

13. General Government / Fiscal Impacts

Setting

A fiscal impact analysis was prepared on the draft Plan by Recht Hausrath and Associates (Economic and Fiscal Analysis of the Auburn/Bowman Community Plan, January 1993). This section summarizes the results of that study. It should be noted that a revised analysis was not prepared on the updated Plan. However, land use designation changes were not of a magnitude significant enough to change overall conclusions.

The County's 1990/91 budget totaled \$167 million which is comprised of locally generated revenue largely from the following sources:

Property Tax. The County receives 29 percent of the property tax revenue generated in the Plan area. Assessed valuation increases are limited to two percent per year by Proposition 13 except when ownership changes.

Property Transfer Tax. When a property is sold, or otherwise transferred in ownership, it is assessed a tax of \$1.10 per \$1000 value. In the unincorporated area, the County receives the full amount of property transfer tax.

Sales Tax. While sales tax is a small percentage of total County revenue, it represents a significant revenue source from the development identified in the Auburn/Bowman plan area. In Placer County, for every sale of \$1.00, the consumer pays 7.25 cents in sales tax (no sales tax is paid on food and prescription drugs). If that sale occurs in the unincorporated part of the county, the County receives one cent of that total sales tax.

Other Fees, Fines, and Revenues. Fees paid for licenses and permits, fines and forfeits, additional Motor vehicle in-lieu money, gas tax revenue, and revenue from the use of money and property can also be attributed to development in Auburn/Bowman.

- **Fines and Forfeits.** Revenue from fines and forfeits was estimated at \$2.2 million in 1990-91. Approximately 45 percent of that revenue resulted from vehicle fines, and the remainder came from other types of court fines and various county penalties.

Vehicle fines are treated separately from other fines and penalties because the County receives only 26 percent of the fine paid on a traffic ticket received in a city. In the unincorporated area, the County receives the full amount of the vehicle fine.

- **Motor vehicle in-lieu tax; gas tax.** These are taxes that the state collects and routes back to the County. Motor Vehicle in-lieu tax (absent the portion that was added in the most recent fiscal year under AB1491, the realignment measure), is returned

to localities on the basis of population. However, the county receives only one half the amount in Motor Vehicle in-lieu money from a city resident than a resident of the unincorporated area.

- Revenue from Use of Money and Property. This revenue source consists of leases on county-owned property and interest in income on fund balances.

Existing per capita service costs are shown below:

**Table 125
EXISTING PER CAPITA SERVICE COSTS
AUBURN/BOWMAN AREA**

Expenditure Category	Cost per Resident	Cost per Employee
General Administration	\$145.23	\$ 34.23
Public Protection	\$195.36	\$ 80.05
Health and Sanitation	\$ 18.16	\$ 2.45
Public Ways & Facilities	\$ 35.47	\$ 8.36
Public Assistance	\$ 39.97	n/a
Library	\$ 1.42	n/a
Recreation & Culture	\$ 4.28	n/a
Adjustments	\$ 29.31	\$ 6.94
Total	\$410.58	\$118.15

SOURCE: Recht Hausrath & Assoc. January, 1993 p. 35

Impacts

1. **Cost/revenue balance as a result of updated Plan buildout.**

Revenues. Table 126 shows total revenues to the County from development that can be expected as a result of the updated Plan.

Table 126
REVENUES TO THE COUNTY UNDER BUILDOUT OF
THE AUBURN/BOWMAN COMMUNITY PLAN

	1995	2000	2005	2010
Property Tax	\$ 793,000	\$2,019,000	\$3,787,000	\$6,139,000
Property Transfer Tax ¹	39,000	105,000	203,000	334,000
Sales Tax	237,000	574,000	1,014,000	1,536,000
Licenses and Permits	154,000	371,000	658,000	996,000
Fines and Forfeits	45,000	109,000	191,000	290,000
Other Revenues ²	<u>189,000</u>	<u>460,000</u>	<u>812,000</u>	<u>1,228,000</u>
Total	\$1,457,000	\$3,638,000	\$6,665,000	\$10,523,000

SOURCE: Placer County 1990-91 Actual/Estimated Budget;
Recht Hausrath, January 1993, p. 27

Costs. The following tables outline total County services costs as a result of Plan area building as well as costs/resident and costs/employee. As shown in Table 128 a slightly positive balance is shown in 1995 which increases after that point.

Table 127
COUNTY SERVICE COSTS
AUBURN/BOWMAN COMMUNITY PLAN

	1995	2000	2005	2010
General Government	\$ 509,000	\$1,233,000	\$2,179,000	\$3,301,000
Public Protection	708,000	1,718,000	3,039,000	4,615,000
Health and Sanitation	63,000	159,000	267,000	404,000
Public Ways and Facilities	124,000	301,000	532,000	806,000
Public Assistance	133,000	323,000	570,000	860,000
Recreation and Culture	14,000	35,000	61,000	92,000
(Adjustment for Other State Aid ¹ for Other Charges)	<u>58,000</u> <u>44,000</u>	<u>141,000</u> <u>108,000</u>	<u>249,000</u> <u>192,000</u>	<u>378,000</u> <u>289,000</u>
Total	\$1,449,000	\$3,512,000	\$6,207,000	\$ 9,411,000

1. Other State Aid includes funding for Mandated Costs, Other, and Child Abuse Protection.

Source: Placer County 1990-91 Final Budget;
Recht Hausrath & Asso., January 1993, p. 33.

Table 128
COST/REVENUE BALANCE GENERAL FUND
AUBURN/BOWMAN COMMUNITY PLAN, ALTERNATIVE 5

	1995	2000	2005	2010
Total Revenue	\$ 1,457,000	\$3,638,000	\$6,665,000	\$10,523,000
Total costs	<u>1,449,000</u>	<u>3,512,000</u>	<u>6,207,000</u>	<u>9,411,000</u>
Cost/Revenue Balance	\$ 8,000	\$126,000	\$ 458,000	\$1,112,000

Source: Tables 15 and 17.

SOURCE: Recht Hausrath & Assoc January 1993 (p. 36)

NOTE: Potential fiscal impacts of the City of Auburn are also a concern and are discussed in the Growth Inducing section of this EIR.

Conclusion: Based on the discussion above, impacts are expected to be less than significant.

2. **Cumulative City and County buildout.** The Recht Hausrath study (January 1993) estimates that County costs to serve City residents average \$190/resident. Thus, as the City grows, overall costs to the County will increase. However, the County has the ability to raise user fees for the various services provided to City residents. As a result, this impact can be readily mitigated and impacts will not be additive relative to these direct impacts.

Conclusion: Based on the discussion above impacts are expected to be less than significant.

Additional Discussion

The following discussion is provided for informational purposes only; it does not relate to an impact of the project at hand — the implementation of the Auburn/Bowman Community Plan.

Impacts of previous Plan compared to updated Plan. As outlined in Table 131, the updated Plan would have a similar fiscal impact as the previous Plan, though a short-term small fiscal impact would have occurred under the previous Plan (1995).

Table 129
REVENUES TO THE COUNTY
AUBURN/BOWMAN PREVIOUS LAND USE PLAN

	1995	2000	2005	2010
Property Tax	\$ 719,000	\$1,687,000	\$3,192,000	\$5,497,000
Property Transfer Tax	34,000	87,000	169,000	296,000
Sales Tax	149,000	466,000	810,000	1,279,000
Licenses and Permits	141,000	302,000	525,000	829,000
Fines and Forfeits	41,000	88,000	153,000	242,000
Other Revenues	<u>176,000</u>	<u>372,000</u>	<u>646,000</u>	<u>1,020,000</u>
Total	\$1,328,000	\$3,002,000	\$5,495,000	\$ 9,163,000

SOURCE: Placer County 1990-91 Actual/Estimated Budget;
 Recht Hausrath & Assoc., January 1993, p.37

**Table 130
AVERAGE HOUSING PRICE
AUBURN/BOWMAN COMMUNITY PLAN AREA**

	1995	2010
Alternative 5	\$330,000	\$489,000
Existing Plan	\$333,000	\$611,111

SOURCE: Recht Hausrath & Assoc.

**Table 131
COST REVENUE BALANCE
AUBURN/BOWMAN PREVIOUS LAND USE PLAN**

	1995	2000	2005	2010
Total Revenue	\$ 1,328,000	\$3,002,000	\$5,495,000	\$ 9,163,000
Total costs	<u>1,348,000</u>	<u>2,898,000</u>	<u>5,046,000</u>	<u>7,976,000</u>
Cost/Revenue Balance	(\$20,000)	\$104,000	\$ 449,000	\$1,187,000

Source: Tables 21 and 22

Source: Recht Hausrath Study, January 1993, p.38

**Table 132
COUNTY SERVICE COSTS
AUBURN/BOWMAN PREVIOUS LAND USE PLAN**

	1995	2000	2005	2010
General Government	\$ 467,000	\$1,001,000	\$1,740,000	\$2,748,000
Public Protection	651,000	1,401,000	2,441,000	3,859,000
Health and Sanitation	57,000	122,000	212,000	335,000
Public Ways and Facilities	132,000	288,000	498,000	801,000
Public Assistance	122,000	260,000	451,000	712,000
Recreation and Culture	13,000	28,000	48,000	76,000
(Adjustment for Other State Aid ¹ for Other Charges)	<u>53,000</u> <u>41,000</u>	<u>115,000</u> <u>87,000</u>	<u>199,000</u> <u>152,000</u>	<u>315,000</u> <u>240,000</u>
Total	\$1,348,000	\$2,898,000	\$5,046,000	\$7,976,000

1. Other State Aid includes funding for Mandated Costs, Other, and Child Abuse Protection.

Source: Placer County 1990-91 Actual/Estimated Budget;
Recht Hausrath & Assoc. January 1993

Buildout of the Sphere of Influence per the City land use designations. The fiscal impacts to the County as a result of City annexations will vary depending on the annexation. Revenue loss may exceed service cost relief in some situations, particularly where high value residential land or commercial land may be lost. It is estimated that it costs the County \$190 per City resident to provide services. Continued receipt of this amount through the various revenue sources, would be required after annexation to ensure the avoidance of significant impacts. In the past when annexations occurred they were subject to a revenue sharing agreement in place between the County and the City. However, there is no revenue sharing agreement in place though negotiations are under way at this time. Therefore it is unclear whether or not any future revenue agreement will ensure that fiscal impacts will not result.

**Mitigation
Measures**

- 1. Overall fiscal impacts of Plan buildout - No measures needed beyond those contained in the ABCP.**

Effectiveness of Measure/Relevant Plan Provisions: This impact is expected to be less than significant. Relevant Plan provisions include Wastewater Implementation Measures 2,4; Water Supply Implementation Measure 6; Fire Protection Implementation Measures 2,4,6,7 and 12; Public Protection Policy 2 and Implementation Measures 3 and 4; Public Education Policies 13,14,15; Parks and Recreation Policies f,j; Land Use Policy 3s and Land Use Implementation Measure r.

Implementation: N/A

- 2. Cumulative City and County Buildout. See measures above.**

Effectiveness of Measure/Relevant Plan Provisions: See #1.

Implementation: See #1.