

Temescal Canyon Annexation Area Fiscal Impact Analysis City of Corona and County of Riverside

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CONTENTS

Tables	ii
Figure	iii
EXECUTIVE SUMMARY	iv
CHAPTER 1 INTRODUCTION	1
1.1 Introduction.....	1
1.2 Approach.....	2
1.3 Organization of the Report.....	3
CHAPTER 2 DEVELOPMENT DESCRIPTION.....	4
2.1 Land Use Descriptions	4
2.2 Assessed Valuation and Property Tax	6
2.3 Sales and Use Tax.....	7
CHAPTER 3 CITY OF CORONA FISCAL IMPACTS	10
3.1 Corona General Fund and Gas Tax Fund 222 Projected Fiscal Impacts	10
3.2 City Road-Related Capital Revenues.....	10
CHAPTER 4 CITY OF CORONA FISCAL ASSUMPTIONS	14
4.1 City General Assumptions	14
4.2 City Revenue Assumptions.....	15
4.3 Cost Assumptions	23
CHAPTER 5 RIVERSIDE COUNTY FISCAL IMPACTS	31
5.1 Riverside County General Fund Projected Fiscal Impacts.....	31
5.2 County Fire Department.....	35
5.3 County Library District	35
5.4 County Transportation	36
5.5 Former County Redevelopment Area	37
CHAPTER 6 RIVERSIDE COUNTY FISCAL ASSUMPTIONS.....	38
6.1 County General Assumptions	38
6.2 County Revenue Assumptions.....	38
6.2 County Cost Assumptions.....	46
APPENDIX A LAND USE AND MARKET TABLES	51
APPENDIX B CITY OF CORONA FISCAL ASSUMPTIONS TABLES	58
APPENDIX C PROJECT REFERENCES	64

TABLES

1	Development Summary.....	vi
2	Summary of Projected Recurring Fiscal Impacts, City of Corona.....	viii
3	Summary of Projected Recurring Fiscal Impacts, Riverside County.....	x
2-1	Development Description after Buildout	5
2-2	Assessed Valuation and Property Tax	7
2-3	Sales and Use Tax.....	8
3-1	Summary of Projected Recurring Fiscal Impacts, City of Corona.....	11
3-2	Detailed Projected Recurring Fiscal Impacts, City of Corona	12
4-1	General City Assumptions	15
4-2	Summary of Projected Recurring Revenue Factors, City of Corona	16
4-3	Tax Rate Area (TRA) Property Tax Allocations Prior To and Upon Annexation.....	18
4-4	Estimated Property Tax In-Lieu Motor Vehicle License Fee (MVLFF) Factor, City of Corona.....	18
4-5	Calculation of Use Tax Factor, City of Corona	20
4-6	Estimated Residential Turnover Rate, City of Corona	21
4-7	Summary of General Fund Expenditures, City of Corona.....	24
4-8	Summary of Projected Recurring Cost Factors.....	26
4-9	Estimated Annual Net Community Development Costs, City of Corona.....	27
4-10	Summary of Estimated Annual Fire Protection Costs, City of Corona	28
4-11	Summary of Estimated Police Protection Costs, City of Corona.....	29
4-12	Estimated Annual Net Public Works' Costs, City of Corona.....	29
5-1	Summary of Projected Recurring Fiscal Impacts, Riverside County.....	32
5-2	Detailed Projected Recurring Fiscal Impacts, Riverside County General Fund	34
6-1	General County Assumptions	38
6-2	Summary of Recurring Revenue Factors, Riverside County	39
6-3	Tax Rate Area (TRA) Property Tax Allocations Prior To and Upon Annexation.....	41
6-4	Estimated Property Tax In-Lieu Motor Vehicle License Fee (MVLFF) Factor, Riverside County.....	41
6-5	Estimated Residential Turnover Rate, City of Corona	42
6-6	Calculation of Use Tax Factor, Unincorporated Riverside County	43
6-7	Summary of Projected Recurring Cost Factors, Riverside County.....	47
6-8	Library Services Cost Factor, County Library	49
A-1	Existing Demographics, Temescal Canyon Annexation Area.....	51
A-2	Detailed Residential Development	52
A-3	Detailed Non-Residential Development	53
A-4	Existing Non-Residential Square Feet	54
A-5	Development by Non-RDA and RDA Areas	55
A-6	Single Family Residential Values for New Homes.....	56
A-7	Assessed Valuation and Property Tax	57

B-1	General Fund Revenues, City of Corona	58
B-2	Other Funds Revenues, City of Corona	62
B-3	Tax Rate Area (TRA) Allocations: Sample of TRAs	63

FIGURE

1	Temescal Canyon Annexation Area.....	v
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EXECUTIVE SUMMARY

The executive summary presents the projected fiscal impacts to the City of Corona and Riverside County for the Temescal Canyon Annexation Area. As shown in Figure 1, the annexation area is adjacent to the southern boundary of the City of Corona and extends from about Weirick Road on the north to below the Sycamore Creek Shopping Center at Indian Truck Trail intersection along Interstate 15. The El Cerrito/Temescal Canyon Sub-Area of the former Riverside County Redevelopment Project Area (RDA) 1-1986 is located within the annexation area.

The projected fiscal impacts for the Temescal Canyon Annexation Area to the City of Corona and Riverside County are summarized in the Executive Summary. Fiscal impacts are projected for the Corona General Fund, the recurring City State Gas Tax Fund gasoline revenues, and the City Measure A/Local Streets Fund revenues. Recurring fiscal impacts for Riverside County are projected under two scenarios: 1) Prior to annexation of the area to the City of Corona; and 2) Upon annexation of the area to the City. Fiscal impacts are projected for the following Riverside County funds both prior to and upon annexation:

- General Fund
- Fire Department
- Library District
- Transportation Fund

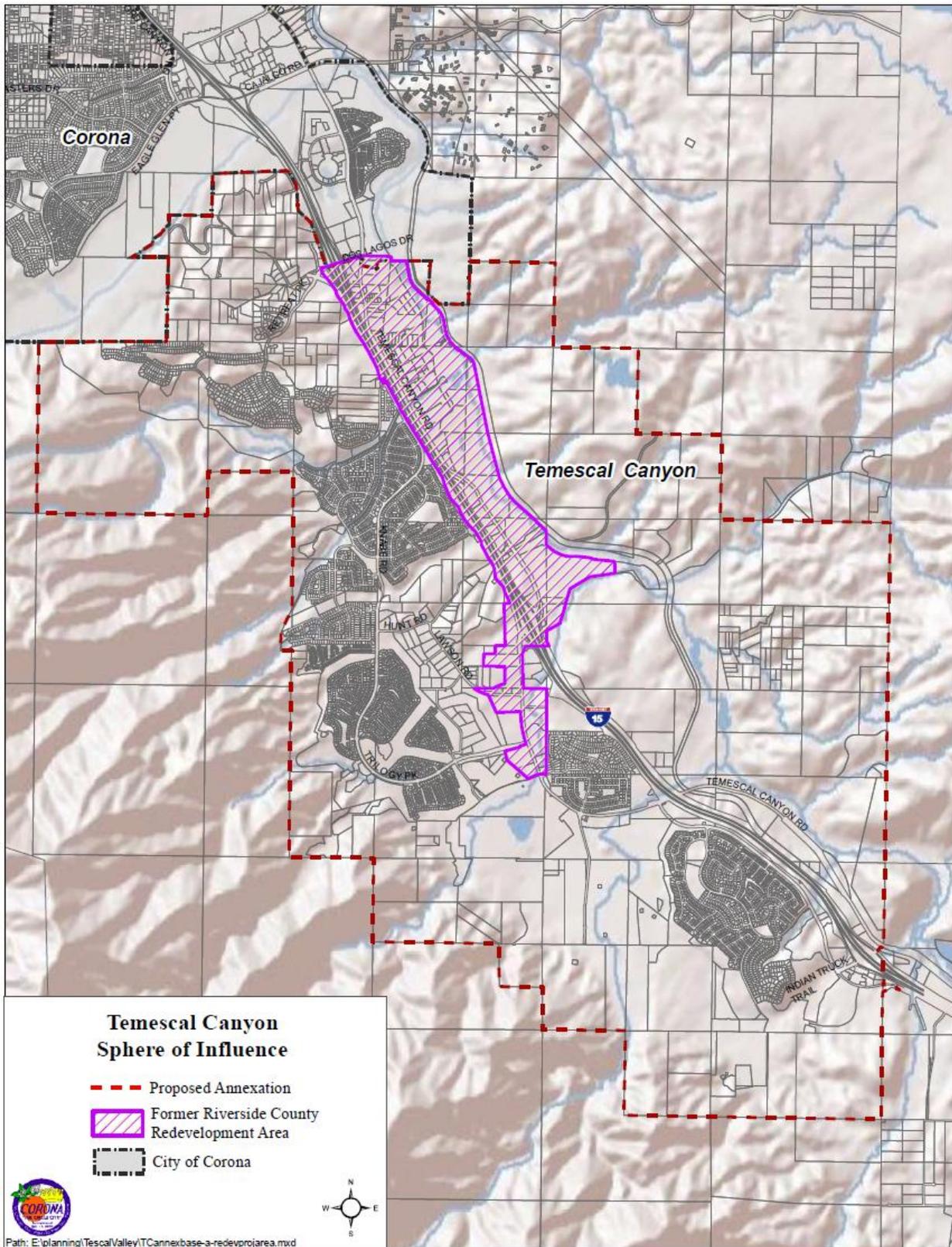
The County services provided by the above County funds and districts represent the services that will become the responsibility of the City of Corona upon annexation of the Temescal Canyon area. Fiscal impacts are projected in constant 2013 dollars, with no adjustment for future inflation.

Development Description

The existing development description for the Temescal Canyon Annexation Area is based on Geographic Information System (GIS) shape files provided by City staff, assessor parcel number (APN) files from the City, Census 2010 information, the Southern California Association of Government RTP 2012 Growth Forecast and a Google Earth survey. Incremental growth for the annexation area is based on proposed projects, the City's General Plan, other documents provided by the City and discussion with City staff.

Residential Development. As shown in Panel A of Table 1, a total of 7,954 residential units are included in the total Temescal Canyon Annexation Area after buildout, with an estimated 5,433

**Figure 1
Temescal Canyon Annexation Area**



**Table 1
Development Summary
Temescal Canyon Annexation Area**

Category	Existing	Incremental	Total
A. RESIDENTIAL DEVELOPMENT			
<u>Residential Units</u>			
Single Family	5,433	1,822	7,255
High Density	n/a	699	699
Total Residential Units	5,433	2,521	7,954
<u>Population (@ 2.86 per unit) ¹</u>	15,565	7,210	22,775
B. NON-RESIDENTIAL DEVELOPMENT			
<u>Non-Residential Square Feet</u>			
<u>General Commercial ²</u>			
Retail Commercial	146,190	552,040	698,230
Service Commercial	n/a	97,419	97,419
Subtotal General Commercial	146,190	649,459	795,649
Office	n/a	706,339	706,339
Light Industrial/Business Park	1,257,557	6,639,347	7,896,904
Heavy Industrial	75,500	n/a	75,500
Total Non-Residential Square Feet	1,479,247	7,995,145	9,474,392
<u>Employment ³</u>	1,680	10,958	12,638

- Note: 1. Existing units and population are based on block level data from Census 2010 for the annexation area. The Census 2010 persons per unit factor of 2.86 is used to project population for the incremental units.
2. The fiscal analysis assumes that 85 percent of the incremental general commercial square feet is retail commercial and the remaining 15 percent is service commercial square feet.
3. Existing employment is estimated based on data from Southern California Association of Governments (SCAG).

Sources: Stanley R. Hoffman Associates, Inc.
Census 2010
Corona General Plan Update, *Figure 2.1-20, Sphere of Influence, South Sphere Potential/Approved County Projects and Specific Plans*, prepared by EIP, 09/19/02
City of Corona, "2006 Proposed Specific Plans/Projects" and January 2013 Updates
Riverside County Planning Department, *Sycamore Creek Specific Plan No. 00256, Amendment 2, Screencheck No. 3, Tentative Tract Map No. 36316 and 36317*, December 13, 2010
Google Earth, 2011
Southern California Association of Governments (SCAG), *RTP 2012 Growth Forecast*, November 2010

existing residential units based on Census 2010. Additional units of 2,521 units are projected for development based on proposed plans and the City's General Plan. Based on Census 2010, the existing population for the Temescal Canyon area is estimated at 15,565. The incremental population growth is projected at 7,210 for the area, assuming about 2.86 persons per unit (per Census 2010 for the area). Total population for the area is projected at 22,775 after buildout.

Non-Residential Development. Panel B of Table 1 presents the non-residential development. A total of about 9.5 million square feet are included in the total Temescal Canyon Annexation Area after buildout. About 1.5 million square feet are estimated for existing uses, with about 8.0 million incremental square feet planned for the area.

General commercial square feet is estimated at 795,649 after buildout of the proposed projects. Existing general commercial is estimated at 146,190 square feet and new general commercial square

feet are estimated at 649,459. The fiscal analysis assumes that 85 percent of the new general commercial uses will be retail commercial and the remaining 15 percent will be service commercial. Office uses are planned for 706,339 square feet after buildout. All of the office uses are planned for incremental development with no office uses estimated for existing development.

Existing light industrial/business park uses are estimated at about 1.3 million square feet and about 83 percent of the incremental growth (or about 6.6 million square feet) are planned for light industrial/business park development. Existing heavy industrial uses are estimated at 75,500 square feet, with no heavy industrial uses estimated for incremental development.

Existing employment for the annexation area is estimated at 1,680, and is projected to increase to 12,638 after the incremental development is built.

City of Corona Projected Recurring Fiscal Impacts

City Operations and Maintenance Impacts. As shown in Panel A of Table 2, a recurring surplus of about \$2.8 million is projected to the City for the total Temescal Canyon area upon annexation after buildout of the incremental development. A surplus of \$190,715 is projected for the existing development with a recurring surplus of about \$2.6 million projected for the incremental development in the Temescal Canyon Annexation Area. The projected impacts include the net impact to the City General Fund and the projected recurring revenues from Gas Tax Fund 222 that are utilized for operations and maintenance costs. Based on discussion with City staff, about half of the City's State Gas Tax Fund revenues are utilized for road-related operations and maintenance.

Key recurring revenues to the City General Fund include property tax and sales and use tax. Major recurring costs to the General Fund include police protection, fire protection and public works.

City Road-Related Capital Revenues. The City receives state gasoline tax and Measure A revenues for road-related expenditures. Based on discussion with City staff, about half of the City's State Gas Tax Fund 222 revenues are utilized for road-related capital expenditures and almost all of the Measure A revenues are allocated to road-related capital expenditures. City road-related revenues for capital expenditures for the Temescal Canyon Annexation Area are shown in Panel B of Table 2, and are projected as follows:

– Existing Development:	\$442,391
– Incremental Development:	<u>\$204,924</u>
– Total Development:	\$647,315

Table 2
Summary of Projected Recurring Fiscal Impacts, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Existing Development	Incremental Development	Total Development
A. RECURRING OPERATIONS AND MAINTENANCE IMPACTS			
<u>General Fund</u>			
Annual Recurring Revenues	\$6,034,193	\$7,907,866	\$13,942,059
Annual Recurring Costs	<u>\$5,989,914</u>	<u>\$5,350,795</u>	<u>\$11,340,709</u>
General Fund Net Annual Surplus	\$44,279	\$2,557,071	\$2,601,350
<u>Gas Tax Fund 222 Revenues</u> ¹	\$146,436	\$67,832	\$214,268
(for operations and maintenance costs)			
<u>Total</u>			
Annual Recurring Revenues	\$6,180,629	\$7,975,698	\$14,156,327
Annual Recurring Costs	<u>\$5,989,914</u>	<u>\$5,350,795</u>	<u>\$11,340,709</u>
Total Net Annual Surplus	\$190,715	\$2,624,903	\$2,815,618
Revenue/Cost Ratio	1.03	1.49	1.25
B. RECURRING ROAD-RELATED CAPITAL REVENUES			
State Gas Tax Fund 222 (for capital costs) ¹	\$146,436	\$67,832	\$214,268
Measure A/Local Streets Fund ²	<u>\$295,955</u>	<u>\$137,092</u>	<u>\$433,047</u>
Total Other Funds Recurring Revenues	\$442,391	\$204,924	\$647,315

- Note: 1. Based on discussion with City Finance Department staff, about 50 percent of Gas Tax Fund 222 revenues are utilized for road-related operations and maintenance services. The remaining amount of Fund 222 revenues are used for road-related capital expenditures.
2. Almost all of Measure A Fund revenues are utilized for road-related capital expenditures.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

Riverside County Fiscal Impacts

Fiscal impacts are projected to Riverside County both prior to and after annexation of the Temescal Canyon Annexation Area to the City of Corona.

Prior to annexation, the County of Riverside provides police protection, development services and Countywide services to the project area through the County General Fund. Fire protection, library service and road maintenance services are provided by other County funds, departments and districts prior to annexation.

Upon annexation to the City of Corona, the City provides police, development services, fire, library and road maintenance services to the area. Upon annexation, the County General Fund continues to receive reduced amounts of property tax revenues, property tax in lieu of vehicle license fees and property transfer tax for provision of Countywide services

County General Fund. Panel A of Table 3 presents the recurring fiscal impacts to the Riverside County General Fund both prior to and upon annexation of the annexation area to the City of Corona.

- Prior to annexation, and assuming buildout of the annexation area, a recurring surplus of about \$6.0 million is projected to the County General Fund. The projected surplus includes a projected surplus of about \$3.0 million for existing development and a projected surplus of about \$3.0 million for incremental development.
- Upon annexation to the City, a recurring surplus of about \$4.1 million is projected to the County General Fund for the total annexation area after buildout. This projected surplus includes a recurring surplus of about \$3.4 million for the existing development and a surplus of \$751,003 for incremental development.

County Fire Department. The Riverside County Fire Department (RCFD) provides fire protection to the Temescal Canyon Annexation Area. The RCFD property tax revenues are projected at 6.4 percent of the basic one percent property tax levy for assessed valuation outside the County RDA. Based on discussion with County RCFD staff, fire protection is provided to the annexation area from several County fire stations. However, County fire department staff were not able to provide any information about the cost of fire protection services specifically to the Temescal Canyon annexation. Therefore, in Panel B of Table 3, only the property tax revenues are shown, which increase from an estimated \$1.5 million for existing development to about \$2.7 million by buildout.

Table 3
Summary of Projected Recurring Fiscal Impacts, Riverside County
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Agency/Category	Prior to Annexation			Upon Annexation		
	Existing	Incremental	Buildout	Existing	Incremental	Buildout
A. COUNTY GENERAL FUND ¹						
Recurring Property Tax Revenue	\$8,631,058	\$8,685,722	\$17,316,780	\$5,052,904	\$2,202,006	\$7,254,910
Recurring Costs	<u>\$5,613,529</u>	<u>\$5,709,906</u>	<u>\$11,323,435</u>	<u>\$1,659,686</u>	<u>\$1,451,003</u>	<u>\$3,110,689</u>
Net Recurring Surplus	\$3,017,529	\$2,975,816	\$5,993,345	\$3,393,218	\$751,003	\$4,144,221
Revenue/Cost Ratio	1.54	1.52	1.53	n/a	n/a	n/a
B. COUNTY FIRE DEPARTMENT ²						
Recurring Property Tax Revenue	\$1,527,991	\$1,185,346	\$2,713,337	n/a	n/a	n/a
Recurring Costs	n/a	n/a	n/a	n/a	n/a	n/a
C. COUNTY LIBRARY DISTRICT ³						
Recurring Property Tax Revenue	\$381,998	\$296,337	\$678,335	n/a	n/a	n/a
Recurring Costs	<u>\$373,588</u>	<u>\$173,053</u>	<u>\$546,641</u>	n/a	n/a	n/a
Net Recurring Surplus	\$8,410	\$123,284	\$131,694	n/a	n/a	n/a
Revenue/Cost Ratio	1.02	1.71	1.24	n/a	n/a	n/a
D. COUNTY TRANSPORTATION ⁴						
Recurring State Gasoline Tax	\$330,579	\$153,131	\$483,710	n/a	n/a	n/a
Recurring Costs	<u>\$216,335</u>	<u>\$230,468</u>	<u>\$446,803</u>	n/a	n/a	n/a
Net Recurring Surplus	<u>\$114,244</u>	<u>(\$77,337)</u>	<u>\$36,907</u>	n/a	n/a	n/a
Revenue/Cost Ratio	1.53	0.66	1.08	n/a	n/a	n/a
E. FORMER COUNTY REDEVELOPMENT AREA ⁵						
Annual Property Tax Increment	\$1,314,556	\$957,159	\$2,271,715	\$1,314,556	\$957,159	\$2,271,715

Note: 1. Prior to annexation, the County General Fund provides municipal-type services of police protection and development services to the annexation area, as well as Countywide services that are provided to all residents of the County. Upon annexation, the municipal-type services currently provided by the County to the annexation area will become the responsibility of the City of Corona. The County General Fund will continue to receive a reduced amount of property tax, property tax in lieu of vehicle license fee revenues and property transfer tax revenues. The County will continue to provide Countywide services to the annexation area.

2. The Riverside County Fire Department (RCFD) provides fire protection to the unincorporated County area and to the Temescal Canyon Annexation Area from more than one station. RCFD staff are not able to provided specific costs for the annexation area. At this time, the projected property tax revenues to the RCFD from the annexation area are assumed to adequately cover Temescal Canyon's share of fire protection services. Incremental growth in the annexation area will contribute toward development impact fees specified in Ordinance 659 of the Riverside County Code.

3. The fiscal analysis projects County Library costs for the annexation area based on the average cost per capita for the Library service population. Upon annexation, the current property tax allocation to the County Library from the annexation area will shift to the City of Corona, and the City will be responsible for library services to the annexation area.

4. County transportation costs for the annexation area are projected based on the average cost per capita and per employee. Upon annexation, the City of Corona will be responsible for transportation services to the annexation area.

5. Based on discussion with Riverside County Economic Development Agency staff, upon annexation of the Temescal Canyon area to the City, the County Successor Agency would continue to administer the former Redevelopment Area (RDA) 1-1986 Project Area and the property tax increment for development within the RDA project area would continue to go to the Successor Agency until bonded indebtedness is paid, in approximately the year 2036.

Sources: Stanley R. Hoffman Associates, Inc.
County of Riverside, *Fiscal Year 2012-13 Adopted Budget*
Riverside County, Employment Development Agency
Riverside County Auditor-Controller, Property Tax Division, 2012

At this point, it is assumed that the projected property tax is adequate to cover the Temescal Canyon's share of fire protection services. Upon annexation, fire protection services become the responsibility of the City, and the City will receive the current 6.4 percent of the basic one percent levy for property outside the County RDA.

County Library District. As shown in Panel C of Table 3, the Riverside County Library District provides services to the project area prior to annexation. The County Library District is projected to have an estimated annual recurring surplus of \$131,694 prior to annexation and after buildout of the annexation area. The existing surplus to the County Library is projected at \$8,410 and the surplus for incremental development is projected at \$123,284. The County Library receives about 1.6 percent of the basic one percent property tax levy for assessed valuation outside the County RDA. County Library costs are projected at the current average per capita of about \$24.00. Upon annexation, library services become the responsibility of the City and the City receives the current 1.6 percent of the basic one percent levy for property outside the County RDA.

County Transportation Fund. A recurring surplus of \$36,907 is projected to County Transportation after buildout of the Temescal Canyon Annexation Area and prior to annexation, as shown in Panel D of Table 5. Prior to annexation, a recurring surplus of \$114,244 is projected for the County Transportation Fund for existing development and a deficit of \$77,337 is projected for incremental development prior to annexation. Recurring gasoline taxes are projected for the Transportation Fund and recurring costs are projected at the average Countywide expenditures per capita and per employee for road-related services. Upon annexation, road maintenance is provided by the City of Corona and the City will receive gasoline tax revenues for the population in the annexation area.

Former County Redevelopment Project Area

A portion of the Temescal Canyon Annexation Area is located in the El Cerrito/Temescal Canyon Sub-Area of the County Redevelopment Area (RDA) Project Area 1-1986. The recurring property tax increment in the RDA is projected at about \$2.3 million after buildout and is comprised of about \$1.3 million for existing development and \$957,159 for incremental development. Redevelopment has been eliminated by the State of California. Based on discussion with staff of the County Successor Agency for the former RDA, upon annexation the property tax increment for development within the former RDA area will continue to go to the Successor Agency until bonded indebtedness is paid, approximately by the year 2036.

Key Fiscal Assumptions

Property Tax. The Riverside County General Fund, County Fire Department and County Library currently receive a share of the basic one percent property tax levy for existing development located outside the Redevelopment Area (RDA) in the annexation area. Upon annexation, the City General Fund is currently projected to receive about 11.9 percent of the basic one percent property tax levy for provisions of municipal services, including police, fire and library services; and the County will continue to receive about 11.6 percent of the basic one percent levy on property located outside the RDA for provision of Countywide services to the entire annexation area. Existing assessed valuation for the annexation area is based on the Riverside County Fiscal Year 2011-2012 assessed valuation for parcels in the area as provided by the City staff. Assessed valuation for incremental development is projected based on the average value of recent sales in the area.

Property Tax in Lieu of Motor Vehicle License Fees (MVLf). These revenues are received to offset the State reduction of motor vehicle license fees. The amount received is calculated by the State and grows with the change in gross assessed valuation of taxable property in the jurisdiction from the prior year. Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. Prior to the recently passed SB89 legislation, the City received property tax in lieu of MVLf at \$50 per capita annually, based on the estimated population of the annexation area at the time of annexation. With the passage of SB89, the annexing City does not receive any amount of property tax in-lieu of VLF based on the existing assessed valuation or population in the annexation area. After annexation, the County will continue to receive the base amount of property tax in lieu of VLF for the annexation area. For new development that is projected to occur after annexation, property tax in lieu of MVLf accrues to the City and is projected based on the Citywide average change in assessed valuation.

Sales and Use Tax. Sales and use tax for the Temescal Canyon Annexation Area for fiscal year 2011-2012 was provided by Hinderliter de Llamas and Associates (HdL). Sales tax for incremental development is projected based on factors developed for the City's General Plan Update. For purposes of projecting sales and use tax, the fiscal analysis assumes that 85 percent of the incremental development designated as General Commercial will be retail commercial land uses and the remaining 15 percent will be service commercial land uses.

CHAPTER 1 INTRODUCTION

This report presents the fiscal impact analysis to the City of Corona and the County funds and districts representing the services that will become the responsibility of the City of Corona upon annexation of the Temescal Canyon area. Fiscal impacts are projected in constant 2013 dollars, with no adjustment for future inflation.

Recurring revenues and costs to the Corona General Fund and recurring State Gas Tax Fund gasoline revenues and Measure A/Local Streets Fund recurring revenues are projected upon annexation of the area to the City. Recurring fiscal impacts to Riverside County are projected under two scenarios: 1) Prior to annexation of the area to the City of Corona; and 2) Upon annexation of the area to the City. Fiscal impacts are projected for the following Riverside County funds both prior to and upon annexation:

- General Fund
- Fire Department
- Library District
- Transportation Fund

1.1 Introduction

The proposed Temescal Canyon Annexation Area is adjacent to the southern boundary of the City of Corona at Weirick Road and extends east and west along Interstate 15 to just below the Sycamore Creek Shopping Center. The southern boundary of the annexation area extends west of Indian Truck Trail intersection with Interstate 15 at the Sycamore Creek Shopping Center. The El Cerrito/Temescal Canyon Sub-Area of the Riverside County Redevelopment Project Area 1-1986 is located within the annexation area.

After buildout of the incremental growth, the Temescal Canyon Annexation Area is estimated to have 7,954 units and a population of 22,775. The existing residential development in the area is estimated at 5,433 units with a population of 15,565. Therefore, the annexation area will add an estimated 2,521 units and an additional 7,210 people.

A total of about 9.5 million square feet of non-residential development is estimated for the annexation area after buildout of the proposed incremental development. About 83 percent of the development is light industrial/business park and the remaining development is distributed almost equally between general commercial and office uses. Employment after buildout of the proposed

incremental square feet is estimated at 12,638. The existing commercial and industrial uses in the Temescal Canyon Annexation Area are estimated at about 1.5 million square feet and existing employment for the area is estimated at 1,680.

1.2 Approach

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

- The boundary of the annexation area and the County Redevelopment Project Area (RDA) boundary are based on the Geographic Information System (GIS) shape files provided by City staff.
- Existing residential units and population for the annexation area and the City are based on Census 2010 information.
- The existing commercial and industrial square feet in the Temescal Canyon Annexation Area are estimated based on a survey of the area using Google Earth.
- The current employment for the annexation area and the City are based on the Southern California Association of Government RTP 2012 Growth Forecast.
- Existing valuation is based on the Fiscal Year 2011-12 assessor parcel number (APN) files from Riverside County as provided by the City.
- Sales tax for the Temescal Canyon Annexation Area for fiscal year 2011-2012 was provided by Hinderliter de Llamas and Associates (HdL).
- Incremental growth for the annexation area is based on proposed projects, the City's General Plan, other City documents, a Google Earth survey and discussion with City staff.
- Residential valuation for incremental growth is projected based on current sales prices from real estate listing websites.
- Non-residential valuation is projected based on average values by land uses that were used in the fiscal analysis for the General Plan.
- The City of Corona fiscal analysis is based on the *City of Corona, California, Fiscal Year 2012-13 Adopted Annual Budget*, with adjustments based on discussions with key City staff.
- City of Corona revenue and cost factors are based on the Budget document, the California Department of Finance (DOF) City population estimate, the 2012 employment estimate from the Southern California Association of Governments (SCAG) *RTP 2012 Growth Forecast* and discussions with City staff.
- The Riverside County fiscal analysis is based on the *County of Riverside, Fiscal Year 2012-13 Adopted Budget* and discussion with appropriate County staff.
- County revenue and cost factors are based on the County Budget document, the California Department of Finance (DOF) County population estimates, the 2012 employment estimate from the Southern California Association of Governments (SCAG) *RTP 2012 Growth Forecast* and discussions with County staff.

- Property tax is projected based on current Tax Rate Area (TRA) information from the Riverside Auditor-Controller for the Temescal Canyon Annexation Area.
- Cost and revenue factors are projected in constant 2013 dollars with no adjustment for possible future inflation.

1.3 Organization of the Report

Chapter 2 summarizes the land uses, population, assessed valuation and taxable sales for the proposed Temescal Canyon Annexation Area. Chapter 3 describes the projected recurring fiscal impacts to the City of Corona General Fund and recurring revenues to other City road-related funds. The fiscal assumptions for the City of Corona are discussed in Chapter 4. Chapter 5 includes the projected fiscal impacts of the Temescal Canyon Annexation Area before and upon annexation for the Riverside County General Fund, County Fire Department, County Library District and County Transportation. The projected recurring property tax increment to the County Redevelopment Project Sub-Area is also included in Chapter 5. Chapter 6 presents the fiscal assumptions for the Riverside County fiscal analysis. Appendix A includes the supporting land use and market tables for the development description. Appendix B contains supporting tables for the City fiscal assumptions and Appendix C lists the project references utilized in the preparation of this analysis.

Table 2-1
Development Description after Buildout
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Existing Development	Incremental Development	Total
A. RESIDENTIAL DEVELOPMENT			
<u>Residential Units</u>			
Single Family	5,433	1,822	7,255
High Density	n/a	699	699
Total Residential Units	5,433	2,521	7,954
<u>Population (@ 2.86 per unit) ¹</u>	15,565	7,210	22,775
B. NON-RESIDENTIAL DEVELOPMENT			
<u>Non-Residential Square Feet</u>			
<u>General Commercial ²</u>			
Retail Commercial	146,190	552,040	698,230
Service Commercial	n/a	97,419	97,419
Subtotal General Commercial	146,190	649,459	795,649
Office	n/a	706,339	706,339
Light Industrial/Business Park	1,257,557	6,639,347	7,896,904
Heavy Industrial	75,500	n/a	75,500
Total Non-Residential Square Feet	1,479,247	7,995,145	9,474,392
<u>Employment ³</u>	1,680	10,958	12,638
C. ASSESSED VALUATION			
Non-RDA	\$2,387,485,242	\$1,852,103,900	\$4,239,589,142
RDA	131,455,587	95,715,910	227,171,497
Total Assessed Valuation	\$2,518,940,829	\$1,947,819,810	\$4,466,760,639
D. SALES AND USE TAX ⁴			
Retail Sales and Use Tax	\$791,539	\$1,013,794	\$1,805,333
Non-Retail Sales and Use Tax	373,992	1,163,861	1,537,853
Property Tax In-Lieu of Sales and Use Tax	388,510	725,885	1,114,395
Total Sales and Use Tax	\$1,554,041	\$2,903,540	\$4,457,581
C. SERVICE AREA POPULATION			
Population	15,565	7,210	22,775
Weighted Employment (@ 50 percent of total) ⁵	840	5,480	6,320
Total Service Area Population	16,405	12,690	29,095

Note: 1. Existing units and population are based on block level data from Census 2010 for the annexation area, as shown in Appendix Table A-1. The Census 2010 persons per unit factor of 2.86 is used to project population for the incremental units.
2. The fiscal analysis assumes that 85 percent of the proposed general commercial square feet is retail commercial and the remaining 15 percent is service commercial square feet.
3. Existing employment is estimated based on data from Southern California Association of Governments (SCAG).
4. Sales and use tax for existing development is based on an estimate prepared by Hinderliter de Llamas for the annexation area.
5. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.
Corona General Plan Update, *Figure 2.1-20, Sphere of Influence, South Sphere Potential/Approved County Projects and Specific Plans*, prepared by EIP, 09/19/02
City of Corona, "2006 Proposed Specific Plans/Projects" and January 2013 Updates
Riverside County Planning Department, *Sycamore Creek Specific Plan No. 00256, Amendment 2, Screencheck No. 3, Tentative Tract Map No. 36316 and 36317*, December 13, 2010
Google Earth, 2011
Census 2010

2.2 Assessed Valuation and Property Tax

Projected Assessed Valuation. As shown in Panel A of Table 2-2, total assessed valuation at buildout of the Temescal Canyon Annexation Area is projected at about \$4.5 billion, with about 95 percent of the total projected assessed valuation for development in locations outside of the Redevelopment Project Area (RDA). Existing development represents about \$2.5 billion of the total and incremental growth represents about \$2.0 billion of the total assessed valuation at buildout.

At buildout of the annexation area, residential assessed valuation is projected at about \$3.4 billion. Existing valuation is based on the assessor parcel files from the County. Residential valuation for new units is based on information from zillow.com, as shown in Appendix Table A-6. Valuation for single-family units is projected at \$470,000 per unit based on the average weighted valuation per unit of new homes for sale and new homes sold in 2012 in the Temescal Canyon annexation area. No new condos were listed for sale in the annexation area. Based on the 2012 ratio of about 70 percent for the price per square foot of condo prices to single family home prices in the annexation area zip code from DataQuick, high density residential valuation is projected at \$330,000 per unit (70 percent of \$470,000).

Non-residential assessed valuation is projected at about \$1.1 billion at buildout of the annexation area. Existing valuation is based on the assessor file from Riverside County and non-residential valuation for incremental growth is projected based on the following assumptions that were used for the fiscal analysis of the General Plan:

- General Commercial \$140 per building square foot
- Office \$150 per building square foot
- Light Industrial/Business Park \$100 per building square foot
- Heavy Industrial \$70 per building square foot

Projected Property Tax Increment. The one percent property tax increment after buildout of the incremental growth in the Temescal Canyon Annexation Area is projected at about \$44.7 million, as shown in Panel B of Table 2-2. Of this projected property tax increment, existing development accounts for a projected \$25.2 million and incremental growth in the annexation area is projected at \$19.5 million. The detailed projected assessed valuation and property tax increment by non-RDA and RDA development is presented in Appendix Table A-7.

Annual General Fund Property Tax. Based on the projected \$44.7 million of property tax increment for the non-RDA development after buildout, the City General Fund is projected to receive about

Table 2-2
Assessed Valuation and Property Tax
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Existing Development ¹	Incremental Development	Total
A. ASSESSED VALUATION			
Residential - Non-RDA	\$2,255,029,958	\$1,087,010,000	\$3,342,039,958
Residential - RDA	<u>9,388,595</u>	n/a	<u>9,388,595</u>
Subtotal Residential	\$2,264,418,553	\$1,087,010,000	\$3,351,428,553
Non-Residential - Non-RDA	\$132,455,284	\$765,093,900	\$897,549,184
Non-Residential - RDA	<u>122,066,992</u>	<u>95,715,910</u>	<u>217,782,902</u>
Subtotal Non-Residential	\$254,522,276	\$860,809,810	\$1,115,332,086
Total Non-RDA	\$2,387,485,242	\$1,852,103,900	\$4,239,589,142
Total RDA	<u>131,455,587</u>	<u>95,715,910</u>	<u>227,171,497</u>
Total Assessed Valuation	\$2,518,940,829	\$1,947,819,810	\$4,466,760,639
B. ANNUAL PROPERTY TAX INCREMENT (@ 1% of Assessed Valuation)			
Total Non-RDA	\$23,874,852	\$18,521,039	\$42,395,891
Total RDA	<u>1,314,556</u>	<u>957,159</u>	<u>2,271,715</u>
Total Property Tax Increment	\$25,189,408	\$19,478,198	\$44,667,606
C. ANNUAL GENERAL FUND PROPERTY TAX			
Annual Property Tax (@ 11.9 percent of non-RDA property tax increment)	\$2,841,107	\$2,204,004	\$5,045,111

Note: 1. Existing assessed valuation is based on parcel data from the County assessor as provided by the City of Corona.

Sources: Stanley R. Hoffman Associates, Inc.
Riverside County Assessor's Parcel Data, Fiscal Year 2011 - 2012

\$5.0 million annually in property tax for the total Temescal Canyon area, also detailed in Appendix Table A-7. Annual recurring property tax for existing development in the City upon annexation is projected at about \$2.8 million and property tax for incremental development is also projected at about \$2.2 million. Property tax to the General Fund for the annexation area is projected at 11.9 percent of the basic one percent levy on the non-RDA assessed valuation of development.

2.3 Sales and Use Tax

Estimated sales and use tax for the Temescal Canyon area is presented in Table 2-3. Sales tax for the Temescal Canyon area for fiscal year 2011-2012 was provided by Hinderliter de Llamas (HdL). Taxable sales for incremental development are based on factors developed for the City's General Plan Update, and are projected at \$220 per square foot for retail uses and \$21 per square foot for industrial uses. These factors were used for projecting incremental taxable sales for the proposed square feet shown in Panel A of Table 2-3.

Table 2-3
Sales and Use Tax
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Existing Development	Incremental Development	Total
A. TAXABLE SQUARE FEET			
Retail Commercial	146,190	552,040	698,230
Light Industrial/Business Park	<u>1,257,557</u>	<u>6,639,347</u>	<u>7,896,904</u>
Total Taxable Square Feet	1,403,747	7,191,387	8,595,134
B. ESTIMATED TAXABLE SALES ¹			
Retail Commercial (@ \$220 per square foot for increment only)	\$94,823,400	\$121,448,800	\$216,272,200
Light Industrial/Business Park (@ \$21 per square foot for increment only)	<u>44,802,900</u>	<u>139,426,287</u>	<u>184,229,187</u>
Total Estimated Incremental Taxable Sales	\$139,626,300	\$260,875,087	\$400,501,387
C. ESTIMATED SALES AND USE TAX			
<u>Estimated Retail Commercial Sales and Use Tax ¹</u>			
Retail Commercial Sales Tax (@ 1 percent of taxable sales)	\$948,234	\$1,214,488	\$2,162,722
<i>plus</i>			
Use Tax (@ 11.3 percent of sales tax)	\$107,150	\$137,237	\$244,387
<i>equals</i>			
Total Estimated Retail Sales and Use Tax	\$1,055,384	\$1,351,725	\$2,407,109
<u>Estimated Non-Retail Sales and Use Tax ¹</u>			
Light Industrial/Business Park Sales Tax (@ 1 percent of taxable sales)	\$448,029	\$1,394,263	\$1,842,292
<i>plus</i>			
Use Tax (@ 11.3 percent of sales tax)	\$50,627	\$157,552	\$208,179
<i>equals</i>			
Total Estimated Non-Retail Sales and Use Tax	\$498,656	\$1,551,815	\$2,050,471
<u>Estimated Total Sales and Use Tax ¹</u>			
Retail Commercial Sales and Use Tax	\$1,055,384	\$1,351,725	\$2,407,109
Non-Retail Sales and Use Tax	<u>498,656</u>	<u>1,551,815</u>	<u>2,050,471</u>
Total Estimated Sales and Use Tax	\$1,554,041	\$2,903,540	\$4,457,581
D. ALLOCATION OF SALES AND USE TAX ²			
<u>Property Tax In-Lieu of Sales Tax (@ 25 percent of total sales and use tax)</u>			
Retail Commercial	\$263,846	\$337,931	\$601,777
Light Industrial/Business Park	<u>124,664</u>	<u>387,954</u>	<u>512,618</u>
Total Property Tax In-Lieu of Sales Tax	\$388,510	\$725,885	\$1,114,395
<u>Retail Sales and Use Tax (@ 75 percent of total sales and use tax)</u>			
	\$791,539	\$1,013,794	\$1,805,333
<u>Non-Retail Sales and Use Tax (@ 75% of total sales and use tax)</u>			
	\$373,992	\$1,163,861	\$1,537,853
Total Estimated Sales and Use Tax	\$1,554,041	\$2,903,540	\$4,457,581

Note: 1. Sales and use tax for existing development is based on an estimate prepared by Hinderliter de Llamas for the annexation area.
2. In 2004, the State reduced the local one percent sales tax allocation by 25 percent and replaced this amount with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the property tax in lieu of sales tax is projected based on 25 percent of the estimated total retail and non-retail sales and use tax generated in the annexation area. The remaining 75 percent of the total sales and use tax is allocated to retail sales and use tax and non-retail sales and use tax.

Sources: Stanley R. Hoffman Associates, Inc.
Hinderliter de Llamas and Associates, "Temescal Canyon Sales Tax Revenues, Fiscal Year 2011-2012", December 5, 2012

Estimated Taxable Sales. As shown in Panel B of Table 2-3, taxable sales after buildout of the annexation area are estimated at about \$400.5 million. Based on the sales tax data from HdL, taxable sales are estimated at about \$139.6 million for existing development. Taxable sales for incremental growth are estimated at about \$260.9 million. Incremental taxable sales are projected assuming that 85 percent of the proposed general commercial development is retail commercial and the remaining general commercial development is service commercial.

Estimated Sales and Use Tax. Panel C of Table 2-3 presents the estimated existing sales and use tax based on the 2011-2012 data from HdL and the projected sales and use tax based on the estimated incremental taxable sales. Sales tax is projected at one percent of taxable sales, and use tax is projected at 11.3 percent of sales tax. After buildout of the incremental taxable square feet, sales and use tax is projected at about \$4.5 million for the Temescal Canyon Annexation Area. About \$1.6 million sales and use tax is estimated for the existing development and the remaining \$2.9 million of sales and use tax is estimated for the incremental taxable square feet.

Allocation of Sales and Use Tax. In 2004, the State reduced the local one percent sales tax allocation by 25 percent and replaced this with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the property tax in lieu of State sales tax is projected based on 25 percent of the estimated retail and non-retail sales and use tax generated. As shown in Panel D of Table 2-3, the allocation of 25 percent of the retail and non-retail sales and use tax totals about \$1.1 million after buildout of the Temescal Canyon Annexation Area. The remaining 75 percent of the total retail sales and use tax is projected at about \$1.6 million and the remaining non-retail sales and use tax is projected at about \$1.8 million after buildout.

CHAPTER 3 CITY OF CORONA FISCAL IMPACTS

This chapter describes the fiscal analysis of the Temescal Canyon Annexation Area to the City of Corona. Fiscal impacts are first presented to the City of Corona General Fund and Gas Tax Fund 222 for annual operations and maintenance costs, followed by the projected recurring revenues to the City's road-related funds for capital expenditures. Fiscal impacts are shown in constant 2013 dollars with no adjustment for possible future inflation.

3.1 Corona General Fund and Gas Tax Fund 222 Projected Fiscal Impacts

Table 3-1 summarizes the recurring fiscal impacts and Table 3-2 presents the detailed fiscal projections. As shown in Panel A of Table 3-1 and Table 3-2, a recurring surplus is projected to the City General Fund and Gas Tax Fund 222 after buildout upon annexation of the Temescal Canyon Annexation Area. The projected surplus is about \$2.8 million after buildout and is comprised of a projected recurring surplus of \$190,715 for the existing development and a recurring surplus of about \$2.6 million for the incremental development. The projected surplus of \$2.8 million after buildout is based on recurring revenues of about \$14.2 million (about \$13.9 million of General Fund revenues and \$214,268 of Gas Tax Fund 222 revenues) and projected costs of about \$11.3 million. Based on discussion with City Finance Department staff, about half of the State Gas Tax Fund 222 revenues are allocated for road-related operations and maintenance costs. The revenue/cost ratio after buildout is 1.25, meaning that for every dollar of costs, \$1.25 of revenues are projected.

Projected Recurring Revenues

As shown in Table 3-2, property tax, sales and use tax and property tax in lieu of VLF revenues are the largest projected recurring revenues to the General Fund for the annexation area. These revenue sources account for about 78 percent of total projected recurring revenues after buildout.

Projected Recurring Costs.

Police protection, fire protection and public works are the largest projected recurring costs and account for about 85 percent of total projected recurring costs for the annexation area after buildout.

3.2 City Road-Related Capital Revenues

The city receives state gasoline tax and Measure A sales tax revenues for road-related capital costs. Projected recurring revenues to the City's road-related funds for capital expenditures are presented in Panel B of Table 3-1.

Table 3-1
Summary of Projected Recurring Fiscal Impacts, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Existing Development	Incremental Development	Total Development
A. RECURRING OPERATIONS AND MAINTENANCE IMPACTS			
<u>General Fund</u>			
Annual Recurring Revenues	\$6,034,193	\$7,907,866	\$13,942,059
Annual Recurring Costs	<u>\$5,989,914</u>	<u>\$5,350,795</u>	<u>\$11,340,709</u>
General Fund Net Annual Surplus	\$44,279	\$2,557,071	\$2,601,350
<u>Gas Tax Fund 222 Revenues</u> ¹	\$146,436	\$67,832	\$214,268
(for operations and maintenance costs)			
<u>Total</u>			
Annual Recurring Revenues	\$6,180,629	\$7,975,698	\$14,156,327
Annual Recurring Costs	<u>\$5,989,914</u>	<u>\$5,350,795</u>	<u>\$11,340,709</u>
Total Net Annual Surplus	\$190,715	\$2,624,903	\$2,815,618
Revenue/Cost Ratio	1.03	1.49	1.25
B. RECURRING ROAD-RELATED CAPITAL REVENUES			
State Gas Tax Fund 222 (for capital costs) ¹	\$146,436	\$67,832	\$214,268
Measure A/Local Streets Fund ²	<u>\$295,955</u>	<u>\$137,092</u>	<u>\$433,047</u>
Total Other Funds Recurring Revenues	\$442,391	\$204,924	\$647,315

Note: 1. Based on discussion with City Finance Department staff, about 50 percent of Gas Tax Fund 222 revenues are utilized for road-related operations and maintenance services. The remaining amount of Fund 222 revenues are used for road-related capital expenditures.

2. Almost all of Measure A Fund revenues are utilized for road-related capital expenditures.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

Table 3-2
Detailed Projected Recurring Fiscal Impacts, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Existing Development	Incremental Development	Total Development	Percent of Total
A. General Fund				
General Fund Annual Recurring Revenues				
Property tax	\$2,841,107	\$2,204,004	\$5,045,111	36.2%
Property tax in lieu of VLF ¹	0	1,338,152	1,338,152	9.6%
Property transfer tax - turnover	69,271	53,565	122,836	0.9%
Retail sales and use tax	791,539	1,013,794	1,805,333	12.9%
Non-retail sales and use tax	373,992	1,163,861	1,537,853	11.0%
Sales tax compensation (property tax in lieu of sales tax)	388,510	725,885	1,114,395	8.0%
Proposition 172 sales tax	156,428	72,461	228,889	1.6%
Franchise fees	374,362	289,586	663,948	4.8%
Animal licenses and fees	38,446	17,809	56,254	0.4%
Other licenses fees and permits	7,874	6,091	13,966	0.1%
Fines, penalties and forfeitures	119,100	92,129	211,230	1.5%
Intergovernmental revenues	27,239	12,618	39,857	0.3%
Current services	159,457	123,347	282,803	2.0%
Other revenues	73,002	56,471	129,473	0.9%
Recreation revenue	39,864	30,837	70,701	0.5%
Library revenue	5,292	2,451	7,744	0.1%
Other ECB owned revenue	35,435	27,410	62,845	0.5%
Business license taxes and penalties	38,317	249,929	288,246	2.1%
Administrative services to other funds	222,944	172,457	395,401	2.8%
In lieu charges to other funds	25,428	19,670	45,098	0.3%
Interest earned on investments	140,432	186,168	326,601	2.3%
Transfer from Gas Tax Fund 225 ²	<u>106,153</u>	<u>49,172</u>	<u>155,325</u>	<u>1.1%</u>
Total General Fund Recurring Revenues	\$6,034,193	\$7,907,866	\$13,942,059	100.0%
General Fund Annual Recurring Costs				
Fire protection	\$2,165,024	\$1,400,000	\$3,565,024	31.4%
Police protection	2,500,000	2,312,359	4,812,359	42.4%
Community development	122,873	95,048	217,921	1.9%
Public works	726,085	561,659	1,287,745	11.4%
Library ²	0	96,902	96,902	0.9%
Park maintenance ²	0	316,164	316,164	2.8%
Urban forestry	21,983	17,005	38,987	0.3%
Recreation services ²	0	75,582	75,582	0.7%
Community services ²	0	70,562	70,562	0.6%
General government	<u>453,949</u>	<u>405,513</u>	<u>859,462</u>	<u>7.6%</u>
Total General Fund Recurring Costs	\$5,989,914	\$5,350,795	\$11,340,709	100.0%
General Fund Annual Surplus	\$44,279	\$2,557,071	\$2,601,350	
B. Gas Tax Fund 222 Recurring Revenues ⁴				
(Annual Recurring Revenues for Operations and Maintenance)	\$146,436	\$67,832	\$214,268	
C. Total				
Total Recurring Revenues	\$6,180,629	\$7,975,698	\$14,156,327	
Total Recurring Costs	<u>\$5,989,914</u>	<u>\$5,350,795</u>	<u>\$11,340,709</u>	
Net Annual Surplus	\$190,715	\$2,624,903	\$2,815,618	
Revenue/Cost Ratio	1.03	1.49	1.25	

- Note: 1. Per adopted SB89 legislation, the City will not receive any property tax in lieu of vehicle license fees (VLF) for the existing development in the annexation area. The city will receive property tax in lieu VLF based on the increase in assessed valuation from new development after annexation.
2. The City is currently providing library, park, recreation and community services to the Temescal Canyon annexation area. Therefore, these costs have been estimated for the incremental development only.
3. Based on discussion with City Finance Department staff, Gas Tax Fund 225 revenues are transferred to the General Fund for road-related operations and maintenance expenditures.
4. Based on discussion with City Finance Department staff, about 50 percent of Gas Tax Fund 222 revenues are allocated to road-related operations and maintenance expenditures. The remaining amount in Gas Tax Fund 222 is used for road-related capital expenditures.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

City Gas Tax Fund 222

Based on discussion with City Finance Department staff, about half of the State Gas Tax Fund 222 revenues are allocated for road-related capital expenditures. Recurring revenues for Fund 222 capital expenditures are projected at \$214,268 for the annexation area after buildout and are comprised of \$146,436 for existing development and \$67,832 for incremental development.

Measure A /Local Streets Funds

Based on discussion with City Finance Department staff, almost all revenues to the Measure A and Local Streets Funds are allocated for capital expenditures. These revenues are projected at \$433,047 for the annexation area after buildout. Of this total amount, recurring revenues are projected at \$295,955 for existing development and recurring revenues of \$137,092 are projected for incremental development.

CHAPTER 4 CITY OF CORONA FISCAL ASSUMPTIONS

This chapter includes the revenue and cost assumptions for the Temescal Canyon Annexation Area fiscal analysis. General City demographic and employment assumptions used for calculating fiscal factors are first presented. The revenue assumptions for projecting recurring revenues are then presented followed by the cost assumptions for projecting recurring costs. Revenue and cost assumptions are based on the *City of Corona, Fiscal Year 2012-13 Adopted Annual Budget*, with adjustments based on discussions with key City staff, and the general assumptions presented in this chapter.

4.1 City General Assumptions

The general assumptions used in the fiscal analysis are presented in Table 4-1. These assumptions include population, housing units and employment estimates for the City of Corona. The assumptions are based on the California Department of Finance (DOF), *E-5 City/County Population and Housing Estimates* for 2012 and the 2012 employment estimate from the Southern California Association of Governments (SCAG), *RTP 2012 Growth Forecast*.

Population

As shown in Table 4-1, DOF estimates the City's resident population at 154,520 for January 1, 2012. This total City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented motor vehicle license fees. Household population is estimated at 154,009, and the group quarters population is estimated at 511 by DOF.

Housing Units

DOF estimates 47,267 total housing units and 45,039 occupied housing units, or households, for the City.

Employment

The 2012 employment estimate of 83,252 is based on an interpolation of the SCAG 2008 and 2020 employment projections from SCAG's *RTP 2012 Growth Forecast*.

Service Population

Several revenues and costs are impacted by both population and employment growth, such as franchise taxes and police costs. Therefore, these fiscal factors are estimated by allocating total

**Table 4-1
General City Assumptions
Temescal Canyon Annexation Area**

Assumption	Description
<u>Population and Housing - California Department of Finance</u>	
154,520	Total resident population
154,009	Household population
511	Group quarters population
47,267	Total housing units
45,039	Occupied housing units
<u>Employment</u>¹	
83,252	Total City employment - SCAG
<u>Service Population</u>²	
154,520	Total resident population
<u>41,626</u>	<u>Employment at 50 percent of total employment</u>
196,146	Total Service Population

- Note: 1. The 2012 total employment estimate is an interpolation of the 2008 and 2020 estimates from the Southern California Association of Governments (SCAG) RTP Growth Forecast.
2. This analysis defines service population as the resident population plus employment weighted at 50 percent. Employment is weighted at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.
 State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011 and 2012, with 2010 Benchmark*, Sacramento, California, May 2012
 Southern California Association of Governments (SCAG) *RTP 2012 Growth Forecast*, November 2010

budgeted revenues or costs to both population and employment. For these revenues and costs, the City employment estimate was weighted at 50 percent to account for the estimated less frequent use of City public services by employment versus population.

As shown in Table 4-1, the service population for Corona is estimated at 191,146. This estimate includes the resident population of 154,520 and the estimated weighted employment of 41,626 (estimated at 50 percent of total employment).

4.2 City Revenue Assumptions

The revenue factors that are used to project revenues generated by land uses and the population and employment for the Temescal Canyon Annexation Area are summarized in Table 4-2. The detailed General Fund recurring revenues for Fiscal Year (FY) 2012-2013 are presented in Appendix Table

Table 4-2
Summary of Projected Recurring Revenue Factors, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

	FY 2012-2013 Recurring Revenues	Projection Basis	Projection Factor
GENERAL FUND			
<u>Property and Other Taxes</u>			
Property taxes	\$23,555,209	Valuation assumptions	11.9% Average for Temescal Canyon annexation
Property Tax in lieu of VLF ¹	\$10,779,524	Assessed valuation and Case Study	\$687 per \$1,000,000 increase in assessed valuation
Sales and use tax	\$24,468,750	Case study	1.0% Retail sales tax percentage 11.3% Use tax percentage 25.0% of total sales tax
Sales Tax Compensation	\$8,156,250		10% of room receipts
Transient occupancy tax	\$0	Room and occupancy rates	\$22.82 per service population
Franchises	\$4,476,664	Service Population = 196,146	\$0.55 per \$1,000 of turnover assessed valuation 5% estimated residential turnover rate 5% estimated non-residential turnover rate
Property transfer tax	\$435,000	Valuation and turnover	\$10.05 per capita
Sales tax - Proposition 172	\$1,553,000	Population = 154,520	\$2.47 per capita
<u>Animal licenses and fees</u>	\$381,000	Population = 154,520	\$0.48 per service population
<u>Other Licenses, Fees and Permits</u>	\$94,650	Service Population = 196,146	
<u>Fines, Penalties and Forfeitures</u>			
Business license penalties	\$80,800	Employment = 83,252	\$0.97 per employee
Code/parking/traffic fines & penalties	\$1,423,800	Service Population = 196,146	\$7.26 per service population
<u>Intergovernmental Revenues</u>			
<u>Current Services</u>	\$1,907,269	Population = 154,520	\$1.75 per capita
<u>Other Revenues</u>	\$872,000	Service Population = 196,146	\$9.72 per service population
<u>Recreation Revenues</u>	\$477,500	Service Population = 196,146	\$4.45 per service population
<u>Library revenues</u>	\$52,000	Population = 154,520	\$2.43 per service population
<u>Other ECB Owned Revenue</u>	\$423,431	Population = 154,520	\$0.34 per capita
<u>Payments in Lieu of Services</u>			
Business license taxes	\$1,818,000	Service Population = 196,146	\$2.16 per service population
Administrative services to other funds ²	\$2,665,174	Employment = 83,252	\$21.84 per employee
In lieu charges to other funds	\$304,000	Service Population = 196,146	\$13.59 per service population
<u>Interest Earned on Investments</u>	\$2,042,157	Service Population = 196,146	\$1.55 per service population
		Percentage of Fund revenue	2.4% of non-interest General Fund revenues
GAS TAX FUND 222 ³			
Recurring Fund 222 Revenues	\$2,861,300	Population = 154,520	\$18.52 per capita
50% for Fund 222 for Operations/Maintenance <i>minus</i>	\$1,430,650	Population = 154,520	\$9.26 per capita
<i>equals</i>			
Net State Gas Tax Fund 222 (for Capital)	\$1,430,650	Population = 154,520	\$9.26 per capita
Interest on Fund Investments - Fund 222	\$45,750	Percentage of Fund 222 revenue	1.6% of non-interest Gas Tax Fund 222 revenues
GAS TAX FUND 225 ⁴			
Fund 225 Transfer to General Fund	\$1,054,325	Population = 154,520	\$6.82 per capita
Interest on Fund Investments - Fund 222	\$325	Percentage of Fund 225 revenue	n/a not projected
MEASURE A FUND - 227 ⁵			
Measure A Tax	\$2,755,000	Population = 154,520	\$17.83 per capita
Interest on Fund Investments	\$182,965	Percentage of Fund revenue	6.6% of non-interest Gas Tax Fund revenues

- Note: 1. Property tax in lieu of VLF revenues are received by cities and counties to offset the State reduction in motor vehicle license fees, which began in 2004. Under State law, the increase in property tax in lieu of VLF is based on the increase in assessed valuation in the jurisdiction. For new development in the area after annexation, property tax in lieu of VLF is based on the increase in the City's assessed valuation over the 2004/2005 to 2012/2013 period, as shown in Table 4-4. Per the recently adopted SB89 legislation, the City will not receive property tax in lieu of VLF for the existing development in the annexation area.
2. Based on discussion with City Finance staff, the City currently receives revenue for administrative services provided to the water and wastewater utilities that serve the Temescal Canyon area. The \$2,665,174 represents the net of the total administrative services to other funds amount of \$7,403,260 minus \$4,738,086, the amount of revenue currently received for administrative services to water and wastewater utilities that serve the Temescal Canyon area. These current revenues are subtracted because they do not represent new revenues to the City upon annexation of the Temescal Canyon area.
3. Based on discussion with City Finance Department staff, about 50 percent of the state gas tax in Gas Tax Fund 222 is allocated to road-related operations and maintenance costs and the remaining 50 percent is allocated to capital expenditures.
4. Based on discussion with City Finance Department staff, the recurring revenues in Gas Tax Fund 225 are transferred to the General Fund for road-related operations and maintenance expenditures.
5. Based on discussion with City Finance Department staff, almost all of Measure A Fund revenues are utilized for road-related capital expenditures.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

B-1. Appendix Table B-2 presents the recurring revenues to the road-related funds. The applicable revenues in the budget and the general demographic assumptions presented earlier in Table 4-1 are used as the basis for calculating the revenue factors that are summarized in Table 4-2.

Revenue sources considered to be non-recurring or one-time, such as fees, grants and reimbursements are deducted from total revenues to estimate recurring revenues. Revenues attributable to Building, Planning and Public Works, such as plan check, planning application, and engineering and inspection fees, are viewed as one-time fees and are not used to calculate recurring revenue factors.

General Fund Revenues

Property Tax. Property tax revenues are projected based on the City's estimated share of the one percent property tax levy on the estimated valuation of the development outside the former Redevelopment Project Area. As shown in Table 4-3, the General Fund property tax allocation rate upon annexation of the Temescal Canyon Annexation Area to the City is estimated at about 11.9 percent of the basic one percent tax levy. The property tax allocation is based on an average of the tax rate areas (TRAs) allocations in which the annexation area is located. The detailed allocations for a sample of the TRAs located in the annexation area are included in Appendix Table B-3.

While the State of California recently eliminated redevelopment, based on discussion with the Successor Agency staff, property tax increment for property located in the redevelopment area will be allocated to the Successor Agency to pay for bonded indebtedness until all bonds are retired in approximately the year 2036.

Upon annexation, and based on the current property tax allocations, the Riverside County General Fund will shift 25 percent of the County's current allocation of 15.4 percent (or 3.9 percent) to the City of Corona General Fund. The City General Fund will also receive the current allocations to the County Fire Protection District (about 6.4 percent) and the County Library (about 1.6 percent). Upon annexation, the City will provide fire protection and library services to the annexation area.

Property Tax In-Lieu Motor Vehicle License Fee (MVLFF). These revenues are received by the City to offset the State reduction of motor vehicle license fees. The amount received is calculated by the State and grows with the change in gross assessed valuation of taxable property in the jurisdiction from the prior year. As shown in Table 4-4, the property tax in lieu of MVLFF in the City is projected to increase at \$687 per million dollars of assessed valuation. This factor is based on the change in

**Table 4-3
Tax Rate Area (TRA) Property Tax Allocations Prior To and Upon Annexation
Temescal Canyon Annexation Area, City of Corona**

Description of Fund ¹	Temescal Canyon Annexation Area ²		
	Prior to Annexation	Upon Annexation ³	
	Riverside County	Riverside County	City of Corona
General Fund	15.4%	11.6%	3.9%
Fire Protection	6.4%	n/a	6.4%
Library	1.6%	n/a	1.6%
Total	23.4%	11.6%	11.9%

- Notes: 1. Only the property tax allocations for the funds impacted by annexation are presented in this table.
2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
3. The fiscal analysis assumes that upon annexation of the Temescal Canyon area, 25 percent of the current average allocation of 15.4 percent to the County General Fund will shift to the City of Corona General Fund. In addition to this shift of about 3.9 percent, the Corona General Fund will receive the total current average property tax allocations to the County Fire Department (6.4 percent) and the County Library District (1.6 percent) because the City will assume provision of fire and library services upon annexation of the area. The total average property tax allocation to the City General Fund upon annexation of the area is estimated at about 11.6 percent of the basic one percent property tax levy.

Source: Stanley R. Hoffman Associates, Inc.
Riverside County Auditor-Controller's Office, Property Tax Division, 11/1/2012

**Table 4-4
Estimated Property Tax In-Lieu Motor Vehicle License Fee (MVLFF) Factor, City of Corona
Temescal Canyon Annexation Area, City of Corona
(In Constant 2013 Dollars)**

Category	2004/2005	2012/2013	Change in MVLFF
<u>Nominal Dollars</u>			
Property Tax - Vehicle License Fees (VLF)	\$8,014,541	\$10,779,524	\$2,764,983
Assessed Valuation	\$12,083,931,511	\$16,187,494,663	\$4,103,563,152
VLF Increase per Assessed Valuation (AV) Increase			0.000674
VLF Increase per \$1,000,000 increase in AV			\$674
<u>Consumer Price Index</u>			
January 2005 = 195.400			
January 2012 = 233.441			
Change Factor = 1.19			
<u>2012 Constant Dollars</u>			
Property Tax - VLF	\$9,537,304	\$10,779,524	\$1,242,220
Assessed Valuation	\$14,379,878,498	\$16,187,494,663	\$1,807,616,165
VLF Increase per Assessed Valuation (AV) Increase			0.000687
VLF Increase per \$1,000,000 increase in AV			\$687

Note: 1. Property tax in lieu of VLF revenues are received by cities and counties to offset the State reduction in motor vehicle license fees which began in 2004. Under State law, the increase in property tax in lieu of VLF is based on the increase in assessed valuation in the jurisdiction.

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Account and Reporting, *Revenue and Taxation Code Section 97.90 © 1 (B) (i) Vehicle License Fee Adjustment Amounts*, 2004-2005
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
Riverside County Assessor, *Assessed Value for Cities, 2012/2013*, riverside.asrckrec.com
Bureau of Labor Statistics, *Consumer Price Index - All Urban Consumers, Los Angeles-Riverside-Orange County, CA*

assessed valuation and property tax in lieu of MVLF over the period from fiscal year 2004/2005 to fiscal year 2012/2013, adjusted to current dollars.

Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. Prior to the recently passed SB89 legislation, a City received property tax in lieu of MVLF for the existing development in the annexation area at \$50 per capita annually, based on the estimated population of the annexation area at the time of annexation. Based on the new SB89 legislation, an annexing City will no longer receive property tax in lieu of MVLF for the existing assessed valuation in the area being annexed. The City will receive property tax in-lieu of MVLF based on the change in its gross assessed valuation of taxable property for new development in the annexed area.

Sales and Use Tax. As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Sales Tax. Sales tax is projected based on the taxable sales generated by the retail and non-retail land uses in the annexation area.

Use Tax. Table 4-5 presents the City sales and use tax for Calendar Year 2011 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$3.1 million was use tax while total point-of-sale sales tax was estimated at about \$27.3 million. Therefore, use tax revenues to the City of Corona are estimated at an additional 11.3 percent of point-of-sale sales tax.

Sales Tax Compensation (Property Tax In-Lieu of Sales Tax). In 2004 the State reduced the local one percent sales tax allocation by 25 percent and replaced this with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the property tax in lieu of State sales tax is projected based on 25 percent of the estimated retail and non-retail sales and use tax generated.

Transient Occupancy Tax. The City collects a tax of 10 percent of room receipts on lodging within the City. Transient occupancy tax is not projected because there is no lodging in the annexation area and there are no current plans for lodging in the annexation area.

**Table 4-5
Calculation of Use Tax Factor, City of Corona
Temescal Canyon Annexation Area**

City of Corona	Calendar Year Amount
<u>Use Tax</u>	
County Pool	\$3,087,265
State Pool	4,905
Total Use Tax	\$3,092,170
	<i>divided by</i>
<u>Point-of-Sale</u>	\$27,267,428
	<i>equals</i>
Use Tax Rate	11.3%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Sources: Stanley R. Hoffman Associates, Inc.
The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2011*

Franchise Fees. The City receives a franchise fee from natural gas, electricity, telephone/mobile and cable businesses within Corona for use of public rights-of-way. As shown in Table 4-2, based on the City Fiscal Year (FY) 2012-2013 franchise revenues of about \$4.5 million and the City’s estimated service population of 191,146, franchise taxes are projected at \$22.82 per service population.

Property Transfer Tax. Sales of real property are taxed by the County of Riverside at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. As shown in Table 4-6, residential development is assumed to change ownership at an average rate of about 5.0 percent per year, or on the average of once every 20 years, based on year householder moved survey data from the U.S. Bureau of the Census, *2008-2010 American Community Survey*. While change of ownership data is not available for non-residential development, the fiscal analysis assumes the same change of ownership at an average rate of about 5.0 percent per year for non-residential development.

Proposition 172 Sales Tax (Half-Cent Sales Tax). As shown in Table 4-2, Proposition 172 half-cent sales tax for FY 2012-2013 is estimated at about \$1.6 million. Based on this amount and the City population of 154,520, Proposition 172 sales tax is projected at \$10.05 per capita.

Table 4-6
Estimated Residential Turnover Rate, City of Corona
Temescal Canyon Annexation Area

City of Corona	Amount
A. Year Moved In, Owner Occupied Housing Units	
Moved in 2005 to 2009	5,629
Moved in 2000 to 2004	<u>10,689</u>
Subtotal 2000 to 2009	16,318
Moved in 1990 to 1999	9,356
Moved in 1980 to 1989	3,156
Moved in 1970 to 1979	1,061
Moved in 1969 or earlier	<u>519</u>
Total Occupied Units	30,410
B. Annual Turnover Rate, 2000-2009¹	
Year Moved in 2000 to 2009 Occupied Units	16,318
Number of Years	<i>divided by</i> 10
Number of Turnover Units per Year	<i>equals</i> 1,632
Total Occupied Units	<i>divided by</i> 30,410
Annual Turnover Rate, 2000-2009	<i>equals</i> 5%

Note: 1. The annual turnover rate is based on the assumption of ten years for the 2000 to 2009 period.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2008-2010 American Community Survey (ACS), 3-Year Estimates

Animal Licenses and Fees. These revenues are projected at \$2.47 per capita based on the FY 2012-2013 revenue of \$381,000 and the City population estimate of 154,520.

Other Licenses, Fees and Permits. Based on FY 2012-2013 revenues of \$94,650 and the City service population estimate of 191,146, these revenues are projected at \$0.48 per service population.

Business License Penalties. These revenues are projected at \$0.97 per employee based on the City Budget amount of \$80,800 and the City total employment estimate of 83,252.

City Code/Parking/Traffic Fines and Penalties. As shown in Table 4-2, these revenues are projected at \$7.26 per service population based on the City's service population estimate of 191,146 and the City Budget estimated fines of about \$1.4 million.

Intergovernmental Revenues. These revenues include the reduced allocation of motor vehicle in-lieu tax and POST reimbursements by the State. Intergovernmental revenues are projected at \$1.75 per capita based on the FY 2012-2013 revenue of \$270,000 and the City population estimate.

Current Services. Charges for services include document processing, copying, police and fire fees, services to other programs, abandoned vehicle fees, tipping fees, miscellaneous charges/damage reimbursements/other revenues. As shown in Table 4-2, based on the City FY 2012-2013 revenue amounts totaling about \$1.9 million for these services and the City's service population estimate of 191,146, current services revenues are projected at \$9.72 per service population.

Other Revenues. Paramedic and other miscellaneous revenues are included in this category and are projected at \$4.45 per service population based on the budget revenues of \$872,000 and the City's estimated service population of 191,146.

Recreation Revenues. Based on the City's FY 2012-2013 budget estimate of \$477,500 and the City's service population estimate, these revenues are projected at \$2.43 per service population.

Library Revenues. These revenues are projected at \$0.34 per capita based on FY 2012-2013 estimated revenues of \$52,000 and the City population estimate of 154,520.

Other Expenditure Control Budget (ECB) Revenues. This category includes reimbursements for police, fire, emergency and other services, and is projected at \$2.16 per service population based on budgeted revenues of \$423,431 and the City's service population estimate of 191,146.

Business License Taxes. As shown in Table 4-2, these revenues are projected at \$21.84 per employee based on FY 2012-2013 business license revenues of about \$1.8 million and the City's total employment estimate of 83,252.

Administrative Services to Other Funds. These revenues are received for providing General Fund services to selected non-General Government functions that impact both population and employment. Based on discussion with City Finance Department staff, the City currently provides administrative services for utility funds serving the Temescal Canyon annexation area. Therefore, the current revenue received by the City of about \$4.7 million for these services is subtracted from budgeted FY 2012-2013 amount of \$7.4 million for administrative services to other funds.

As shown in Table 4-2, based on the net revenues of about \$2.7 million and the City's estimated service population estimate of 191,146, administrative services to other funds for the Temescal Canyon Annexation area are projected at \$13.59 per service population.

In Lieu Charges to Other Funds. These revenues are projected at \$1.55 per service population based on Budget revenues of \$304,000 and the City's service population estimate of 191,146.

Interest Earned on Investment. Investment earnings are currently estimated at about 2.4 percent of recurring, non-interest General Fund revenues. This factor is based on FY 2012-2013 interest on investments of about \$2.0 million and non-interest recurring revenues of about \$84.2 million.

Gas Tax Fund 222

Revenues in this Fund include State gasoline tax and interest earned on Fund investments. Gas tax revenues are earmarked for road-related costs, including capital and maintenance functions. Based on discussion with City Finance Department staff, about 50 percent of the gas tax fund revenues are utilized for road-related operations and maintenance and 50 percent is allocated to road-related capital expenditures. As shown in Table 4-2, total State gasoline taxes for Fund 222 are projected at \$18.52 per capita based on the FY 2012-2013 recurring revenue amount of about \$2.9 million and the City's population estimate of 154,520. Therefore, gas tax in Fund 222 is projected at \$9.26 per capita for road-related operations and maintenance and at \$9.26 for road-related capital expenditures. Interest earned on Fund investments in Gas Tax Fund 222 are projected at 1.6 percent of non-interest recurring Fund 222 revenues.

Gas Tax Fund 225

Revenues in Fund 225 include State gasoline tax and interest earned on Fund investments. Based on discussion with City Finance Department staff, the revenues in Gas Tax Fund are transferred to the General Fund for road-related operations and maintenance expenditures. Gasoline tax in Fund 225 is projected at \$6.82 per capita based on FY 2012-2013 recurring revenues of about \$1.1 million and the City's population estimate of 154,520. Interest on Fund investments for Fund 225 is not projected because it accounts for a very small amount of total recurring Fund 225 revenues.

Measure A Fund - 227

Measure A is a fund to account for the money generated by a Riverside County one-half percent sales tax. The money is used to maintain and construct local streets and roads. Measure A Fund revenues are projected at \$17.83 per capita based on FY 2012-2013 estimated revenues of about \$2.8 million and the City population of 154,520. Interest earned on Fund investments are projected at 6.6 percent of non-interest recurring Fund revenues. Based on discussion with City Finance staff, almost all of Measure A revenues are utilized for road-related capital expenditures.

4.3 Cost Assumptions

Table 4-7 presents the General Fund FY 2012-2013 recurring costs. The cost factors for each of the

Table 4-7
Summary of General Fund Expenditures, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

A. GENERAL FUND EXPENDITURES			
Cost Category	General Fund		
	FY 2012-2013 Costs	General Overhead	Direct Costs
General Government Costs			
<u>General</u>			
City Council	\$154,904	\$154,904	\$0
Management Services	1,667,672	1,667,672	0
Treasurer	15,556	15,556	0
Human Resources	2,089,575	2,089,575	0
Information Technology	1,880,783	1,880,783	0
Finance	<u>3,455,370</u>	<u>3,455,370</u>	<u>0</u>
Total General	9,263,860	9,263,860	0
<u>Non-Departmental</u>			
Debt Service	\$4,816,827	\$4,816,827	\$0
General Government	10,603,040	10,603,040	0
Administrative Services	462,033	462,033	0
Capital Projects	<u>1,842,678</u>	<u>1,842,678</u>	<u>0</u>
Total Non-Departmental	\$17,724,578	\$17,724,578	\$0
Total General Government	\$26,988,438	\$26,988,438	\$0
Direct General Fund Costs			
Community Development	\$3,079,931		\$3,079,931
Building	0		0
Fire	22,022,349		22,022,349
Police	39,223,740		39,223,740
Public Works	9,007,404		9,007,404
Library	2,076,383		2,076,383
Parks and Community Services:			
Department administration	766,222		766,222
Park maintenance	3,828,561		3,828,561
Urban forestry	263,090		263,090
Recreation services	1,033,712		1,033,712
Community services	<u>760,716</u>		<u>760,716</u>
Total Parks and Community Services	6,652,301		6,652,301
Total Direct General Fund Costs	\$82,062,108		\$82,062,108
General Fund Subtotal	\$109,050,546	\$26,988,438	\$82,062,108
Transfers Out	<i>plus</i> \$2,656,875		\$2,656,875
Total General Fund	<i>equals</i> \$111,707,421	\$26,988,438	\$84,718,983

B. CALCULATION OF GENERAL GOVERNMENT OVERHEAD COSTS

Current Overhead Rate

General Government Expenditures		\$26,988,438
	<i>divided by</i>	
Direct General Fund Costs without Transfers Out		\$82,062,108
	<i>equals</i>	
Current General Government Overhead Rate		32.9%

Marginal Increase in General Government Costs ¹

About 25% of Current General Government Expenditures ¹		\$6,747,110
	<i>divided by</i>	
Direct General Fund Costs without Transfers Out		\$82,062,108
	<i>equals</i>	
Marginal General Government Overhead Rate		8.2%

Note: 1. General government costs for the project are not assumed to increase on a one-to-one basis. Therefore, based on discussion with City finance staff, the fiscal analysis projects general government at a marginal rate of about 25 percent, or at 8.2 percent of direct recurring costs.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, Fiscal Year 2012-13 Adopted Annual Budget

cost categories in the General Fund are presented in Table 4-8. As with revenue factors, cost factors become assumptions for the fiscal analysis, and are used to project recurring costs generated by the population and employment for the Temescal Canyon Annexation Area.

General Government

As shown in Table 4-7, general government costs include City Council, City Management Services, City Treasurer, Human Resources, Information Technology, Finance and non-departmental costs. Costs for general government services are viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs. Panel A of Table 4-7 presents the allocation of General Fund costs between non-departmental general government functions and departmental functions.

As shown in Panel B of Table 4-7, when the estimated general government costs of about \$27.0 million are divided by the estimated non-general government costs, or direct costs, of about \$82.1 million before transfers, the estimated annual overhead rate is 32.9 percent. Based on discussion with City Finance staff, the general government costs are not assumed to increase on a one-to-one basis for the annexation area. Therefore, general government overhead is projected to increase at a marginal rate of about 25 percent, or at 8.2 percent of projected direct General fund costs.

Community Development Services

As shown in Table 4-8, development services costs are projected at \$7.49 per service population based on annual net costs of about \$1.5 million (\$3.1 million minus about \$1.6 million) and the City service population estimate of 191,146.

Based on discussion with City staff, development services expenditures are based on the total expenditures of about \$3.1 million as reported in the City's FY 2012-2013 budget minus estimated Development Director costs of \$268,000 and projected building permit and plan check revenues of about \$1.3 million, as presented in Table 4-9. Building permit and plan check revenues are not projected in the fiscal analysis; therefore, they are removed from development services costs.

Fire Department

Fire protection costs are provided by City staff. Upon annexation, the City will provide fire protection to the Annexation Area utilizing two Fire Stations. Corona's existing Station 7 will provide coverage south to Temescal Canyon Road and an additional City Fire Station will provide

Table 4-8
Summary of Projected Recurring Cost Factors, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Cost Category	FY 2012-2013 Costs	Net Cost	Projection Basis	Projection Factor
<u>General Government</u> ¹	\$26,988,438	\$6,747,110	Case Study	8.2% of other General Fund costs
<u>Community Development</u> ²	\$3,079,931	\$1,468,826	Service Population = 196,146	\$7.49 per service population
<u>Fire Department</u> ³	\$22,022,349	\$22,022,349	Case study	<u>average annual cost</u> \$2,165,024 existing development <u>\$1,400,000</u> new development \$3,565,024 buildout
<u>Police Department</u> ⁴	\$39,223,740	\$39,223,740	Case study	<u>average annual cost</u> \$2,500,000 existing development <u>\$2,312,359</u> new development \$4,812,359 buildout
<u>Public Works</u> ⁵	\$9,007,404	\$8,682,264	Service Population = 196,146	\$44.26 per service population
<u>Library</u>	\$2,076,383	\$2,076,383	Population = 154,520	\$13.44 per capita
<u>Parks, Recreation and Community Services</u>				
Department administration	\$766,222	\$766,222	Share of department costs	13.0% of department costs
Park maintenance	\$3,828,561	\$3,828,561	393 developed City park acres	\$9,700 per developed park acre
Urban forestry	\$263,090	\$263,090	Service Population = 196,146	\$1.34 per service population
Recreation services	\$1,033,712	\$1,033,712	Service Population = 196,146	\$5.27 per service population
Community services	\$760,716	\$760,716	Population = 154,520	\$4.92 per capita

- Note: 1. Based on discussion with City staff, general government costs for the project are not assumed to increase on a one-to-one basis. Therefore, the fiscal analysis projects general government at a marginal rate of about 25 percent of the FY 2012-2013 amount, or at \$6,747,110, as shown in Table 4-7.
2. Community development costs are projected based on net costs after budgeted costs are adjusted by managerial costs and estimated one-time revenues, as shown in Table 4-9.
3. Fire costs for the Temescal Canyon Annexation Area are summarized in Table 4-10.
4. Police costs for the Temescal Canyon Annexation Area are summarized in Table 4-11.
5. Public works includes street maintenance, traffic signal maintenance, street sweeping, drain maintenance, and weed abatement. Public works' costs are projected based on net costs after budgeted costs are adjusted for managerial costs, as shown in Table 4-12.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

Table 4-9
Estimated Annual Net Community Development Costs, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Amount
<u>General Fund Community Development/Planning Costs</u>	\$3,079,931
<i>minus</i>	
<u>Community Development Director Costs</u>	\$268,000
<i>minus</i>	
<u>One-Time Revenues</u>	
<u>Licenses, Fees and Permits</u>	
Plumbing Permits	\$70,000
Electrical Permits	51,000
Miscellaneous Building Permits	25,000
Heating and AC Permits	60,000
Public Works Permits	\$30,000
Overload Permits	\$12,000
Occupancy Fees	\$331,000
Encroachment Permits	<u>\$15,000</u>
	\$594,000
<u>Current Services</u>	
Plan Check - Building	\$117,000
Plan Check - Public Works	\$200,000
Planning Application Fees	\$155,105
Engineering and Inspection	\$250,000
Landscape Inspection	\$2,000
Reimbursed Expenses - Miscellaneous Plan Fees	<u>\$25,000</u>
	\$749,105
Total One-Time Revenues	\$1,343,105
<i>equals</i>	
<u>Recurring Net Community Development/Planning Costs</u>	\$1,468,826

Note: 1. Based on discussion with City staff, community development costs are projected based on the removal of Community Development Director costs and off-setting development related one-time revenues.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

coverage from Temescal Canyon Road to the new southern City boundary. Additional fire resources needed on a multiple response would come from existing Corona Fire Stations.

As summarized in Table 4-10, annual fire protection costs for the existing development are estimated at about \$2,165,024 and include costs of \$2,068,489 for an additional engine company and the Wildland Agreement costs with CAL-FIRE of \$96,535. Costs for future development are estimated at \$1,400,000 for additional staffing for a second truck company. Total annual operations and maintenance fire protection costs after buildout of the Temescal Canyon Annexation Area are estimated at \$3,565,024. Capital costs are not included in this cost estimate.

Table 4-10
Summary of Estimated Annual Fire Protection Costs, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Annual Operations and Maintenance Costs ¹
<u>Costs for Existing Development</u>	
Additional Engine Company	\$2,068,489
Wildland Agreement with CAL-FIRE	<u>\$96,535</u>
Total Existing Development Costs	\$2,165,024
<u>Costs for Future Development</u>	
Additional Staffing for Truck Company	\$1,400,000
Total Costs after Buildout	\$3,565,024

Note: 1. The fire operations and maintenance costs are provided by the Fire Chief and Community Development Department staff.

Sources: Stanley R. Hoffman Associates, Inc.
Corona Fire Department, John Medina, Fire Chief, August 22, 2012
Corona Community Development Department, August 22, 2012 and December 4, 2012

Police Protection

Police protection costs are provided by City staff. As shown in Table 4-11, the total annual operations and maintenance costs for police protection to the annexation area are estimated at about \$4,812,359 after buildout. Staffing and equipment for existing development is estimated at \$2,500,000 and police staffing and equipment costs are estimated at \$2,312,359 for future development.

Table 4-11
Summary of Estimated Police Protection Costs, City of Corona
Temescal Canyon Annexation Area, City of Corona
(In Constant 2013 Dollars)

Category	Annual Operations and Maintenance Costs ¹
Existing Development	
Staffing and Equipment	\$2,500,000
Future Development	
Staffing and Equipment	<u>\$2,312,359</u>
Total Police Costs after Buildout	\$4,812,359

Note: 1. The police operations and maintenance costs are provided by the Police Chief and Community Development Department staff.

Sources: Stanley R. Hoffman Associates, Inc.
Corona Community Development Department and Police Department, January and December 2012

Public Works

Public works costs include services and engineering. As shown on Table 4-8, based on net costs of about \$8.7 million and the City's service population estimate of 191,146, public works' costs are projected at \$44.26 per service population.

Based on discussion with City staff, public works' costs are based on the total initial General Fund expenditures of about \$9.0 million, as reported in the City's FY 2012-2013 budget, minus estimated managerial costs of \$325,140, as presented in Table 4-12.

Table 4-12
Estimated Annual Net Public Works' Costs, City of Corona
Temescal Canyon Annexation Area, City of Corona
(In Constant 2013 Dollars)

Category	Amount
Total General Fund Public Works Costs	\$9,007,404
<i>minus</i>	
Public Works' Managerial Costs	
Public Works Director	\$217,030
Public Works Assistant Director/Engineering	\$69,420
Public Works Assistant Director/Services	<u>\$38,690</u>
Total Public Works' Managerial Costs	\$325,140
<i>equals</i>	
Recurring Net Public Works Costs ¹	\$8,682,264

Note: 1. Based on discussion with City staff, public works costs are projected based on the removal of public works' managerial costs.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

Library

As shown on Table 4-8, based on a net cost of about \$2.1 million estimated for FY 2012-2013 and the total City population of 154,520, library costs are projected at \$13.44 per capita.

Parks, Recreation and Community Services

Services provided by this department include department administration, park maintenance, urban forestry, recreation services and community services, as shown in Table 4-8.

Department Administration. Department administration costs are projected at 13.0 percent of other department costs. This administrative cost is estimated based on City Budget administration costs of \$766,222 and remaining department costs of about \$5.9 million.

Park Maintenance. General Fund costs for maintenance of City parks are projected at \$9,700 per developed park acre. Park maintenance costs are estimated based on the current total of 363 developed park acres and FY 2012-2013 estimated park costs of about \$3.8 million.

Urban Forestry. Maintenance of the City's trees is projected at \$1.34 per service population based on FY 2012-2013 costs of \$263,090 and the City's estimated service population estimate of 191,146.

Recreation Services. Recreation services are projected at \$5.27 per service population based on estimated FY 2012-2013 costs of about \$1.0 million and the estimated City service population.

Community Services. These services are projected at \$4.92 per capita based on estimated FY 2012-2013 expenditures of \$760,716 the City population estimate of 154,520.

CHAPTER 5 RIVERSIDE COUNTY FISCAL IMPACTS

This chapter presents an analysis of the projected fiscal impacts from the Temescal Canyon Annexation Area to the County of Riverside prior to and upon annexation of the area to the City of Corona. This analysis focuses on the recurring revenues and costs that impact the Riverside County General Fund, and other County funds that are impacted by the proposed annexation including the Riverside County Fire Department, the County Library District and County Transportation, which are summarized in Table 5-1. Other County districts and agencies will continue to receive property tax revenue and provide the same services both prior to and upon annexation. Projections are presented in constant 2013 dollars. The fiscal assumptions for the County analysis are presented in Chapter 6. The proposed land use information presented in Chapter 2 is used for the County fiscal analysis.

5.1 Riverside County General Fund Projected Fiscal Impacts

Table 5-2 presents the recurring revenues and costs to the Riverside County General Fund prior to and upon annexation of the Temescal Canyon Annexation Area to the City of Corona. The County General Fund receives property tax at an average rate of 15.4 percent of the basic one percent levy prior to annexation; upon annexation, the estimated average rate is 11.6 percent of the basic one percent levy. Prior to annexation, the County provides municipal-type services, such as: Sheriff patrol and development services to the annexation area, as well as countywide services, including General Government, that are provided to all County residents within incorporated and unincorporated areas. Upon annexation of the Temescal Canyon Annexation Area to the City of Corona, the County General Fund provides only countywide services.

Prior To Annexation

Prior to annexation of the area to the City of Corona, a recurring surplus of about \$6.0 million is projected to the County General Fund after buildout of the Temescal Canyon Annexation Area. The projected surplus after buildout is based on recurring revenues projected at about \$17.3 million and recurring costs projected at about \$11.3 million, resulting in a revenue/cost ratio of 1.53.

The projected surplus for existing development is about \$3.0 million and the projected surplus for incremental development is about \$3.0 million.

Table 5-1
Summary of Projected Recurring Fiscal Impacts, Riverside County
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Agency/Category	Prior to Annexation			Upon Annexation		
	Existing	Incremental	Buildout	Existing	Incremental	Buildout
A. COUNTY GENERAL FUND ¹						
Recurring Property Tax Revenue	\$8,631,058	\$8,685,722	\$17,316,780	\$5,052,904	\$2,202,006	\$7,254,910
Recurring Costs	<u>\$5,613,529</u>	<u>\$5,709,906</u>	<u>\$11,323,435</u>	<u>\$1,659,686</u>	<u>\$1,451,003</u>	<u>\$3,110,689</u>
Net Recurring Surplus	\$3,017,529	\$2,975,816	\$5,993,345	\$3,393,218	\$751,003	\$4,144,221
Revenue/Cost Ratio	1.54	1.52	1.53	n/a	n/a	n/a
B. COUNTY FIRE DEPARTMENT ²						
Recurring Property Tax Revenue	\$1,527,991	\$1,185,346	\$2,713,337	n/a	n/a	n/a
Recurring Costs	n/a	n/a	n/a	n/a	n/a	n/a
C. COUNTY LIBRARY DISTRICT ³						
Recurring Property Tax Revenue	\$381,998	\$296,337	\$678,335	n/a	n/a	n/a
Recurring Costs	<u>\$373,588</u>	<u>\$173,053</u>	<u>\$546,641</u>	n/a	n/a	n/a
Net Recurring Surplus	\$8,410	\$123,284	\$131,694	n/a	n/a	n/a
Revenue/Cost Ratio	1.02	1.71	1.24	n/a	n/a	n/a
D. COUNTY TRANSPORTATION ⁴						
Recurring State Gasoline Tax	\$330,579	\$153,131	\$483,710	n/a	n/a	n/a
Recurring Costs	<u>\$216,335</u>	<u>\$230,468</u>	<u>\$446,803</u>	n/a	n/a	n/a
Net Recurring Surplus	\$114,244	(\$77,337)	\$36,907	n/a	n/a	n/a
Revenue/Cost Ratio	1.53	0.66	1.08	n/a	n/a	n/a
E. FORMER COUNTY REDEVELOPMENT AREA ⁵						
Annual Property Tax Increment	\$1,314,556	\$957,159	\$2,271,715	\$1,314,556	\$957,159	\$2,271,715

- Note: 1. Prior to annexation, the County General Fund provides municipal-type services of police protection and development services to the annexation area, as well as Countywide services that are provided to all residents of the County. Upon annexation, the municipal-type services currently provided by the County to the annexation area will become the responsibility of the City of Corona. The County General Fund will continue to receive a reduced amount of property tax, property tax in lieu of vehicle license fee revenues and property transfer tax revenues. The County will continue to provide Countywide services to the annexation area.
2. The Riverside County Fire Department (RCFD) provides fire protection to the unincorporated County area and to the Temescal Canyon Annexation Area from more than one station. RCFD staff are not able to provide specific costs for the annexation area. At this time, the projected property tax revenues to the RCFD from the annexation area are assumed to adequately cover Temescal Canyon's share of fire protection services. Incremental growth in the annexation area will contribute toward development impact fees specified in Ordinance 659 of the Riverside County Code.
3. The fiscal analysis projects County Library costs for the annexation area based on the average cost per capita for the Library service population. Upon annexation, the current property tax allocation to the County Library from the annexation area will shift to the City of Corona, and the City will be responsible for library services to the annexation area.
4. County transportation costs for the annexation area are projected based on the average cost per capita and per employee. Upon annexation, the City of Corona will be responsible for transportation services to the annexation area.
5. Based on discussion with Riverside County Economic Development Agency staff, upon annexation of the Temescal Canyon area to the City, the County Successor Agency would continue to administer the former Redevelopment Area (RDA) 1-1986 Project Area and the property tax increment for development within the RDA project area would continue to go to the Successor Agency until bonded indebtedness is paid, in approximately the year 2036.

Sources: Stanley R. Hoffman Associates, Inc.
County of Riverside, *Fiscal Year 2012-13 Adopted Budget*
Riverside County, Employment Development Agency
Riverside County Auditor-Controller, Property Tax Division, 2012

County General Fund Recurring Revenues Prior to Annexation. As Table 5-2 indicates, the largest projected revenue source to the County General Fund prior to annexation and after buildout is property tax at about \$6.5 million and about 37.7 percent of total recurring revenues. The second largest recurring revenue source is property tax in lieu of vehicle license fees (VLF), projected at about \$3.9 million and 22.7 percent of total projected recurring revenues prior to annexation. These two revenue sources represent approximately 60.4 percent of total projected recurring revenues to the County General Fund prior to annexation and after buildout of the area.

County General Fund Recurring Costs Prior to Annexation. Table 5-2 also presents projected recurring costs to the County General Fund prior to annexation to the City of Corona and after buildout of the area. Prior to annexation and after buildout, annual recurring costs are projected at about \$11.3 million. Recurring costs to the County of Riverside General Fund prior to annexation include the municipal-type costs of sheriff patrol protection and development services. Other costs are considered countywide and are projected under both scenarios since they are provided to all County residents.

Sheriff Coroner-patrol costs, projected at about \$7.4 million and 65.0 percent of total projected recurring costs prior to annexation and after buildout are the largest project recurring cost. Countywide public protection costs are projected at about \$1.7 million prior to annexation and after buildout and account for 14.7 percent of the total recurring annual costs. Countywide public protection includes district attorney, public defender and other court related operations costs. Sheriff-patrol and Countywide public protection represent 79.7 percent of total projected recurring costs to the County General Fund prior to annexation and after buildout of the area.

Other projected costs to the County General Fund prior to annexation include Countywide public assistance, Countywide health and sanitation, Countywide debt service and contingency, development services and Countywide education, recreation and cultural services.

Upon Annexation

As shown in Table 5-2, a recurring surplus of about \$4.1 million is projected to the County General Fund after buildout of the area and upon annexation to the City of Corona. Recurring revenues are projected at about \$7.3 million and recurring costs are projected at about \$3.1 million. Upon annexation and after buildout, the projected surplus for existing development is about \$3.4 million and the projected surplus for incremental development is \$751,003.

Table 5-2
Detailed Projected Recurring Fiscal Impacts, Riverside County General Fund
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Amount						Percent of Total Buildout	
	Prior to Annexation ¹			Upon Annexation ¹			Prior to Annexation	Upon Annexation
	Existing	Incremental	Buildout	Existing	Incremental	Buildout		
Recurring Revenues								
Property tax	\$3,676,727	\$2,852,240	\$6,528,967	\$2,769,483	\$2,148,441	\$4,917,924	37.7%	67.8%
Property transfer tax - residential	124,543	59,786	184,329	62,272	29,893	92,165	1.1%	1.3%
Property transfer tax - non-residential	13,999	47,345	61,344	7,000	23,672	30,672	0.4%	0.4%
Property tax in lieu of MVLF	2,214,149	1,712,134	3,926,283	2,214,149	0	2,214,149	22.7%	30.5%
Retail sales and use tax	1,055,384	1,350,511	2,405,895	0	0	0	13.9%	0.0%
Non-retail sales and use tax	498,656	1,550,420	2,049,076	0	0	0	11.8%	0.0%
Animal licenses, permits and shelter	259,012	119,979	378,991	0	0	0	2.2%	0.0%
Business licenses	28,487	185,810	214,297	0	0	0	1.2%	0.0%
Franchise taxes	223,587	240,837	464,424	0	0	0	2.7%	0.0%
License-CATV	150,250	161,843	312,093	0	0	0	1.8%	0.0%
Other licenses and permits	23,392	25,197	48,589	0	0	0	0.3%	0.0%
Vehicle code fines/traffic school	204,390	220,160	424,549	0	0	0	2.5%	0.0%
Other court fines	36,365	38,552	74,916	0	0	0	0.4%	0.0%
Other fines, forfeitures and penalties	28,317	30,020	58,337	0	0	0	0.3%	0.0%
Rents and use of property	24,867	26,362	51,229	0	0	0	0.3%	0.0%
Federal in-lieu taxes	14,324	6,635	20,959	0	0	0	0.1%	0.0%
Miscellaneous revenues	<u>54,608</u>	<u>57,892</u>	<u>112,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.6%</u>	<u>0.0%</u>
Total Revenues	\$8,631,058	\$8,685,722	\$17,316,780	\$5,052,904	\$2,202,006	\$7,254,910	100.0%	100.0%
Recurring Costs								
Municipal-Type Costs ¹ :								
Sheriff patrol	\$3,545,973	\$3,819,564	\$7,365,537	\$0	\$0	\$0	65.0%	0.0%
Development services	407,870	439,340	847,210	0	0	0	7.5%	0.0%
Countywide Costs:								
General government	177,234	187,892	365,126	177,234	187,892	365,126	3.2%	11.7%
Public protection	805,730	854,186	1,659,916	805,730	854,186	1,659,916	14.7%	53.4%
Health and sanitation	296,539	137,362	433,901	296,539	137,362	433,901	3.8%	13.9%
Public assistance	220,271	102,034	322,305	220,271	102,034	322,305	2.8%	10.4%
Education, recreation and culture	5,162	5,473	10,635	5,162	5,473	10,635	0.1%	0.3%
Debt service and contingency	<u>154,750</u>	<u>164,056</u>	<u>318,806</u>	<u>154,750</u>	<u>164,056</u>	<u>318,806</u>	<u>2.8%</u>	<u>10.2%</u>
Subtotal Countywide Costs	1,659,686	1,451,003	3,110,689	1,659,686	1,451,003	3,110,689	27.5%	100.0%
Total Costs	\$5,613,529	\$5,709,906	\$11,323,435	\$1,659,686	\$1,451,003	\$3,110,689	100.0%	100.0%
Net Recurring Surplus	\$3,017,529	\$2,975,816	\$5,993,345	\$3,393,218	\$751,003	\$4,144,221		
Revenue/Cost Ratio	1.54	1.52	1.53	3.04	1.52	2.33		

Note: 1. Prior to annexation, the County General Fund provides municipal-type services of police protection and development services to the annexation area, as well as Countywide services that are provided to all residents of the County. Upon annexation, the municipal-type services currently provided by the County to the annexation area will become the responsibility of the City of Corona. The County General Fund will continue to receive a reduced amount of property tax as well as property tax in lieu of vehicle license fee revenues and property transfer tax revenues. The County will continue to provide Countywide services to the annexation area.

Source: Stanley R. Hoffman Associates, Inc.

County General Fund Recurring Revenues Upon Annexation. As Table 5-2 indicates, projected recurring revenues to the Riverside County General Fund upon annexation include only property tax, property transfer tax and property tax in lieu of VLF. Upon annexation, property tax is the largest projected revenue source to the County General Fund, projected at about \$4.9 million after buildout of the area and representing 67.8 percent of total recurring revenues for the total area. Property tax in lieu of VLF is the second largest recurring revenue upon annexation, projected at about \$2.2 million and representing approximately 30.5 percent of total projected recurring revenues. These two revenue sources represent approximately 98.3 percent of total projected recurring revenues to the County General Fund upon annexation to the City of Corona.

County General Fund Recurring Costs Upon Annexation. Table 5-2 also presents projected recurring costs to the County General Fund after buildout of the area and upon annexation to the City of Corona. After annexation, total annual recurring costs are projected at about \$3.1 million, and represent the same Countywide net operating costs projected prior to annexation. Police protection and development services to the area will be provided by the City upon annexation.

5.2 County Fire Department

Fire protection for the unincorporated area is provided by the Riverside County Fire Department (RCFD). Upon annexation to Corona, the City will provide fire protection services to the Temescal Canyon area.

Prior To Annexation

Recurring Revenues Prior to Annexation. The RCFD receives property tax revenues at an average rate of 6.4 percent of the basic one percent levy for the annexation area. As shown in Panel B of Table 5-1, the recurring property tax revenues are estimated at about \$2.7 million after buildout of the area and prior to annexation. The projected revenues for existing development are about \$1.5 million and the projected revenues for incremental development are also about \$1.2 million.

Recurring Costs Prior to Annexation. Recurring costs for RCFD fire protection are not projected because fire protection is provided to the annexation from several County fire stations and RCFD staff are not able to provide specific fire protection costs for the annexation area. At this time, the projected property tax revenues from the Temescal Canyon Annexation Area are assumed to adequately cover the area's share of fire protection costs. Incremental growth in the annexation area will contribute toward development impact fees specified in Ordinance 659 of the Riverside County Code.

Upon Annexation

Upon annexation, the City of Corona is responsible for fire protection to the annexation area and will receive the current property tax allocation to the RCFD of about 6.4 percent of the one percent levy.

5.3 County Library District

Projected recurring County Library District revenues and costs from the annexation development prior to annexation and upon annexation are presented in Panel C of Table 5-1. The County Library provides library services to the annexation area before annexation, and the City of Corona is responsible for library services upon annexation.

Prior To Annexation

As shown in Panel C of Table 5-1, after buildout of the area and prior to annexation the County Library District is projected to have an estimated annual recurring surplus of \$131,694, based on projected revenues of \$678,335 thousand and projected costs of \$546,641. The County Library receives about 1.6 percent of the basic one percent property tax levy. The projected surplus for existing development is \$8,410 and the projected surplus for incremental development is \$123,284.

Upon Annexation

Upon annexation, the city is responsible for library services to the annexation area and the current property tax allocation of about 1.6 percent will shift to the City.

5.4 County Transportation

Projected recurring County Road Fund revenues and costs for the area prior to annexation and upon annexation are presented in Panel D of Table 5-1.

Prior To Annexation

As shown in Panel D of Table 5-1, a recurring surplus of \$36,907 is projected to the County Road Fund after buildout of the area and prior to annexation. The projected surplus includes a surplus of \$114,224 projected for existing development and a projected deficit of \$77,337 for incremental growth.

County Road Fund Recurring Revenues Prior to Annexation. Prior to annexation, annual County Road Fund State gasoline tax is projected at \$483,710 after buildout and includes gasoline tax revenues of \$330,579 projected for existing development and \$153,131 of state gasoline tax projected for incremental growth.

County Road Fund Recurring Costs Prior to Annexation. Annual recurring costs prior to annexation are projected at \$446,803 after buildout of the area based on an average cost of \$21.24 per capita. The projected costs after buildout include costs of \$216,335 for existing development and projected costs of \$230,468 for incremental growth.

Upon Annexation

Upon annexation, the City of Corona would assume street maintenance responsibilities. Therefore, no recurring revenues or costs for the County Road Fund are incurred upon annexation.

5.5 Former County Redevelopment Area

As shown in Panel E of Table 5-1, property tax increment to the former County Redevelopment Project Area (RDA) located in the Temescal Canyon Annexation Area is projected at about \$2.3 million after buildout. Of this total, recurring property tax increment for existing development is projected at about \$1.3 million and the remaining property tax increment of \$957,159 is projected for the incremental development. The projected property tax increment to the RDA is the same both prior to and upon annexation of the Temescal Canyon Annexation Area to the City of Corona.

Redevelopment has recently been eliminated by the State of California. Based on discussion with staff of the County Successor Agency for the former RDA, property tax increment for development within the former RDA area will continue to go to the Successor Agency until bonded indebtedness is paid, in approximately the year 2036.

CHAPTER 6 RIVERSIDE COUNTY FISCAL ASSUMPTIONS

This chapter presents the revenue and cost factors used in preparing the Riverside County fiscal analysis for the Temescal Canyon Annexation Area. The analysis is presented in constant year 2013 dollars and is based on the *County of Riverside Fiscal Year 2012-2013 Adopted Budget* and discussion with County and District staff.

6.1 County General Assumptions

Property tax, property tax in lieu of VLF, property transfer tax, and sales and use tax are projected using the case study method. All other revenue factors and all cost factors are projected based on a per capita or per employee basis using either the total County or unincorporated portion of the population and employment, as presented in Table 6-1. Revenues and costs are allocated between population and employment based on the shares of population and employment to the combined population and employment for the appropriate jurisdiction.

**Table 6-1
General County Assumptions
Temescal Canyon Annexation Area**

Jurisdiction	2012 Estimate		
	Population ¹	Employment ²	Total
A. Total Riverside County	2,227,577	773,052	3,000,629
<i>Share of Total</i> ³	74%	26%	100%
B. Unincorporated Area, Riverside County	356,333	29,664	385,997
<i>Share of Total</i> ³	92%	8%	100%

Note: 1. Population estimates are from January 1, 2012 estimates, California Department of Finance.
 2. The 2012 employment estimate is an interpolation of the 2008 and 2020 estimates from SCAG's *RTP 2012 Projections*.
 3. The estimated shares are rounded to the nearest whole percent.

Sources: Stanley R. Hoffman Associates, Inc.
 State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011 and 2012, with 2010 Benchmark*, Sacramento, California, May 2012
 Southern California Association of Governments (SCAG), *RTP 2012 Projections*

6.2 County Revenue Assumptions

Revenue factors used in preparing the County fiscal analysis annexation are presented in Table 6-2.

County General Fund

Property Tax. Property tax revenues are projected by multiplying 1.0 percent times the tax allocation

Table 6-2
Summary of Projected Recurring Revenue Factors, Riverside County
Temescal Canyon Annexation Area

A. GENERAL FUND

Category	Fiscal Year 2012-2013 Adopted Budget ¹	Projection Basis	Projection Factor
Property Tax	\$266,879,569	Assessed Valuation	15.4% of basic 1% property tax levy, prior to annexation 11.6% of basic 1% property tax levy, upon annexation
Property Transfer Tax	9,748,000	Assessed Valuation and Turnover	5% estimated residential turnover rate 5% estimated non-residential turnover rate \$1.10 per \$1,000 of turnover assessed valuation, prior to annexation
Property Tax in Lieu of Motor Vehicle	187,500,000	Assessed valuation	\$879 per \$1,000,000 increase in assessed valuation, prior to annexation
Sales and Use Tax	21,000,000	Taxable Sales	1.0% of taxable sales 11.2% use tax percentage of sales tax
Transient Lodging Tax	1,400,000	Room Receipts	not projected
Subtotal	\$486,527,569		

Category	Fiscal Year 2012-2013 Adopted Budget ¹	Projection Basis ²	Revenue Allocation ³		Revenue Factor ⁴	
			Population	Employment	Per Capita	Per Employee
Other General Fund Revenues						
Animal Licenses, Permits and Shelter	\$5,929,625	Unincorporated Population	100.0%	0.0%	\$16.64	\$0.00
Business Licenses	503,000	Unincorporated Employment	0.0%	100.0%	\$0.00	\$16.96
Franchises	5,000,000	Unincorporated Population & Employment	92.0%	8.0%	\$12.91	\$13.48
License CATV	3,360,000	Unincorporated Population & Employment	92.0%	8.0%	\$8.68	\$9.06
Other Licenses and Permits	523,117	Unincorporated Population & Employment	92.0%	8.0%	\$1.35	\$1.41
Vehicle Code Fines and Traffic School	4,570,709	Unincorporated Population & Employment	92.0%	8.0%	\$11.80	\$12.33
Other Court Fines	6,340,050	Countywide Population & Employment	74.0%	26.0%	\$2.11	\$2.13
Other Fines, Forfeitures and Penalties	4,937,010	Countywide Population & Employment	74.0%	26.0%	\$1.64	\$1.66
Rents and Use of Property	4,335,437	Countywide Population & Employment	74.0%	26.0%	\$1.44	\$1.46
Federal In-Lieu Taxes	2,050,000	Countywide Population	100.0%	0.0%	\$0.92	\$0.00
Miscellaneous Revenue	9,520,625	Countywide Population & Employment	74.0%	26.0%	\$3.16	\$3.20
Subtotal	\$47,069,573				\$60.65	\$61.69
Interest on invested funds	\$3,113,295	Share of non-interest recurring revenues			not projected	
Total	\$533,597,142					
COUNTY FIRE DEPARTMENT						
Property Tax	\$33,373,077	Assessed Valuation			6.4% of basic 1% property tax levy, prior to annexation 0.0% of basic 1% property tax levy, upon annexation	
COUNTY LIBRARY						
Property Tax	\$10,916,540	Assessed Valuation			1.6% of basic 1% property tax levy, prior to annexation 0.0% of basic 1% property tax levy, upon annexation	
COUNTY TRANSPORTATION						
State Gasoline Tax	\$47,310,685	Countywide Population	100.0%	0.0%	\$21.24	\$0.00

- Notes: 1. Budget amounts are based on the Fiscal Year 2012-13 Recommended Budget with updates from *Final Changes to FY 12/13 Recommended Budget*, September 11, 2012 as provided by the County Executive Office.
2. The particular category is either generated in unincorporated areas or countywide, as shown.
3. Countywide net costs are allocated 74 percent to residential development and 26 percent to non-residential development, based on the shares of population and employment to the combined total County population and employment. Unincorporated area net costs are allocated 92 percent to residential development and 8 percent to non-residential development, based on the shares of population and employment to the combined total unincorporated population and employment.
4. Per capita and per employee factors are derived by dividing the allocated costs by either the population and employment for the appropriate jurisdiction.
5. Interest on invested funds represents less than one percent of projected recurring revenues and are not projected in the fiscal analysis.

Sources: Stanley R. Hoffman Associates, Inc.
 County of Riverside, *Fiscal Year 2012-13 Recommended Budget*
 County of Riverside, *Final Changes to FY 12/13 Recommended Budget*, September 11, 2012
 State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011 and 2012, with 2010 Benchmark*,
 Sacramento, California, May 2012
 Southern California Association of Governments (SCAG), *RTP 2012 Projections*
 California State Controller's Office, *Highway User Tax - Counties, Fiscal Year 2011-2012*

percentage for each jurisdiction or special district by the assessed valuation of the study area. The County General Fund currently receives about 15.4 percent of the basic one percent property tax levy for property located outside the former Redevelopment Area boundary. Table 6-3 presents the property tax allocation both prior to and upon annexation of the Temescal Canyon Annexation Area to the City of Corona. Upon annexation, about 25.0 percent of the existing property tax allocation of 15.4 percent to Riverside County General Fund will shift to the Corona General Fund. When this shift of about 3.9 is subtracted from the initial allocation, the allocation of the basic one percent property tax levy to the County General Fund upon annexation is estimated at about 11.6 percent.

Property Tax in Lieu of VLF. Counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced vehicle license tax in 2004. This property tax in lieu of VLF is projected to grow with the change in the countywide gross assessed valuation (AV) of taxable property from the prior year. Property tax in lieu of VLF revenues is in addition to other property tax apportionments. As shown in Table 6-4, property tax in lieu of VLF revenues are projected at \$879 per \$1.0 million increase in AV Countywide.

Property Transfer Tax. Riverside County taxes sales of real property at a rate of \$1.10 per \$1,000 of property value prior to annexation and at a rate of \$0.55 per \$1,000 of property value upon annexation. Residential development is assumed to change ownership at an average rate of about 5.0 percent per year, or on the average of once every 20 years, based on year householder moved survey data from the U.S. Bureau of the Census, *2008-2010 American Community Survey* for the City of Corona, as shown in Table 6-5. The fiscal analysis assumes the same change of ownership at an average rate of about 5.0 percent per year for non-residential development.

Sales and Use Tax. As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the County receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a sites location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Sales Tax. Sales tax is projected based on the taxable sales generated by the retail and non-retail land uses in the annexation area.

Table 6-3
Tax Rate Area (TRA) Property Tax Allocations Prior To and Upon Annexation
Temescal Canyon Annexation Area

Description of Fund ¹	Temescal Canyon Annexation Area ²		
	Prior to Annexation	Upon Annexation ³	
	Riverside County	Riverside County	City of Corona
General Fund	15.4%	11.6%	3.9%
Fire Protection	6.4%	n/a	6.4%
Library	1.6%	n/a	1.6%
Total	23.4%	11.6%	11.9%

- Notes: 1. Only the property tax allocations for the funds impacted by annexation are presented in this table.
2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
3. The fiscal analysis assumes that upon annexation of the Temescal Canyon area, 25 percent of the current average allocation of 15.4 percent to the County General Fund will shift to the City of Corona General Fund. In addition to this shift of about 3.9 percent, the Corona General Fund will receive the total current average property tax allocations to the County Fire Department (6.4 percent) and the County Library District (1.6 percent) because the City will assume provision of fire and library services upon annexation of the area. The total average property tax allocation to the City General Fund upon annexation of the area is estimated at about 11.6 percent of the basic one percent property tax levy.

Source: Stanley R. Hoffman Associates, Inc.
Riverside County Auditor-Controller's Office, Property Tax Division, 11/1/2012

Table 6-4
Estimated Property Tax In-Lieu Motor Vehicle License Fee (MVLFF) Factor, Riverside County
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	2004/2005	2012/2013	Change in MVLFF
Nominal Dollars			
Property Tax - MVLFF	\$128,200,332	\$187,500,000	\$59,299,668
Assessed Valuation	\$138,771,615,256	\$204,888,511,468	\$66,116,896,212
MVLFF Increase per Assessed Valuation (AV) Increase			0.000897
MVLFF Increase per \$1,000,000 increase in AV			\$897
Consumer Price Index			
January 2005 = 195.40			
January 2012 = 228.652			
Change Factor = 1.19			
2012 Constant Dollars			
Property Tax - MVLFF	\$152,558,395	\$187,500,000	\$34,941,605
Assessed Valuation	\$165,138,222,155	\$204,888,511,468	\$39,750,289,313
VLF Increase per Assessed Valuation (AV) Increase			0.000879
VLF Increase per \$1,000,000 increase in AV			\$879

Note: 1. Property tax in lieu of VLF revenues are received by cities and counties to offset the State reduction in motor vehicle license fees which began in 2004. Under State law, the increase in property tax in lieu of VLF is based on the increase in assessed valuation in the jurisdiction.

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Account and Reporting, *Revenue and Taxation Code Section 97.90 © 1 (B) (i) Vehicle License Fee Adjustment Amounts*, 2004-2005
Riverside County Assessor, *Historical Assessed Value Data, 2012/2013*, riverside.asrclrec.com
Bureau of Labor Statistics, *Consumer Price Index - All Urban Consumers, Los Angeles-Riverside-Orange County, CA*

Table 6-5
Estimated Residential Turnover Rate, City of Corona
Temescal Canyon Annexation Area

City of Corona	Amount
A. Year Moved In, Owner Occupied Housing Units	
Moved in 2005 to 2009	5,629
Moved in 2000 to 2004	<u>10,689</u>
Subtotal 2000 to 2009	16,318
Moved in 1990 to 1999	9,356
Moved in 1980 to 1989	3,156
Moved in 1970 to 1979	1,061
Moved in 1969 or earlier	<u>519</u>
Total Occupied Units	30,410
B. Annual Turnover Rate, 2000-2009¹	
Year Moved in 2000 to 2009 Occupied Units	16,318
	<i>divided by</i>
Number of Years	10
	<i>equals</i>
Number of Turnover Units per Year	1,632
	<i>divided by</i>
Total Occupied Units	30,410
	<i>equals</i>
Annual Turnover Rate, 2000-2009	5%

Note: 1. The annual turnover rate is based on the assumption of ten years for the 2000 to 2009 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2008-2010 American Community Survey (ACS), 3-Year Estimates

Use Tax. Table 6-6 presents the County unincorporated area sales and use tax for Calendar Year 2011 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$2.7 million was use tax while total point-of-sale sales tax was estimated at about \$24.3 million. Therefore, use tax revenues to the unincorporated County area are estimated at an additional 11.2 percent of point-of-sale sales tax.

Transient Lodging Tax. The County collects a tax of 10.5 percent of room receipts on lodging within the unincorporated County area. Transient occupancy tax is not projected because there is no lodging in the annexation area and lodging is not planned for the annexation area.

Table 6-6
Calculation of Use Tax Factor, Unincorporated Riverside County
Temescal Canyon Annexation Area

Unincorporated Riverside County	Amount
<u>Use Tax</u>	
County Pool	\$2,713,103
State Pool	<u>3,597</u>
Total Use Tax	\$2,716,700
<i>divided by</i>	
<u>Point-of Sale Sales Tax</u>	\$24,251,980
<i>equals</i>	
<u>Use Tax Rate</u>	11.2%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Source: The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2011*

Animal Licenses, Permits and Shelter. As shown in Table 6-2, these FY 2012-2013 revenues are estimated at about \$5.9 million for the unincorporated area of the County and are projected at \$16.64 per capita based on dividing the Budget amount by the unincorporated County population of 356,333.

Business Licenses. Based on FY 2012-2013 estimated revenues of \$503,000 and the County's unincorporated area employment estimate of 29,664, these revenues are projected at \$16.96 per employee.

Franchises. Franchise revenues for FY 2012-2013 are estimated at about \$5.0 million for the unincorporated area of the County, as shown in Table 6-2. These revenues are allocated 92 percent to population and 8 percent to employment, which represents each components share to the total combined population and employment estimate of 385,997 for the unincorporated area. Franchise revenues are projected at \$12.91 per capita and \$13.48 per employee based on the following formulas:

$$\begin{aligned} & \$5.0 \text{ million times } 92\% \text{ divided by } 356,333 = \$12.91 \text{ per capita} \\ & \$5.0 \text{ million times } 8\% \text{ divided by } 29,664 = \$13.48 \text{ per employee} \end{aligned}$$

Licenses - Cable TV. As shown in Table 6-2, revenues from this source are estimated at \$8.68 per capita and \$9.06 per employee and are based on FY 2012-2013 revenues of about \$3.4 million for the unincorporated County area and are allocated 92 percent to population and 8 percent to employment. The formulas are:

$$\begin{aligned} & \$3.4 \text{ million times } 92\% \text{ divided by } 356,333 = \$8.68 \text{ per capita} \\ & \$3.4 \text{ million times } 8\% \text{ divided by } 29,664 = \$9.06 \text{ per employee} \end{aligned}$$

Other Licenses and Permits. These revenues for FY 2012-2013 are estimated at about \$523,117 for the unincorporated area of the County. Other licenses and permit revenues are allocated 92 percent to population and 8 percent to employment, and are projected at \$1.35 per capita and \$1.41 per employee based on the following formulas:

$$\begin{aligned} & \$523,117 \text{ times } 92\% \text{ divided by } 356,333 = \$1.35 \text{ per capita} \\ & \$523,117 \text{ times } 8\% \text{ divided by } 29,664 = \$1.41 \text{ per employee} \end{aligned}$$

Vehicle Code Fines/Traffic School. Vehicle code fines and traffic school revenues in the unincorporated area are estimated at about \$4.6 million for FY 2012-2013 and are allocated 92 percent to population and 8 percent to employment. These revenues are projected at \$11.80 per capita and \$12.33 per employee based on the following:

$$\begin{aligned} & \$4.6 \text{ million times } 92\% \text{ divided by } 356,333 = \$11.80 \text{ per capita} \\ & \$4.6 \text{ million times } 8\% \text{ divided by } 29,664 = \$12.33 \text{ per employee} \end{aligned}$$

Other Court Fines. Revenues from this source are estimated at \$2.11 per capita and \$2.13 per employee based on the total County population and employment and estimated revenues of about \$6.3 million, as shown in Table 6-2. These revenues are allocated 74 percent to population and 26 percent to employment, which represents each components share to the total combined population and employment estimate of 3,000,629 for the total County:

$$\begin{aligned} & \$6.3 \text{ million times } 74\% \text{ divided by } 2,227,577 = \$2.11 \text{ per capita} \\ & \$6.3 \text{ million times } 26\% \text{ divided by } 773,052 = \$2.13 \text{ per employee} \end{aligned}$$

Other Fines, Forfeitures and Penalties. Countywide population and employment of 3,000,629 and the budget amount of about \$4.9 million determine the method for projecting this revenue source. Revenue factors are estimated at \$1.64 per capita and \$1.66 per employee based on the following:

$$\begin{aligned} & \$4.9 \text{ million times } 74\% \text{ divided by } 2,227,577 = \$1.64 \text{ per capita} \\ & \$4.9 \text{ million times } 26\% \text{ divided by } 773,052 = \$1.66 \text{ employee} \end{aligned}$$

Rents and Use of Property. Revenues from this source are projected using a factor of \$1.44 per capita and \$1.46 per employee. As shown in Table 6-2, these factors are based on the FY 2012-2013

budget amount of about \$4.3 million and the total County population and employment.

\$4.3 million times 76% divided by 2,227,577 = \$1.44 per capita
\$4.3 million times 24% divided by 773,052 = \$1.46 per employee

Federal In-lieu Taxes. These revenues are projected at \$0.92 per capita and are determined by dividing the County Budget amount of about \$2.1 million by the total County population of 3,000,629, as shown in Table 6-2.

Miscellaneous Revenue. Revenue factors for this category are projected based on the total countywide population and employment and estimated FY 2012-2013 revenues of about \$9.5 million. The per capita factor is \$3.16 and the per employee factor is \$3.20 based on the following calculations:

\$9.5 million times 76% divided by 2,227,577 = \$3.16 per capita
\$9.5 million times 24% divided by 773,052 = \$3.20 per employee

Interest on Invested Funds. Based on FY 2012-2013 budget interest on invested funds is estimated about \$3.1 million and represents less than one percent of the projected recurring revenues. Therefore, revenues from this source are not projected in the fiscal analysis.

County Fire Department

As shown in Table 6-3, the County Fire Department receives about 6.4 percent of the one percent basic property tax levy for the Temescal Canyon Annexation Area prior to annexation. Upon annexation, the City of Corona will provide fire protection to the annexation area, and the current property tax allocation will shift from the County Fire Department to the City.

County Library

The County Library receives a property tax allocation of about 1.6 percent of the basic one percent property tax levy for the Temescal Canyon Annexation Area, as shown in Table 6-3. After annexation, this allocation will shift to the City of Corona because the City will provide library services to the annexation area.

County Transportation

Prior to annexation, the County will receive recurring gasoline tax revenues projected at \$21.24 per capita based on estimated revenues of about \$47.3 million and the total County population of 2,227,577, as shown in Table 6-2. Upon annexation, the City of Corona Gas Tax Fund will receive State gasoline taxes for provision of road-related services.

6.2 County Cost Assumptions

Cost factors used in preparing the County fiscal analysis annexation are presented in Table 6-7.

County General Fund

Ongoing recurring costs to the County of Riverside General Fund include a combination of municipal-type costs and countywide costs.

Municipal-Type Costs. As shown in Table 6-7, General Fund municipal-type costs include sheriff's patrol and development services. These costs are projected based on the estimated net FY 2012-2013 expenditures for each category and the estimated unincorporated County population and employment.

Sheriff Coroner – Patrol. Net expenditures for Sheriff patrol in the unincorporated area for FY 2012-2013 are estimated at about \$79.3 million and are allocated 92 percent to population and 8 percent to employment. Sheriff patrol costs are projected at \$204.73 per capita and \$213.86 per employee based on the following calculations:

$$\begin{aligned} \$79.3 \text{ million times } 92\% \text{ divided by } 356,333 &= \$204.73 \text{ per capita} \\ \$79.3 \text{ million times } 8\% \text{ divided by } 29,664 &= \$213.86 \text{ per employee} \end{aligned}$$

Development Services. Development services net expenditures in the unincorporated area for FY 2012-2013 are estimated at nearly \$9.1 million and are allocated 92 percent to population and 8 percent to employment. Development services costs are projected at \$23.55 per capita and \$24.60 per employee based on the following calculations:

$$\begin{aligned} \$9.1 \text{ million times } 92\% \text{ divided by } 356,333 &= \$23.56 \text{ per capita} \\ \$9.1 \text{ million times } 8\% \text{ divided by } 29,664 &= \$24.60 \text{ per employee} \end{aligned}$$

Countywide Costs. Countywide costs are those that are potentially provided to all residents of Riverside County, regardless of whether they live in unincorporated or incorporated areas. Countywide costs include general government; public protection, excluding sheriff's patrol and fire protection; health and sanitation; public assistance; education, recreation and culture, excluding library services; and debt service and contingency. Countywide costs factors are calculated based on the net FY 2012-2013 expenditures for each category and the estimated total County population and employment.

General Government. General government costs are projected based on the total countywide population and employment and estimated Fiscal Year 2012-2013 net expenditures of about \$30.9

Table 6-7
Summary of Projected Recurring Cost Factors, Riverside County
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Category	Fiscal Year 2012-2013 Adopted Net County Costs ¹	Cost Allocation Factor ³		Net Cost Allocation Amount		Cost Factor ³	
		Population	Employment	Residential	Non- Residential	Per Capita	Per Employee
A. GENERAL FUND							
Municipal-Type Costs:							
Sheriff Patrol: Unincorporated	\$79,297,551	92.0%	8.0%	\$72,953,747	\$6,343,804	\$204.73	\$213.86
Development Services: Unincorporated	9,121,084	92.0%	8.0%	\$8,391,397	\$729,687	\$23.55	\$24.60
Countywide Costs:							
General Government: Countywide	\$30,900,000	74.0%	26.0%	\$22,866,000	\$8,034,000	\$10.26	\$10.39
Public Protection: Countywide	140,475,934	74.0%	26.0%	\$103,952,191	\$36,523,743	\$46.67	\$47.25
Health and Sanitation: Countywide	57,350,000	100.0%	0.0%	\$42,439,000	\$14,911,000	\$19.05	\$0.00
Public Assistance: Countywide	42,600,000	100.0%	0.0%	\$31,524,000	\$11,076,000	\$14.15	\$0.00
Education, Recreation and Culture: Countywide	900,000	74.0%	26.0%	\$666,000	\$234,000	\$0.30	\$0.30
Debt Service and Contingency: Countywide	26,980,000	74.0%	26.0%	\$19,965,200	\$7,014,800	\$8.96	\$9.07
Total General Fund Recurring Costs	\$364,569,249			\$302,757,535	\$84,867,034	\$327.68	\$305.47
B. COUNTY FIRE DEPARTMENT ⁴							
	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C. COUNTY LIBRARY ⁵							
Library Services: Library Service Population	\$23,055,320	100.0%	0.0%	Case Study		\$24.00	\$0.00
D. COUNTY TRANSPORTATION							
TLMA: Transportation: Countywide	\$37,717,093	74.0%	26.0%	\$27,910,649	\$9,806,444	\$12.53	\$12.69

- Note: 1. Budget amounts are based on the Fiscal Year 2012-13 Recommended Budget with updates from *Final Changes to FY 12/13 Recommended Budget*, September 11, 2012 as provided by the County Executive Office.
2. Municipal-type net costs for the unincorporated area are allocated 92 percent to residential development and 8 percent to non-residential development, based on the shares of population and employment to the combined total unincorporated population and employment. Countywide net costs are allocated 74 percent to residential development and 26 percent to non-residential development, based on the shares of population and employment to the combined total County population and employment.
3. Per capita and per employee factors are derived by dividing the allocated costs by either the population and employment for the appropriate jurisdiction.
4. The Riverside County Fire Department (RCFD) provides fire protection to the unincorporated County area. County fire protection costs for the annexation area are not projected because fire protection is provided from more than one station and specific costs for the Temescal Canyon area were not available from RCFD staff.
5. The fiscal analysis projects County Library costs for the annexation area based on the average cost per capita for the Library service population, as shown in Table 6-9.
6. County transportation costs for the annexation area based on the Countywide average cost per capita and per employee.

Sources: Stanley R. Hoffman Associates, Inc.
County of Riverside, *Fiscal Year 2012-13 Adopted Budget*
County of Riverside Fire Department, *2011 Annual Report*
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011 and 2012, with 2010 Benchmark*, Sacramento, California, May 2012
Southern California Association of Governments (SCAG), *RTP 2012 Projections*

million. The per capita cost factor is \$10.26 and the per employee factor is \$10.39 based on the following calculations:

$$\begin{aligned} & \$30.9 \text{ million times } 74\% \text{ divided by } 2,227,577 = \$10.26 \text{ per capita} \\ & \$30.9 \text{ million times } 26\% \text{ divided by } 773,052 = \$10.39 \text{ per employee} \end{aligned}$$

Public Protection. Countywide public protection costs are projected at \$46.67 per capita and \$47.25 per employee. These costs do not include sheriff patrol costs and fire protection costs and

represent other countywide public protection costs such as district attorney, probation, corrections and coroner. Cost factors for these categories are projected based on the total countywide population and employment and the estimated FY 2012-2013 expenditures of about \$140.5 million.

\$140.5 million times 76% divided by 2,227,577 = \$46.67 per capita
\$140.5 million times 24% divided by 773,052 = \$47.25 per employee

Health and Sanitation. Costs for these categories are projected based on the total countywide population and estimated FY 2012-2013 net expenditures of about \$57.4 million. The per capita cost factor is \$19.05 based on the net expenditures and the total County population of 2,227,577.

Public Assistance. Public assistance costs are projected based on the total countywide population and estimated FY 2012-2013 net expenditures of about \$42.6 million. The per capita cost factor is \$14.15 based on the net expenditures and the total County population of 2,227,577.

Education, Recreation and Culture. Cost factors for these categories are projected based on the total countywide population and employment and the estimated FY 2012-2013 net expenditures of \$900,000. Library services are not included in this category and are projected separately. The per capita cost factor is \$0.30 and the per employee factor is \$0.30 based on the following calculations:

\$900,000 times 76% divided by 2,227,577 = \$0.30 per capita
\$900,000 times 24% divided by 773,052 = \$0.30 per employee

Debt Service and Contingency. These Countywide costs are projected at \$8.96 per capita and \$9.07 per employee. Cost factors are projected based on the total countywide population and employment and estimated FY 2012-2013 net expenditures of about \$27.0 million.

\$27.0 million times 76% divided by 2,227,577 = \$8.96 per capita
\$27.0 million times 24% divided by 773,052 = \$9.07 per employee

County Fire Department

Fire protection services to the Temescal Canyon Annexation Area are provided by the Riverside County Fire Department (RCFD) prior to annexation. RCFD Sycamore Creek Fire Station #64 is located on Campbell Road in the southern portion of the annexation area. However, fire protection to the annexation area can be provided from other existing County fire stations that are located outside the annexation area. Therefore, current fire protection costs for the annexation area have not been provided by RCFD staff.

Per Ordinance 659 of the Riverside County Code, the Temescal Canyon Annexation Area will be subject to development impact fees that will contribute towards the construction of fire facilities. Upon annexation, the City of Corona provides fire protection to the annexation area.

County Library District

The County Library District provides library services to the Temescal Canyon Annexation Area prior to annexation. Library costs are projected at the average County Library cost of \$24.00 per capita based on FY 2012-2013 library expenditures of about \$23.1 million and the library service area population estimate of 950,567, as shown in Table 6-8.

Table 6-8
Library Services Cost Factor, County Library
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

1. County Library Department Service Area Population ¹	
Jurisdiction	January 1, 2012 Population
Calimesa	7,988
Canyon Lake	10,689
Cathedral City	51,952
Coachella	41,904
Desert Hot Springs	27,638
Indio	78,065
La Quinta	38,075
Lake Elsinore	53,024
Norco	27,053
Palm Desert	49,471
Perris	70,180
San Jacinto	44,803
Temecula	<u>103,092</u>
Total City Population Served	603,934
Unincorporated Area	<u>356,633</u>
Total Population Served	960,567

2. Library Costs	\$23,055,320
3. Library Costs per Capita	\$24.00

Note: 1. The County Library provides library service through 33 branch libraries and two bookmobiles. The estimated population is based on the location of the branch libraries.

Sources: Stanley R. Hoffman Associates, Inc.
County of Riverside, *Fiscal Year 2012-13 Recommended Budget*
County of Riverside, *Final Changes to FY 12/13 Recommended Budget*, September 11, 2012
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011 and 2012, Benchmark*, Sacramento, California, May 2012

County Transportation

Annual public street maintenance costs are projected on a population and employment basis. Based on the total countywide population and employment and the estimated FY 2012-2013 expenditures of about \$37.7 million. The per capita cost factor is \$12.53 and the per employee factor is \$12.69 based on the following calculations:

\$37.7 million times 76% divided by 2,227,577 = \$12.53 per capita

\$37.7 million times 24% divided by 773,052 = \$12.69 per employee

Upon annexation, road maintenance and maintenance of signalized intersections are the responsibility of the City of Corona.

**APPENDIX A
LAND USE AND MARKET TABLES**

**Table A-1
Existing Demographics ¹
Temescal Canyon Annexation Area**

Category	Amount
Population	15,565
Total Housing Units	5,433
Persons per Unit	2.86
Vacant Units	350
Vacancy Rate ²	6.4%
Households (Occupied Units)	5,083
Persons per Household ²	3.06
Total Employment	1,680
Jobs per Household	0.33

Note: 1. Population and housing information is based on the aggregation of Census 2010 block level data for the Temescal Canyon Annexation Area. Employment information is based on data from Southern California Association of Governments (SCAG).

2. Vacancy rate and persons per household are rounded.

Sources: Stanley R. Hoffman Associates, Inc.
Census 2010
Southern California Association of Governments (SCAG), *RTP 2012 Growth Forecast*, November 2010

**Table A-2
Detailed Residential Development
Temescal Canyon Annexation Area**

Area	Proposed Acres	Units		
		Existing ¹	Incremental	Total ²
A. SPECIFIC PLANS FROM 2002 LAND USE MAP (EIP) AND 2006 PROPOSED LAND USES (City)				
<u>The Retreat - Non-RDA</u>				
Single Family	207.01	494	51	545
<u>Toscana - Non-RDA</u>				
Single Family	282.09	n/a	917	917
High Density	71.18	n/a	526	526
Total Toscana	353.27	n/a	1,443	1,443
<u>Sycamore Creek - Non-RDA</u>				
Single Family	418.20	1,099	486	1,585
High Density	22.00	n/a	173	173
Total Sycamore Creek	440.20	1,099	659	1,758
<u>Mountain Springs - Non-RDA</u>				
Single Family	261.00	1,571	n/a	1,571
<u>Tom's Farm Area - Non-RDA</u>				
	n/a	n/a	n/a	n/a
<u>Serrano - RDA</u>				
	n/a	n/a	n/a	n/a
<u>TRACT 29644 (Behind Wild Rose) - Non-RDA</u>				
Single Family	132.78	316	n/a	316
<u>Estate/SF in NW Portion - Non-RDA</u>				
Single Family	186.00	75	37	112
<u>Wild Rose- Non-RDA</u>				
Single Family	238.50	1,162	n/a	1,162
Total Specific Plans, Non-RDA				
Single Family	1,725.58	4,717	1,491	6,208
High Density	93.18	n/a	699	699
Total Specific Plans, Non-RDA	1,818.76	4,717	2,190	6,907
B. AREAS NORTH OF SYCAMORE CREEK FROM 2002 LAND USE MAP (EIP)				
Mobile Home Park - Non-RDA	n/a	306	n/a	306
SF Units East of Mountain Springs - Non-RDA	n/a	201	n/a	201
Total Areas North of Sycamore Creek, Non-RDA		507	n/a	507
C. UNITS IN OTHER AREAS				
Single Family Homes - Non-RDA	n/a	102	331	433
Creekside Mobile Home Estates - RDA	n/a	92	n/a	92
Single Family Homes - RDA	n/a	15	n/a	15
Total Other Units		209	331	540
D. TOTAL (A+B+C)				
Single Family Non-RDA	1,725.58	5,326	1,822	7,148
Single Family RDA	n/a	107	n/a	107
High Density Non-RDA	93.18	n/a	699	699
High Density RDA	n/a	n/a	n/a	n/a
Total	1,818.76	5,433	2,521	7,954

Note: 1. Existing units are counted from Google Earth and total to the Census 2010 estimate of 5,433 total units for the annexation area.

2. Total units are based on 2002 General Plan Update map from EIP and the 2006 spreadsheet for proposed specific plans and projects from the City and the Sycamore Creek Specific Plan Amendment provided by the City.

Sources: Stanley R. Hoffman Associates, Inc.

Corona General Plan Update, Figure 2.1-20, Sphere of Influence, South Sphere Potential/Approved County Projects and Specific Plans, prepared by EIP, 09/19/02

City of Corona, "2006 Proposed Specific Plans/Projects" and January 2013 Updates

Riverside County Planning Department, Sycamore Creek Specific Plan No. 00256, Amendment 2, Screencheck No. 3, Tentative Tract Map No. 36316 and 36317, December 13, 2010

Google Earth, 2011

Census 2010

**Table A-3
Detailed Non- Residential Development
Temescal Canyon Annexation Area**

Area	Acres	Square Feet		
		Existing ¹	Incremental	Total ²
A. SPECIFIC PLANS FROM 2002 LAND USE MAP (EIP) AND 2006 PROPOSED LAND USES (City)				
<u>The Retreat - Non-RDA</u>	n/a	n/a	n/a	n/a
<u>Toscana - Non-RDA</u>				
General Commercial	4.41	n/a	48,025	48,025
<u>Sycamore Creek - Non-RDA</u>				
General Commercial	13.80	81,165	69,079	150,244
Sycamore Creek Fire Station #64 (Riverside County)	<u>0.80</u>	<u>9,800</u>	<u>n/a</u>	<u>9,800</u>
Total Sycamore Creek	14.60	90,965	69,079	160,044
<u>Mountain Springs - Non-RDA</u>				
General Commercial	15.30	n/a	166,617	166,617
<u>Tom's Farm Area</u>				
General Commercial, Non-RDA	13.17	46,300	28,195	74,495
General Commercial, RDA	<u>6.00</u>	<u>8,800</u>	<u>28,195</u>	<u>36,995</u>
Total Tom's Farm Area	19.17	55,100	56,389	111,489
<u>Serrano - Non-RDA</u>				
General Commercial	8.80	n/a	172,150	172,150
Office	31.84	n/a	622,540	622,540
Light Industrial	<u>305.77</u>	<u>n/a</u>	<u>5,978,454</u>	<u>5,978,454</u>
Total Serrano	346.41	n/a	6,773,144	6,773,144
<u>TRACT 29644 (Behind Wild Rose) - Non-RDA</u>	n/a	n/a	n/a	n/a
<u>Estate/SF in NW Portion - Non-RDA</u>	n/a	n/a	n/a	n/a
<u>Wild Rose, Western Portion - Non-RDA</u>				
General Commercial	4.00	n/a	43,560	43,560
<u>Wild Rose, Eastern Portion - RDA</u>				
Light Industrial/Business Park	69.10	1,040,007	163,961	1,203,968
<u>Temescal Corridor Properties - RDA</u>				
General Commercial	9.51	9,925	93,639	103,564
Temescal Canyon Road Office Park	10.48	n/a	83,799	83,799
Light Industrial /Business Park	<u>28.52</u>	<u>n/a</u>	<u>496,932</u>	<u>496,932</u>
Total Temescal Corridor Properties	48.51	9,925	674,370	684,295
Total Specific Plans				
General Commercial	74.99	146,190	649,459	795,649
Office	42.32	n/a	706,339	706,339
Light Industrial /Business Park	403.39	1,040,007	6,639,347	7,679,354
Sycamore Creek Fire Station #64 (Riverside County)	<u>0.80</u>	<u>9,800</u>	<u>n/a</u>	<u>9,800</u>
Total Specific Plans	521.50	1,195,997	7,995,145	9,191,142
B. PARCELS IN OTHER AREAS - RDA				
Heavy Industrial, North of Serrano	62.63	75,500	n/a	75,500
Light Industrial /Business Park, North of Wild Rose East	<u>31.01</u>	<u>217,550</u>	<u>n/a</u>	<u>217,550</u>
Total Other Parcels	93.64	293,050	n/a	293,050
C. TOTAL (A+B)				
General Commercial	74.99	146,190	649,459	795,649
Office	42.32	n/a	706,339	706,339
Light Industrial /Business Park	434.40	1,257,557	6,639,347	7,896,904
Heavy Industrial	<u>62.63</u>	<u>75,500</u>	<u>n/a</u>	<u>75,500</u>
Subtotal	614.34	1,479,247	7,995,145	9,474,392
Sycamore Creek Fire Station #64 (Riverside County)	<u>0.80</u>	<u>9,800</u>	<u>n/a</u>	<u>9,800</u>
	615.14	1,489,047	7,995,145	9,484,192

Note: 1. Existing square feet are measured from Google Earth.

2. Total square feet are based on 2002 General Plan Update map from EIP, the 2006 spreadsheet for proposed specific plans and projects from the City, the Sycamore Creek Specific Plan Amendment, the Wild Road Business Park, the Temescal Corridor Properties and the Temescal Canyon Road Office Park Plot Plan provided by the City.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, "2006 Proposed Specific Plans/Projects"
Riverside County Planning Department, *Sycamore Creek Specific Plan No. 00256, Amendment 2, Screencheck No. 3, Tentative Tract Map No. 36316 and 36317*, December 13, 2010
Riverside County Planning Department, *Wild Rose Business Park and Temescal Corridor Properties*, 6-25-02
Riverside County Planning Department, *Temescal Canyon Road Office Park Plot Plan*, 02-25-08
Google Earth, 2011

**Table A-4
Existing Non-Residential Square Feet
Temescal Canyon Annexation Area**

Project Name/Land Use	Building Square Feet	Lot Square Feet	Lot Acres
A. DETAILED LAND USES			
<u>Sycamore Creek Shopping Center (General Commercial)</u>			
Von's	40,500	n/a	n/a
Support Stores	<u>40,665</u>	<u>n/a</u>	<u>n/a</u>
Subtotal	81,165	506,000	11.62
<u>Sycamore Creek Specific Plan</u>			
Sycamore Creek Fire Station #64 (Riverside County)	9,800	35,000	0.80
Vacant General Commercial	<u>0</u>	<u>82,612</u>	<u>1.90</u>
Subtotal	9,800	117,612	2.70
<u>Tom's Farm Area (General Commercial)</u>			
Tom's Farms	38,100	n/a	n/a
Carl's Jr	4,000	n/a	n/a
Ampm/Arco	4,200	n/a	n/a
Mission Clay Products	<u>8,800</u>	<u>n/a</u>	<u>n/a</u>
Subtotal	55,100	835,200	19.17
<u>Temescal Corridor Properties (General Commercial)</u>			
Temescal Shell Meagmart (NE of Temescal Canyon & 15 Freeway)	<u>9,925</u>	<u>150,645</u>	<u>3.46</u>
Subtotal	9,925	150,645	3.46
<u>Wild Rose Light Industrial/Business Park (East of I-15)</u>			
Unnamed Building	27,000	69,160	1.59
Lee Lake Water District	40,320	96,820	2.22
Laticrete International	38,425	48,000	1.10
Triad Magnetics	56,400	127,500	2.93
Corona Clipper	78,000	144,000	3.31
Keystone Automotive Operations	172,000	424,000	9.73
Power Sports of Corona and Plastic Industries	216,000	540,000	12.40
Polara Engineering	72,000	187,200	4.30
Miracle Playground Sales	51,300	136,000	3.12
Master Fab	44,200	156,600	3.60
Blue Ribbon Mfg/Ergonomic Design	35,136	109,500	2.51
Spectra Color	36,550	81,000	1.86
Material Services	36,550	81,000	1.86
Direct Buy	35,136	109,500	2.51
The Bridge Church and Sunbelt Business Sales	31,040	92,000	2.11
Jazz Connection	20,280	57,800	1.33
ARS Billiards/Painter's Hardwood Floors	20,280	57,800	1.33
SE Corporation	12,240	16,450	0.38
Metrick Thunder	<u>17,150</u>	<u>47,600</u>	<u>1.09</u>
Subtotal of Built-out Parcels	1,040,007	2,581,930	59.27
Vacant Parcel 1 (West of Master Fab)	n/a	76,890	1.77
Vacant Parcel 2 (East of Direct Buy)	n/a	53,100	1.22
Vacant Parcel 3 (2nd Parcel East of Direct Buy)	n/a	51,000	1.17
Vacant Parcel 4 (3rd Parcel East of Direct Buy)	n/a	81,000	1.86
Vacant Parcel 5 (Parcel at NEC of Business Park)	<u>n/a</u>	<u>166,000</u>	<u>3.81</u>
Subtotal of Vacant Parcels	n/a	427,990	9.83
Total Wild Rose Business Park	1,040,007	3,009,920	69.10
<u>Remainder Light Industrial/Business Park in Annexation Area</u>			
GM&J Laser Cutting	21,000	41,340	0.95
JTM's Hot Rod Shop	13,500	28,800	0.66
Maki	10,000	24,900	0.57
K&W Manufacturing Co.	15,000	64,172	1.47
U.S. Storage Centers	82,000	213,750	4.91
Volvo/Hummer	12,800	53,200	1.22
Larry's Building Materials	13,260	163,200	3.75
Unnamed Building (Adjacent to Larry's Building Materials)	7,500	121,680	2.79
FST Sand and Gravel	23,940	396,640	9.11
All Four Wheel Drive	18,550	98,000	2.25
7 Oaks Nursery	n/a	65,600	1.51
Vacant Lot 1 (South of Mobile Home Park)	n/a	33,750	0.77
Vacant Lot 2 (West of 7 Oaks Nursery)	<u>n/a</u>	<u>45,900</u>	<u>1.05</u>
Subtotal	217,550	1,350,932	31.01
<u>North of Serrano Specific Plan (Heavy Industrial)</u>			
Rinker Materials Corporation	<u>75,500</u>	<u>2,728,080</u>	<u>62.63</u>
Subtotal	75,500	2,728,080	62.63
B. LAND USE SUMMARY			
General Commercial	146,190	1,574,457	36.14
Light Industrial/Business Park	1,257,557	4,360,852	100.11
Heavy Industrial	75,500	2,728,080	62.63
Subtotal	1,479,247	8,663,389	198.88
Sycamore Creek Fire Station #64 (Riverside County)	9,800	35,000	0.80
Total	1,489,047	8,698,389	199.69
Note: 1. Other Use includes the Sycamore Creek Fire Station #64.			
Sources: Stanley R. Hoffman Associates, Inc. Google Earth, 2011			

**Table A-5
Development by Non-RDA and RDA Areas
Temescal Canyon Annexation Area**

Category	Existing			Incremental			Total Annexation Area		
	Non-RDA	RDA	Total	Non-RDA	RDA	Total	Non-RDA	RDA	Total
A. RESIDENTIAL DEVELOPMENT									
Residential Units									
Single Family	5,326	107	5,433	1,822	n/a	1,822	7,148	107	7,255
High Density	n/a	n/a	n/a	699	n/a	699	699	n/a	699
Total Residential Units	5,326	107	5,433	2,521	n/a	2,521	7,847	107	7,954
Population (@ 2.86 persons per unit)	15,259	306	15,565	7,210	n/a	7,210	22,469	306	22,775
B. NON-RESIDENTIAL DEVELOPMENT									
Non-Residential Square Feet									
General Commercial ¹									
Retail Commercial	127,465	18,725	146,190	448,481	103,559	552,040	575,946	122,284	698,230
Service Commercial	n/a	n/a	n/a	79,144	18,275	97,419	79,144	18,275	97,419
Total General Commercial	127,465	18,725	146,190	527,625	121,834	649,459	655,090	140,559	795,649
Office	n/a	n/a	n/a	622,540	83,799	706,339	622,540	83,799	706,339
Light Industrial/Business Park	n/a	1,257,557	1,257,557	5,978,454	660,893	6,639,347	5,978,454	1,918,450	7,896,904
Heavy Industrial	n/a	75,500	75,500	n/a	n/a	n/a	n/a	75,500	75,500
Total Non-Residential Square Feet	127,465	1,351,782	1,479,247	7,128,619	866,526	7,995,145	7,256,084	2,218,308	9,474,392
Employment									
General Commercial									
Retail Commercial	250	40	290	897	207	1,104	1,147	247	1,394
Service Commercial	n/a	n/a	n/a	317	73	390	317	73	390
Total General Commercial	250	40	290	1,214	280	1,494	1,464	320	1,784
Office	n/a	n/a	n/a	2,490	335	2,825	2,490	335	2,825
Light Industrial/Business Park	n/a	1,340	1,340	5,978	661	6,639	5,978	2,001	7,979
Heavy Industrial	n/a	50	50	n/a	n/a	n/a	n/a	50	50
Total Employment	250	1,430	1,680	9,682	1,276	10,958	9,932	2,706	12,638
C. SERVICE AREA POPULATION									
Population	15,259	306	15,565	7,210	n/a	7,210	22,469	306	22,775
Weighted Employment (@ 50 percent of total)	125	715	840	4,840	640	5,480	4,965	1,355	6,320
Total Service Area Population	15,384	1,021	16,405	12,050	640	12,690	27,434	1,661	29,095

Note: 1. The fiscal analysis assumes that 85 percent of the proposed general commercial square feet is retail commercial and the remaining 15 percent is service commercial square feet.

2. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.

City of Corona, "2006 Proposed Specific Plans/Projects" and January 2013 Updates

Riverside County Planning Department, *Sycamore Creek Specific Plan No. 00256, Amendment 2, Screencheck No. 3, Tentative Tract Map No. 36316 and 36317*, December 13, 2010

Riverside County Planning Department, *Wild Rose Business Park and Temescal Corridor Properties*, 6-25-02

Riverside County Planning Department, *Temescal Canyon Road Office Park Plot Plan*, 02-25-08

Google Earth

Table A-6
Single Family Residential Values for New Homes
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

Address	Zip Code	Asking Price	Sale Price	Square Feet (SF)	Lot (SF)	Year Built	Year Sold	Price/SF	Neighborhood
<u>New Homes for Sale - Single Family</u>									
7581 Sanctuary Dr. (Sunset Ridge - Plan 3)	92883	\$497,990	N/A	3,583	N/A	2012	N/A	\$139	Sunset Ridge @ the Retreat
7581 Sanctuary Dr. (Sunset Ridge - Plan 4)	92883	\$537,490	N/A	4,248	N/A	2012	N/A	\$127	Sunset Ridge @ the Retreat
25476 Foxglove Ln. (Arbor Plan)	92883	\$376,990	N/A	2,524	N/A	2012	N/A	\$149	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Willow Plan)	92883	\$388,990	N/A	2,733	N/A	2012	N/A	\$142	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Evergreen Plan)	92883	\$403,990	N/A	3,159	N/A	2012	N/A	\$128	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Cypress Plan)	92883	\$408,990	N/A	3,302	N/A	2012	N/A	\$124	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Aster Plan)	92883	\$417,990	N/A	3,315	N/A	2012	N/A	\$126	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Foxglove Plan)	92883	\$424,990	N/A	3,498	N/A	2012	N/A	\$121	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Hawthorn Plan)	92883	\$429,990	N/A	3,699	N/A	2012	N/A	\$116	The Woodlands at Sycamore Creek
25476 Foxglove Ln. (Larkspur Plan)	92883	\$437,990	N/A	3,855	N/A	2012	N/A	\$114	The Woodlands at Sycamore Creek
25499 Foxglove Ln.	92883	\$417,990	N/A	3,315	7,405	2012	N/A	\$126	Sycamore Creek
25509 Foxglove Ln.	92883	\$416,770	N/A	3,159	7,405	2012	N/A	\$132	Sycamore Creek
25519 Foxglove Ln.	92883	\$425,615	N/A	3,302	7,405	2012	N/A	\$129	Sycamore Creek
25619 Foxglove Ln.	92883	\$427,990	N/A	3,498	8,276	2012	N/A	\$122	Sycamore Creek
25634 Red Hawk Rd.	92883	\$399,990	N/A	3,169	8,276	2012	N/A	\$126	Sycamore Creek
Average		\$430,000		3,360				\$128	
<u>New Homes Sold - Single Family</u>									
7865 Summer Day Dr.	92883	N/A	\$624,000	4,248	10,454	2012	2012	\$146.89	The Retreat
7874 Summer Day Dr.	92883	N/A	\$519,000	3,583	16,988	2012	2012	\$144.85	The Retreat
7879 Summer Day Dr.	92883	N/A	\$561,000	3,653	10,454	2012	2012	\$153.57	The Retreat
7893 Summer Day Dr.	92883	N/A	\$569,000	3,583	10,454	2012	2012	\$158.81	The Retreat
7921 Summer Day Dr.	92883	N/A	\$543,000	3,583	10,018	2012	2012	\$151.55	The Retreat
7907 Summer Day Dr.	92883	N/A	\$525,000	3,653	10,018	2012	2012	\$143.72	The Retreat
7916 Summer Day Dr.	92883	N/A	\$538,000	4,248	12,196	2012	2012	\$126.65	The Retreat
Average			\$550,000	3,790				\$145	
Overall Average			\$470,000	3,500				\$134	

Sources: Stanley R. Hoffman Associates, Inc.
Zillow.com, November 2012

Table A-7
Assessed Valuation and Property Tax
City of Temescal Canyon Annexation Area, City of Corona
(In Constant 2013 Dollars)

Category	Factor	Existing			Incremental			Total Annexation Area		
		Non-RDA	RDA	Total	Non-RDA	RDA	Total	Non-RDA	RDA	Total
A. TOTAL ASSESSED VALUATION										
	Per New Unit ¹									
Residential										
Single Family	\$470,000	\$2,184,292,890	\$9,388,595	\$2,193,681,485	\$856,340,000	n/a	\$856,340,000	\$3,040,632,890	\$9,388,595	\$3,050,021,485
High Density	\$330,000	70,737,068	0	70,737,068	230,670,000	n/a	230,670,000	301,407,068	0	301,407,068
Total Residential		\$2,255,029,958	\$9,388,595	\$2,264,418,553	\$1,087,010,000	n/a	\$1,087,010,000	\$3,342,039,958	\$9,388,595	\$3,351,428,553
	Per New Square Foot									
Non-Residential										
General Commercial	\$140	\$122,493,730	\$122,066,992	\$244,560,722	\$73,867,500	\$17,056,760	\$90,924,260	\$196,361,230	\$139,123,752	\$335,484,982
Office	\$150	n/a	n/a	n/a	93,381,000	12,569,850	105,950,850	93,381,000	12,569,850	105,950,850
Industrial	\$100	9,961,554	0	9,961,554	597,845,400	66,089,300	663,934,700	607,806,954	66,089,300	673,896,254
Heavy Industrial	\$70	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Non-Residential		\$132,455,284	\$122,066,992	\$254,522,276	\$765,093,900	\$95,715,910	\$860,809,810	\$897,549,184	\$217,782,902	\$1,115,332,086
Total Valuation		\$2,387,485,242	\$131,455,587	\$2,518,940,829	\$1,852,103,900	\$95,715,910	\$1,947,819,810	\$4,239,589,142	\$227,171,497	\$4,466,760,639
B. PROJECTED PROPERTY TAX INCREMENT										
1 Percent Property Tax Levy		\$23,874,852	\$1,314,556	\$25,189,408	\$18,521,039	\$957,159	\$19,478,198	\$42,395,891	\$2,271,715	\$44,667,606
C. PROJECTED PROPERTY TO CITY GENERAL FUND										
General Fund Allocated Share (@ 11.8 percent of 1 percent levy)		\$2,841,107	n/a	\$2,841,107	\$2,204,004	n/a	\$2,204,004	\$5,045,111	n/a	\$5,045,111

Note: 1. Based on DQ News for October 2012, the median sales price per square foot for condos in zip code 92883 in the Temescal Canyon Annexation Area was about 70 percent of the single family median sales price per square foot. Therefore, the value of future high density units is projected at \$330,000 per unit, or 70 percent of the single family value of \$470,000 per unit.

Sources: Stanley R. Hoffman Associates, Inc.
www.zillow.com
DQNews, Southern California Home Resale Activity, October 2012

APPENDIX B
CITY OF CORONA FISCAL ASSUMPTIONS TABLES

Table B-1 (page 1 of 4)
General Fund Revenues, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

	Adopted Revenues 2012-2013 ¹			
	Total	Non-recurring or One-Time	Not Projected	Recurring Projected
<u>Property Taxes</u>				
Property Taxes	\$23,555,209	\$0	\$0	\$23,555,209
Vehicle License Property Tax	<u>10,779,524</u>	<u>0</u>	<u>0</u>	<u>10,779,524</u>
Subtotal	\$34,334,733	\$0	\$0	\$34,334,733
<u>Sales and Use Tax</u>				
Sales and Use Tax	\$24,468,750	\$0	\$0	\$24,468,750
Sales Tax Compensation	<u>8,156,250</u>	<u>0</u>	<u>0</u>	<u>8,156,250</u>
Subtotal	\$32,625,000	\$0	\$0	\$32,625,000
<u>Other Taxes</u>				
Transient Occupancy Tax	\$1,222,000	\$0	\$1,222,000	\$0
Franchises	4,476,664	0	0	4,476,664
Property Transfer Tax	435,000	0	0	435,000
Proposition 172 Sales Tax Allocation	1,553,000	0	0	1,553,000
Special Assessments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	\$7,686,664	\$0	\$1,222,000	\$6,464,664
<u>Licenses, Fees and Permits</u>				
Building Permits	\$150,500	\$150,500	\$0	\$0
Plumbing Permits	70,000	70,000	0	0
Electrical Permits	51,000	51,000	0	0
Miscellaneous Building Permits	25,000	25,000	0	0
Heating and AC Permits	60,000	60,000	0	0
Garage Sales	12,000	0	0	12,000
Miscellaneous Licenses	1,850	0	0	1,850
Miscellaneous Permits	1,500	0	0	1,500
Public Works Permits	30,000	30,000	0	0
Overload Permits	12,000	12,000	0	0
Occupancy Fees	331,000	331,000	0	0
Encroachment Permits	15,000	15,000	0	0
Preferential Parking Permits	100	0	0	100
Alarm Permits	12,100	0	0	12,100
Alarm Permit Renewals	67,100	0	0	67,100
General Plan Maintenance Fee	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Subtotal	\$849,150	\$754,500	\$0	\$94,650
<u>Fines, Penalties and Forfeitures</u>				
Vehicle Code Fines	\$700,000	\$0	\$0	\$700,000
City Code Fines	88,000	0	0	88,000
Business License Penalties	80,800	0	0	80,800
Parking Fines	65,000	0	0	65,000
Spay/Neuter Penalties	5,000	0	0	5,000
Administrative Fines and Penalties	92,000	0	0	92,000
Preferential Parking Fines	1,900	0	0	1,900
Street Sweeping Parking Fines	1,900	0	0	1,900
Red Light Violations	<u>475,000</u>	<u>0</u>	<u>0</u>	<u>475,000</u>
Subtotal	\$1,509,600	\$0	\$0	\$1,509,600
<u>Investment Earnings</u>				
Interest on Investments	\$2,042,157	\$0	\$0	\$2,042,157
Other Interest Income	0	0	0	0
GASB31 Gain/Loss on Investment	0	0	0	0
Gain or Loss Investment Sale	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	\$2,042,157	\$0	\$0	\$2,042,157

Table B-1 (page 2 of 4)
General Fund Revenues, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

	Adopted Revenues 2012-2013 ¹			
	Total	Non-recurring or One-Time	Not Projected	Recurring Projected
Intergovernmental Revenues				
Motor Vehicle in Lieu	\$0	\$0	\$0	\$0
POST Reimbursement	20,000	0	0	20,000
Revenue from Other Government Agency - FR	270,038	0	270,038	0
Revenue from Other Government Agency - PO	9,650	0	9,650	0
Bulletproof Vest Grant - BJA	2,700	0	2,700	0
Revenue from Other Governmental Agencies	250,000	0	0	250,000
CLSA Interlibrary Loan Reimbursement	95	0	95	0
Abandoned Vehicle Abatement/Waste Management	40,000	0	40,000	0
CLSA/Direct Loan Reimbursement	0	0	0	0
Subtotal	\$592,483	\$0	\$322,483	\$270,000
Current Services				
Fire Hazard Reduction/Weed Abatement	\$8,500	\$0	\$0	\$8,500
Maps and Publications	100	0	0	100
Plan Check - Building	117,000	117,000	0	0
Plan Check - Public Works	200,000	200,000	0	0
Planning Application Fees	155,105	155,105	0	0
Engineering and Inspection	250,000	250,000	0	0
Appeal Fees	1,000	0	0	1,000
Other Application Fees	11,580	11,580	0	0
HOA/Street Lights Eagle Glen	109,000	0	109,000	0
Animal Shelter Fees and Charges	25,000	0	0	25,000
Miscellaneous Services	1,200	0	0	1,200
Fingerprinting	17,784	0	0	17,784
Special Police Services	32,000	0	0	32,000
Landscape Inspection	2,000	2,000	0	0
Photocopy Services	1,300	0	0	1,300
Fire Service Agreements	195,716	195,716	0	0
Special Building Inspection	200	200	0	0
Reimbursed Expenses - Miscellaneous Plan Fees	25,000	25,000	0	0
Reimbursed Expenses - Fire	800,000	800,000	0	0
Reimbursed Expenses - Public Works Services	0	0	0	0
Return Check Fees	1,500	0	0	1,500
GIS Map Fees	500	0	0	500
Plan Check - Fire	39,495	39,495	0	0
Digitized Mapping Service Fees	100	0	0	100
Scanning Fees - Building	10,000	0	0	10,000
Scanning Fees - Public Works	1,000	0	0	1,000
Copies and Blueprinting - Public Works	800	0	0	800
Corona Norco School Agreement - Police	365,000	365,000	0	0
Special Fire Equipment Inspection	45,000	0	0	45,000
Special Fire Permit Inspection	15,000	0	0	15,000
Fire Prevention Bureau Inspection	9,000	0	0	9,000
State Mandated Inspection	2,000	0	0	2,000
Other Fire Services	1,500	0	0	1,500
Hazardous Material Storage Fee	210,000	0	0	210,000
Emergency Response Exp Reimbursement	22,000	0	0	22,000
Fire Prevention Bureau Reinspections	3,000	0	0	3,000
City Clerk Legal Advertisement Revenue	85	0	0	85
SMIP Program Fees	0	0	0	0
Reimbursed Expenses - Miscellaneous	1,200	0	0	1,200
Street Name Signs	300	0	0	300
EMS Subscription	1,006,400	0	0	1,006,400
EMS Direct Billed	406,000	0	0	406,000
Third Party Plan Check	85,000	0	0	85,000
Police Service Agreements	0	0	0	0
IT Service Agreements	0	0	0	0
Subtotal	\$4,177,365	\$2,161,096	\$109,000	\$1,907,269

Table B-1 (page 3 of 4)
General Fund Revenues, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

	Adopted Revenues 2012-2013 ¹			
	Total	Non-recurring or One-Time	Not Projected	Recurring Projected
Other Revenues				
Miscellaneous Rental/Lease Income	\$10,463,750	\$0	\$10,463,750	\$0
Trap Rental	0	0	0	0
Fire Telecom Site Rentals	99,572	0	99,572	0
Sale of Surplus Property	0	0	0	0
Cashier's Over and Shorts	0	0	0	0
Police Auction	2,000	0	0	2,000
Miscellaneous Reimbursements	0	0	0	0
Damage Recovery	0	0	0	0
Paramedic Program	460,000	0	0	460,000
Miscellaneous Income/Refunds	250,000	0	0	250,000
Billboard Revenue	160,000	0	0	160,000
Bond Administration Reimbursements	445,600	0	445,600	0
Kiosk Id Sign Program	34,000	0	34,000	0
Telephone Communications Services	168,192	0	168,192	0
Code Enforcement Reinspections	900	900	0	0
CIP Labor Agreement	<u>225,000</u>	<u>0</u>	<u>225,000</u>	<u>0</u>
Subtotal	\$12,309,014	\$900	\$11,436,114	\$872,000
Recreation Revenues				
Aquatics	\$60,000	\$0	\$0	\$60,000
Recreation Events	2,000	0	0	2,000
Sports Revenue - Adults	22,000	0	0	22,000
Sports Revenue - Youth	50,000	0	0	50,000
Recreation Program	4,000	0	0	4,000
After School Recreation Program	225,000	0	0	225,000
Youth Sports Lighting	56,000	0	0	56,000
Kids Camp	56,000	0	0	56,000
Ball Field, Tournaments, Special Events	1,000	0	0	1,000
Concession Facility Rentals	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>1,500</u>
Subtotal	\$477,500	\$0	\$0	\$477,500
Payments in Lieu of Services				
Business License Taxes	\$1,818,000	\$0	\$0	\$1,818,000
Services to Other Funds	7,403,260	0	4,738,086	2,665,174
In Lieu Charges to Other Funds	<u>304,000</u>	<u>0</u>	<u>0</u>	<u>304,000</u>
Subtotal	\$9,525,260	\$0	\$4,738,086	\$4,787,174
Expenditure Control Budget (ECB) Owned Revenue				
Animal Licenses (ECB)	\$345,000	\$0	\$0	\$345,000
Library Fines (ECB)	45,000	0	0	45,000
Library Facility Rentals (ECB)	7,000	0	0	7,000
Park Telecom Site Rentals (ECB)	340,000	0	275,000	65,000
IT Telecom Site Rentals (ECB)	73,217	0	45,186	28,031
Reimbursed Expenses - Community Development (ECB)	500	0	0	500
Passport Processing Fees (ECB)	100,000	0	0	100,000
Reimbursed Expenses - P&CS (ECB)	0	0	0	0
Reimbursed Expenses - Engineering Inspection and Misc. (ECB)	0	0	0	0
Reimbursed Expenses - Police (ECB)	60,000	0	60,000	0
Reimbursed Expenses - Finance (ECB)	0	0	0	0
Reimbursed Expenses - Building (ECB)	1,500	0	1,500	0
Spay/Neuter Adoption Fees (ECB)	31,000	0	0	31,000
Reimbursed Expenses - Lost Books (ECB)	2,400	0	2,400	0
Shooting Range Fees (ECB)	54,000	0	0	54,000
Police-False Alarms (ECB)	72,900	0	0	72,900
Reimbursed Expenses - Library (ECB)	9,000	0	9,000	0
Contract Program Revenue (ECB)	182,052	0	182,052	0
Picnic Reservations (ECB)	17,000	0	0	17,000
Facility Rentals (ECB)	<u>55,000</u>	<u>0</u>	<u>0</u>	<u>55,000</u>
Subtotal	\$1,395,569	\$0	\$575,138	\$820,431

Table B-1 (page 4 of 4)
General Fund Revenues, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

	Adopted Revenues 2012-2013 ¹			
	Total	Non-recurring or One-Time	Not Projected	Recurring Projected
<u>Designated Revenues</u>				
PEG Fee (DSG)	\$40,000	\$0	\$40,000	\$0
Developer Paid Public Improvements (DSG)	0	0	0	0
Beverage Franchise Agreements (DSG)	0	0	0	0
Donations - Library (DSG)	56,000	56,000	0	0
Donations - Police (DSG)	0	0	0	0
Donations - Animal Control (DSG)	0	0	0	0
Donations - Parks and Community Services (DSG)	0	0	0	0
Billboard Revenue (DSG)	200,000	200,000	0	0
Pool Facility Rental Income (DSG)	0	0	0	0
Donations - Miscellaneous (DSG)	0	0	0	0
Subtotal	\$296,000	\$256,000	\$40,000	\$0
SUBTOTAL GENERAL FUND REVENUES	\$107,820,495	\$3,172,496	\$18,442,821	\$86,205,178
<u>Transfers In</u>				
From Gas Tax Fund 225 ³	\$1,054,325	\$0	\$0	\$1,054,325

Note: 1. Revenues are allocated to non-recurring or one-time, not projected or recurring revenues. Only recurring revenues are projected in the fiscal analysis. The allocation of revenues has been reviewed by City Finance staff.

2. Based on discussion with City Finance Department staff, the City currently receives revenue for administrative services provided to the water and wastewater utilities that serve the Temescal Canyon area. The \$2,665,174 represents the net of the total administrative services to other funds amount of \$7,403,260 minus \$4,738,086, the amount of revenue currently received for administrative services to water and wastewater utilities that serve the Temescal Canyon area. These current revenues are subtracted because they do not represent new revenues to the City upon annexation of the Temescal Canyon area.

3. Based on discussion with City Finance Department staff, the recurring revenues in Gas Tax Fund 225 are transferred to the General Fund for road-related operations and maintenance expenditures.

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*
City of Corona, Finance Department

Table B-2
Other Funds Revenues, City of Corona
Temescal Canyon Annexation Area
(In Constant 2013 Dollars)

	Estimated Revenues 2012-2013		
	Total	Non-recurring	Recurring
<u>Gas Tax Funds</u>			
State Gas Tax - Fund 222			
- Section 2105	\$721,000		\$721,000
- Section 2106	437,300		437,300
R&T 7360 - Prop 42 HUTA Rplcmt.	1,703,000		1,703,000
CIP labor abatement	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Subtotal	\$2,901,300	\$40,000	\$2,861,300
Interest on investments	<u>45,750</u>		<u>45,750</u>
Total Fund 222	\$2,947,050	\$40,000	\$2,907,050
State Gas Tax - Fund 225			
- Section 2107	\$1,054,000		\$1,054,000
- Section 2107.5	10,000	10,000	0
Interest on investments	<u>325</u>		<u>325</u>
Total Fund 225	\$1,064,325	\$10,000	\$1,054,325
Total Gas Tax Funds	\$4,011,375	\$50,000	\$3,961,375
<u>Measure A Fund/Local Streets Fund - 227</u>			
Measure A entitlements	\$2,755,000		\$2,755,000
Interest on investments	<u>182,965</u>		<u>182,965</u>
Total Measure A Fund 227	\$2,937,965	\$0	\$2,937,965

Sources: Stanley R. Hoffman Associates, Inc.
City of Corona, California, *Fiscal Year 2012-13 Adopted Annual Budget*

APPENDIX C PROJECT REFERENCES

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