

## Memorandum

DATE: March 21, 2006  
TO: Laura Stetson, EDAW  
FROM: Stan Hoffman, Stanley R. Hoffman Associates, Inc.  
SUBJECT: Claremont General Plan Phase II, Fiscal Analysis  
JOB NO: 1044-B

This memorandum presents the projected net fiscal impacts for the incremental growth of the Claremont General Plan. The detailed land use, market and fiscal assumptions for the analysis are presented in Appendix A included with this memorandum. The fiscal analysis projects ongoing City General Fund revenues and costs, recurring revenues to the Gas Tax Fund and recurring property tax increment to the City Redevelopment Agency (RDA). Fiscal impacts are projected in year 2006 constant dollars, with no adjustment for future inflation, for the following areas:

- City of Claremont
- City Redevelopment Area
- Sphere of Influence
- Total General Plan

### 1.0 FISCAL BENEFITS OF PROPOSED GENERAL PLAN

The projected annual recurring fiscal impacts to the total General Plan at build-out have real benefits to the City. These include the following:

- A large portion of the City's General Fund revenue comes from sales and use taxes, property taxes and utility user taxes. As an older established community, it is important to ensure that service costs don't increase beyond the ability to generate public revenues, which are needed to provide for city services and maintain infrastructure. Growth among these key public revenue sources will be important to providing a high quality of public services and facilities.
- The hotel development proposed in the General Plan will result in increased fiscal benefits for the City. Hotels are a generator of transient occupancy tax (TOT), an important source of City General Fund revenues. Also, hotel development will continue to support restaurants, shopping, entertainment and visitor-oriented activities.
- Retail development is a significant economic activity because sales tax is the major General Fund revenue source. Maintaining competitiveness through retail development that provides a wide range of retail goods and services will continue to enhance taxable retail sales.
- Although the property tax increment generated in Redevelopment areas will accrue to the RDA instead of the City, there are overall benefits for economic development because it

will stimulate additional development and taxable sales Citywide. This property tax increment can be used for specific revitalization and reinvestment activities that will contribute to the City overall.

- The jobs created by the proposed business and retail development will strengthen the City's economic base. Many of these jobs will be focused on technology, research and specialized skills. This will continue to build strong linkages with the academic and research skills of The Claremont Colleges.
- A vibrant economic base will increase demand for housing by workers who wish to live near their place of work. The General Plan provides for a variety of different housing types to meet the needs of workers at different salary levels.
- The proposed residential development provides for an increased property tax base to the City. Additionally, new households will provide demand for retail uses.
- The mixed-use and higher density transit-oriented residential development at the City's downtown transit station will enhance retail and other commercial development around the transit center. Downtown residential uses support revitalization as well as future retail development.
- The public revenues generated will provide a source of funding to maintain the city's public infrastructure as well as provide a continuing high level of public services.
- Additional revenues will allow the City to achieve economic vitality and enhance the community's quality of life. A more diverse economy will also strengthen the economic ties with the student population and employment of the Colleges.
- The Claremont Colleges are the largest employer in the City, employing about 57.8 percent of the jobs provided by the top ten employers in the City. The local economy benefits from the 6,270 students, 3,300 faculty and staff, a payroll in excess of \$120 million per year and over 60,000 visitors to The Claremont Colleges annually.
- About 44.0 percent of the faculty and staff at The Claremont Colleges live in the immediate communities of Claremont, La Verne, Montclair and Upland. The multiplier effect of spending by these individuals also benefits merchants and the tax base of the community.

## 2.0 TOTAL GENERAL PLAN IMPACTS AT BUILD-OUT

- Table 1 presents the annual recurring fiscal impacts to the total General Plan at build-out based on the City's 2005-2006 budget and the projected incremental recurring revenues and costs.
- A net annual General Fund recurring surplus of about \$2.88 million is projected for the total General Plan at build-out, based on the projected incremental recurring surplus of \$2.39 million and the City's estimated existing annual General Fund surplus of about \$495,020. This represents a revenue/cost ratio of 1.16 at build-out.
- As shown, a recurring surplus of \$2.39 million is projected to the City's General Fund based on the projected incremental projected General Plan, including the City growth and the annexation of the City's Sphere of Influence (SOI). This incremental growth represents a revenue/cost ratio of 2.37.

**TABLE 1**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**PROJECTED ANNUAL RECURRING FISCAL IMPACTS: TOTAL GENERAL PLAN AT BUILDOUT**  
(In Constant 2006 Dollars)

	2005-2006 Adopted Budget	Incremental Projected General Plan	Total General Plan at Buildout
<b>A. CITY GENERAL FUND</b>			
<b><u>Annual Recurring Revenues</u></b>			
Property Taxes General Fund	\$2,846,919	\$665,551	\$3,512,470
Sales & Use Tax	3,778,136	1,278,393	5,056,529
Property Tax in Lieu of Sales Tax	1,040,391	426,131	1,466,522
Franchise Fees	387,600	54,436	442,036
Utility Tax	3,748,318	526,429	4,274,747
Business License Tax	575,000	232,653	807,653
Transient Occupancy Tax	295,000	386,820	681,820
Parking Citations and Traffic Fines	370,500	52,034	422,534
Motor Vehicle In Lieu Fees	247,193	28,053	275,246
Property Tax in Lieu of MVLF	2,340,748	265,638	2,606,386
Other Revenue	<u>1,546,537</u>	<u>217,202</u>	<u>1,763,739</u>
<b>Total Annual Recurring Revenues</b>	<b>\$17,176,342</b>	<b>\$4,133,340</b>	<b>\$21,309,682</b>
<b><u>Annual Recurring Costs</u></b>			
General Government	4,702,145	\$491,490	\$5,193,635
Public Safety (Police and Animal Control)	6,865,159	964,170	7,829,329
Community Development	1,427,065	60,681	1,487,746
Community Services	1,368,408	192,185	1,560,593
Human Services	1,628,545	35,084	1,663,629
Net Transfers (In/Out)	<u>690,000</u>	<u>0</u>	<u>690,000</u>
<b>Total Annual Recurring Costs</b>	<b>\$16,681,322</b>	<b>\$1,743,609</b>	<b>\$18,424,931</b>
<b>Annual Surplus or (Deficit)</b>	<b>\$495,020</b>	<b>\$2,389,731</b>	<b>\$2,884,751</b>
Revenue/Cost Ratio	1.03	2.37	1.16
<b>B. GAS TAX FUND</b>			
<b><u>Annual Recurring Revenues</u></b>			
State Gas Tax Fund	\$633,142	\$71,852	\$704,994
<b>C. CITY REDEVELOPMENT AGENCY</b>			
<b><u>Annual RDA Net Property Tax Increment</u></b>			
	\$1,348,000	\$3,891,711	\$5,239,711

Sources: Stanley R. Hoffman Associates, Inc.  
City of Claremont, 2004-2006 Adopted Operating Budget.

- As shown, the net property tax increment to the RDA at build-out, in 2006 constant dollars, for the total General Plan is estimated at \$5.24 million based on the projected incremental development in the RDA and the City's 2005-2006 estimated annual RDA net revenue of \$1.35 million. The net property tax revenue to the RDA for the incremental growth is projected at about \$3.89 million annually.

### 3.0 GENERAL PLAN DEVELOPMENT

The fiscal analysis is based on the land use plan presented in Table 2. This shows the incremental growth for the Claremont General Plan, and includes an estimated total of 1,378 additional housing units and 1,104,756 additional non-residential square feet. As shown, about 27 additional park acres are estimated at build-out of the General Plan.

**Residential Development.** As shown in Panel A of Table 2, a total of 1,378 additional housing units are planned for the total General Plan area, with 1,251 units in the City and 127 units in the SOI. The incremental population growth is projected at 3,694 for the General Plan area, assuming about 2.68 persons per unit (Department of Finance, January 1, 2005 estimate). Of the total population, 3,353 people are located in the City and 341 people are located in the SOI. The incremental student population increase at The Claremont Colleges is projected at 430.

**Non-Residential Development.** Panel B of Table 2 presents the non-residential incremental development. A total of 1,104,756 square feet of additional retail and office square feet are projected for the General Plan area. As shown, most of the square footage is located in the former quarry area. A total of 3,404 employees are estimated for the incremental non-residential development. An additional 200 employees are projected for The Claremont Colleges. All of the incremental non-residential square feet are within the City, with none planned for the SOI. The new hotel development for The Expanded Portion of the Village (40 rooms) and the improved hotel at the Old Schoolhouse site (194 rooms) result in a net decrease of 46 hotel rooms overall. This is because the Old Schoolhouse site has 280 existing rooms. The new hotel rooms are projected to perform better economically than the existing hotel rooms at the Old Schoolhouse site, which is reported to have a low occupancy rate. The detailed incremental development for each of the geographic areas is presented in Tables A-1 through A-8 of Appendix A. A summary of commercial land uses and employment projections by geographic area are shown in Table A-9 and Table A-10 of Appendix A, respectively.

### 4.0 PROJECTED ASSESSED VALUATION

The General Plan consultant allocated future development by specific land uses for the City non-RDA areas and the RDA areas as well as the SOI area. Future development was tabulated for each land use type to determine the incremental assessed valuation for each area.

**Residential Development.** As shown in Table 3, estimated total residential assessed valuation is projected at \$1.036 billion for the incremental growth in the General Plan area. Incremental residential assessed valuation is projected at \$433.0 million for the area of the City that is not located within the RDA area. Incremental residential assessed valuation is projected at \$454.77 million for the area of the City that is located within the City's Redevelopment area. The incremental residential growth for the SOI has an estimated valuation of \$148.68 million. Residential assessed valuation is based on the average housing prices as shown in Table 3. These range from \$465,000 per unit for mixed use units to \$1,500,000 for Hillside Residential units.

**TABLE 2**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**INCREMENTAL DEVELOPMENT DESCRIPTION: TOTAL GENERAL PLAN**

	Increment				
	City		Total City	Sphere of Influence	Total General Plan
	Non-RDA	RDA			
<b>A. RESIDENTIAL DEVELOPMENT</b>					
<b><u>Residential Units</u></b>					
Residential 2 Low	18	(1)	17	(5)	11
Residential 6 Low Medium	358	(14)	344	60	403
Residential 15 Medium	(139)	122	(18)	0	(18)
Residential 22 High	(87)	(3)	(90)	0	(90)
Mixed Use	50	475	525	0	525
Claremont Village	11	302	313	0	313
Hillside Residential Overlay Very Low	<u>160</u>	<u>0</u>	<u>160</u>	<u>73</u>	<u>233</u>
<b>Total</b>	<b>370</b>	<b>881</b>	<b>1,251</b>	<b>127</b>	<b>1,378</b>
<b><u>Household Population (2.68 persons per household)</u></b>	<b>992</b>	<b>2,361</b>	<b>3,353</b>	<b>341</b>	<b>3,694</b>
<b><u>Claremont Colleges Student Population</u></b>	<b>430</b>	<b>0</b>	<b>430</b>	<b>0</b>	<b>430</b>
<b>B. NON-RESIDENTIAL DEVELOPMENT</b>					
<b><u>Non-Residential Square Feet</u></b>					
Old School House (OSH)	0	21,250	21,250	0	21,250
Expanded Portion of The Village	0	134,800	134,800	0	134,800
I-10 Freeway Commercial	0	140,000	140,000	0	140,000
Foothill West	0	40,837	40,837	0	40,837
Peppertree	0	0	0	0	0
Quarry (Commercial/Business Park)	0	745,000	745,000	0	745,000
Base Line	<u>0</u>	<u>22,869</u>	<u>22,869</u>	<u>0</u>	<u>22,869</u>
<b>Total</b>	<b>0</b>	<b>1,104,756</b>	<b>1,104,756</b>	<b>0</b>	<b>1,104,756</b>
<b><u>Hotel Rooms</u></b>					
Old School House (OSH) - Existing	0	(280)	(280)	0	(280)
Old School House (OSH) - New	0	194	194	0	194
Expanded Portion of the Village	0	40	40	0	40
I-10 Freeway Commercial	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>0</b>	<b>(46)</b>	<b>(46)</b>	<b>0</b>	<b>(46)</b>
<b><u>Theatre Seats</u></b>	<b>0</b>	<b>830</b>	<b>830</b>	<b>0</b>	<b>830</b>
<b><u>Employment</u></b>	<b>0</b>	<b>3,404</b>	<b>3,404</b>	<b>0</b>	<b>3,404</b>
<b><u>Claremont Colleges Employment</u></b>	<b><u>200</u></b>	<b><u>0</u></b>	<b><u>200</u></b>	<b><u>0</u></b>	<b><u>200</u></b>
<b>Total</b>	<b>200</b>	<b>3,404</b>	<b>3,604</b>	<b>0</b>	<b>3,604</b>
<b><u>Non-Residential Acres</u></b>					
Public	(23)	(22)	(45)	(2)	(47)
Institutional	14	15	29	0	29
Institutional - Keck Institute	15	0	15	0	15
Institutional (Gardens/Golf)	(12)	0	(12)	0	(12)
Open Space	(10)	0	(10)	0	(10)
Parks and Recreation	27	0	27	0	27
Wilderness Park	0	0	0	0	0
Religious Institutions	3	(3)	0	0	0
Hillside	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>13</b>	<b>(10)</b>	<b>3</b>	<b>(2)</b>	<b>1</b>

Source: Stanley R. Hoffman Associates, Inc.  
EDAW.

**TABLE 3**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**GENERAL PLAN RESIDENTIAL DEVELOPMENT AND VALUATION**  
(in constant 2006 dollars)

Description	Unit Valuation Assumptions	Incremental Change		
		Acreage	Units	Total Valuation
<b>A. Non-RDA</b>				
Residential 2	\$1,000,000	17.5	18	\$17,500,000
Residential 6	\$750,000	89.4	358	268,290,000
Residential 15	\$600,000	(14.4)	(139)	(83,400,000)
Residential 22	\$465,000	(4.8)	(87)	(40,510,800)
Mixed Use	\$512,500	6.7	50	25,625,000
The Village	\$500,000	1.7	11	5,500,000
Hillside Res Overlay	\$1,500,000	<u>0.0</u>	<u>160</u>	<u>240,000,000</u>
<b>Total Population</b>		<b>96.0</b>	<b>370</b>	<b>\$433,004,200</b>
<b>B. RDA Area</b>				
Residential 2	\$1,000,000	(0.9)	(1)	(\$900,000)
Residential 6	\$750,000	(3.5)	(14)	(10,500,000)
Residential 15	\$600,000	12.2	122	72,900,000
Residential 22	\$465,000	(0.1)	(3)	(1,171,800)
Mixed Use	\$512,500	66.8	475	243,437,500
The Village	\$500,000	<u>47.9</u>	<u>302</u>	<u>151,000,000</u>
<b>Total Population</b>		<b>122.3</b>	<b>881</b>	<b>\$454,765,700</b>
<b>C. Sphere of Influence</b>				
Residential 2	\$1,000,000	(5.5)	(5)	(\$5,460,000)
Residential 6	\$750,000	14.9	60	44,640,000
Residential 15	\$600,000	(0.3)	0	0
Residential 22	\$465,000	0.0	0	0
Mixed Use	\$512,500	0.0	0	0
Hillside Res Overlay	\$1,500,000	<u>0.0</u>	<u>73</u>	<u>109,500,000</u>
<b>Total Population</b>		<b>9.1</b>	<b>127</b>	<b>\$148,680,000</b>
<b>TOTAL GENERAL PLAN</b>		<b>227.4</b>	<b>1,378</b>	<b>\$1,036,449,900</b>
<b>TOTAL HOUSEHOLD POPULATION</b>			<b>3,694</b>	

Source: Stanley R. Hoffman Associates, Inc.  
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2005.*

**Non-Residential Development.** As shown in Table 4, total non-residential assessed valuation is projected at \$176.78 million for the incremental non-residential growth in the General Plan area. All of the assessed valuation for non-residential growth is projected for the area of the City that is located within the City's Redevelopment area. Non-residential assessed valuation is based on factors provided by local brokers and developers as shown in Table 4.

## 5.0 PROJECTED FISCAL IMPACTS

Incremental fiscal impacts for the City's General Fund, Gas Tax Fund and Redevelopment Agency are projected for the General Plan. Detailed impacts are presented in Table 5. As stated earlier, these fiscal impacts are projected in year 2006 constant dollars, with no adjustment for future inflation.

**Claremont General Fund.** As shown in Table 5, a recurring annual surplus of \$2.39 million is projected to the City General Fund for the total General Plan area based on the projected incremental City growth and the annexation of the SOI. This represents a revenue/cost ratio of 2.37. The largest shares of projected revenues for the General Plan are retail sales and use tax and property tax in lieu of sales tax. This is followed by property tax and utility user tax. These four revenues comprise about 68.6 percent of the total recurring revenues. The largest projected recurring costs to the General Fund are public safety and general government.

- A net annual recurring surplus of \$2.31 million is projected for the incremental growth planned within the City. This is based on annual recurring revenues of about \$3.95 million and annual recurring costs of about \$1.64 million.
- A net recurring surplus of \$81,258 is projected for the sphere of influence (SOI) upon annexation to the City of Claremont. This is based on annual recurring revenues of about \$182,679 and annual recurring costs of about \$101,420. The fiscal analysis assumes the sphere of influence will become part of the City of Claremont.

**State Gas Tax Fund (Road Related).** As shown in Panel B of Table 5, total recurring State gasoline tax revenues at build-out are projected at \$71,852. About \$65,918 of the total projected revenues are attributed to the City area and the remaining \$5,933 of projected revenues are from the SOI area.

**Claremont Redevelopment Agency (RDA).** Panel C of Table 5 presents the annual property tax increment revenue to the City RDA. Because a large portion of the General Plan development is located within the City's Redevelopment area, a portion of the property tax increment will be generated to the City's redevelopment agency (RDA) instead of the General Fund. Net annual property tax increment to the RDA is projected at about \$3.89 million at build-out for the incremental growth based on the estimated net property tax increment percentage that the RDA receives for each of the different redevelopment project areas. This share ranges from about 35.0 percent to 66.0 percent of the 1 percent property tax levy. The increment could theoretically be used for public infrastructure financing. The estimated redevelopment property tax increment is shown in Table 6.

**TABLE 4**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**GENERAL PLAN NON-RESIDENTIAL DEVELOPMENT AND VALUATION**  
(in constant 2006 dollars)

Geographic Area	Unit Basis	Valuation Per Unit	Incremental Change	Incremental Valuation
<b>Old School House (OSH)</b>				
Office	Square Feet	\$200	0	\$0
Retail	Square Feet	\$200	0	0
Restaurant	Square Feet	\$200	21,250	4,250,000
Hotel	Rooms	\$100,515	(86)	8,000,000
Theatre	Seats	n/a	0	0
				<u>\$12,250,000</u>
<b>Expanded Portion of the Village</b>				
Retail	Square Feet	\$200	43,500	\$8,700,000
Restaurant	Square Feet	\$200	30,000	6,000,000
Office	Square Feet	\$200	61,300	12,260,000
Hotel	Rooms	\$150,000	40	6,000,000
Theatre	Seats	\$2,560	830	<u>2,125,000</u>
				<u>\$35,085,000</u>
<b>I-10 Freeway Commercial</b>				
Retail	Square Feet	\$150	140,000	\$21,000,000
Auto Dealers	Square Feet	\$150	0	0
Hotel	Square Feet	n/a	0	0
				<u>\$21,000,000</u>
<b>Foothill West</b>				
Retail	Square Feet	\$200	40,837	\$8,167,400
<b>Peppertree</b>				
Retail	Square Feet	n/a	0	\$0
<b>Quarry (Commercial/Business Park)</b>				
Office	Square Feet	\$130	479,000	\$62,270,000
Retail	Square Feet	\$130	266,000	<u>34,580,000</u>
				<u>\$96,850,000</u>
<b>Base Line</b>				
Retail	Square Feet	\$150	22,869	\$3,430,350
<b>TOTAL</b>				<b>\$176,782,750</b>

Source: Stanley R. Hoffman Associates, Inc.

**TABLE 5**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**CITY OF CLAREMONT**  
**PROJECTED ANNUAL RECURRING FISCAL IMPACTS**  
(In Constant 2006 Dollars)

Source	Increment				General Plan	% of Total
	City			Sphere of Influence		
	Non-RDA	RDA	Total			
<b>A. CITY GENERAL FUND</b>						
<b><u>Annual Recurring Revenues</u></b>						
Property Taxes General Fund	\$502,285	\$0	\$502,285	\$101,400	\$603,685	14.6%
Real Property Transfer Tax - Residential	23,815	25,012	48,827	8,177	57,005	1.4%
Real Property Transfer Tax - Non-residential	0	4,862	4,862	0	4,862	0.1%
Sales & Use Tax	0	1,278,393	1,278,393	0	1,278,393	30.9%
Property Tax in Lieu of Sales Tax	0	426,131	426,131	0	426,131	10.3%
Franchise Tax	13,980	37,328	51,308	3,128	54,436	1.3%
Utility Tax	135,196	360,983	496,178	30,250	526,429	12.7%
Business License Tax	0	232,653	232,653	0	232,653	5.6%
Transient Occupancy Tax	0	386,820	386,820	0	386,820	9.4%
Parking Citations and Traffic Fines	13,363	35,681	49,044	2,990	52,034	1.3%
Motor Vehicle In Lieu Tax	9,673	16,063	25,736	2,316	28,053	0.7%
Property Tax in Lieu of MVLF	91,594	152,109	243,703	21,936	265,638	6.4%
Other Revenue	<u>55,781</u>	<u>148,940</u>	<u>204,721</u>	<u>12,481</u>	<u>217,202</u>	<u>5.3%</u>
<b>Total Annual Recurring Revenues</b>	<b>\$845,686</b>	<b>\$3,104,975</b>	<b>\$3,950,661</b>	<b>\$182,679</b>	<b>\$4,133,340</b>	100.0%
<b><u>Annual Recurring Costs</u></b>						
General Government	\$127,435	\$335,467	\$462,902	\$28,588	\$491,490	28.2%
Public Safety (Police and Animal Control)	247,615	661,151	908,766	55,404	964,170	55.3%
Community Development	15,584	41,610	57,194	3,487	60,681	3.5%
Community Services	49,356	131,785	181,141	11,044	192,185	11.0%
Human Services	<u>12,097</u>	<u>20,090</u>	<u>32,187</u>	<u>2,897</u>	<u>35,084</u>	<u>2.0%</u>
<b>Total Annual Recurring Costs</b>	<b>\$452,087</b>	<b>\$1,190,102</b>	<b>\$1,642,189</b>	<b>\$101,420</b>	<b>\$1,743,609</b>	100.0%
<b>Annual Surplus or (Deficit)</b>	<b>\$393,600</b>	<b>\$1,914,872</b>	<b>\$2,308,472</b>	<b>\$81,258</b>	<b>\$2,389,731</b>	
Revenue/Cost Ratio	1.87	2.61	2.41	1.80	2.37	
<b>B. GAS TAX FUND</b>						
<b><u>Annual Recurring Revenues</u></b>						
State Gas Tax Fund <sup>1</sup>	\$24,775	\$41,144	\$65,918	\$5,933	\$71,852	
<b>C. CITY REDEVELOPMENT AGENCY</b>						
<b><u>Annual RDA net revenue</u></b>						
	\$0	\$3,891,711	\$3,891,711	\$0	\$3,891,711	

1. These funds are specially earmarked for road related expenses.

Sources: Stanley R. Hoffman Associates, Inc.

City of Claremont, 2004-2006 Adopted Operating Budget.

**Projected Property Tax.** Projected property tax for the incremental growth of the General Plan at build-out is about \$603,685, as shown in Table 5. About \$101,400 of total incremental property tax is for growth in the SOI. The City General Fund is projected to receive about \$502,285 at build-out in property tax for the total Non-RDA area. The General Fund is projected to receive about 11.6 percent of the basic one percent property tax levy for incremental growth in non-RDA

**TABLE 6**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**ESTIMATED ANNUAL REDEVELOPMENT PROPERTY TAX INCREMENT**  
(in constant 2006 dollars)

Geographic Area	Incremental Commercial Valuation	Incremental Residential Valuation	Total Valuation	Gross Property Tax Increment	Net Property Tax Increment %	Net Property Tax Increment to RDA
				1.0%		
Old School House (OSH)	\$12,250,000	\$74,312,500	\$86,562,500	\$865,625	60%	\$519,375
Expanded Portion of The Village	35,085,000	312,803,200	347,888,200	3,478,882	66%	2,296,062
I-10 Freeway Commercial	21,000,000	0	21,000,000	210,000	35%	73,500
Foothill West	8,167,400	39,462,500	47,629,900	476,299	60%	285,779
Peppertree	0	21,525,000	21,525,000	215,250	35%	75,338
Quarry (Commercial/Business Park)	96,850,000	0	96,850,000	968,500	60%	581,100
Base Line	<u>3,430,350</u>	<u>6,662,500</u>	<u>10,092,850</u>	<u>100,929</u>	60%	<u>60,557</u>
	\$176,782,750	\$454,765,700	\$631,548,450	\$6,315,485		\$3,891,711

Source: Stanley R. Hoffman Associates, Inc.  
City of Claremont.

areas of the City. Property tax for the SOI is estimated based on the assumption that the City will receive about 22.0 percent of the estimated current average County General Fund property tax rate of about 31.0 percent, or about 6.8 percent.

### Projected Retail Taxable Sales and Sales Tax

As shown in Table 7, a total of \$154.26 million in retail taxable sales are projected for the incremental retail growth in the total General Plan area. The Quarry represents about \$55.86 million of the incremental projected taxable sales. Retail sales tax is estimated at about \$1.54 million. Use tax is projected at 10.5 percent of sales tax, resulting in a total estimated \$1.70 million in sales and use tax for the incremental growth. Taxable sales are based on taxable sales factors for the different types of retail uses in each area, as shown in Tables A-1 through A-8 of Appendix A.

### Hotel Transient Occupancy Tax

As shown in Table 7, an estimated \$386,820 in transient occupancy tax is projected for the incremental hotel growth at the Old Schoolhouse site and The Expanded Portion of the Village. This is based on estimated average nightly room rates and occupancy rates as shown in Tables A-1 and A-2 of Appendix A, and the City's transient occupancy tax rate of 10 percent.

## 6.0 THE CLAREMONT COLLEGES

### Fiscal Impacts

The Claremont Colleges pay property taxes on selected exempt and non-exempt properties as well as landscape and lighting assessments, utility taxes and miscellaneous other assessments and fees. The Claremont Colleges student population and employment have been included in the per capita and per resident equivalent population factors for the recurring revenues and costs

**TABLE 7**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**INCREMENTAL RETAIL SALES & USE TAX AND TRANSIENT OCCUPANCY TAX**  
(in constant 2006 dollars)

Geographic Area	Taxable Sales	Sales Tax (@1%)	Sales and Use Tax (10.5% of sales tax)	Transient Occupancy Tax
Old School House (OSH)	\$19,859,575	\$198,596	\$219,448	\$200,670
Expanded Portion of the Village	20,377,500	203,775	225,171	186,150
I-10 Freeway Commercial	32,480,000	324,800	358,904	0
Foothill West	9,188,325	91,883	101,531	0
Peppertree	6,622,861	66,229	73,183	0
Quarry (Commercial/Business Park)	55,860,000	558,600	617,253	0
Base Line	<u>9,867,350</u>	<u>98,674</u>	<u>109,034</u>	<u>0</u>
<b>TOTAL</b>	<b>\$154,255,611</b>	<b>\$1,542,556</b>	<b>\$1,704,525</b>	<b>\$386,820</b>

Source: Stanley R. Hoffman Associates, Inc.

projected for the General Plan. As shown in Table A-11, the total revenues to the City in fiscal year 2004-2005 attributable to The Claremont Colleges were estimated at \$1.16 million, and the revenues to the City's General Fund were estimated at about \$551,920.

### Economic Impacts

The local economy is strengthened by the presence of the "knowledge industry" of higher education with 6,270 students, 3,300 faculty and staff, a payroll in excess of \$120 million per year and over 60,000 visitors to The Claremont Colleges annually. About 44.0 percent of the faculty and staff live in the immediate communities of Claremont, La Verne, Montclair and Upland. As mentioned earlier, the multiplier effect of spending by these individuals also benefits merchants and the tax base of the community. As shown in Table A-12, The Claremont Colleges are the largest employer in the City, with about 57.8 percent of the jobs provided by the top ten employers in the City.

## 7.0 SOCIO-ECONOMIC AND FISCAL ASSUMPTIONS

This section presents the socio-economic and revenue and cost assumptions for the General Plan fiscal analysis. The general demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs. The City's adopted revenues and costs for fiscal year (FY) 2005-06 as presented in the *City of Claremont, 2004-2006 Adopted Operating Budget* and discussions with key City staff are the sources of data for calculating fiscal factors. The City's 2005-06 General Fund revenues and costs are shown in Appendix A, Tables A-13 and A-14, respectively.

### General Assumptions

Fiscal impacts are projected based on a per capita, per employee, or per resident equivalent population basis. The resident equivalent population is the City's population plus employment weighted at 50.0 percent. This weighting accounts for the estimated less frequent use of City

public services by employment versus the resident population. General fund revenue and cost factors were estimated by dividing the FY 2005-06 budget categories by the City's resident population, employment or total resident equivalent population where appropriate. Table 8 provides the socio-economic assumptions for this fiscal analysis.

**Population.** The City's population of 36,337 is based on the California State Department of Finance (DOF) estimates as of January 1, 2005. This includes the group quarters population of 5,346, which is largely the student population at The Claremont Colleges.

**Employment.** The City's total non-college employment has been used to calculate the business license revenues on a per employee basis. This is estimated based on the Southern California Association of Governments' (SCAG) 2004 RTP (Regional Transportation Plan) projections, which provide an estimated total City employment estimate of 11,714 for 2005. For purposes of calculating business license fees, the estimated college employment of 3,300 has been deducted, resulting in total estimated non-college employment of 8,414. The college employment is excluded from the calculation since they are exempted by the IRS and the State Board of Equalization from paying business license fees.

**Resident Equivalent Population.** Several revenues and costs are impacted by both population and employment growth. Therefore, these fiscal factors are estimated by allocating total budgeted revenues or costs to both population and employment. As shown in Table 8, an estimated resident equivalent population of 42,194 was used to calculate the fiscal factors that apply to both population and employment. This includes the resident population of 36,337 and the estimated total employment of 11,714 weighted by 50 percent (5,857).

#### Revenue Assumptions and Factors

The revenue factors used in preparing the fiscal analysis for the City's General Plan are presented in Table 9. This includes annual recurring revenues to the City's General Fund and Gas Tax fund. One-time and non-recurring revenues, such as such as permit fees, grants and reimbursements, are typically excluded from the net recurring General Fund revenue estimates. These revenues are shown in Table A-13 of Appendix A.

**Property Tax.** Property tax revenues are typically projected based on the City's estimated share of the 1 percent property tax levy for the project development. As shown in Table 9, the General Fund property tax allocation rate is estimated at 11.6 percent of the basic 1 percent tax levy for the non-RDA portion of the City. The RDA will receive a share of the basic 1 percent tax levy for the portion of the General Plan that is located within Redevelopment areas. Property tax for the Sphere of Influence (SOI) is estimated based on the assumption that the City will receive about 22.0 percent of the current County General Fund property tax rate of 31.0 percent (6.8 percent).

**Property Transfer Tax.** Sales of real property are taxed by the County of Los Angeles 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. Residential development is assumed to change ownership at an average rate of about 10.0 percent per year. Non-residential development is assumed to change ownership at an average rate of about 5.0 percent per year.

**TABLE 8  
CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS  
SOCIO-ECONOMIC ASSUMPTIONS**

Assumption	Description
	<b><u>Population and Housing</u><sup>1</sup></b>
36,337	Total Population
5,346	Group Quarters
30,991	Household Population
11,862	Total Housing Units
11,577	Occupied Housing Units
2.68	Average Household Size
2.40%	Vacancy Rate
	<b><u>Employment</u></b>
11,714	Total Employment <sup>2</sup>
5,857	Total Employment at 50% <sup>3</sup>
8,414	Total Employment less College Employment (3,300)
	<b><u>Population and Employment</u></b>
42,194	Resident equivalent population (Population + Weighted Employment)

- Notes: 1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2005.
2. The 2005 total employment estimate is based on the Southern California Association of Governments (SCAG) RTP 2004 Projections.
3. The total estimated employment was weighted by 50% to account for the estimated less frequent use of City public services by employment versus population.

Source: Stanley R. Hoffman Associates, Inc.  
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2005*.  
Southern California Association of Governments, *RTP 2004 Projections*, 2005 Estimate.

**Sales Tax.** Taxable sales assumptions for each of the geographic focus areas are shown in Tables A-1 through A-8 of Appendix A. Sales tax revenues to the local jurisdiction are projected at one percent of taxable sales. The State has reduced the local sales tax allocation (1.0 percent) by 25 percent, and replaced this with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, sales and use tax is projected at 75.0 percent of the total sales and use tax generated.

**Property Tax in Lieu of State Sales Tax.** These revenues are received by the City as part of the backfill for the State reduction of sales tax. Sales and use taxes provide a major revenue source for most municipalities in California. All cities and counties in the State levy a basic one percent

**TABLE 9**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**SUMMARY OF RECURRING REVENUE ASSUMPTIONS**  
(in constant 2006 dollars)

Revenue Source	FY 2005-06 Adopted Budget	Projection Basis <sup>1</sup>	Revenue Factor
<b><u>GENERAL FUND</u></b>			
Property Taxes General Fund	\$2,846,919	Assessed Valuation	11.60% City share of 1% tax levy
Property Taxes Sphere of Influence	n/a	Assessed Valuation	31.00% County Tax Rate 22.00% Property tax allocation - SOI area
Property Transfer Tax	n/a	Property turnover and valuation assumptions	10% residential turnover rate 5% non-residential turnover rate
Sales Tax	\$3,778,136	Taxable Sales	75.0% of 1% of taxable sales use tax is 10.5% of Sales Tax
Property Tax in Lieu of Sales Tax <sup>2</sup>	n/a	Taxable Sales	25.0% of 1% of taxable sales use tax is 10.5% of Sales Tax
Franchise Fees	\$387,600	Resident Equivalent Population	\$9.19 per resident equivalent population
Utility User Tax	\$3,748,318	Resident Equivalent Population	\$88.84 per resident equivalent population
Business License Tax	\$575,000	Non-College Employment	\$68.34 per non-college employee
Transient Occupancy Tax	\$295,000	Gross Hotel Room Receipts	10.0% Transient Occupancy Tax rate
Parking Citations and Traffic Fines	\$370,500	Resident Equivalent Population	\$8.78 per resident equivalent population
Motor Vehicle In Lieu Fees <sup>3</sup>	\$247,193	Population	\$6.80 per capita
Property Tax in Lieu of MVLF <sup>3</sup>	\$2,340,748	Population	\$64.42 per capita
Other Revenue	\$1,546,537	Resident Equivalent Population	\$36.65 per resident equivalent population
<b><u>GAS TAX</u></b>			
State Gas Tax Fund	\$633,142	Population	\$17.42 per capita

1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied to the estimated City's resident equivalent population, which represents the total population plus 50% of the employment.
2. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and used this as security for the State's "Economic Recovery Bonds." The State has replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds.
3. The State has lowered the MVLF rate, which reduces the amount of MVLF received by cities counties. However, they will provide property taxes to offset the MVLF backfill. This amount will change according to the assessed valuation for the City. For purposes of this analysis the in lieu property tax has been projected on a per capita basis.

Sources: Stanley R. Hoffman Associates, Inc.  
City of Claremont, 2004-2006 Adopted Operating Budget.  
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates, 2005.*

(1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. As of July 1, 2004, the State has reduced the local 1 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 total estimated sales and use tax generated.

**Franchise Fees.** Based on estimated FY 2005-06 franchise revenues of \$387,600 and the resident equivalent population estimate of 42,194, franchise fees are projected at \$9.19 per resident equivalent population.

**Utility User Tax.** Based on FY 2005-06 estimated utility user tax revenues of \$3.75 million and the resident equivalent population estimate of 42,194, utility user tax revenues are projected at \$88.84 per resident equivalent population.

**Business License Tax.** Based on FY 2005-06 estimated revenues of \$575,000 and the City's total non-college employment estimate of 8,414, business license taxes are projected at \$68.34 per non-college employee.

**Transient Occupancy Tax (TOT).** Transient Occupancy Taxes are projected for the hotel development in the Old Schoolhouse (OSH) and The Expanded Portion of the Village geographic areas. The City's Transient Occupancy Tax rate is 10.0 percent of gross receipts. Transient Occupancy Taxes are projected based on estimated average daily room rates and estimated rates of occupancy as shown in Tables A-1 and A-2 of Appendix A.

**Parking Citations and Traffic Fines.** Based on FY 2005-06 estimated parking citations and traffic fines of \$370,500 and the resident equivalent population estimate of 42,194, these revenues are projected at \$8.78 per resident equivalent population.

**Motor Vehicle In Lieu Fees.** Based on FY 2005-06 estimated revenues of \$247,193 and the City's total population of 36,337, motor vehicle in lieu taxes are projected at \$6.80 per capita.

**Property Tax in Lieu of MVLF.** 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 increases with the annual growth in assessed valuation Citywide. For purposes of this analysis, these revenues are allocated on a per capita basis. Based on FY 2005-06 estimated revenues of \$2.34 million and the City's total population of 36,337, property tax in lieu of motor vehicle license fees are projected at \$64.42 per capita. In reality, the property tax in lieu of MLVF amount received by the City could potentially be higher or lower depending upon the change in assessed valuation over time.

**Other Revenues.** These revenues are projected at \$36.65 per resident equivalent based on estimated FY 2005-06 revenues of \$1.55 million and the resident equivalent population estimate of 42,194.

**State Gas Tax Fund.** The State Controller allocates State gas taxes to cities. These revenues are projected at \$17.42 per capita based on estimated FY 2005-06 revenues of \$633,142 and the City's total population estimate of 36,337.

### **Cost Assumptions and Factors**

Table 10 provides the recurring General Fund cost factors developed from the City's recurring Fiscal Year 2005-06 expenditures. The General Fund expenditures are included in Table A-14 of Appendix A. As with revenues, cost factors are projected primarily on a per capita basis or per resident equivalent population. The FY 2005-06 estimated one-time revenues for certain General Fund categories are deducted where applicable to arrive at a net recurring cost. Community Development costs are shown as net costs, assuming that one-time fee revenues will offset a portion of these costs. Human Services costs are also shown as net costs, assuming that Human Service fees from the City's Recreation Fund will offset a portion of these costs.

**TABLE 10**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**SUMMARY OF RECURRING COST ASSUMPTIONS**  
(in constant 2006 dollars)

Cost Category	FY 2005-06 Adopted Budget	Projection Basis <sup>1</sup>	Cost Factor
General Government	\$4,702,145	Percent of direct costs	39.25% of direct General Fund costs
Public Safety (Police and Animal Control)	\$6,865,159	Resident Equivalent Population	\$162.70 per resident equivalent population
Community Development <sup>2</sup>	\$1,427,065	Resident Equivalent Population	\$10.24 per resident equivalent population
Community Services <sup>3</sup>	\$1,368,408	Resident Equivalent Population	\$32.43 per resident equivalent population
Human Services <sup>4</sup>	\$1,628,545	Population	\$8.51 per capita

1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied to the estimated City's resident equivalent population, which represents the total population plus 50% of the employment.
2. Costs are net costs, and assume that one-time planning, engineering and building Fees will offset a portion of Community Development Costs.
3. Community Services includes park/facility maintenance, sidewalk and streets maintenance, street sweeping and cemetery maintenance.
4. Human Services includes youth programs, recreation classes and facilities, senior citizen/social services and community special events. Costs are net costs and assume that Recreation Fund Human Services fees will offset a portion of Human Services costs.

Source: Stanley R. Hoffman Associates, Inc  
City of Claremont, 2004-2006 Adopted Operating Budget.

**General Government.** General government citywide functions include several categories of administration, or indirect expenditures. General government citywide functions include City Manager, Administrative Services and General Government. The general government overhead costs are projected as a percent of direct General Fund costs, or 39.25 percent of the City's direct department services costs, as shown in Table A-14 of Appendix A.

**Public Safety.** The public safety category includes police and animal control. Based on FY 2005-06 estimated public safety costs of \$6.87 million and the resident equivalent population estimate of 42,194, public safety costs are projected at \$162.70 per resident equivalent population.

**Community Development.** These costs are projected at a net cost of \$10.24 per resident equivalent population based on estimated FY 2005-06 costs of \$1.43 million less \$995,000 of development review fees and building permit and plan check fees. The calculation for net costs is shown in Table A-15 of Appendix A.

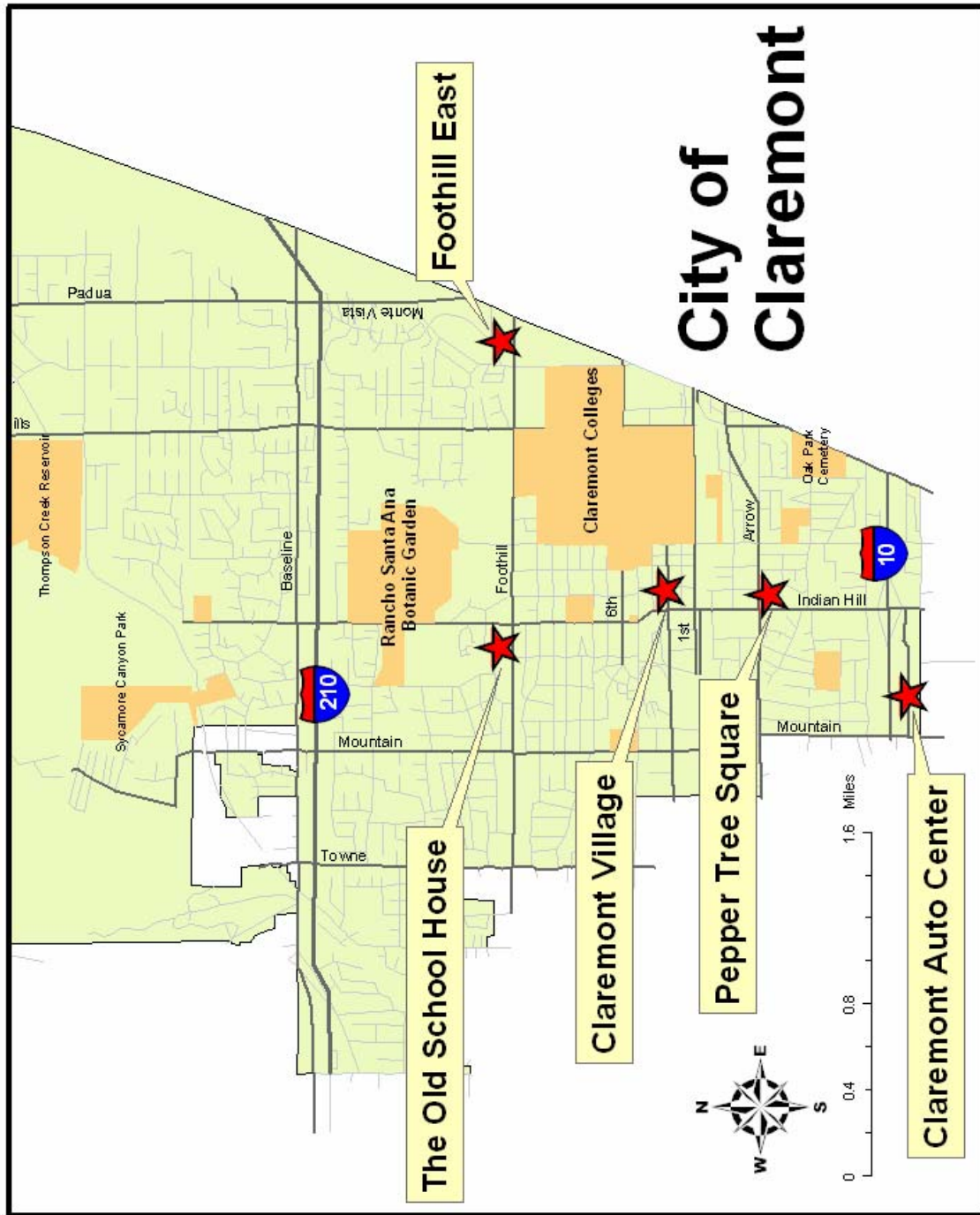
**Community Services.** These costs are projected at \$32.43 per resident equivalent population based on estimated FY 2005-06 costs of \$1.37 million. Community Services includes park/facility maintenance, sidewalk and streets maintenance, street sweeping and cemetery maintenance.

Human Services. This category includes youth programs, recreation classes and facilities, senior citizen/social services and community special events. These costs are projected at a net cost of \$8.51 per capita based on estimated FY 2005-06 costs of \$1.63 million less \$1.32 million of Recreation Fund human service fees. The calculation for net costs is shown in Table A-16 of Appendix A.

**APPENDIX A  
SUPPORTING TABLES AND FIGURES**

Figure 1	Geographic Sub-Areas
Table A-1	Development Assumptions by Area: Old School House (OSH)
Table A-2	Development Assumptions by Area: The Expanded Portion of the Village
Table A-3	Development Assumptions by Area: I-10 Freeway Commercial
Table A-4	Development Assumptions by Area: Foothill West
Table A-5	Development Assumptions by Area: University Colleges
Table A-6	Development Assumptions by Area: Peppertree
Table A-7	Development Assumptions by Area: Quarry
Table A-8	Development Assumptions by Area: Base Line
Table A-9	Non-Residential Development by Geographic Area
Table A-10	Incremental Employment by Geographic Area
Table A-11	Estimated Revenues from The Claremont Colleges
Table A-12	Top Employers in the City of Claremont
Table A-13	Summary of General Fund Revenues, 2005-2006
Table A-14	Summary of General Fund Expenditures, 2005-2006
Table A-15	General Fund Community Development Costs
Table A-16	General Fund Human Services Costs

**Figure 1**  
Geographic Sub-Areas



**TABLE A-1  
CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS  
DEVELOPMENT ASSUMPTIONS BY AREA  
OLD SCHOOL HOUSE (OSH)**

Existing	Assumptions	Draft GP	Change
<b>RETAIL</b>			
17,105	Square Feet	60,235	43,130
n/a	Retail Sales/SF <sup>1</sup>	\$225	
<b>n/a</b>	<b>Net Retail Sales Tax</b>	<b>\$135,529</b>	<b>\$135,529</b>
<b>RESTAURANT</b>			
20,000	Square Feet	41,250	21,250
n/a	Retail Sales/SF <sup>1</sup>	\$270	
<b>n/a</b>	<b>Net Restaurant Sales Tax</b>	<b>\$111,375</b>	<b>\$111,375</b>
<b>OFFICE</b>			
60,235	Square Feet	60,235	0
<b>HOTEL</b>			
280	Rooms	194	(86)
n/a	Transient Occupancy Tax	10%	
n/a	Occupancy	70%	
n/a	Room Rate	\$100	
n/a	Days/Year	365	
<b>\$11,500,000</b>	<b>Valuation<sup>2</sup></b>	<b>\$19,500,000</b>	<b>\$8,000,000</b>
<b>\$295,000</b>	<b>Transient Occupancy Tax</b>	<b>\$495,670</b>	<b>\$200,670</b>
<b>THEATRE</b>			
300	Seats	300	0
n/a	Food-Beverage/Seat	\$15	
150	Days/Year	150	
<b>n/a</b>	<b>Net Theatre Retail Sales Tax</b>	<b>\$6,750</b>	<b>\$6,750</b>
<b>\$295,000</b>	<b>TOTAL TOT</b>	<b>\$495,670</b>	<b>\$200,670</b>
<b>\$55,058</b>	<b>TOTAL SALES TAX</b>	<b>\$253,654</b>	<b>\$198,596</b>

1. Incremental retail sales tax is estimated at average sales per square foot based on data from ULI's *Dollars & Cents of Shopping Centers: 2004*.
2. New valuation is estimated at \$19.5 million based on the estimated existing valuation plus estimated improvements of \$8.0 million, or \$100,515 per room (194 rooms), per developer Harry Wu.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-2  
CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS  
DEVELOPMENT ASSUMPTIONS BY AREA  
EXPANDED PORTION OF THE VILLAGE**

Existing	Assumptions	Draft GP	Change
<b>RETAIL</b>			
0	Square Feet	43,500	43,500
	Retail Sales/SF	\$225	
<b>\$0</b>	<b>Net Retail Sales Tax</b>	<b>\$97,875</b>	<b>\$97,875</b>
<b>RESTAURANT</b>			
0	Square Feet	30,000	30,000
	Retail Sales/SF	\$270	
<b>\$0</b>	<b>Net Restaurant Sales Tax</b>	<b>\$81,000</b>	<b>\$81,000</b>
<b>OFFICE</b>			
0	Square Feet	61,300	61,300
<b>HOTEL</b>			
	Rooms	40	40
	TOT	10%	
	Occupancy	85%	
	Room Rate	\$150	
	Days/Year	365	
	Valuation/room <sup>1</sup>	\$150,000	
<b>\$0</b>	<b>Valuation</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>
<b>\$0</b>	<b>Transient Occupancy Tax</b>	<b>\$186,150</b>	<b>\$186,150</b>
<b>THEATRE</b>			
	Seats	830	830
	Food-Beverage/Seat	\$15	
	Days/Year	200	
	Valuation/Seat	\$2,560	
<b>\$0</b>	<b>Valuation<sup>2</sup></b>	<b>\$2,125,000</b>	<b>\$2,125,000</b>
<b>\$0</b>	<b>Net Theatre Sales Tax</b>	<b>\$24,900</b>	<b>\$24,900</b>
<b>\$0</b>	<b>TOTAL TOT</b>	<b>\$186,150</b>	<b>\$186,150</b>
<b>\$0</b>	<b>TOTAL RETAIL SALES TAX</b>	<b>\$203,775</b>	<b>\$203,775</b>

1. Based on an estimated \$150,000 per key for hotel valuation as provided by the hotel developer.

2. Based on an estimated theatre size of 17,000 square feet, as provided by Laemmle Theatres. Total valuation at \$125 per square foot is estimated at about \$2.13 million, or \$2,560 per seat.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-3  
CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS  
DEVELOPMENT ASSUMPTIONS BY AREA  
I-10 FREEWAY COMMERCIAL**

Existing	Assumptions	Draft GP	Change
<b>RETAIL<sup>1</sup></b>			
285,000	Square Feet	425,000	140,000
n/a	Retail Sales/SF	n/a	\$232
<b>n/a</b>	<b>Net Retail Tax</b>	<b>\$324,800</b>	<b>\$324,800</b>
<b>AUTO DEALERS</b>			
120,000	Square Feet	120,000	0
n/a	Retail Sales/SF	n/a	
<b>n/a</b>	<b>Net Retail Tax</b>	<b>n/a</b>	<b>\$0</b>
<b>HOTEL</b>			
71,874	Square Feet	71,874	0
180	Rooms	180	0
<b>\$2,677,003</b>	<b>TOTAL RETAIL SALES TAX</b>	<b>\$3,001,803</b>	<b>\$324,800</b>

1. This represents the expansion of existing retail development by 140,000 square feet. Sales per square feet are estimated at \$232 based on data provided by City staff, resulting in an estimated \$324,800 in sales tax to the City. When added to the existing sales tax of \$2.68 million, this results in an estimated \$3.00 million in sales tax at General Plan build-out.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-4**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**DEVELOPMENT ASSUMPTIONS BY AREA**  
**FOOTHILL WEST**

Existing	Assumptions	Draft GP	Change
<b>RETAIL</b>			
210,286	Square Feet	251,123	40,837
n/a	Retail Sales/SF	n/a	\$225
<b>n/a</b>	<b>TOTAL RETAIL SALES TAX</b>	<b>n/a</b>	<b>\$91,883</b>

1. Incremental retail sales tax is estimated at an average of \$225 per square foot based on data from ULI's *Dollars & Cents of Shopping Centers: 2004*.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-5**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**DEVELOPMENT ASSUMPTIONS BY AREA**  
**THE CLAREMONT COLLEGES**

Existing	Assumptions	Draft GP	Change
6,270	Students	6,700	430
3,300	Employment	3,500	200

Source: Stanley R. Hoffman Associates, Inc.  
The Claremont University Consortium.

**TABLE A-6**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**DEVELOPMENT ASSUMPTIONS BY AREA**  
**PEPPERTREE**

Existing	Assumptions	Draft GP	Change
<b>RETAIL</b>			
51,074	Square Feet	51,074	0
n/a	Retail Sales/SF	\$210	
<b>\$41,027</b>	<b>TOTAL RETAIL SALES TAX</b>	<b>\$107,256</b>	<b>\$66,229</b>

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-7**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**DEVELOPMENT ASSUMPTIONS BY AREA**  
**QUARRY**

Existing	Assumptions	Draft GP	Change
<b>OFFICE</b>			
0	Square Feet	479,000	479,000
<b>RETAIL</b>			
0	Square Feet	266,000	266,000
	Retail Sales/SF	\$210	
<b>\$0</b>	<b>TOTAL RETAIL SALES TAX</b>	<b>\$558,600</b>	<b>\$558,600</b>

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-8  
CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS  
DEVELOPMENT ASSUMPTIONS BY AREA  
BASE LINE**

Existing <sup>1</sup>	Assumptions	Draft GP	Change
<b>RETAIL</b>			
54,359	Convenience Retail Square Feet	75,728	21,369
n/a	Retail Sales/SF <sup>2</sup>	\$200	
\$0	Service Station Square Feet	1,500	1,500
	Retail Sales per Station <sup>3</sup>	\$3,021,750	
<b>54,359</b>	<b>Total Square Feet</b>	<b>77,228</b>	<b>22,869</b>
<b>\$83,000</b>	<b>TOTAL RETAIL SALES TAX</b>	<b>\$181,674</b>	<b>\$98,674</b>

1. Existing square feet and sales tax were provided by the City.
2. Based on California State Board of Equalization data for Los Angeles County in 2004. This includes the categories of grocery, fast food, gifts and novelties, drugstores and liquor.
3. Taxable sales per service station are based on the estimated annual taxable sales per service station for Claremont in 2004, according to California State Board of Equalization data.

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

**TABLE A-9**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**NON-RESIDENTIAL DEVELOPMENT BY GEOGRAPHIC AREA**

Geographic Area	Unit Basis	Existing	Draft General Plan	Incremental Change
<b>Old School House (OSH)</b>				
Office	Square Feet	60,235	60,235	0
Retail	Square Feet	17,105	17,105	0
Restaurant	Square Feet	20,000	41,250	21,250
Theatre	Seats	300	300	0
Hotel	Rooms	280	194	(86)
<b>Expanded Portion of the Village</b>				
Retail	Square Feet	0	43,500	43,500
Restaurant	Square Feet	0	30,000	30,000
Office	Square Feet	0	61,300	61,300
Hotel	Rooms	0	40	40
Theatre	Seats	0	830	830
<b>I-10 Freeway Commercial</b>				
Retail	Square Feet	285,000	425,000	140,000
Auto Dealers (Retail)	Square Feet	120,000	120,000	0
Hotel	Rooms	180	180	0
<b>Foothill West</b>				
Retail	Square Feet	210,286	251,123	40,837
<b>Peppertree</b>				
Retail	Square Feet	51,074	51,074	0
<b>The Claremont Colleges</b>				
Students	Students	6,270	6,700	430
<b>Quarry</b>				
Office	Square Feet	0	479,000	479,000
Retail	Square Feet	0	266,000	266,000
<b>Base Line</b>				
Retail	Square Feet	54,359	77,228	22,869
<b>Total Office Sq. Ft.</b>		<b>60,235</b>	<b>600,535</b>	<b>540,300</b>
<b>Total Retail Sq. Ft.</b>		<b>757,824</b>	<b>1,267,921</b>	<b>510,097</b>
<b>Total Hotel Rooms</b>		<b>460</b>	<b>414</b>	<b>(46)</b>

Source: Stanley R. Hoffman Associates, Inc.  
City of Claremont.

**TABLE A-10  
CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS  
INCREMENTAL EMPLOYMENT BY GEOGRAPHIC AREA**

Geographic Area	Assumptions	Unit Basis	EMPLOYMENT		
			Existing	Draft General Plan	Incremental Change
<b>Old School House (OSH)</b>					
Office	250	SF/EMP	241	241	0
Retail	500	SF/EMP	34	34	0
Restaurant	250	SF/EMP	80	165	85
Theatre	0.05	EMP/SEAT	15	15	0
Hotel	0.65	EMP/ROOM	<u>182</u>	<u>126</u>	<u>(56)</u>
<b>Sub-total</b>			<b>552</b>	<b>581</b>	<b>29</b>
<b>Expanded Portion of the Village</b>					
Retail	500	SF/EMP	0	87	87
Restaurant	250	SF/EMP	0	120	120
Office	250	SF/EMP	0	245	245
Hotel	0.65	EMP/ROOM	0	26	26
Theatre	0.05	EMP/SEAT	<u>0</u>	<u>42</u>	<u>42</u>
<b>Sub-total</b>			<b>0</b>	<b>520</b>	<b>520</b>
<b>I-10 Freeway Commercial</b>					
Retail	500	SF/EMP	570	850	280
Auto Dealers	750	SF/EMP	160	160	0
Hotel	0.65	EMP/ROOM	<u>117</u>	<u>117</u>	<u>0</u>
<b>Sub-total</b>			<b>847</b>	<b>1,127</b>	<b>280</b>
<b>Foothill West</b>					
Retail	500	SF/EMP	<u>421</u>	<u>502</u>	<u>82</u>
<b>Sub-total</b>			<b>421</b>	<b>502</b>	<b>82</b>
<b>Peppertree</b>					
Retail	500	SF/EMP	<u>102</u>	<u>102</u>	<u>0</u>
<b>Sub-total</b>			<b>102</b>	<b>102</b>	<b>0</b>
<b>The Claremont Colleges<sup>1</sup></b>					
Faculty/Staff	n/a	n/a	<u>3,300</u>	<u>3,500</u>	<u>200</u>
<b>Sub-total</b>			<b>3,300</b>	<b>3,500</b>	<b>200</b>
<b>Quarry</b>					
Office	250	SF/EMP	0	1,916	1,916
Retail	500	SF/EMP	<u>0</u>	<u>532</u>	<u>532</u>
<b>Sub-total</b>			<b>0</b>	<b>2,448</b>	<b>2,448</b>
<b>Base Line</b>					
Retail	500	SF/EMP	<u>109</u>	<u>154</u>	<u>46</u>
<b>Sub-total</b>			<b>109</b>	<b>154</b>	<b>46</b>
<b>TOTAL</b>			<b>5,330</b>	<b>8,935</b>	<b>3,604</b>

1. Information on The Claremont Colleges employment was provided by the Claremont University Consortium, March 2005.

Source: Stanley R. Hoffman Associates, Inc.

**TABLE A-11**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**ESTIMATED REVENUES FROM THE CLAREMONT COLLEGES**  
**ANNUAL REVENUES PAID TO THE CITY, FISCAL YEAR 2004/2005**

Categories	Totals	General Fund
Property Tax/Assessments		
"Exempt" Properties	\$487,100	
"Non-Exempt" Properties	\$20,531	
<i>Paid to City for landscape &amp; lighting</i>	\$99,758	
Utility Taxes		
Electric	\$218,360	\$218,360
Gas	\$108,267	\$108,267
Water	\$28,930	\$28,930
Telephone	\$85,957	\$85,957
Other		
Building Permits/Fees <sup>1</sup>	\$110,406	\$110,406
Vehicle Registration Fees	n/a	n/a
<b>TOTAL</b>	<b>\$1,159,309</b>	<b>\$551,920</b>

1. As reported by the City's Building Department for Fiscal Year 2004/2005.

Source: Stanley R. Hoffman Associates, Inc.  
The Claremont University Consortium.

**TABLE A-12**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**TOP EMPLOYERS IN THE CITY OF CLAREMONT**

Name	Type	Employees	% of Total
The Claremont Colleges <sup>1</sup>	Education	3,300	57.8%
Claremont Unified School District	Education	750	13.1%
Hi-Rel Connectors, Inc.	Manufacturing	300	5.3%
City of Claremont	Local Government	259	4.5%
Claremont Auto Center	Retail	240	4.2%
Claremont Manor	Retirement Home	230	4.0%
Technip Coflex	Engineering	205	3.6%
Pilgrim Place	Retirement Home	180	3.2%
Indian Hill Nursing & Rehabilitation	Medical	124	2.2%
Webb Schools of California	Education	119	2.1%
<b>Total</b>		<b>5,707</b>	<b>100.0%</b>

1. Estimated college faculty and staff employment per The Claremont University Consortium.

Source: Stanley R. Hoffman Associates, Inc.

City of Claremont website: [www.ci.claremont.ca.us](http://www.ci.claremont.ca.us)

**TABLE A-13**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**FISCAL ANALYSIS**  
**SUMMARY OF GENERAL FUND REVENUES, 2005-2006**  
(in constant 2006 dollars)

Revenue Category	Total	Non-recurring	Recurring
<b><u>Taxes and Franchises</u></b>			
Property Tax	\$2,846,919	\$0	\$2,846,919
Property Tax in Lieu of MVLF	2,340,748	0	2,340,748
Franchise Fees	387,600	0	387,600
Sales Tax	3,778,136	0	3,778,136
Property Tax in Lieu of Sales Tax	1,040,391	0	1,040,391
Utility User Tax	3,748,318	0	3,748,318
Transient Occupancy Tax	<u>295,000</u>	<u>0</u>	<u>295,000</u>
<i>Subtotal</i>	<b>\$14,437,112</b>	<b>\$0</b>	<b>\$14,437,112</b>
<b><u>Licenses, Permits, and Service Charges</u></b>			
Business License Tax	575,000	\$0	\$575,000
Development Review Fees	120,000	120,000	0
Building Permits & Plan Check	<u>875,000</u>	<u>875,000</u>	<u>0</u>
<i>Subtotal</i>	<b>\$1,570,000</b>	<b>\$995,000</b>	<b>\$575,000</b>
<b><u>Intergovernmental Revenues</u></b>			
Motor Vehicle in Lieu Fees	<u>\$247,193</u>	<u>\$0</u>	<u>\$247,193</u>
<i>Subtotal</i>	<b>\$247,193</b>	<b>\$0</b>	<b>\$247,193</b>
<b><u>Use of Money</u></b>			
Overhead Credit	<u>\$1,051,727</u>	<u>\$1,051,727</u>	<u>\$0</u>
<i>Subtotal</i>	<b>\$1,051,727</b>	<b>\$1,051,727</b>	<b>\$0</b>
<b><u>Fines, Forfeitures &amp; Penalties</u></b>			
Traffic Fines	\$280,500	\$0	\$280,500
Parking Citations	<u>90,000</u>	<u>0</u>	<u>90,000</u>
<i>Subtotal</i>	<b>\$370,500</b>	<b>\$0</b>	<b>\$370,500</b>
<b><u>Miscellaneous</u></b>			
Other Revenue	<u>\$1,546,537</u>	<u>\$0</u>	<u>\$1,546,537</u>
<i>Subtotal</i>	<b>\$1,546,537</b>	<b>\$0</b>	<b>\$1,546,537</b>
<b>General Fund Total</b>	<b>\$19,223,069</b>	<b>\$2,046,727</b>	<b>\$17,176,342</b>

Source: Stanley R. Hoffman Associates, Inc.  
City of Claremont, 2004-2006 Adopted Operating Budget.

**TABLE A-14**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**SUMMARY OF GENERAL FUND EXPENDITURES, 2005-2006**  
(in constant 2006 dollars)

General Fund Expenditures	Total	General Government	Non-General Government
<u>General Government</u>			
City Manager	\$548,806	\$548,806	
Administrative Services	1,529,645	1,529,645	
General Government	2,114,641	2,114,641	
Debt Service	509,053	509,053	
<u>Non-General Government</u>			
Community Development	\$1,427,065		\$1,427,065
Public Safety	6,865,159		6,865,159
Community Services	1,368,408		1,368,408
Human Services	1,628,545		1,628,545
Net Transfers (In/Out)	\$690,000		\$690,000
<b>TOTAL GENERAL FUND</b>	<b>\$16,681,322</b>	<b>\$4,702,145</b>	<b>\$11,979,177</b>

**CALCULATION OF GENERAL GOVERNMENT COSTS**

Total General Fund Expenditures			\$16,681,322
		<i>minus</i>	
General Government Costs			<u>\$4,702,145</u>
	Direct General Fund Costs	<i>equals</i>	\$11,979,177
General Government as a percent of Direct General Fund			<b>39.25%</b>

Source: Stanley R. Hoffman Associates, Inc.  
City of Claremont, 2004-2006 Adopted Operating Budget.

**TABLE A-15**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**GENERAL FUND COMMUNITY DEVELOPMENT COSTS**  
(in constant 2006 dollars)

Total General Fund Community Development Costs		\$1,427,065
<u>One-Time Revenues</u>		
Development Review Fees		120,000
Building Permits and Plan Check		<u>875,000</u>
Total One-Time Fees	<i>minus</i>	\$995,000
<b>Net Recurring Costs<sup>1</sup></b>	<i>equals</i>	\$432,065
<b>Net Cost per Resident Equivalent Population</b>		\$10.24

1. Costs are net costs, and assume that one-time fees will offset a portion of Community Development costs.

Source: Stanley R. Hoffman Associates, Inc.  
City of Claremont, 2004-2006 Adopted Operating Budget.

**TABLE A-16**  
**CITY OF CLAREMONT GENERAL PLAN FISCAL ANALYSIS**  
**GENERAL FUND HUMAN SERVICES COSTS**  
(in constant 2006 dollars)

Total Human Services Costs		\$1,628,545
<u>One-Time Revenues</u>		
Recreation Fund Human Service Fees	<i>minus</i>	\$1,319,395
<b>Net Recurring Costs<sup>1</sup></b>	<i>equals</i>	<b>\$309,150</b>
<b>Net Cost per Capita</b>		<b>\$8.51</b>

1. Costs are net costs, and assume that Human Service fees from the Recreation Fund will offset a portion of Human Services Costs

Source: Stanley R. Hoffman Associates, Inc.  
City of Claremont, 2004-2006 Adopted Operating Budget.

APPENDIX B  
PERSONS AND AGENCIES CONTACTED

City of Claremont

Belle Newman, Principal Planner  
909-399-5470

Brian Desatnik, Housing and Redevelopment Manager  
909-399-5341

Matt Hawkesworth, Finance Manager/Treasurer  
909-399-5346

Lisa Prasse, City Planner  
909-399-5470

EDAW

Laura Stetson, Principal

Jose Rodriguez, Project Manager  
626-304-0102

Other

Brenda Barham-Hill, CEO  
The Claremont University Consortium  
909-621-8026

Danny Nguyen, Tax Division  
County of Los Angeles Department of Auditor-Controller  
213-974-5287

Kevin Gallagher  
Laemmle Theatres  
310-702-0362