

M E M O R A N D U M			
TO:	Lilly Whalen Community Development Director City of Pinole	DATE:	July 22, 2022
FROM:	Roger Dale Managing Principal The Natelson Dale Group, Inc. (TNDG)	FILE:	#4167
SUBJECT:	Fiscal Impact Analysis (FIA) – Proposed Pinole Vista Residential Project		

Introduction

This memorandum summarizes a fiscal impact analysis (FIA) completed by The Natelson Dale Group, Inc. (TNDG) for the proposed Pinole Vista residential development project. In particular, the analysis focuses on annually recurring revenue and cost impacts to the City's General Fund. Consistent with the City's request, TNDG's analysis compares the fiscal impacts for the proposed project to the impacts that would result if existing structure on the project site (a vacant Kmart building) were re-tenanted with retail commercial uses.

Description of Proposed Project

The project applicant proposes to redevelop a portion of the existing Pinole Vista shopping center. The project would involve demolition of the vacant Kmart building at 1500 Fitzgerald Drive and redevelopment of the site with 223 rental apartment units. The breakdown of the apartments by affordability level would be as follows:

- 196 market-rate units
- 14 units affordable to households with 80 percent of Area Median Income (AMI)
- 13 units affordable to households with 50 percent of AMI

As a point of comparison, the FIA also calculates the fiscal impacts which would result under a hypothetical scenario in which the existing Kmart building would be re-tenanted with 70,000 square feet of commercial uses. For purposes of the FIA, the assumed tenant mix for the commercial scenario would be as follows:

- 10,000 square feet of restaurant/fast food space
- 30,000 square feet of other retail space
- 30,000 square feet of services space

Key Economic Issues Evaluated in this Report

Given that the proposed residential project would reduce the retail footprint of the overall Pinole Vista shopping center, the City of Pinole is concerned about the potential fiscal impacts of the proposed project (especially the potential loss of sales tax revenue associated with retail

commercial development). As such, ***a primary purpose of this report is to compare the fiscal impacts of the proposed residential project to the fiscal impacts that would result if the site (i.e., the vacant Kmart building) were re-tenanted with retail uses.***

An accurate analysis of fiscal impacts requires careful ***consideration of the market feasibility of the assumed land uses for each development scenario.*** Most significantly, the “baseline” projection of sales tax potential for retail reuse of the site’s existing commercial building needs to reflect a realistic understanding of the site’s actual opportunities (or lack of opportunities) for future retail commercial development. This point is particularly important for decisionmakers in that any discussion of foregone sales tax revenues is valid only if it is likely that, in the absence of the proposed rezoning, the site would be re-occupied with commercial uses in the foreseeable future. To the extent that demand for future commercial development on the site is limited, concerns about “lost” fiscal revenues would be less valid.

To ensure “market realistic” land use assumptions for the retail re-tenanting scenario, the FIA draws on the findings of a market study¹ completed by TNDG as part of the preparation of the City’s Economic Development Strategy. TNDG’s market demand analysis is not intended to provide a full-blown market feasibility study (such as a developer or investor would require) but provides a basis for the market assumptions necessary for the FIA commercial scenario and to “frame” the overall decision-making process from the City’s perspective.

Executive Summary

This section of the memorandum provides an abbreviated summary of the fiscal impact analysis. The detailed fiscal impact calculations are provided in Appendix A (proposed residential project) and Appendix B (retail re-tenanting scenario).

A. Annually Recurring Impacts to City’s General Fund

Table 1 below provides a summary of projected General Fund revenues and expenditures associated with the two development scenarios considered in this report. As shown on the table, development of the subject site with the proposed residential project would generate a slightly negative fiscal impact to the City’s General Fund of approximately \$2,500 per year. Theoretically, re-tenanting of the existing building with retail uses would generate a significant General Fund surplus to the City of approximately \$313,000 per year. As a practical matter, however, market demand for retail reuse of the site is uncertain and could take 10 years or longer to be realized (see additional discussion below).

¹ See separate memorandum (“Pinole Economic Development Strategy – Summary of Real Estate Demand Projections”) dated July 18, 2022.

Table 1**Summary of Annual Impacts to General Fund****Retail Re-Tenancing Scenario compared to Proposed Residential Project****City of Pinole**

General Fund Revenue/Cost Categories	Retail Re-Tenancing Scenario	Proposed Residential Project	Difference
<u>Revenues</u>			
Property Tax	\$28,939	\$137,806	\$108,866
Property Tax in lieu of VLF	11,178	53,229	42,051
Real Property Documentary Transfer Tax	866	4,125	3,259
State Sales Tax	149,625	35,371	(114,254)
Measure S Sales Tax	149,625	35,371	(114,254)
Utility Franchise Tax	2,350	17,595	15,244
Business License Tax	6,685	0	(6,685)
Utility Users Tax	3,343	25,021	21,679
Fines and Forfeitures	67	498	431
<i>Total Revenues</i>	<i>\$352,678</i>	<i>\$309,015</i>	<i>(\$43,663)</i>
<u>Expenditures</u>			
Police Department	\$18,685	\$139,868	\$121,184
Fire Department	11,845	88,668	76,823
Community Development	824	6,170	5,346
Public Works	6,422	48,071	41,649
Community Services	0	11,654	11,654
General Government (1)	2,191	17,077	14,886
<i>Total Expenditures</i>	<i>\$39,967</i>	<i>\$311,509</i>	<i>\$271,542</i>
<i>Net General Fund Fiscal Impact</i>	<i>\$312,711</i>	<i>(\$2,494)</i>	<i>(\$315,205)</i>

1. Includes City Council, City Manager, City Clerk, City Treasurer, City Attorney, Finance and Human Resources.

Source: TNDG.

B. Feasibility of Retail Re-Tenancing of Existing Kmart Building

As part of the firm's work on the City of Pinole's Economic Development Strategy, TNDG completed a long-range market demand study for retail, office and industrial land uses. Table 2 on the next page provides an abbreviated summary of the retail demand projections. TNDG's market study forecasts incremental demand for new retail space citywide based on anticipated population growth in Pinole and the surrounding retail trade area (which is assumed to include the neighboring cities of Hercules, San Pablo and Richmond). The study considers a conservative scenario in which Pinole's capture rates of local and regional demand are expected to remain at existing levels, and a more aggressive scenario in which Pinole's capture rates are projected to increase slightly.

Under the conservative demand projections, Pinole could potentially absorb up to 188,000 square feet of new retail space by 2040; under the more aggressive scenario, absorption by 2040 could reach 318,000 square feet. After adjusting these projections to account for the demand that would be absorbed with the proposed expansion of the Pinole Square (Safeway) shopping center², the remaining demand available in 2040 to support other retail projects in Pinole would be approximately 142,000 square feet under the conservative scenario and approximately 272,000 square feet under the aggressive scenario.

In addition to forecasting demand for the 2040 horizon year, TNDG's market study also projects demand for the following interim years (as shown on Table 2): 2025, 2027, 2030 and 2035. Based on these projections, net available demand would not exceed 70,000 square feet (the amount assumed to be needed to support viable reuse of the vacant Kmart building) until sometime between 2030 and 2035. Thus, even under the unrealistic assumption that Pinole Vista would capture 100% of available demand during this time period, re-tenancing of the Kmart building with retail uses could take 10 to 12 years.

Under the more aggressive demand projections, retail reuse of the Kmart building could theoretically happen by 2025. However, TNDG considers the aggressive demand projections to be somewhat speculative; they are primarily provided for "aspirational" purposes in the context of the City's Economic Development Strategy, but do not necessarily represent the near-term feasibility of a specific development project.

² The proposed reconfiguration of Pinole Square would result in a net increase of approximately 46,000 square feet of retail and services space.

Table 2

Net Demand for Retail Space (CITYWIDE)

City of Pinole

Expressed in Square Feet

	<u>2025</u>	<u>2027</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>
<u>CONSERVATIVE SCENARIO</u>					
Grocery Stores	16,713	18,780	22,187	29,424	38,416
Other Retail/Services	65,018	73,677	88,083	116,489	150,461
Total	<u>81,731</u>	<u>92,456</u>	<u>110,269</u>	<u>145,913</u>	<u>188,876</u>

Adjusted for new space absorbed by Pinole Square:

Grocery Stores	334	2,401	5,808	13,045	22,037
Other Retail/Services	34,984	43,643	58,049	86,455	120,427
Total	<u>35,318</u>	<u>46,043</u>	<u>63,856</u>	<u>99,500</u>	<u>142,463</u>

**AGGRESSIVE
SCENARIO**

Grocery Stores	16,713	18,780	22,187	29,424	38,416
Other Retail/Services	130,290	151,218	180,710	230,824	280,323
Total	<u>147,003</u>	<u>169,998</u>	<u>202,896</u>	<u>260,248</u>	<u>318,738</u>

Adjusted for new space absorbed by Pinole Square:

Grocery Stores	334	2,401	5,808	13,045	22,037
Other Retail/Services	100,256	121,184	150,676	200,790	250,289
Total	<u>100,590</u>	<u>123,585</u>	<u>156,483</u>	<u>213,835</u>	<u>272,325</u>

Source: TNDG.

One-time Development Fee Revenues

Table 3 below provides an estimate of the one-time impact fee revenue that would be generated by the proposed residential development project. The project would pay a total of approximately \$2.3 million in development impact fees to the City of Pinole. Since the commercial reuse scenario would involve re-tenanting of an existing building it would not generate substantial development impact fees.

Table 3
Summary of Development Impact Fees
Pinole Vista Residential Project
City of Pinole

Development Impact Fee Category	Total Fee
Police	\$194,104
Fire	248,045
Public Facilities & Equipment	334,719
Wastewater (1)	0
Transportation	65,680
Drainage	14,783
Growth Impact Total	\$857,331
Parks & Recreation	1,353,844
<i>Subtotal</i>	<i>\$2,211,175</i>
Administration @3%	66,335
<i>Total</i>	<i>\$2,277,510</i>

(1) Wastewater impact fee is not collected by City;
project site is within West County Wastewater District.

Source: City of Pinole.

It should be noted that impact fees are generally designed to be cost recovery revenues (i.e., they are intended to directly offset the costs of providing infrastructure required to serve new development). As such, they do not represent a net “benefit” to the City (other than being a means of paying for needed infrastructure).

Appendix A

Fiscal Impact Calculations

PROPOSED RESIDENTIAL PROJECT

Table A-1**Summary of Annual Impacts to General Fund****Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)****City of Pinole**

General Fund Revenue/Cost Categories	Annual Amount
<u>Revenues</u>	
Property Tax	\$137,806
Property Tax in lieu of VLF	53,229
Real Property Documentary Transfer Tax	4,125
State Sales Tax	35,371
Measure S Sales Tax	35,371
Utility Franchise Tax	17,595
Business License Tax	0
Utility Users Tax	25,021
Fines and Forfeitures	498
<i>Total Revenues</i>	<i>\$309,015</i>
<u>Expenditures</u>	
Police Department	\$139,868
Fire Department	88,668
Community Development	6,170
Public Works	48,071
Community Services	11,654
General Government (1)	17,077
<i>Total Expenditures</i>	<i>\$311,509</i>
<i>Net General Fund Fiscal Impact</i>	<i>(\$2,494)</i>

1. Includes City Council, City Manager, City Clerk, City Treasurer, City Attorney, Finance and Human Resources. Center and Neighborhood Center.

Source: TNDG.

Table A-2
Fiscal Model Input Factors
Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)
City of Pinole

Project Component	Total Dwelling Units	Assessed Value per Unit	Occupancy Rate	Persons Per Household	Estimated Population	Assessed Value
Multi-family Apartments	223	\$336,323 (1)	94%	2.50	524	\$75,000,000

(1) Based on construction costs supplied by the applicant.

Source: TNDG.

Table A-3

General Fund Property Tax Revenue

Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)

City of Pinole

Project Assessed Value at Buildout	\$75,000,000
Total Property Tax @ 1.0% of Assessed Value	\$750,000

City of Pinole General Fund Share 18.37%

Annual General Fund Revenue **\$137,806**

Source: Contra Costa County Auditor-Controller's Office; TNDG.

Table A-4

Projected Property Tax In Lieu of Vehicle License Fees (VLF)

Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)

City of Pinole

Citywide Property Tax In Lieu of VLF, FY 2020-21	\$2,006,163
Pinole Assessed Valuation (AV), FY 2020-21	\$2,826,702,511

Variable

Incremental Assessed Value from Project ¹	\$75,000,000
Percentage Increase over FY 2020-21 Base	2.7%
<i>New Property Tax In Lieu of VLF</i>	<i>\$53,229</i>

Source: City of Pinole FY 2021-22 Adopted Budget; Contra Costa County Assessor's Office; TNDG.

Notes: 1. See Tables B-2 and B-3.

Table A-5
Estimate of Real Property Documentary Transfer Tax
Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)
City of Pinole

Total Assessed Value	\$75,000,000
Average Investor Holding Period (years)	10
Average Annual Value Transfer	10.0%
Annualized Value of Property Transferred	\$7,500,000
City Documentary Transfer Tax Rate	0.055%
<i>Annual City Revenue</i>	<i>\$4,125</i>

Source: TNDG

Table A-6**Estimate of Off-Site Taxable Sales and City Sales Tax Revenue****Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)****City of Pinole****Calculation Factor**

Occupied Dwelling Units	
Market Rate	183
Affordable (80% AMI) units (1)	14
Affordable (50% AMI) units	13
Total	<hr/> 210

Assumed Household Income by Unit Type	
Market Rate	\$104,904
Affordable (80% AMI) units	\$83,923
Affordable (50% AMI) units	\$52,452

Aggregate Resident Income	\$21,054,230
% of Income Spent on Taxable Sales	24.0%
Annual Taxable Spending of Residents	\$5,053,015
% Captured in City of Pinole	70%

Annual Taxable Sales \$3,537,111

Sales Tax Revenue @1% of Taxable Sales \$35,371

Measure S Revenue @1% of Taxable Sales \$35,371

(1) AMI = Area Median Income

Source: TNDG

Table A-7**Derivation of Revenue Projection Factors****Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)****City of Pinole**

City of Pinole Population (estimate for 12/31/2021)	19,200
City of Pinole, Employee Population (estimate for 12/31/2021)	8,000

Employee Weighting Factor	0.50
Effective Employee Population	4,000

Budget Category	Citywide GF Budget FY 2021/22	Allocation Basis¹	Relevant Population	Per Capita Revenue
Franchise Tax	\$779,000	R+E	23,200	\$33.58
Business License Tax	382,000	E	8,000	47.75
Utility Users Tax	1,915,000	R+E	23,200	82.54
Fines and Forfeitures	22,050	R+E	23,200	0.95

Sources: State of California, Department of Finance, E-5 Table; Association of Bay Area Governments; 2020 Census; City of Pinole, FY 2021-22 Adopted Budget; TNDG.

Notes: 1. Allocation basis: R - residents; E - employees; R+E - residents plus effective employee population.

GF = General Fund.

Table A-8
Projected General Fund Revenues
Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)
City of Pinole

Variable	Franchise Tax	Business License Tax	Utility Users Tax	Fines and Forfeitures
Allocation Basis	R+E	E	R+E	R+E
Residents	524	N/A	524	524
Onsite Employees	-	-	N/A	-
Weighting Factor	0.50	N/A	N/A	0.50
Population Equivalent	524	-	524	524
Per Capita Revenue	\$33.58	\$47.75	\$47.75	\$.95
<i>Total Annual Revenue</i>	<i>\$17,595</i>	<i>\$0</i>	<i>\$25,021</i>	<i>\$498</i>

Source: TNDG.

Table A-9**Derivation of Cost Projection Factors****Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)****City of Pinole**

City of Pinole Population (estimate for 12/31/2021)	19,200
City of Pinole, Employee Population (estimate for 12/31/2021)	8,000

Employee Weighting Factor	0.50
Effective Employee Population	4,000

Budget Category	Citywide GF Budget FY 2021/22	Less: Offsetting GF Revenues	Net General Fund Cost	Allocation Basis¹	Relevant Population	Per Capita Costs
Police Department	\$7,532,437	1,339,796	\$6,192,641	R+E	23,200	\$266.92
Fire Department	3,925,759	-	3,925,759	R+E	23,200	169.21
Community Development (2)	369,885	96,700	273,185	R+E	23,200	11.78
Public Works	2,128,337	-	2,128,337	R+E	23,200	91.74
Community Services	427,025	-	427,025	R	19,200	22.24

Sources: State of California, Department of Finance, E-5 Table; Association of Bay Area Governments; 2020 Census; City of Pinole, FY 2021-22 Adopted Budget; TNDG.

Notes: 1. Allocation basis: R - residents; R+E - residents plus effective employee population.
2. Includes Planning and Code Enforcement.

GF = General Fund.

Table A-10
Projected General Fund Costs
Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)
City of Pinole

Variable	Police Department	Fire Department	Community Development	Public Works	Community Services
Allocation Basis	R+E	R+E	R+E	R+E	R
Residents	524	524	524	524	524
Onsite Employees	-	-	-	-	N/A
Weighting Factor	0.50	0.50	0.50	0.50	N/A
Population Equivalent	524	524	524	524	524
Per Capita Cost	\$266.92	\$169.21	\$11.78	\$91.74	\$22.24
<i>Total Annual Cost</i>	<i>\$139,868</i>	<i>\$88,668</i>	<i>\$6,170</i>	<i>\$48,071</i>	<i>\$11,654</i>

Source: TNDG.

Table A-11**Projected General Government Costs****Pinole Kmart Site - RESIDENTIAL DEVELOPMENT SCENARIO (PROPOSED "PINOLE VISTA" PROJECT)****City of Pinole**

General Government Categories	2021-22 Annual Budget
City Council	\$176,609
City Manager	562,708
City Clerk	450,393
City Treasurer	8,693
City Attorney	310,200
Finance	554,891
Human Resources	493,626
Total	<u>\$2,557,120</u>
 All Fund Total	 \$46,947,982
All Funds (non-Gen Gov't)	\$44,390,862
 General Government Functions @	 <div>5.8%</div> of other City costs

Source: City of Pinole, FY 2021-22 Adopted Budget; TNDG.

Appendix B

Fiscal Impact Calculations

RETAIL RE-TENANTING SCENARIO

Table B-1

**Summary of Annual Impacts to General Fund
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole**

General Fund Revenue/Cost Categories	Annual Amount
<u>Revenues</u>	
Property Tax	\$28,939
Property Tax in lieu of VLF	11,178
Real Property Documentary Transfer Tax	866
State Sales Tax	149,625
Measure S Sales Tax	149,625
Utility Franchise Tax	2,350
Business License Tax	6,685
Utility Users Tax	3,343
Fines and Forfeitures	67
<i>Total Revenues</i>	<u>\$352,678</u>
<u>Expenditures</u>	
Police Department	\$18,685
Fire Department	11,845
Community Development	824
Public Works	6,422
Community Services	0
General Government (1)	2,191
<i>Total Expenditures</i>	<u>\$39,967</u>
<i>Net General Fund Fiscal Impact</i>	<i>\$312,711</i>

1. Includes City Council, City Manager, City Clerk, City Treasurer, City Attorney, Finance and Human Resources. Center and Neighborhood Center.

Source: TNDG.

Table B-2
Land Use Assumptions for Fiscal Impact Analysis
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Retail Tenant Types	Square Feet	Taxable Sales Per SF
Restaurant / Fast Food	10,000	\$600
Grocery	-	\$200
GAFO	30,000	\$325
Services	30,000	\$0
Total / Weighted Average	70,000	\$225
Total / Weighted Average (retail only)	40,000	\$394

Source: The Natelson Dale Group, Inc.

Table B-3
Fiscal Model Input Factors
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Project Component	Total Square Feet	Assessed Value per SF	Occupancy Rate	Square Feet Per Employee	Estimated Jobs	Taxable Sales Per SF
Retail Commercial Space	70,000	\$350	95%	500	140	\$225

Source: TNDG.

Table B-4
General Fund Property Tax Revenue
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Project Assessed Value at Buildout	\$15,750,000
Total Property Tax @ 1.0% of Assessed Value	\$157,500
City of Pinole General Fund Share	18.37%
Annual General Fund Revenue	\$28,939

Source: Contra Costa County Auditor-Controller's Office; TNDG.

Table B-5
Projected Property Tax In Lieu of Vehicle License Fees (VLF)
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Citywide Property Tax In Lieu of VLF, FY 2020-21	\$2,006,163
Pinole Assessed Valuation (AV), FY 2020-21	\$2,826,702,511

Variable	
Incremental Assessed Value from Project ¹	\$15,750,000
Percentage Increase over FY 2020-21 Base	0.6%
<i>New Property Tax In Lieu of VLF</i>	<i>\$11,178</i>

Source: City of Pinole FY 2021-22 Adopted Budget; Contra Costa County Asessor's Office; TNDG.

Notes: 1. See Tables B-3 and B-4.

Table B-6
Estimate of Real Property Documentary Transfer Tax
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Total Assessed Value	\$15,750,000
Average Investor Holding Period (years)	10
Average Annual Value Transfer	10.0%
Annualized Value of Property Transferred	\$1,575,000
City Documentary Transfer Tax Rate	0.055%
<i>Annual City Revenue</i>	<i>\$866</i>

Source: TNDG

Table B-7
Estimate of On-Site Taxable Sales and City Sales Tax Revenue
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Calculation Factor

Project Square Feet	70,000
Average Taxable Sales Per SF	\$225
Occupancy Rate	95%
<i>Annual Taxable Sales</i>	\$14,962,500
Sales Tax Revenue @1% of Taxable Sales	\$149,625
Measure S Revenue @1% of Taxable Sales	\$149,625

Source: TNDG

Table B-8
Derivation of Revenue Projection Factors
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

City of Pinole Population (estimate for 12/31/2021)	19,200
City of Pinole, Employee Population (estimate for 12/31/2021)	8,000

Employee Weighting Factor	0.50
Effective Employee Population	4,000

Budget Category	Citywide GF Budget FY 2021/22	Allocation Basis¹	Relevant Population	Per Capita Revenue
Franchise Tax	\$779,000	R+E	23,200	\$33.58
Business License Tax	382,000	E	8,000	47.75
Utility Users Tax	1,915,000	R+E	23,200	82.54
Fines and Forfeitures	22,050	R+E	23,200	0.95

Sources: State of California, Department of Finance, E-5 Table; Association of Bay Area Governments; 2020 Census; City of Pinole, FY 2021-22 Adopted Budget; TNDG.

Notes: 1. Allocation basis: R - residents; E - employees; R+E - residents plus effective employee population.

GF = General Fund.

Table B-9
Projected General Fund Revenues
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Variable	Franchise Tax	Business License Tax	Utility Users Tax	Fines and Forfeitures
Allocation Basis	R+E	E	R+E	R+E
Residents	N/A	N/A	N/A	N/A
Onsite Employees	140	140	140	140
Weighting Factor	0.50	N/A	0.50	0.50
Population Equivalent	70	140	70	70
Per Capita Revenue	\$33.58	\$47.75	\$47.75	\$.95
<i>Total Annual Revenue</i>	<i>\$2,350</i>	<i>\$6,685</i>	<i>\$3,343</i>	<i>\$67</i>

Source: TNDG.

Table B-10**Derivation of Cost Projection Factors****Pinole Kmart Site - RETAIL RETENANTING SCENARIO****City of Pinole**

City of Pinole Population (estimate for 12/31/2021)	19,200
City of Pinole, Employee Population (estimate for 12/31/2021)	8,000

Employee Weighting Factor	0.50
Effective Employee Population	4,000

Budget Category	Citywide GF Budget FY 2021/22	Less: Offsetting GF Revenues	Net General Fund Cost	Allocation Basis¹	Relevant Population	Per Capita Costs
Police Department	\$7,532,437	1,339,796	\$6,192,641	R+E	23,200	\$266.92
Fire Department	3,925,759	-	3,925,759	R+E	23,200	169.21
Community Development (2)	369,885	96,700	273,185	R+E	23,200	11.78
Public Works	2,128,337	-	2,128,337	R+E	23,200	91.74
Community Services	427,025	-	427,025	R	19,200	22.24

Sources: State of California, Department of Finance, E-5 Table; Association of Bay Area Governments; 2020 Census; City of Pinole, FY 2021-22 Adopted Budget; TNDG.

Notes: 1. Allocation basis: R - residents; R+E - residents plus effective employee population.
2. Includes Planning and Code Enforcement.

GF = General Fund.

Table B-11
Projected General Fund Costs
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

Variable	Police Department	Fire Department	Community Development	Public Works	Community Services
Allocation Basis	R+E	R+E	R+E	R+E	R
Residents	N/A	N/A	N/A	N/A	N/A
Onsite Employees	140	140	140	140	N/A
Weighting Factor	0.50	0.50	0.50	0.50	N/A
Population Equivalent	70	70	70	70	N/A
Per Capita Cost	\$266.92	\$169.21	\$11.78	\$91.74	\$22.24
<i>Total Annual Cost</i>	<i>\$18,685</i>	<i>\$11,845</i>	<i>\$824</i>	<i>\$6,422</i>	<i>\$0</i>

Source: TNDG.

Table B-12
Projected General Government Costs
Pinole Kmart Site - RETAIL RETENANTING SCENARIO
City of Pinole

General Government Categories	2021-22 Annual Budget
City Council	\$176,609
City Manager	562,708
City Clerk	450,393
City Treasurer	8,693
City Attorney	310,200
Finance	554,891
Human Resources	493,626
Total	<u>\$2,557,120</u>
 All Fund Total	 \$46,947,982
All Funds (non-Gen Gov't)	\$44,390,862
 General Government Functions @	 <div>5.8%</div> of other City costs

Source: City of Pinole, FY 2021-22 Adopted Budget; TNDG.