1,508,000	\$1,415,000
Net Fiscal Surplus/(Deficit)			
Block 18 : Sub-Block 1	\$7,000	\$135,000	\$128,000
Block 18 : Sub-Block 2	\$0	\$0	\$0
Block 18 : Sub-Block 3	\$738,000	\$1,118,000	\$380,000
Block 18 : Sub-Block 6	<u>\$241,000</u>	<u>\$354,000</u>	<u>\$113,000</u>
	\$986,000	\$1,607,000	\$621,000

B. Block 18: Annual General Fund Revenues

Annual General Fund revenues under the near-term Proposed scenario are expected to exceed annual revenues under the near-term Allowed scenario by \$2.04 million. Revenues are greater under the Proposed scenario versus the Allowed scenario across all revenue categories. Property tax and property tax in-lieu of vehicle license fee (VLF) revenues are greater under the Proposed scenario because the overall near-term development potential is greater, thus driving up the assessed property values in the Proposed scenario. Despite including fewer retail uses, the Proposed scenario also leads in sales taxes due to off-site taxable spending by residents and workers and taxable sales generated by office tenants. Most remaining revenue sources (Utility

Users Tax, Franchise Fees, etc.) are tied to the project area's service population, which is significantly greater under the Proposed scenario versus the Allowed scenario (see Section II).

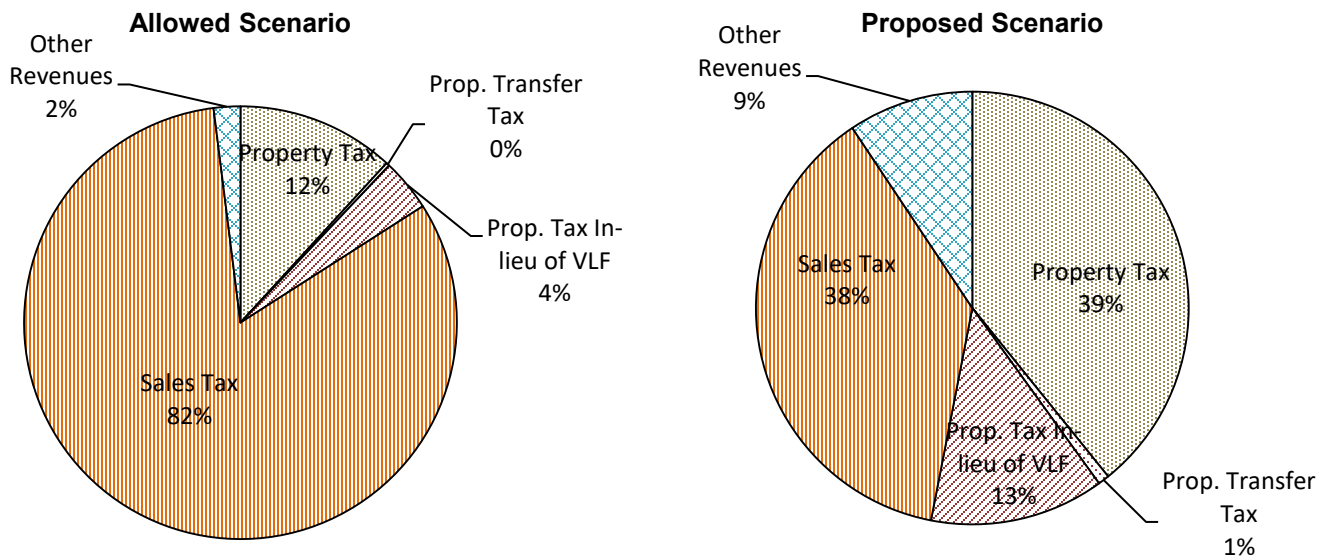
Exhibit 22. Block 18: Annual General Fund Revenues

	5-Year Market Potential		
	Allowed	Proposed	Difference
Property Tax	\$126,000	\$1,213,000	\$1,087,00
Prop. Transfer Tax	\$3,000	\$26,000	\$23,300
Prop. Tax in Lieu of VLF	\$42,000	\$403,000	\$361,000
Sales Tax	\$884,000	\$1,184,000	\$300,000
Other Revenues	\$23,000	\$289,000	\$266,000
Total General Fund Revenues	\$1,078,000	\$3,115,000	\$2,037,000

*Note: Aggregate of the revenues of sub-block 1, sub-block 2, sub-block 3, and sub-block 6.
Final figures may not match with figures in Exhibit 21 due to rounding.*

Under the Allowed scenario, sales tax is the largest source of General Fund revenues contributing \$884,000 annually (82% of the total revenues), followed by property tax contributing \$126,000 annually; whereas under the Proposed scenario, property tax is the largest source of General Fund revenues contributing \$1.21 million annually (39% of the total revenues), followed by sales tax contributing \$1.18 million annually (38% of the total revenues), and property tax in-lieu of VLF contributing \$403,000 annually.

Exhibit 23. Block 18: Annual General Fund Revenue Composition



Block 18: Annual General Fund Expenditures

The incremental annual cost to provide services is anticipated to approximate \$93,000 under the Allowed scenario and \$1.51 million under the Proposed scenario. Thus, annual General Fund expenditures under the Proposed scenario are expected to exceed annual expenditures under the Allowed scenario by \$1.41 million to fulfill the service requirements of the Proposed scenario's much larger population.

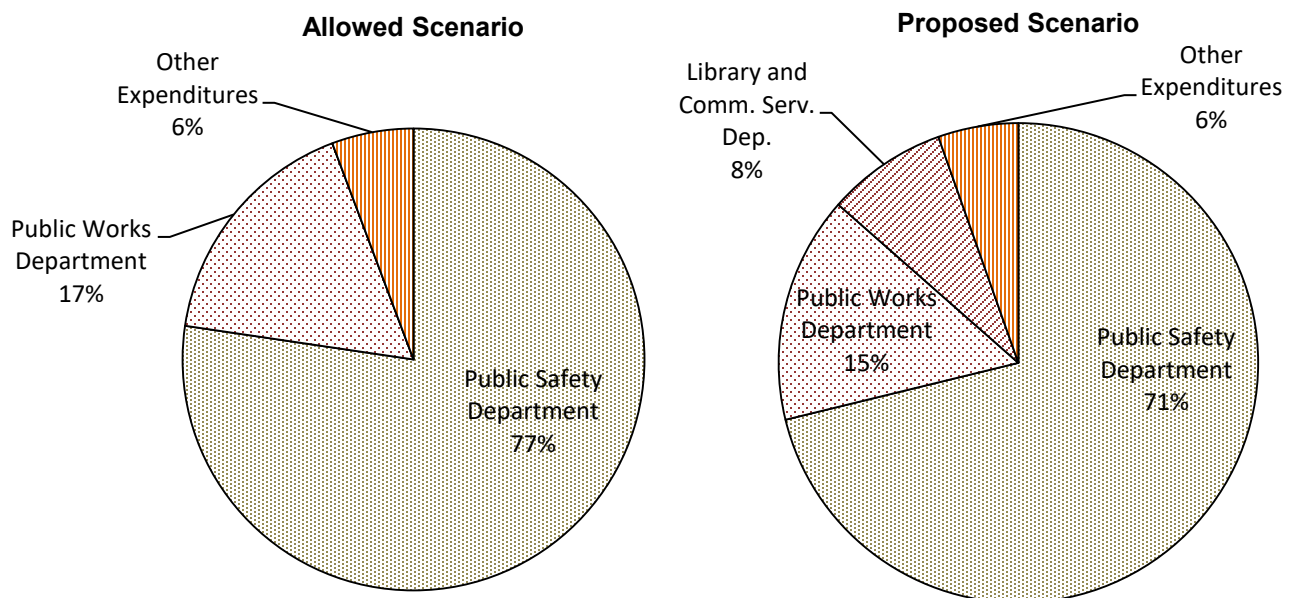
Under the Allowed scenario, the single largest annual expenditure is expected to be for the Department of Public Safety at \$72,000 or 77% of the total followed by expenditures for the Department of Public Works. Similarly, for the Proposed scenario, the single largest annual department expenditure is for Public Safety at \$1.07 million or 71% of the total, followed by Public Works at \$230,000.

Exhibit 24. Block 18: General Fund Expenditures

	5-Year Market Potential		
	Allowed	Proposed	Difference
Public Safety Department	\$72,000	\$1,073,000	\$1,001,000
Public Works Department	\$16,000	\$230,000	\$214,000
Library and Comm. Svc. Dep.	\$0	\$122,000	\$122,000
Other Expenditures	\$5,000	\$83,000	\$77,000
Total General Fund Expenditures	\$93,000	\$1,508,000	\$1,414,000

Note: Aggregate of the expenditures of sub-block 1, sub-block 2, sub-block 3, and sub-block 6. Final figures may not match with figures in Exhibit 21 due to rounding.

Exhibit 25: Annual General Fund Expenditure Composition



V. FISCAL IMPACT: BLOCK 22

As per KMA estimates, the five-year market potential for the Allowed scenario includes 12,000 SF of office uses; while the five-year market potential for the Proposed scenario includes 69,000 SF of office uses.

Exhibit 26. Block 22: Land Use Scenarios

	5-Yr Market Potential	
	Allowed	Proposed
Residential (Dwelling Units)	-	-
Retail (SF)	-	-
Office (SF)	12,000	69,000

A. Block 22: Net General Fund Impact

The Allowed scenario is expected to generate annual revenues of \$19,000 and annual expenditures of \$7,000; thus bringing the net annual fiscal impact to \$12,000. The Proposed scenario is expected to generate annual revenues of \$107,000 and annual expenditures of \$42,000, resulting in a net annual surplus of \$65,000. Thus, the net annual surplus from the Proposed scenario exceeds the net annual surplus from the Allowed scenario by \$53,000 due to the greater office development potential included under the Proposed scenario.

Exhibit 27. Block 22: Net Incremental Impact

	5-Year Market Potential		
	Allowed	Proposed	Net Change
Total Revenues	\$19,000	\$107,000	\$88,000
Total Expenditures	\$7,000	\$42,000	\$35,000
Net Fiscal Surplus/(Deficit)	\$12,000	\$65,000	\$53,000

B. Block 22: Annual General Fund Revenues

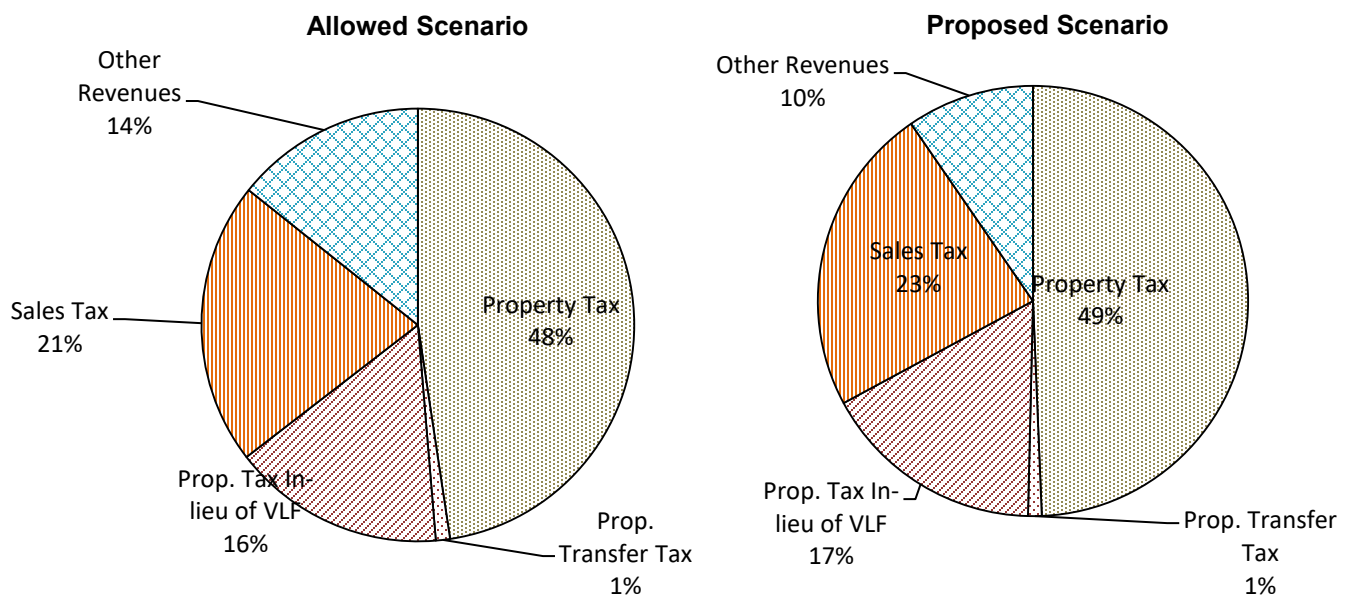
Annual General Fund revenues under the Proposed scenario are expected to exceed annual revenues under the Allowed scenario by \$88,000. Revenues are greater under the Proposed scenario versus the Allowed scenario across all revenue categories.

Under the Allowed scenario, property tax is the largest source of General Fund revenues contributing \$9,000 annually (48% of the total revenues), followed by sales tax contributing \$4,000 annually. Similarly, under the Proposed scenario, property tax is the largest source of General Fund revenues contributing \$53,000 annually (49% of the total revenues), followed by sales tax contributing \$25,000 annually.

Exhibit 28. Block 22: Annual General Fund Revenues

	5-Year Market Potential		
	Allowed	Proposed	Difference
Property Tax	\$9,000	\$53,000	\$44,000
Prop. Transfer Tax	\$200	\$1,100	\$900
Prop. Tax in Lieu of VLF	\$3,000	\$18,000	\$15,000
Sales Tax	\$4,000	\$25,000	\$21,000
Other Revenues	\$2,700	\$10,300	\$7,600
Total General Fund Revenues	\$19,000	\$107,000	\$88,000

Exhibit 29. Block 1A: Annual General Fund Revenue Composition



C. Block 22: Annual General Fund Expenditures

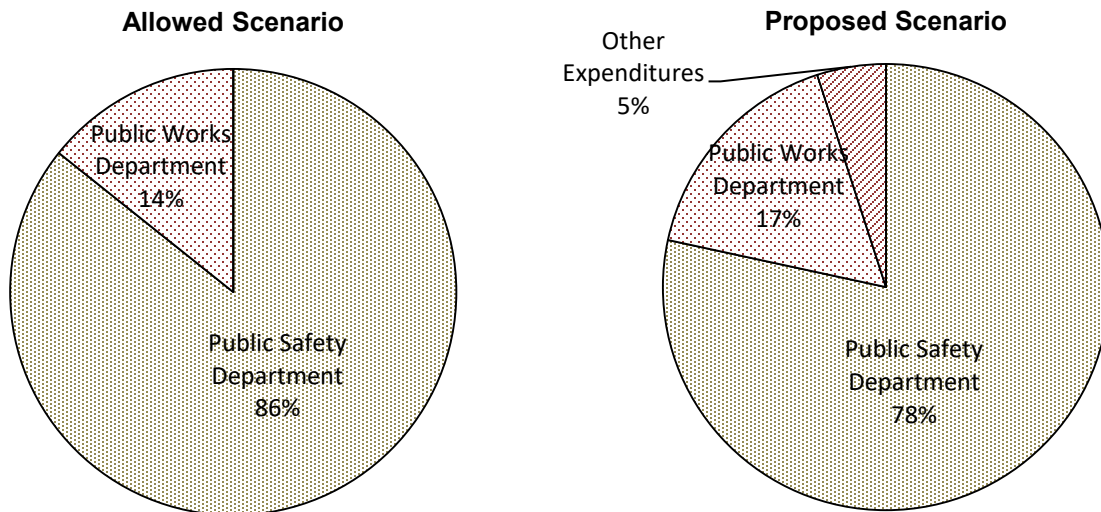
The incremental annual cost to provide services is anticipated to approximate \$7,000 under the Allowed scenario versus \$42,000 under the Proposed scenario. Thus, General Fund expenditures under the Proposed scenario are expected to exceed annual expenditures under the Allowed scenario by \$35,000 to fulfill the service requirements of the Proposed scenario's larger population.

Under the Allowed scenario, the single largest annual expenditure is expected to be for the Department of Public Safety at \$6,000 or 86% of the total. The second largest anticipated annual expenditure is for the Department of Public Works. Similarly, for the Proposed scenario, the single largest annual department expenditure is for Public Safety at \$33,000 or 78% of the total, followed by Public Works at \$7,000.

Exhibit 30. Block 22: General Fund Expenditures

	5-Year Market Potential		
	Allowed	Proposed	Difference
Public Safety Department	\$6,000	\$33,000	\$27,000
Public Works Department	\$1,000	\$7,000	\$6,000
Other Expenditures	\$0	\$2,100	\$2,100
Total General Fund Expenditures	\$7,000	\$42,000	\$35,000

Exhibit 31. Block 22: Annual General Fund Expenditure Composition



VI. METHODOLOGY AND ASSUMPTIONS

The fiscal impact analysis provides a preliminary estimate of annual recurring fiscal revenues and expenditures that would be generated to the City by land uses with the potential to be developed over the next five years under the existing Downtown Specific Plan, and the requested amendments. This analysis focuses on the City's General Fund because it is the primary source of discretionary spending for key city services, including public safety, public works, and administrative services.

This analysis measures the incremental change in annual fiscal impacts upon buildout of each land use alternative relative to existing conditions. Thus, the cost and revenue projections are estimated for the point in time when rental spaces are fully leased and income generating properties have achieved stabilized operations. Major General Fund revenue sources evaluated include property tax, property tax in-lieu of VLF, and sales tax. Major General Fund department expenditures include the Department of Public Safety, the Department of Public Works, and the Library and Community Services Department.

The fiscal impact analysis is in 2018 dollars and is based on both marginal estimating sources, such as assessed values and taxable sales, and average revenue and cost factors derived from the City's Fiscal Year 2017-18 adopted budget. The analysis is presented in the attached Appendix tables.

The key assumptions of the analysis and the methodologies used to calculate the revenue and cost impacts are as follows:

- **Existing City of Sunnyvale Demographics** – The source for population and household demographic data is ESRI Business Analyst Demographic Forecasts for 2017 to 2022. The source of the employment estimate for the City of Sunnyvale is the City's Comprehensive Annual Financial Report, June 30, 2017 (Appendix A-2).
- **Resident Equivalents** – The estimates of utility users tax, franchise fees, permits and licenses, fines and forfeitures, and most service costs use a modified per capita measure known as "resident equivalents." This approach combines residents and employees to form a single service population. The resident equivalent approach weights an employee as 0.33 residents, such that three employees are viewed as having the same impact as one resident. This factor is consistent with the factor used in "El Camino Real Corridor Alternatives Fiscal Impact Analysis," prepared by Land Econ Group on behalf of the City in 2017 (Appendix A-2).
- **Project Demographics** – The resident population of the project is estimated based on the current average household size in the DSP area. Retail and office employment has been estimated based on employment density factors of 400 SF/employee and 250 SF/employee, respectively. KMA has assumed residential vacancy of 4% based on the

reported vacancy of recently built multifamily projects in DSP, as reported by Costar. Retail and office vacancies have been assumed at 5% and 10% respectively. Household incomes of residents are estimated based on asking rents for newly constructed apartments in the market area, and the assumption that residents spend 30% of their income on rent (Appendix A-4).

- **Assessed Property Value** – In order to project property tax revenue, this analysis determines the assessed value of new development using market data for residential and commercial uses. As the land within the project area is currently generating property tax revenue, this analysis excludes the existing land value from assessed value calculations and does not include the increase in land values from existing levels. This assumption may result in conservative estimates for assessed values and by extension property taxes which are driven by assessed values.

Based on the assessments of recently built projects (excluding land), the secured assessed value for multifamily rental units has been estimated at \$510,000 per unit. Retail and office assessed values are estimated at \$400 and \$550 per square foot of building area respectively. An allowance for unsecured assessed value is included for retail and office uses (Appendix A-5).

- **Property Tax** – Development of the land use alternatives in the DSP area would fall within Tax Rate Area (TRA) 009-169. The City of Sunnyvale receives 12.76% of the 1% ad valorem property tax collected in this TRA (Appendix A-5).
- **Property Transfer Tax** – The city receives \$0.55 for every \$1,000 of assessed value of properties upon sale. In order to project annual property transfer taxes, this analysis assumes that the average holding period for all land uses is 20 years (Appendix A-6).
- **Property Tax in-Lieu of VLF** – Property tax in-lieu of VLF has been estimated in accordance with SB 1096, based on data from the California State Controller's Office and projected assessed values (Appendix 7). It is estimated based on \$0.42 per \$1,000 growth in projected assessed values.
- **Sales and Use Tax** – Sales tax revenue will be generated from retail uses in the project area. KMA has estimated that retail uses will generate taxable sales of \$400 per SF, based on the reported sales performance of other major shopping districts in Silicon Valley. The analysis also estimates sales tax from resident and employee spending at other retail locations in Sunnyvale. Taxable expenditures by residents are implied from the household incomes of project residents and the average ratio of household income to taxable expenditures in the nine-county San Francisco Bay Area. KMA has assumed that City businesses capture 50% of resident spending, and that 80% of local spending occurs outside the project area. Sales tax from employee spending is based on average daily employee retail spending as reported by the International Council of Shopping

Centers. KMA has assumed that City businesses capture 50% of employee retail spending and that 40% of local spending occurs outside the project area. Also, this analysis estimates the sales tax from business to business sales based on a taxable sales factor of \$35 per SF, consistent with inflation-adjusted factor used in the fiscal analysis, “East Sunnyvale Watt Project Fiscal Impact Analysis,” prepared by Seifel Consulting, Inc. on behalf of the City in 2015 (Appendix A-8).

- ***Transient Occupancy Tax*** – KMA did not identify near-term market support for a hotel in the project area. Therefore, neither alternative is estimated to generate transient occupancy tax revenue (Appendix A-9). To estimate the Transient Occupancy Tax revenues that would be generated if the Allowed scenario were to include a 200-room hotel, KMA assumes an average daily room rate of \$210 and vacancy of 75% based on market data for the City published by STR.
- ***Business License Tax*** – The City of Sunnyvale receives business taxes from businesses operating within its jurisdiction based on the total number of employees per business establishment. In addition, the tax applies to apartment landlords based on the number of units owned. Business tax revenues are calculated based on the City’s 2018 Business License Tax table (Appendix A-10).
- ***Utility Users Tax, Franchise Fees, Permits and Licenses, and Fines and Forfeitures*** – These revenue sources are estimated based on an extrapolation of the current per service population amounts generated by the City’s residents and employment base (Appendix A-11 to A-14).
- ***General Fund Expenditures*** – This fiscal impact analysis utilizes average cost multipliers derived from City of Sunnyvale’s 2017-18 Adopted Budget to project increased General Fund costs for public services. Public Safety, Public Works, Community Development, and administrative department cost projections are based on the current city cost per service population unit, while the cost to Library and Community Services is based on the current cost per resident (Appendix A-15 to A-19).
- ***Inflation of Revenue and Expenditures*** – The analysis is a static analysis of conditions upon buildout of the land use alternative under the Specific Plan. Revenues are presented in 2018 dollars.
- ***Continuity of Legal and Institutional Constraints*** – The revenue and cost experience of the City of Sunnyvale is based on the adopted FY 2017-18 budget. The projection assumes that the revenue sources will remain constant.
- ***Rounding of Decimal Places*** – In some cases the calculated summations presented in the appendix tables do not precisely match the summations presented in the body of the report. These differences are due to rounding.

LIMITING CONDITIONS

- The analysis contained in this document is based, in part, on data provided by third parties and published data sources. While Keyser Marston Associates, Inc. (KMA) believes that the sources consulted are reliable, we cannot guarantee their accuracy.
- A projection of fiscal impacts is inherently based on judgment. The projections contained herein are based on the best information available at the time that this document was prepared. Actual impacts are likely to vary from the estimates contained in this report.
- The assumed assessed values reflect current residential and commercial values in Sunnyvale and neighboring communities. If the real estate market changes or the nature of development varies from what has been assumed here, the findings of the report may not be valid.
- The analysis assumes that the economy will continue to grow at a moderate rate.
- Revenue and cost projections are based on the best project-specific and fiscal data available at this time. Material changes to costs, development program, or project performance may render the conclusions contained herein invalid.
- Revenue estimates are based on the assumption that sufficient market support exists for the proposed uses and that the land uses under the Specific Plan will achieve industry standard productivity levels.
- The findings are based on economic rather than political considerations. Therefore, they should not be construed as a representation that government approvals for development can be secured.
- It is assumed that all applicable laws and governmental regulations in place as of the date of this document will remain unchanged throughout the projection period. In the event that this does not hold true, for example, if any tax rates change, the analysis would need to be revised.
- KMA is not liable for the accuracy of any abstracts, excerpts or summaries of this report that are not prepared by KMA.

APPENDIX

Appendix - A: Overall Impact of Proposed Amendments in Specific Plan on General Fund

- Appendix A-1A: Summary Aggregate Net Fiscal Impact
- Appendix A-1B: Summary Net Fiscal Impact by Block
- Appendix A-2: City of Sunnyvale Demographics, 2017
- Appendix A-3: Existing Program and Additional Requested Amendments
- Appendix A-4: Estimated New Project Demographics
- Appendix A-5: Estimated New Assessed Value and Property Tax Revenue Projection
- Appendix A-6: Property Transfer Tax Revenue Projection
- Appendix A-7: Property Tax In-Lieu of VLF Revenue Projection
- Appendix A-8: Sales Tax Revenue Projection
- Appendix A-9: Transient Occupancy Tax Revenue Projection
- Appendix A-10: Business License Tax Revenue Projection
- Appendix A-11: Utility Users Tax Revenue Projection
- Appendix A-12: Franchise Fee Revenue Projection
- Appendix A-13: Permits and Licenses Revenue Projection
- Appendix A-14: Fines and Forfeitures Revenue Projection
- Appendix A-15: Public Safety Department Cost Projections
- Appendix A-16: Public Works Department Cost Projections
- Appendix A-17: Library and Community Services Department Cost Projections
- Appendix A-18: Community Development Cost Projections
- Appendix A-19: Other Departments Cost Projections
- Appendix A-20: FY 2017/18 General Fund Summary

Appendix - B: Impact of Proposed Amendments in Block 1a on General Fund

- Appendix - C: Impact of Proposed Amendments in Block 18, Sub-Block 1 on General Fund
- Appendix - D: Impact of Proposed Amendments in Block 18, Sub-Block 2 on General Fund
- Appendix - E: Impact of Proposed Amendments in Block 18, Sub-Block 3 on General Fund
- Appendix - F: Impact of Proposed Amendments in Block 18, Sub-Block 6 on General Fund
- Appendix - G: Overall Impact of Proposed Amendments in Block 18 on General Fund
- Appendix - H: Impact of Proposed Amendments in Block 22 on General Fund

**Appendix A-1A: Summary Aggregate Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Revenues¹</u>			
Property Tax	\$156,000	\$1,345,000	\$1,189,000
Property Transfer Tax	\$3,000	\$29,000	\$26,000
Property Tax In-lieu of VLF	\$52,000	\$447,000	\$395,000
Sales Tax	\$914,000	\$1,264,000	\$350,000
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$7,000	\$47,000	\$40,000
Utility Users Tax	\$11,000	\$112,000	\$101,000
Franchise Fees	\$11,000	\$115,000	\$104,000
Permits and Licenses	\$3,000	\$25,000	\$22,000
Fines and Forfeitures	\$2,000	\$16,000	\$14,000
Total Revenues	\$1,159,000	\$3,400,000	\$2,241,000
<u>Expenditures²</u>			
Public Safety Department	\$115,000	\$1,156,000	\$1,041,000
Public Works Department	\$25,000	\$248,000	\$223,000
Library and Community Services Department	\$4,000	\$122,000	\$118,000
Community Development Cost	\$500	\$5,000	\$4,500
Other Expenditures ³	\$8,000	\$84,000	\$76,000
Total Expenditures	\$153,000	\$1,615,000	\$1,463,000
Net Fiscal Surplus/(Deficit)	\$1,006,000	\$1,785,000	\$779,000

Note: Figures rounded to closest 1,000s

1. See Appendices A-5 to A-14 for individual revenue calculations and assumptions
2. See Appendices A-15 to A-19 for individual expenditure calculations and assumptions
3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

**Appendix A-1B: Summary Net Fiscal Impact by Block
Sunnyvale Downtown Specific Plan**

	Existing Downtown Specific Plan	Total With Requested Amendments	Difference
<u>Revenues</u>			
Block 1a ¹	\$65,000	\$179,000	\$114,000
Block 18			
Block 18 : Sub-Block 1 ²	\$11,000	\$221,000	\$210,000
Block 18 : Sub-Block 2 ³	\$0	\$1,000	\$1,000
Block 18 : Sub-Block 3 ⁴	\$805,000	\$1,958,000	\$1,153,000
Block 18 : Sub-Block 6 ⁵	<u>\$263,000</u>	<u>\$935,000</u>	<u>\$672,000</u>
Total Revenues: Block 18	\$1,079,000	\$3,115,000	\$2,036,000
Block 22 ⁶	<u>\$19,000</u>	<u>\$107,000</u>	<u>\$88,000</u>
	\$1,163,000	\$3,401,000	\$2,238,000
<u>Expenditures</u>			
Block 1a ¹	\$52,000	\$64,000	\$12,000
Block 18			
Block 18 : Sub-Block 1 ²	\$4,000	\$86,000	\$82,000
Block 18 : Sub-Block 2 ³	\$0	\$1,000	\$1,000
Block 18 : Sub-Block 3 ⁴	\$67,000	\$840,000	\$773,000
Block 18 : Sub-Block 6 ⁵	<u>\$22,000</u>	<u>\$581,000</u>	<u>\$559,000</u>
Total Expenditures: Block 18	\$93,000	\$1,508,000	\$1,415,000
Block 22 ⁶	<u>\$7,000</u>	<u>\$42,000</u>	<u>\$35,000</u>
	\$152,000	\$1,614,000	\$1,462,000
Net Fiscal Surplus/Deficit	\$1,011,000	\$1,787,000	\$776,000

Note: Figures rounded to closest 1,000s; Final figures may not match with figures in Appendix A-1A due to rounding

1. See Appendix Series B for details.
2. See Appendix Series C for details.
3. See Appendix Series D for details.
4. See Appendix Series E for details.
5. See Appendix Series F for details.
6. See Appendix Series H for details.

Appendix A-2: City of Sunnyvale Demographics, 2017
Sunnyvale Downtown Specific Plan

	2017
Population ¹	154,254
Households ¹	57,620
Employment ²	85,700
Service Population (Resident Equivalents) ³	182,821
Average Household Income ¹	\$137,380
Average Household Size ¹	2.61

1. Source: ESRI Business Analyst

2. Source: Comprehensive Annual Financial Report, June 30, 2017, Sunnyvale

3. Service Population calculated as resident population plus one third of employment population

Appendix A-3: Existing Program and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	Additional Allowed¹	Additional Proposed²	Max Market Support	5-Yr Market Potential	
				Allowed³	Proposed
Residential (DU): New	23	793	1,000	23	793
Residential (DU): Existing	20	0	0	20	0
Total Residential (DU)	43	793	1000	43	793
Retail (SF)	518,000	196,000	225,000	225,000	196,000
Office (SF)	19,000	934,000	1,000,000	19,000	934,000
Hotel (Rooms)	200	0	0	0	0

Note: This program includes land use changes to Block 1a, Block 18 (Sub-block 1, 2, 3, 6), and Block 22, but excludes the previously proposed global allocation of 250 residential units.

1. Including demolition credits
2. Includes retail under construction in Block 18, sub-block 1
3. Currently allowed uses with near-term market support.

'Under "allowed" alternative, the 20 existing units in Block 1a are assumed to be retained. Remaining residential would be built on eastern edge of parcel in Block 1a.

Appendix A-4: Estimated New Project Demographics
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5%
Office Vacancy ³	10%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population (New Units)	47	1,622
Resident Population (Existing Units)	41	0
Total Residential Population	88	1,622
Employment		
Retail ⁴	534	466
Office ⁵	68	3,362
Hotel ⁶	0	0
	603	3,828
Service Population ⁷	289	2,897

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

Appendix A-5: Estimated New Assessed Value and Property Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Tax Rate Area of the Downtown Specific Plan Area 009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169 0.127657343

	New AV Per	Program		New Assessed Value (\$M)	
	Unit/SF/Room	Allowed	Proposed	Allowed	Proposed
<u>Secured Assessed Values</u>					
Residential (Multifamily)					
For Sale (Units) ¹	\$650,000	0	0	\$0	\$0
For Rent (Units): New ²	\$510,000	23	793	\$11.7	\$404
For Rent (Units): Existing ³	\$125,000	20	0	\$2.5	\$0
Retail (SF) ³	\$400	225,000	196,000	\$90	\$78
Office (SF) ⁴	\$550	19,000	934,000	\$10	\$514
Hotel (Rooms) ⁵	\$260,000	0	0	\$0	\$0
Total New Secured Assessed Value (\$m)				\$115	\$997
<u>Unsecured Assessed Values</u>					
Retail (SF) ⁶	\$30	225,000	196,000	\$7	\$6
Office (SF) ⁶	\$55	19,000	934,000	\$1	\$51
Hotel (Rooms) ⁵	\$30,000	0	0	\$0	\$0
Total New Unsecured Assessed Value (\$M)				\$8	\$57
Total New Assessed Value (Secured + Unsecured) (\$M)				\$122	\$1,054
Estimated New Property Tax Generated				\$156,000	\$1,345,000

Note: Figures rounded to closest 1,000s. In this analysis, KMA has excluded the land values while calculating the assessed values for all land uses. All residential units are assumed to be market rate and affordable housing will be provided through in-lieu fees as per City requirements.

1. New AV per Unit as per Comparable Sales price (less estimated land value) as presented in Polaris Pacific Silicon Valley Market Report (March 2018)
2. New AV per Unit based on improved value of recently built multifamily projects in Sunnyvale
3. Based on improved value of recently built retail projects in Silicon Valley
4. Based on improved value of recently built office projects in Sunnyvale
5. Based on improved value of the recently built Courtyard Marriott in Sunnyvale
6. County average/ SF for office and retail (County Assessor's office)

Appendix A-6: Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	New Assessed Value (\$M) ³		New Property Transfer Tax	
	Allowed	Proposed	Allowed	Proposed
Residential (Multifamily)				
For Sale (Units)	\$0	\$0	\$0	\$0
For Rent (Units): New	\$12	\$404	\$323	\$11,122
For Rent (Units): Existing	\$3	\$0	\$69	\$0
Retail (SF)	\$97	\$84	\$2,661	\$2,318
Office (SF)	\$11	\$565	\$316	\$15,539
Hotel (Rooms)	\$0	\$0	\$0	\$0
Estimated New Property Transfer Tax Generated			\$3,000	\$29,000

Note: Figures rounded to closest 1,000s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018

2. KMA Assumption

3. See Appendix A-5

**Appendix A-7: Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070	
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>	
VLF per \$1,000 in AV Growth	\$0.42	
	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$122	\$1,054
Projected Annual New Property Tax In-Lieu of VLF Revenues	\$52,000	\$447,000

Note: Figures rounded to closest 1,000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix A-5

Appendix A-8: Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Sunnyvale's share of Sales Tax of Total Taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
 Sales Tax from Off-Site Resident Spending (New Units)	
Estimated Household Income ²	\$160,000
Estimated Percentage of Income Spent on Taxable Retail Sales per Household ³	29.3%
Income Spent on Taxable Retail Sales per Household	\$46,880
Sunnyvale Capture Rate (off-site) ⁴	40%
Income Spent on Taxable Retail Sales in Sunnyvale per Household	\$18,752
 Sales Tax from Off-Site Resident Spending (Existing Units)	
Estimated Household Income ⁵	\$120,000
Estimated Percentage of Income Spent on Taxable Retail Sales per Household ³	29.3%
Income Spent on Taxable Retail Sales per Household	\$35,160
Sunnyvale Capture Rate (off-site) ⁴	40%
Income Spent on Taxable Retail Sales in Sunnyvale per Household	\$14,064
 Sales Tax from Off-Site Office and Retail Employee Spending	
Weekly Office Employee Spending on Retail ⁶	\$31
Weekly Retail Employee Spending on Retail ⁶	\$14
Weeks at Work per Year ⁴	50
Average Annual Retail Spending per Office Employee	\$1,535
Average Annual Retail Spending per Retail Employee	\$696
Sunnyvale Capture Rate (off-site) ⁴	20%
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Employee	\$307
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Employee	\$139
 Use Tax from Business to Business Sales	
Taxable Sales per Square Foot ⁷	\$35

**Appendix A-8: Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ⁸	225,000	196,000
Estimated Total Taxable Retail Sales	\$90,000,000	\$78,400,000
New Households (after vacancy) ⁸	22	761
Estimated Off-site Taxable Sales from Resident Spending	\$414,044	\$14,275,523
Existing Households (after vacancy) ⁸	19	0
Estimated Off-site Taxable Sales from Resident Spending	\$270,029	\$0
New Employment: Office ⁹	68	3,294
Estimated Off-site Taxable Sales from Employee Spending	\$21,000	\$1,011,306
New Employment: Retail ⁹	534	\$466
Estimated Off-site Taxable Sales from Employee Spending	\$74,356	\$64,772
Total Office Square Feet ⁸	19,000 #	934,000
Estimated Total Taxable Business to Business Sales	\$665,000	\$32,690,000
Total Estimated Taxables Sales Generated	\$91,444,429	\$126,441,601
Projected Annual New Sales Tax Revenues	\$914,000	\$1,264,000

Note: Figures rounded to closest 1,000s.

1. Based on average taxable sales/ SF generated by major shopping centers in Silicon Valley, per City of Palo Alto Quarterly Sales Tax reports.
2. As per CoStar, current asking rents of recently built projects in Sunnyvale is \$4000 per month. In order to estimate the household income, KMA has assumed that 30% of the household income is spent on housing rent.
3. Based on the average percentage of income spent on Retail and Food services for Nine County Bay Area residents; Source: CA Board of Equalization (2015)
4. KMA assumption
5. As per CoStar, current asking rents of Block 1a rentals is \$3000 per month. In order to estimate the household income, KMA has assumed that 30% of the household income is spent on housing rent.
6. Based on weekly employee restaurant spending in the vicinity of the workplace, as reported in the ICSC report, "Office Worker Retail Spending in a Digital Age" (2012), for suburban workers, assuming 50 weeks at work per year. Figures adjusted to 2017 using national CPI.
7. Based on factor used in "East Sunnyvale Watt Project Fiscal Impact Analysis" (2015), adjusted for inflation.
8. See Appendix A-3
9. See Appendix A-4

**Appendix A-9: Transient Occupancy Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Average Daily Room Rate ¹	\$210	
Hotel Occupancy Rate ¹	75%	
	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ²	0	0
Annual Hotel Room Nights	0	0
Total Hotel Revenue	\$0	\$0
Sunnyvale TOT Rate ³	10.5%	10.5%
Projected Annual New Transient Occupancy Tax Revenues	\$0	\$0

Note: Figures rounded to closest 1,000s

1. Based on STR trend report for Sunnyvale
2. See Appendix A-3
3. Source: Sunnyvale Municipal Code

**Appendix A-10: Business License Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Business License Fee per Employee ¹	\$12.40	
	5-Yr Market Potential	
	Allowed	Proposed
New Employees in the Plan Area ²	603	3,828
Projected Annual New Business License Fee Revenues	\$7,000	\$47,000

Note: Figures rounded to closest 1,000s

1. Source: Sunnyvale 2018 Business License Tax Table (assumes that office tenants do not exceed the 946 employee cap). In addition, the tax applies to apartment landlords based on the number of units owned. No tax revenues are assumed to be generated by residential development under the assumption that the property owner already pays the maximum tax. Also the license fee from existing units would be minimal, and is not included in this analysis.

2. See Appendix A-4

Appendix A-11: Utility Users Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Total Utility Users Tax (UUT) Revenue 2017 ¹	\$7,058,149	
2017 Service Population ²	182,821	
UUT per Service Population	\$39	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ³	289	2,897
Projected Annual New Utility User Tax Revenues	\$11,000	\$112,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details
2. Source: ESRI Business Analyst
3. See Appendix A-4

Appendix A-12: Franchise Fee Revenue Projection
Sunnyvale Downtown Specific Plan

Total Franchise Fee 2017 ¹	\$7,261,043	
2017 Service Population ²	182,821	
Franchise Fee per Service Population	\$40	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ³	289	2,897
Projected Annual New Franchise Fee Revenues	\$11,000	\$115,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details
2. See Appendix A-2
3. See Appendix A-4

Appendix A-13: Permits and Licenses Revenue Projection
Sunnyvale Downtown Specific Plan

Total Permits and Licenses Revenue 2017 ¹	\$1,598,255	
2017 Service Population ²	182,821	
Permits and Licenses Revenue per Service Population	\$9	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ³	289	2,897
Projected Annual New Licenses, Permits and Fees	\$3,000	\$25,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details
2. See Appendix A-2
3. See Appendix A-4

Appendix A-14: Fines and Forfeitures Revenue Projection
Sunnyvale Downtown Specific Plan

Total Fines and Forfeitures Revenue 2017 ¹	\$996,876	
2017 Service Population ²	182,821	
Fines and Forfeitures Revenue per Service Population	\$5	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ³	289	2,897
Projected Annual New Fines and Forfeitures Revenue	\$2,000	\$16,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details
2. See Appendix A-2
3. See Appendix A-4

**Appendix A-15: Public Safety Department Cost Projections
Sunnyvale Downtown Specific Plan**

	FY 2017-18	
Public Safety Department General Fund Portion of Expenditures ¹	\$98,471,627	
Less Public Safety Department General Fund Revenues ¹	(\$1,233,200)	
Public Safety Department Net General Fund Expenditures	\$97,238,427	
2017 Service Population ²	182,821	
Percentage Variable Factor ³	75%	
Adjusted Public Safety Department Net Expenditure per Service Population	\$399	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ⁴	289	2,897
Projected Annual New Public Safety Department Costs	\$115,000	\$1,156,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details

2. See Appendix A-2

3. KMA Assumption

4. See Appendix A-4

**Appendix A-16: Public Works Department Cost Projections
Sunnyvale Downtown Specific Plan**

	<u>FY 2017-18</u>	
Public Works Department General Fund Portion of Expenditures ¹	\$21,246,953	
Less Public Works Department General Fund Revenues ¹	<u>(\$394,840)</u>	
Public Works Department Net General Fund Expenditures	\$20,852,113	
2017 Service Population ²	182,821	
Percentage Variable Factor ³	75%	
Adjusted Public Works Department Net Expenditure per Service Population	\$86	
	<u>5-Yr Market Potential</u>	
	<u>Allowed</u>	<u>Proposed</u>
New Service Population in the Plan Area ⁴	289	2,897
Projected Annual New Public Works Department Costs	\$25,000	\$248,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details
2. See Appendix A-2
3. KMA Assumption
4. See Appendix A-4

**Appendix A-17: Library and Community Services Department Cost Projections
Sunnyvale Downtown Specific Plan**

	FY 2017-18	
Library and Comm. Services Dep. General Fund Portion of Expenditures ^{1,2}	\$18,882,815	
Less Library and Comm. Services Dep. General Fund Revenues ^{1,3}	(\$3,369,703)	
Library and Community Services Dep. Net General Fund Expenditures	\$15,513,112	
2017 Resident Population ⁴	154,254	
Percentage Variable Factor ⁵	75%	
Adjusted Library and Community Services Dep. Net Expenditure per Resident Population	\$75	
	5-Yr Market Potential	
	Allowed	Proposed
New Resident Population in the Plan Area ⁶	47	1,622
Projected Annual New Public Works Department Costs	\$4,000	\$122,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details
2. Includes Arts and Recreation, Library, and Youth and Family Services expenditures
3. Includes Library fees and Recreation fees
4. See Appendix A-2
5. KMA Assumption
6. See Appendix A-4

Appendix A-18: Community Development Cost Projections
Sunnyvale Downtown Specific Plan

	FY 2017-18	
Community Development General Fund Portion of Expenditures ¹	\$1,215,882	
Less Community Development General Fund Revenues ¹	(\$615,670)	
Community Development Net General Fund Expenditures	\$600,212	
2017 Service Population ²	182,821	
Percentage Variable Factor ³	50%	
Adjusted Community Development Net Expenditure per Service Population	\$2	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ³	289	2,897
Projected Annual New Community Development Costs	\$500	\$5,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details

2. See Appendix A-2

3. KMA Assumption

4. See Appendix A-4

Appendix A-19: Other Departments Cost Projections
Sunnyvale Downtown Specific Plan

	FY 2017-18	
Office of City Attorney General Fund Portion of Expenditures ¹	\$1,797,659	
Office of City Manager General Fund Portion of Expenditures ¹	\$4,840,753	
Finance Department General Fund Portion of Expenditures ¹	\$9,657,393	
Human Resources Department General Fund Portion of Expenditures ¹	\$4,846,656	
Total Other Departments General Fund Portion of Expenditures	\$21,142,461	
Less Finance Department General Fund Revenues ¹	(\$16,561)	
Other Departments Net General Fund Expenditures	\$21,125,900	
2017 Service Population ²	182,821	
Percentage Variable Factor ³	25%	
Adjusted Other Department Net Expenditure per Service Population	\$29	
	5-Yr Market Potential	
	Allowed	Proposed
New Service Population in the Plan Area ⁴	289	2,897
Projected Annual New Community Development Costs	\$8,000	\$84,000

Note: Figures rounded to closest 1,000s

1. Adopted General Fund Budget Summary, FY 2017-18; See Appendix A-20 for details

2. See Appendix A-2

3. KMA Assumption

4. See Appendix A-4

**Appendix A-20: FY 2017/18 General Fund Summary
Sunnyvale Downtown Specific Plan**

General Fund Revenue

	FY 2017-18	Basis of KMA Projection
Revenues Included in the analysis		
Property Tax	\$68,974,004	assessed value, City share of 1% tax
Real Property Transfer Tax	\$1,043,098	assessed value (AV), \$0.55 per \$1,000 of AV
Sales Tax	\$32,776,458	est. project sales, empl. and resid. spending
Transient Occupancy Tax	\$15,294,653	avg. daily room rate, and hotel occupancy
Business License Tax	\$1,804,054	new employees
Utility Users Taxes	\$7,058,149	service population
Franchises	\$7,261,043	service population
Permits and Licenses	\$1,598,255	service population
Fines and Forfeitures	\$996,876	service population
Revenues not Included in the analysis		
Service Fees	\$5,629,974	deducted from expenditures
Construction tax	\$3,026,335	independent of project
Measure B	\$0	independent of project
Rents	\$2,658,472	independent of project
Federal, State and Intergov. Revenue	\$642,537	independent of project
Interest Income	\$1,307,906	independent of project
Interest from Sale of Property	\$259,749	independent of project
Inter-Fund Revenues	\$5,731,407	independent of project
Miscellaneous Revenues	\$598,714	independent of project
Sale of Property	\$0	independent of project
Transfer from Gas Tax Fund	\$2,025,000	independent of project
In-Lieu Charges	\$11,422,487	independent of project
Transfer from Other Funds	\$144,193	independent of project
Total General Fund Revenue	\$170,253,364	

Expenditures by Department after deducting Revenues from Service Fees

	General Fund Portion	Dept. General Fund Revenues (Service Fees)	Net Expenditure
Office of City Attorney	\$1,797,659		\$1,797,659
Office of the City Manager	\$4,840,753		\$4,840,753
Community Development	\$1,215,882	\$615,670	\$600,212
Environmental Services Department	\$0		\$0
Finance Department	\$9,657,393	\$16,561	\$9,640,832
Human Resources Department	\$4,846,656		\$4,846,656
IT Department	\$0		\$0
Library and Community Services	\$18,882,815	\$3,369,703	\$15,513,112
NOVA Workforce Services Department	\$0		\$0
Public Safety	\$98,471,627	\$1,233,200	\$97,238,427
Public Works	\$21,246,953	\$394,840	\$20,852,113
	\$160,959,738	\$5,629,974	\$155,329,764

Source: Adopted General Fund Budget Summary, FY 2017-18

**Appendix B-1: Block 1a- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Revenues¹</u>			
Property Tax	\$21,000	\$79,000	\$58,000
Property Transfer Tax	\$500	\$1,700	\$1,200
Property Tax In-lieu of VLF	\$7,000	\$26,000	\$19,000
Sales Tax	\$27,000	\$56,000	\$29,000
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$100	\$4,600	\$4,500
Utility Users Tax	\$4,000	\$5,000	\$1,000
Franchise Fees	\$4,000	\$5,000	\$1,000
Permits and Licenses	\$800	\$1,100	\$300
Fines and Forfeitures	\$500	\$700	\$200
Total Revenues	\$65,000	\$179,000	\$114,000
<u>Expenditures²</u>			
Public Safety Department	\$37,000	\$49,000	\$12,000
Public Works Department	\$8,000	\$11,000	\$3,000
Library and Community Services Department	\$4,000	\$0	(\$4,000)
Community Development Cost	\$200	\$200	\$0
Other Departments ³	\$3,000	\$4,000	\$1,000
Total Expenditures	\$52,000	\$64,000	\$12,000
Net Fiscal Surplus/Deficit	\$13,000	\$115,000	\$102,000

1. See Appendix B-2 to B-8 for individual revenue calculations

2. See Appendix B-9 for individual expenditure calculations

3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

Appendix B-2: Block 1a- Existing Program and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	5-Yr Market Potential	
	Allowed	Proposed
Block 1a		
Residential (Dwelling Units): New ¹	23	0
Residential (Dwelling Units): Existing ¹	20	0
Retail (SF)	5,000	5,000
Office (SF)	0	99,000
Hotel (Rooms)	0	0

1. KMA has assumed that under the “allowed scenario” Site 1a can retain the existing residential building and accommodate 23 additional units parked at 1.5 spaces per unit (DSP requirement) on the site of the US Post Office (about 0.2 acres).

Appendix B-3: Block 1a- Demographic Impacts
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5.00%
Office Vacancy ³	10.00%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population (New Units)	47	0
Resident Population (Existing Units)	41	0
	88	0
Employment		
Retail ⁴	12	12
Office ⁵	0	356
Hotel ⁶	0	0
	12	368
Service Population ⁷	92	123

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

Appendix B-4: Block 1a- Estimated New Assessed Value and Property Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Tax Rate Area of the Downtown Specific Plan Area 009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169 0.1276573

New Assessed Value per Unit Assumptions

Secured Assessed Values

Residential: Multifamily for Sale (New Units) ¹	\$650,000 per unit
Residential: Multifamily for Rent (New Units) ¹	\$510,000 per unit
Residential: Multifamily for Rent (Existing) ²	\$125,000 per unit
Retail ¹	\$400 per SF
Office ¹	\$550 per SF
Hotel ¹	\$260,000 per room

Unsecured Values

Retail ¹	\$30 per SF
Office ¹	\$55 per SF
Hotel ¹	\$30,000 per room

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values (Secured + Unsecured)		
Residential: Multifamily for Rent (New Units)	\$11,730,000	\$0
Residential: Multifamily for Rent (Existing Units)	\$2,500,000	\$0
Retail	\$2,150,000	\$2,150,000
Office	\$0	\$59,895,000
Hotel	\$0	\$0
Total New Assessed Value	\$16,380,000	\$62,045,000
Projected New Property Tax Generated	\$21,000	\$79,000

Note: Figures rounded to closest 1000s

1. See Appendix A-5 for details
2. Based on improved value of exiting rental units in Block 1a

**Appendix B-5: Block 1a- Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values		
Residential (including New and Existing units) ³	\$14,230,000	\$0
Retail ³	\$2,150,000	\$2,150,000
Office ³	\$0	\$59,895,000
Hotel ³	\$0	\$0
New Property Transfer Tax		
Residential	\$391	\$0
Retail	\$59	\$59
Office	\$0	\$1,647
Hotel	\$0	\$0
Projected New Property Transfer Tax Generated	\$500	\$1,700

Note: Figures rounded to closest 100s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018
2. See Appendix A-6 for details
3. See Appendix B-4

**Appendix B-6: Block 1a- Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>
VLF per \$1,000 in AV Growth	\$0.42

	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$16.38	\$62.05

**Projected New Property Tax In-Lieu of
VLF Revenues**

\$7,000 \$26,000

Note: Figures rounded to closest 1000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix B-4

Appendix B-7: Block 1a- Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Sunnyvale's share of sales tax of total taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
Offsite HH Income Spent by Families (New Units) on Retail Sales ¹	\$18,752 per household
Offsite HH Income Spent by Families (Existing Units) on Retail Sales ¹	\$14,064 per household
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Emp. ¹	\$307 per employee
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Emp. ¹	\$139 per employee
Business to Business Taxable Sales ¹	\$35 per SF

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ²	5,000	5,000
Estimated Total Taxable Retail Sales	\$2,000,000	\$2,000,000
New Households (after vacancy) ³	22	0
Est. Off-site Taxable Sales from Res. Spending	\$414,044	\$0
Existing Households (after vacancy) ³	19	0
Est. Off-site Taxable Sales from Res. Spending	\$270,029	\$0
New Employment: Office ⁴	0	356
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$109,420
New Employment: Retail ⁴	12	12
Est. Off-site Taxable Sales from Emp. Spending	\$1,652	\$1,652
Total Office Square Feet ²	0	99,000
Estimated Total Taxable B2B Sales	\$0	\$3,465,000
Total Estimated Taxables Sales Generated	\$2,685,725	\$5,576,072
Projected Annual New Sales Tax Revenues	\$27,000	\$56,000

Note: Figures rounded to closest 1000s

1. See Appendix A-8 for details
2. See Appendix B-2 for details
3. Estimated after applying a vacancy factor to total residential units
4. See Appendix B-3 for details

Appendix B-8: Block 1a- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transient Occupancy Tax (TOT) Assumptions¹

Average Daily Room Rate	\$210
Hotel Occupancy Rate	75%
Santa Clara TOT Rate	11%

Business License Fee Per Employee ²	\$12
Utility User Tax Revenue per Service Population ³	\$39
Franchise Fee per Service Population ⁴	\$40
Permits and Licenses Revenue per Service Pop. ⁵	\$9
Fines and Forfeitures Revenue per Service Pop. ⁶	\$5

	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ⁷	0	0
Projected Annual TOT Revenues	\$0	\$0
New Employment ⁸	12	368
Projected Annual Business License Fee Rev.	\$100	\$4,600
New Service Population ⁸	92	123
Projected Annual UUT Revenue	\$4,000	\$5,000
Projected Annual Franchise Fee Revenue	\$4,000	\$5,000
Projected Annual Permits and Licenses Rev.	\$800	\$1,100
Projected Annual Fines and Forfeitures Rev.	\$500	\$700
Projected Other Tax Revenues	\$9,400	\$16,400

Note: Figures rounded

1. See Appendix A-9 for details
2. See Appendix A-10 for details
3. See Appendix A-11 for details
4. See Appendix A-12 for details
5. See Appendix A-13 for details
6. See Appendix A-14 for details
7. See Appendix B-2 for details
8. See Appendix B-3 for details

Appendix B-9: Block 1a- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Adjusted Public Safety Department Net Expenditure per Service Pop. ¹	\$399 per service pop.
Adjusted Public Works Department Net Expenditure per Service Pop. ²	\$86 per service pop.
Adjusted Library and Comm. Ser. Dep. Net Expen. per Resident Pop. ³	\$75 per resident pop.
Adjusted Community Development Net Expenditure per Service Pop. ⁴	\$2 per service pop.
Adjusted Other Department Net Expenditure per Service Pop. ^{5,6}	\$29 per service pop.

	5-Yr Market Potential	
	Allowed	Proposed
New Service Population ⁷	92	123
Projected Annual Public Safety Dep. Costs	\$37,000	\$49,000
Projected Annual Public Works Dep. Costs	\$8,000	\$11,000
Projected Annual Community Dev. Costs	\$200	\$200
Projected Annual Other Department Costs	\$3,000	\$4,000
New Resident Population ⁷	47	0
Projected Annual Library and Comm. Dep. Costs	\$4,000	\$0
Total Expenditures	\$52,200	\$64,200

Note: Figures rounded

1. See Appendix A-15 for details
2. See Appendix A-16 for details
3. See Appendix A-17 for details
4. See Appendix A-18 for details
5. See Appendix A-19 for details
6. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures
7. See Appendix B-3 for details

**Appendix C-1: Block 18, Sub-Block 1- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Revenues¹</u>			
Property Tax	\$5,000	\$109,000	\$104,000
Property Transfer Tax	\$100	\$2,300	\$2,200
Property Tax In-lieu of VLF	\$2,000	\$36,000	\$34,000
Sales Tax	\$3,000	\$51,000	\$48,000
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$300	\$6,300	\$6,000
Utility Users Tax	\$0	\$7,000	\$7,000
Franchise Fees	\$0	\$7,000	\$7,000
Permits and Licenses	\$100	\$1,500	\$1,400
Fines and Forfeitures	\$0	\$900	\$900
Total Revenues	\$11,000	\$221,000	\$210,000
<u>Expenditures²</u>			
Public Safety Department	\$3,000	\$67,000	\$64,000
Public Works Department	\$1,000	\$14,000	\$13,000
Library and Community Services Department	\$0	\$0	\$0
Community Development Cost	\$0	\$300	\$300
Other Expenditures ³	\$0	\$5,000	\$5,000
Total Expenditures	\$4,000	\$86,000	\$82,000
Net Fiscal Surplus/Deficit	\$7,000	\$135,000	\$128,000

1. See Appendix C-2 to C-8 for individual revenue calculations

2. See Appendix C-9 for individual expenditure calculations

3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

Appendix C-2: Block 18, Sub-Block 1- Existing Prog. and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	5-Yr Market Potential	
	Allowed	Proposed
Block 18, Sub-Block 1		
Residential (Dwelling Units)	0	0
Retail (SF)	0	0
Office (SF)	7,000	141,000
Hotel (Rooms)	0	0

Appendix C-3: Block 18, Sub-Block 1- Demographic Impacts
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5.00%
Office Vacancy ³	10.00%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population	0	0
Employment		
Retail ⁴	0	0
Office ⁵	25	508
Hotel ⁶	0	0
	25	508
Service Population ⁷	8	169

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

**Appendix C-4: Block 18, Sub-Block 1- Est.New Assessed Value and Prop. Tax Projection
Sunnyvale Downtown Specific Plan**

Tax Rate Area of the Downtown Specific Plan Area	009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169	0.1276573

New Assessed Value per Unit Assumptions

Secured Assessed Values

Residential: Multifamily for Sale ¹	\$650,000 per unit
Residential: Multifamily for Rent ¹	\$510,000 per unit
Retail ¹	\$400 per SF
Office ¹	\$550 per SF
Hotel ¹	\$260,000 per room

Unsecured Values

Retail ¹	\$30 per SF
Office ¹	\$55 per SF
Hotel ¹	\$30,000 per room

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values (Secured + Unsecured)		
Residential: Multifamily for Rent	\$0	\$0
Retail	\$0	\$0
Office	\$4,235,000	\$85,305,000
Hotel	\$0	\$0
Total New Assessed Value	\$4,235,000	\$85,305,000
 Projected New Property Tax Generated	 \$5,000	 \$109,000

Note: Figures rounded to closest 1000s

1. See Appendix A-5 for details

**Appendix C-5: Block 18, Sub-Block 1- Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values		
Residential ³	\$0	\$0
Retail ³	\$0	\$0
Office ³	\$4,235,000	\$85,305,000
Hotel ³	\$0	\$0
New Property Transfer Tax		
Residential	\$0	\$0
Retail	\$0	\$0
Office	\$116	\$2,346
Hotel	\$0	\$0
Projected New Property Transfer Tax Generated	\$100	\$2,300

Note: Figures rounded to closest 100s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018
2. See Appendix A-6 for details
3. See Appendix C-4

**Appendix C-6: Block 18, Sub-Block 1- Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>
VLF per \$1,000 in AV Growth	\$0.42

	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$4.24	\$85.31

**Projected New Property Tax In-Lieu of
VLF Revenues**

\$2,000 \$36,000

Note: Figures rounded to closest 1000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix C-4

**Appendix C-7: Block 18, Sub-Block 1- Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Sunnyvale's share of sales tax of total taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
Household Income Spent on Retail Sales in off-site Sunnyvale locations ¹	\$18,752 per household
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Emp. ¹	\$307 per employee
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Emp. ¹	\$139 per employee
Business to Business Taxable Sales ¹	\$35 per SF

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ²	0	0
Estimated Total Taxable Retail Sales	\$0	\$0
New Households (after vacancy) ³	0	0
Est. Off-site Taxable Sales from Res. Spending	\$0	\$0
New Employment: Office ⁴	25	508
Est. Off-site Taxable Sales from Emp. Spending	\$7,737	\$155,841
New Employment: Retail ⁴	0	0
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$0
Total Office Square Feet ²	7,000	141,000
Estimated Total Taxable B2B Sales	\$245,000	\$4,935,000
Total Estimated Taxables Sales Generated	\$252,737	\$5,090,841
Projected Annual New Sales Tax Revenues	\$3,000	\$51,000

Note: Figures rounded to closest 1000s

1. See Appendix A-8 for details
2. See Appendix C-2 for details
3. Estimated after applying a vacancy factor to total residential units
4. See Appendix C-3 for details

Appendix C-8: Block 18, Sub-Block 1- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transient Occupancy Tax (TOT) Assumptions¹

Average Daily Room Rate	\$210
Hotel Occupancy Rate	75%
Santa Clara TOT Rate	11%

Business License Fee Per Employee ²	\$12
Utility User Tax Revenue per Service Population ³	\$39
Franchise Fee per Service Population ⁴	\$40
Permits and Licenses Revenue per Service Pop. ⁵	\$9
Fines and Forfeitures Revenue per Service Pop. ⁶	\$5

	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ⁷	0	0
Projected Annual TOT Revenues	\$0	\$0
New Employment ⁸	25	508
Projected Annual Business License Fee Rev.	\$300	\$6,300
New Service Population ⁸	8	169
Projected Annual UUT Revenue	\$0	\$7,000
Projected Annual Franchise Fee Revenue	\$0	\$7,000
Projected Annual Permits and Licenses Rev.	\$100	\$1,500
Projected Annual Fines and Forfeitures Rev.	\$0	\$900
Projected Other Tax Revenues	\$400	\$22,700

Note: Figures rounded

1. See Appendix A-9 for details
2. See Appendix A-10 for details
3. See Appendix A-11 for details
4. See Appendix A-12 for details
5. See Appendix A-13 for details
6. See Appendix A-14 for details
7. See Appendix C-2 for details
8. See Appendix C-3 for details

**Appendix C-9: Block 18, Sub-Block 1- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Adjusted Public Safety Department Net Expenditure per Service Pop. ¹	\$399 per service pop.
Adjusted Public Works Department Net Expenditure per Service Pop. ²	\$86 per service pop.
Adjusted Library and Comm. Ser. Dep. Net Expen. per Resident Pop. ³	\$75 per resident pop.
Adjusted Community Development Net Expenditure per Service Pop. ⁴	\$2 per service pop.
Adjusted Other Department Net Expenditure per Service Pop. ^{5,6}	\$29 per service pop.

	5-Yr Market Potential	
	Allowed	Proposed
New Service Population ⁷	8	169
Projected Annual Public Safety Dep. Costs	\$3,000	\$67,000
Projected Annual Public Works Dep. Costs	\$1,000	\$14,000
Projected Annual Community Dev. Costs	\$0	\$300
Projected Annual Other Department Costs	\$0	\$5,000
New Resident Population ⁷	0	0
Projected Annual Library and Comm. Dep. Costs	\$0	\$0
Total Expenditures	\$4,000	\$86,300

Note: Figures rounded

1. See Appendix A-15 for details
2. See Appendix A-16 for details
3. See Appendix A-17 for details
4. See Appendix A-18 for details
5. See Appendix A-19 for details
6. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures
7. See Appendix C-3 for details

**Appendix D-1: Block 18, Sub-Block 2- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Revenues¹</u>			
Property Tax	\$0	\$1,000	\$1,000
Property Transfer Tax	\$0	\$0	\$0
Property Tax In-lieu of VLF	\$0	\$0	\$0
Sales Tax	\$0	\$0	\$0
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$0	\$0	\$0
Utility Users Tax	\$0	\$0	\$0
Franchise Fees	\$0	\$0	\$0
Permits and Licenses	\$0	\$0	\$0
Fines and Forfeitures	\$0	\$0	\$0
Total Revenues	\$0	\$1,000	\$1,000
<u>Expenditures²</u>			
Public Safety Department	\$0	\$1,000	\$1,000
Public Works Department	\$0	\$0	\$0
Library and Community Services Department	\$0	\$0	\$0
Community Development Cost	\$0	\$0	\$0
Other Expenditures ³	\$0	\$0	\$0
Total Expenditures	\$0	\$1,000	\$1,000
Net Fiscal Surplus/Deficit	\$0	\$0	\$0

1. See Appendix D-2 to D-8 for individual revenue calculations

2. See Appendix D-9 for individual expenditure calculations

3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

Appendix D-2: Block 18, Sub-Block 2- Existing Prog. and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	5-Yr Market Potential	
	Allowed	Proposed
Block 18, Sub-Block 2		
Residential (Dwelling Units)	0	1
Retail (SF)	0	0
Office (SF)	0	0
Hotel (Rooms)	0	0

Appendix D-3: Block 18, Sub-Block 2- Demographic Impacts
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5.00%
Office Vacancy ³	10.00%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population	0	2
Employment		
Retail ⁴	0	0
Office ⁵	0	0
Hotel ⁶	0	0
	0	0
Service Population ⁷	0	2

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

Appendix D-4: Block 18, Sub-Block 2- Est.New Assessed Value and Prop. Tax Projection
Sunnyvale Downtown Specific Plan

Tax Rate Area of the Downtown Specific Plan Area	009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169	0.1276573

New Assessed Value per Unit Assumptions

Secured Assessed Values

Residential: Multifamily for Sale ¹	\$650,000 per unit
Residential: Multifamily for Rent ¹	\$510,000 per unit
Retail ¹	\$400 per SF
Office ¹	\$550 per SF
Hotel ¹	\$260,000 per room

Unsecured Values

Retail ¹	\$30 per SF
Office ¹	\$55 per SF
Hotel ¹	\$30,000 per room

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values (Secured + Unsecured)		
Residential: Multifamily for Rent	\$0	\$510,000
Retail	\$0	\$0
Office	\$0	\$0
Hotel	\$0	\$0
Total New Assessed Value	\$0	\$510,000
Projected New Property Tax Generated	\$0	\$1,000

Note: Figures rounded to closest 1000s

1. See Appendix A-5 for details

**Appendix D-5: Block 18, Sub-Block 2- Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values		
Residential ³	\$0	\$510,000
Retail ³	\$0	\$0
Office ³	\$0	\$0
Hotel ³	\$0	\$0
New Property Transfer Tax		
Residential	\$0	\$14
Retail	\$0	\$0
Office	\$0	\$0
Hotel	\$0	\$0
Projected New Property Transfer Tax Generated	\$0	\$0

Note: Figures rounded to closest 100s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018

2. See Appendix A-6 for details

3. See Appendix D-4

**Appendix D-6: Block 18, Sub-Block 2- Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070	
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>	
VLF per \$1,000 in AV Growth	\$0.42	
	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$0.00	\$0.51
Projected New Property Tax In-Lieu of VLF Revenues	\$0	\$0

Note: Figures rounded to closest 1000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix D-4

**Appendix D-7: Block 18, Sub-Block 2- Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Sunnyvale's share of sales tax of total taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
Household Income Spent on Retail Sales in off-site Sunnyvale locations ¹	\$18,752 per household
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Emp. ¹	\$307 per employee
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Emp. ¹	\$139 per employee
Business to Business Taxable Sales ¹	\$35 per SF

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ²	0	0
Estimated Total Taxable Retail Sales	\$0	\$0
New Households (after vacancy) ³	0	0.96
Est. Off-site Taxable Sales from Res. Spending	\$0	\$18,002
New Employment: Office ⁴	0	0
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$0
New Employment: Retail ⁴	0	0
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$0
Total Office Square Feet ²	0	0
Estimated Total Taxable B2B Sales	\$0	\$0
Total Estimated Taxables Sales Generated	\$0	\$18,002
Projected Annual New Sales Tax Revenues	\$0	\$0

Note: Figures rounded to closest 1000s

1. See Appendix A-8 for details
2. See Appendix D-2 for details
3. Estimated after applying a vacancy factor to total residential units
4. See Appendix D-3 for details

Appendix D-8: Block 18, Sub-Block 2- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transient Occupancy Tax (TOT) Assumptions¹

Average Daily Room Rate	\$210
Hotel Occupancy Rate	75%
Santa Clara TOT Rate	11%

Business License Fee Per Employee ²	\$12
Utility User Tax Revenue per Service Population ³	\$39
Franchise Fee per Service Population ⁴	\$40
Permits and Licenses Revenue per Service Pop. ⁵	\$9
Fines and Forfeitures Revenue per Service Pop. ⁶	\$5

	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ⁷	0	0
Projected Annual TOT Revenues	\$0	\$0
New Employment ⁸	0	0
Projected Annual Business License Fee Rev.	\$0	\$0
New Service Population ⁸	0	2
Projected Annual UUT Revenue	\$0	\$0
Projected Annual Franchise Fee Revenue	\$0	\$0
Projected Annual Permits and Licenses Rev.	\$0	\$0
Projected Annual Fines and Forfeitures Rev.	\$0	\$0
Projected Other Tax Revenues	\$0	\$0

Note: Figures rounded

1. See Appendix A-9 for details
2. See Appendix A-10 for details
3. See Appendix A-11 for details
4. See Appendix A-12 for details
5. See Appendix A-13 for details
6. See Appendix A-14 for details
7. See Appendix D-2 for details
8. See Appendix D-3 for details

**Appendix D-9: Block 18, Sub-Block 2- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Adjusted Public Safety Department Net Expenditure per Service Pop. ¹	\$399 per service pop.
Adjusted Public Works Department Net Expenditure per Service Pop. ²	\$86 per service pop.
Adjusted Library and Comm. Ser. Dep. Net Expen. per Resident Pop. ³	\$75 per resident pop.
Adjusted Community Development Net Expenditure per Service Pop. ⁴	\$2 per service pop.
Adjusted Other Department Net Expenditure per Service Pop. ^{5,6}	\$29 per service pop.

	5-Yr Market Potential	
	Allowed	Proposed
New Service Population ⁷	0	2
Projected Annual Public Safety Dep. Costs	\$0	\$1,000
Projected Annual Public Works Dep. Costs	\$0	\$0
Projected Annual Community Dev. Costs	\$0	\$0
Projected Annual Other Department Costs	\$0	\$0
New Resident Population ⁷	0	2
Projected Annual Library and Comm. Dep. Costs	\$0	\$0
Total Expenditures	\$0	\$1,000

Note: Figures rounded

1. See Appendix A-15 for details
2. See Appendix A-16 for details
3. See Appendix A-17 for details
4. See Appendix A-18 for details
5. See Appendix A-19 for details
6. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures
7. See Appendix D-3 for details

**Appendix E-1: Block 18, Sub-Block 3- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Revenues¹</u>			
Property Tax	\$91,000	\$711,000	\$620,000
Property Transfer Tax	\$2,000	\$15,300	\$13,300
Property Tax In-lieu of VLF	\$30,000	\$237,000	\$207,000
Sales Tax	\$665,000	\$830,000	\$165,000
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$4,900	\$25,700	\$20,800
Utility Users Tax	\$5,000	\$58,000	\$53,000
Franchise Fees	\$5,000	\$60,000	\$55,000
Permits and Licenses	\$1,100	\$13,200	\$12,100
Fines and Forfeitures	\$700	\$8,200	\$7,500
Total Revenues	\$805,000	\$1,958,000	\$1,153,000
<u>Expenditures²</u>			
Public Safety Department	\$52,000	\$602,000	\$550,000
Public Works Department	\$11,000	\$129,000	\$118,000
Library and Community Services Department	\$0	\$62,000	\$62,000
Community Development Cost	\$200	\$2,500	\$2,300
Other Expenditures ³	\$4,000	\$44,000	\$40,000
Total Expenditures	\$67,000	\$840,000	\$773,000
Net Fiscal Surplus/Deficit	\$738,000	\$1,118,000	\$380,000

1. See Appendix E-2 to E-8 for individual revenue calculations

2. See Appendix E-9 for individual expenditure calculations

3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

Appendix E-2: Block 18, Sub-Block 3- Existing Prog. and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	5-Yr Market Potential	
	Allowed	Proposed
Block 18, Sub-Block 3		
Residential (Dwelling Units)	0	400
Retail (SF)	166,000	146,000
Office (SF)	0	480,000
Hotel (Rooms)	0	0

Appendix E-3: Block 18, Sub-Block 3- Demographic Impacts
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5.00%
Office Vacancy ³	10.00%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population	0	818
Employment		
Retail ⁴	394	347
Office ⁵	0	1,728
Hotel ⁶	0	0
	394	2,075
Service Population ⁷	131	1,510

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

Appendix E-4: Block 18, Sub-Block 3- Est.New Assessed Value and Prop. Tax Projection
Sunnyvale Downtown Specific Plan

Tax Rate Area of the Downtown Specific Plan Area	009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169	0.1276573

New Assessed Value per Unit Assumptions

Secured Assessed Values

Residential: Multifamily for Sale ¹	\$650,000 per unit
Residential: Multifamily for Rent ¹	\$510,000 per unit
Retail ¹	\$400 per SF
Office ¹	\$550 per SF
Hotel ¹	\$260,000 per room

Unsecured Values

Retail ¹	\$30 per SF
Office ¹	\$55 per SF
Hotel ¹	\$30,000 per room

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values (Secured + Unsecured)		
Residential: Multifamily for Rent	\$0	\$204,000,000
Retail	\$71,380,000	\$62,780,000
Office	\$0	\$290,400,000
Hotel	\$0	\$0
Total New Assessed Value	\$71,380,000	\$557,180,000
Projected New Property Tax Generated	\$91,000	\$711,000

Note: Figures rounded to closest 1000s

1. See Appendix A-5 for details

**Appendix E-5: Block 18, Sub-Block 3- Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values		
Residential ³	\$0	\$204,000,000
Retail ³	\$71,380,000	\$62,780,000
Office ³	\$0	\$290,400,000
Hotel ³	\$0	\$0
New Property Transfer Tax		
Residential	\$0	\$5,610
Retail	\$1,963	\$1,726
Office	\$0	\$7,986
Hotel	\$0	\$0
Projected New Property Transfer Tax Generated	\$2,000	\$15,300

Note: Figures rounded to closest 100s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018
2. See Appendix A-6 for details
3. See Appendix E-4

**Appendix E-6: Block 18, Sub-Block 3- Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>
VLF per \$1,000 in AV Growth	\$0.42

	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$71.38	\$557.18

**Projected New Property Tax In-Lieu of
VLF Revenues**

\$30,000 \$237,000

Note: Figures rounded to closest 1000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix E-4

**Appendix E-7: Block 18, Sub-Block 3- Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Sunnyvale's share of sales tax of total taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
Household Income Spent on Retail Sales in off-site Sunnyvale locations ¹	\$18,752 per household
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Emp. ¹	\$307 per employee
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Emp. ¹	\$139 per employee
Business to Business Taxable Sales ¹	\$35 per SF

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ²	166,000	146,000
Estimated Total Taxable Retail Sales	\$66,400,000	\$58,400,000
New Households (after vacancy) ³	0	384
Est. Off-site Taxable Sales from Res. Spending	\$0	\$7,200,768
New Employment: Office ⁴	0	1,728
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$530,521
New Employment: Retail ⁴	394	347
Est. Off-site Taxable Sales from Emp. Spending	\$54,858	\$48,249
Total Office Square Feet ²	0	480,000
Estimated Total Taxable B2B Sales	\$0	\$16,800,000
Total Estimated Taxables Sales Generated	\$66,454,858	\$82,979,538
Projected Annual New Sales Tax Revenues	\$665,000	\$830,000

Note: Figures rounded to closest 1000s

1. See Appendix A-8 for details
2. See Appendix E-2 for details
3. Estimated after applying a vacancy factor to total residential units
4. See Appendix E-3 for details

Appendix E-8: Block 18, Sub-Block 3- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transient Occupancy Tax (TOT) Assumptions¹

Average Daily Room Rate	\$210
Hotel Occupancy Rate	75%
Santa Clara TOT Rate	11%

Business License Fee Per Employee ²	\$12
Utility User Tax Revenue per Service Population ³	\$39
Franchise Fee per Service Population ⁴	\$40
Permits and Licenses Revenue per Service Pop. ⁵	\$9
Fines and Forfeitures Revenue per Service Pop. ⁶	\$5

	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ⁷	0	0
Projected Annual TOT Revenues	\$0	\$0
New Employment ⁸	394	2,075
Projected Annual Business License Fee Rev.	\$4,900	\$25,700
New Service Population ⁸	131	1,510
Projected Annual UUT Revenue	\$5,000	\$58,000
Projected Annual Franchise Fee Revenue	\$5,000	\$60,000
Projected Annual Permits and Licenses Rev.	\$1,100	\$13,200
Projected Annual Fines and Forfeitures Rev.	\$700	\$8,200
Projected Other Tax Revenues	\$16,700	\$165,100

Note: Figures rounded

1. See Appendix A-9 for details
2. See Appendix A-10 for details
3. See Appendix A-11 for details
4. See Appendix A-12 for details
5. See Appendix A-13 for details
6. See Appendix A-14 for details
7. See Appendix E-2 for details
8. See Appendix E-3 for details

**Appendix E-9: Block 18, Sub-Block 3- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Adjusted Public Safety Department Net Expenditure per Service Pop. ¹	\$399 per service pop.
Adjusted Public Works Department Net Expenditure per Service Pop. ²	\$86 per service pop.
Adjusted Library and Comm. Ser. Dep. Net Expen. per Resident Pop. ³	\$75 per resident pop.
Adjusted Community Development Net Expenditure per Service Pop. ⁴	\$2 per service pop.
Adjusted Other Department Net Expenditure per Service Pop. ^{5,6}	\$29 per service pop.

	5-Yr Market Potential	
	Allowed	Proposed
New Service Population ⁷	131	1,510
Projected Annual Public Safety Dep. Costs	\$52,000	\$602,000
Projected Annual Public Works Dep. Costs	\$11,000	\$129,000
Projected Annual Community Dev. Costs	\$200	\$2,500
Projected Annual Other Department Costs	\$4,000	\$44,000
New Resident Population ⁷	0	818
Projected Annual Library and Comm. Dep. Costs	\$0	\$62,000
Total Expenditures	\$67,200	\$839,500

Note: Figures rounded

1. See Appendix A-15 for details
2. See Appendix A-16 for details
3. See Appendix A-17 for details
4. See Appendix A-18 for details
5. See Appendix A-19 for details
6. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures
7. See Appendix E-3 for details

**Appendix F-1: Block 18, Sub-Block 6- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Total Revenues¹</u>			
Property Tax	\$30,000	\$392,000	\$362,000
Property Transfer Tax	\$600	\$8,400	\$7,800
Property Tax In-lieu of VLF	\$10,000	\$130,000	\$120,000
Sales Tax	\$216,000	\$303,000	\$87,000
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$1,600	\$7,800	\$6,200
Utility Users Tax	\$2,000	\$39,000	\$37,000
Franchise Fees	\$2,000	\$40,000	\$38,000
Permits and Licenses	\$400	\$8,800	\$8,400
Fines and Forfeitures	\$200	\$5,500	\$5,300
Total Revenues	\$263,000	\$935,000	\$672,000
<u>Expenditures²</u>			
Public Safety Department	\$17,000	\$403,000	\$386,000
Public Works Department	\$4,000	\$87,000	\$83,000
Library and Community Services Department	\$0	\$60,000	\$60,000
Community Development Cost	\$100	\$1,700	\$1,600
Other Expenditures ³	\$1,000	\$29,000	\$28,000
Total Expenditures	\$22,000	\$581,000	\$559,000
Net Fiscal Surplus/Deficit	\$241,000	\$354,000	\$113,000

1. See Appendix F-2 to F-8 for individual revenue calculations

2. See Appendix F-9 for individual expenditure calculations

3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

Appendix F-2: Block 18, Sub-Block 6- Existing Prog. and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	5-Yr Market Potential	
	Allowed	Proposed
Block 18, Sub-Block 6		
Residential (Dwelling Units)	0	392
Retail (SF)	54,000	45,000
Office (SF)	0	145,000
Hotel (Rooms)	0	0

Appendix F-3: Block 18, Sub-Block 6- Demographic Impacts
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5.00%
Office Vacancy ³	10.00%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population	0	802
Employment		
Retail ⁴	128	107
Office ⁵	0	522
Hotel ⁶	0	0
	128	629
Service Population ⁷	43	1,011

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

Appendix F-4: Block 18, Sub-Block 6- Est.New Assessed Value and Prop. Tax Projection
Sunnyvale Downtown Specific Plan

Tax Rate Area of the Downtown Specific Plan Area	009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169	0.1276573

New Assessed Value per Unit Assumptions

Secured Assessed Values

Residential: Multifamily for Sale ¹	\$650,000 per unit
Residential: Multifamily for Rent ¹	\$510,000 per unit
Retail ¹	\$400 per SF
Office ¹	\$550 per SF
Hotel ¹	\$260,000 per room

Unsecured Values

Retail ¹	\$30 per SF
Office ¹	\$55 per SF
Hotel ¹	\$30,000 per room

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values (Secured + Unsecured)		
Residential: Multifamily for Rent	\$0	\$199,920,000
Retail	\$23,220,000	\$19,350,000
Office	\$0	\$87,725,000
Hotel	\$0	\$0
Total New Assessed Value	\$23,220,000	\$306,995,000
Projected New Property Tax Generated	\$30,000	\$392,000

Note: Figures rounded to closest 1000s

1. See Appendix A-5 for details

**Appendix F-5: Block 18, Sub-Block 6- Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values		
Residential ³	\$0	\$199,920,000
Retail ³	\$23,220,000	\$19,350,000
Office ³	\$0	\$87,725,000
Hotel ³	\$0	\$0
New Property Transfer Tax		
Residential	\$0	\$5,498
Retail	\$639	\$532
Office	\$0	\$2,412
Hotel	\$0	\$0
Projected New Property Transfer Tax Generated	\$600	\$8,400

Note: Figures rounded to closest 100s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018
2. See Appendix A-6 for details
3. See Appendix F-4

**Appendix F-6: Block 18, Sub-Block 6- Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070	
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>	
VLF per \$1,000 in AV Growth	\$0.42	
	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$23.22	\$307.00
Projected New Property Tax In-Lieu of VLF Revenues	\$10,000	\$130,000

Note: Figures rounded to closest 1000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix F-4

**Appendix F-7: Block 18, Sub-Block 6- Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Sunnyvale's share of sales tax of total taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
Household Income Spent on Retail Sales in off-site Sunnyvale locations ¹	\$18,752 per household
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Emp. ¹	\$307 per employee
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Emp. ¹	\$139 per employee
Business to Business Taxable Sales ¹	\$35 per SF

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ²	54,000	45,000
Estimated Total Taxable Retail Sales	\$21,600,000	\$18,000,000
New Households (after vacancy) ³	0	376.32
Est. Off-site Taxable Sales from Res. Spending	\$0	\$7,056,753
New Employment: Office ⁴	0	522
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$160,262
New Employment: Retail ⁴	128	107
Est. Off-site Taxable Sales from Emp. Spending	\$17,845	\$14,871
Total Office Square Feet ²	0	145,000
Estimated Total Taxable B2B Sales	\$0	\$5,075,000
Total Estimated Taxables Sales Generated	\$21,617,845	\$30,306,886
Projected Annual New Sales Tax Revenues	\$216,000	\$303,000

Note: Figures rounded to closest 1000s

1. See Appendix A-8 for details
2. See Appendix F-2 for details
3. Estimated after applying a vacancy factor to total residential units
4. See Appendix F-3 for details

Appendix F-8: Block 18, Sub-Block 6- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transient Occupancy Tax (TOT) Assumptions¹

Average Daily Room Rate	\$210
Hotel Occupancy Rate	75%
Santa Clara TOT Rate	11%

Business License Fee Per Employee ²	\$12
Utility User Tax Revenue per Service Population ³	\$39
Franchise Fee per Service Population ⁴	\$40
Permits and Licenses Revenue per Service Pop. ⁵	\$9
Fines and Forfeitures Revenue per Service Pop. ⁶	\$5

	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ⁷	0	0
Projected Annual TOT Revenues	\$0	\$0
New Employment ⁸	128	629
Projected Annual Business License Fee Rev.	\$1,600	\$7,800
New Service Population ⁸	43	1,011
Projected Annual UUT Revenue	\$2,000	\$39,000
Projected Annual Franchise Fee Revenue	\$2,000	\$40,000
Projected Annual Permits and Licenses Rev.	\$400	\$8,800
Projected Annual Fines and Forfeitures Rev.	\$200	\$5,500
Projected Other Tax Revenues	\$6,200	\$101,100

Note: Figures rounded

1. See Appendix A-9 for details
2. See Appendix A-10 for details
3. See Appendix A-11 for details
4. See Appendix A-12 for details
5. See Appendix A-13 for details
6. See Appendix A-14 for details
7. See Appendix F-2 for details
8. See Appendix F-3 for details

**Appendix F-9: Block 18, Sub-Block 6- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Adjusted Public Safety Department Net Expenditure per Service Pop. ¹	\$399 per service pop.
Adjusted Public Works Department Net Expenditure per Service Pop. ²	\$86 per service pop.
Adjusted Library and Comm. Ser. Dep. Net Expen. per Resident Pop. ³	\$75 per resident pop.
Adjusted Community Development Net Expenditure per Service Pop. ⁴	\$2 per service pop.
Adjusted Other Department Net Expenditure per Service Pop. ^{5,6}	\$29 per service pop.

	5-Yr Market Potential	
	Allowed	Proposed
New Service Population ⁷	43	1,011
Projected Annual Public Safety Dep. Costs	\$17,000	\$403,000
Projected Annual Public Works Dep. Costs	\$4,000	\$87,000
Projected Annual Community Dev. Costs	\$100	\$1,700
Projected Annual Other Department Costs	\$1,000	\$29,000
New Resident Population ⁷	0	802
Projected Annual Library and Comm. Dep. Costs	\$0	\$60,000
Total Expenditures	\$22,100	\$580,700

Note: Figures rounded

1. See Appendix A-15 for details
2. See Appendix A-16 for details
3. See Appendix A-17 for details
4. See Appendix A-18 for details
5. See Appendix A-19 for details
6. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures
7. See Appendix F-3 for details

**Appendix G-1: Block 18 (Sub-Blocks 1, 2, 3, 6)- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Revenues¹</u>			
Block 18 : Sub-Block 1	\$11,000	\$221,000	\$210,000
Block 18 : Sub-Block 2	\$0	\$1,000	\$1,000
Block 18 : Sub-Block 3	\$805,000	\$1,958,000	\$1,153,000
Block 18 : Sub-Block 6	\$263,000	\$935,000	\$672,000
Total Revenues: Block 18 (Sub-Blocks 1, 2, 3, 6)	\$1,079,000	\$3,115,000	\$2,036,000
<u>Expenditures¹</u>			
Block 18 : Sub-Block 1	\$4,000	\$86,000	\$82,000
Block 18 : Sub-Block 2	\$0	\$1,000	\$1,000
Block 18 : Sub-Block 3	\$67,000	\$840,000	\$773,000
Block 18 : Sub-Block 6	\$22,000	\$581,000	\$559,000
Total Expenditures: Block 18 (Sub-Blocks 1, 2, 3, 6)	\$93,000	\$1,508,000	\$1,415,000
Net Fiscal Surplus/Deficit: Block 18 (Sub-Blocks 1, 2, 3, 6)	\$986,000	\$1,607,000	\$621,000

1. See Appendix Series C, D, E and F for details

**Appendix H-1: Block 22- Summary Net Fiscal Impact
Sunnyvale Downtown Specific Plan**

	5-Yr Market Potential		
	Allowed	Proposed	Difference
<u>Total Revenues¹</u>			
Property Tax	\$9,000	\$53,000	\$44,000
Property Transfer Tax	\$200	\$1,100	\$900
Property Tax In-lieu of VLF	\$3,000	\$18,000	\$15,000
Sales Tax	\$4,000	\$25,000	\$21,000
Transit Occupancy Tax	\$0	\$0	\$0
Business License Tax	\$500	\$3,100	\$2,600
Utility Users Tax	\$1,000	\$3,000	\$2,000
Franchise Fees	\$1,000	\$3,000	\$2,000
Permits and Licenses	\$100	\$700	\$600
Fines and Forfeitures	\$100	\$500	\$400
Total Revenues	\$19,000	\$107,000	\$88,000
<u>Expenditures²</u>			
Public Safety Department	\$6,000	\$33,000	\$27,000
Public Works Department	\$1,000	\$7,000	\$6,000
Library and Community Services Department	\$0	\$0	\$0
Community Development Cost	\$0	\$100	\$100
Other Expenditures ³	\$0	\$2,000	\$2,000
Total Expenditures	\$7,000	\$42,000	\$35,000
Net Fiscal Surplus/Deficit	\$12,000	\$65,000	\$53,000

1. See Appendix H-2 to H-8 for individual revenue calculations

2. See Appendix H-9 for individual expenditure calculations

3. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures

Appendix H-2: Block 22- Existing Prog. and Additional Requested Amendments
Sunnyvale Downtown Specific Plan

	5-Yr Market Potential	
	Allowed	Proposed
Block 22		
Residential (Dwelling Units)	0	0
Retail (SF)	0	0
Office (SF)	12,000	69,000
Hotel (Rooms)	0	0

Appendix H-3: Block 22- Demographic Impacts
Sunnyvale Downtown Specific Plan

Average Household Size ¹	2.13
Residential Vacancy ²	4.00%
Retail Vacancy ³	5.00%
Office Vacancy ³	10.00%

	5-Yr Market Potential	
	Allowed	Proposed
Resident Population	0	0
Employment		
Retail ⁴	0	0
Office ⁵	43	248
Hotel ⁶	0	0
	43	248
Service Population ⁷	14	83

1. Average Household Size for PDA: Downtown & Caltrain Station, Sunnyvale, is 2.13. Downtown Specific Plan is located inside this PDA. Average Household size for the City of Sunnyvale is higher at 2.66.
(Source: ESRI Business Analyst)
2. As per vacancy of recently built multifamily projects in DSP (Source: CoStar)
3. KMA Assumption
4. Retail average employee density assumed at 400 SF/employee (Per Sunnyvale Lawrence Station EIR)
5. Office average employee density assumed at 250 SF/employee
6. Hotel employee density assumed at 0.9 employee/room
7. Service Population calculated as resident population plus one third of employment population

Appendix H-4: Block 22- Est.New Assessed Value and Prop. Tax Projection
Sunnyvale Downtown Specific Plan

Tax Rate Area of the Downtown Specific Plan Area	009-169
Sunnyvale General Fund's portion of 1% Ad Valorem Property Tax in TRA 009-169	0.1276573

New Assessed Value per Unit Assumptions

Secured Assessed Values

Residential: Multifamily for Sale ¹	\$650,000 per unit
Residential: Multifamily for Rent ¹	\$510,000 per unit
Retail ¹	\$400 per SF
Office ¹	\$550 per SF
Hotel ¹	\$260,000 per room

Unsecured Values

Retail ¹	\$30 per SF
Office ¹	\$55 per SF
Hotel ¹	\$30,000 per room

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values (Secured + Unsecured)		
Residential: Multifamily for Rent	\$0	\$0
Retail	\$0	\$0
Office	\$7,260,000	\$41,745,000
Hotel	\$0	\$0
Total New Assessed Value	\$7,260,000	\$41,745,000
Projected New Property Tax Generated	\$9,000	\$53,000

Note: Figures rounded to closest 1000s

1. See Appendix A-5 for details

**Appendix H-5: Block 22- Property Transfer Tax Revenue Projection
Sunnyvale Downtown Specific Plan**

Transfer Tax Rate per \$1,000 of Assessed Value¹ \$0.55

Holding Period Assumptions

Residential ²	20 years
Retail ²	20 years
Office ²	20 years
Hotel ²	20 years

	5-Yr Market Potential	
	Allowed	Proposed
New Assessed Values		
Residential ³	\$0	\$0
Retail ³	\$0	\$0
Office ³	\$7,260,000	\$41,745,000
Hotel ³	\$0	\$0
New Property Transfer Tax		
Residential	\$0	\$0
Retail	\$0	\$0
Office	\$200	\$1,148
Hotel	\$0	\$0
Projected New Property Transfer Tax Generated	\$200	\$1,100

Note: Figures rounded to closest 100s

1. Source: <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>, accessed 05/03/2018
2. See Appendix A-6 for details
3. See Appendix H-4

**Appendix H-6: Block 22- Property Tax In-Lieu of VLF Revenue Projection
Sunnyvale Downtown Specific Plan**

2004-05 Vehicle License Fee Adjusted Amount ^{1,2}	\$7,610,070
2004-05 Assessed Valuation ^{1,2}	<u>\$17,920,401,882</u>
VLF per \$1,000 in AV Growth	\$0.42

	5-Yr Market Potential	
	Allowed	Proposed
Projected New Assessed Value (\$M) ³	\$7.26	\$41.75

**Projected New Property Tax In-Lieu of
VLF Revenues**

\$3,000 \$18,000

Note: Figures rounded to closest 1000s

1. As per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
2. VLF distribution in 2004/05 per the California State Controller's Office
3. See Appendix H-4

Appendix H-7: Block 22- Sales Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Sunnyvale's share of sales tax of total taxable Sales	1.00%
Estimated Retail Taxable Sales per Square Foot ¹	\$400
Household Income Spent on Retail Sales in off-site Sunnyvale locations ¹	\$18,752 per household
Annual Income Spent on off-site Retail Sales in Sunnyvale per Office Emp. ¹	\$307 per employee
Annual Income Spent on off-site Retail Sales in Sunnyvale per Retail Emp. ¹	\$139 per employee
Business to Business Taxable Sales ¹	\$35 per SF

	5-Yr Market Potential	
	Allowed	Proposed
Total Retail Square Feet ²	0	0
Estimated Total Taxable Retail Sales	\$0	\$0
New Households (after vacancy) ³	0	0
Est. Off-site Taxable Sales from Res. Spending	\$0	\$0
New Employment: Office ⁴	43	248
Est. Off-site Taxable Sales from Emp. Spending	\$13,263	\$76,262
New Employment: Retail ⁴	0	0
Est. Off-site Taxable Sales from Emp. Spending	\$0	\$0
Total Office Square Feet ²	12,000	69,000
Estimated Total Taxable B2B Sales	\$420,000	\$2,415,000
Total Estimated Taxables Sales Generated	\$433,263	\$2,491,262
Projected Annual New Sales Tax Revenues	\$4,000	\$25,000

Note: Figures rounded to closest 1000s

1. See Appendix A-8 for details
2. See Appendix H-2 for details
3. Estimated after applying a vacancy factor to total residential units
4. See Appendix H-3 for details

Appendix H-8: Block 22- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Transient Occupancy Tax (TOT) Assumptions¹

Average Daily Room Rate	\$210
Hotel Occupancy Rate	75%
Santa Clara TOT Rate	11%

Business License Fee Per Employee ²	\$12
Utility User Tax Revenue per Service Population ³	\$39
Franchise Fee per Service Population ⁴	\$40
Permits and Licenses Revenue per Service Pop. ⁵	\$9
Fines and Forfeitures Revenue per Service Pop. ⁶	\$5

	5-Yr Market Potential	
	Allowed	Proposed
New Hotel Rooms ⁷	0	0
Projected Annual TOT Revenues	\$0	\$0
New Employment ⁸	43	248
Projected Annual Business License Fee Rev.	\$500	\$3,100
New Service Population ⁸	14	83
Projected Annual UUT Revenue	\$1,000	\$3,000
Projected Annual Franchise Fee Revenue	\$1,000	\$3,000
Projected Annual Permits and Licenses Rev.	\$100	\$700
Projected Annual Fines and Forfeitures Rev.	\$100	\$500
Projected Other Tax Revenues	\$2,700	\$10,300

Note: Figures rounded

1. See Appendix A-9 for details
2. See Appendix A-10 for details
3. See Appendix A-11 for details
4. See Appendix A-12 for details
5. See Appendix A-13 for details
6. See Appendix A-14 for details
7. See Appendix H-2 for details
8. See Appendix H-3 for details

Appendix H-9: Block 22- Other Tax Revenue Projection
Sunnyvale Downtown Specific Plan

Adjusted Public Safety Department Net Expenditure per Service Pop. ¹	\$399 per service pop.
Adjusted Public Works Department Net Expenditure per Service Pop. ²	\$86 per service pop.
Adjusted Library and Comm. Ser. Dep. Net Expen. per Resident Pop. ³	\$75 per resident pop.
Adjusted Community Development Net Expenditure per Service Pop. ⁴	\$2 per service pop.
Adjusted Other Department Net Expenditure per Service Pop. ^{5,6}	\$29 per service pop.

	5-Yr Market Potential	
	Allowed	Proposed
New Service Population ⁷	14	83
Projected Annual Public Safety Dep. Costs	\$6,000	\$33,000
Projected Annual Public Works Dep. Costs	\$1,000	\$7,000
Projected Annual Community Dev. Costs	\$0	\$100
Projected Annual Other Department Costs	\$0	\$2,000
New Resident Population ⁷	0	0
Projected Annual Library and Comm. Dep. Costs	\$0	\$0
Total Expenditures	\$7,000	\$42,100

Note: Figures rounded

1. See Appendix A-15 for details
2. See Appendix A-16 for details
3. See Appendix A-17 for details
4. See Appendix A-18 for details
5. See Appendix A-19 for details
6. Includes Office of City Attorney, City Manager, Finance Department and Human Resources Department expenditures
7. See Appendix H-3 for details