Draft General Plan Economic Evaluation

Submitted to:
David Morrison
Yolo County Building and Planning Services

July 16, 2009

Bay Area Economics

Sacramento Region Office
803 Second Street, Suite A
Davis, CA 95616
530.750.2195
fax 530.750.2194
bae1@bae1.com
bayareaeconomics.com

Table of Contents

List of Tables

Executive Summary

This report provides an economic evaluation of the Yolo County Draft General Plan. The first of two main components is an absorption evaluation, and the second is a fiscal evaluation. The intent of this report is to help the County understand the market forces and fiscal considerations that will influence the implementation of the General Plan.

The absorption evaluation estimates the net increase in new development that could be expected in the unincorporated area through "buildout" of the Draft General Plan and then estimates the portion that could be expected to absorb by 2030, which is considered the General Plan time horizon. The absorption evaluation considers the potential for new development in the Dunnigan sub-area, the Elkhorn sub-area, and the balance of the unincorporated area, under two different absorption scenarios. The first is the "Draft General Plan 2030 Absorption" scenario, which considers potential absorption of residential and non-residential land uses in light of the Draft General Plan's policies regarding jobs/housing balance. The second absorption scenario is based on the growth projections contained in the Sacramento Area Council of Governments' MTP 2035 regional growth projections.

The fiscal evaluation estimates the net fiscal impact to the County General Fund and other operating funds from new development that could occur under the Draft General Plan. The fiscal analysis considers the potential fiscal impacts by buildout, and for the new development that would be in place by 2030, based on the two different 2030 absorption scenarios developed in the absorption evaluation chapter of the report. In addition to projecting net fiscal impacts from new development in the unincorporated area as a whole, the fiscal evaluation also examines the fiscal impacts from development in the Dunnigan and Elkhorn sub-areas.

Absorption Evaluation for Draft General Plan

The draft *Yolo County Economic Development Strategy* addresses the importance of designating sufficient land for economic diversification. With an emphasis on ensuring that businesses have locational choices and options, the County is better positioned to capture a portion of regional commercial and industrial growth. The evaluation of absorption potential shows that the Draft General Plan has designated adequate land in the various land use categories to accommodate potential market demand through at least 2030. In addition, the estimate of potential absorption of developable acreage through 2030 provides a basis for analysis of the fiscal impacts of the Draft General Plan by 2030, and at buildout.

Table 5 provides a summary of the estimated Draft General Plan buildout yield, an intermediate 2030 absorption scenario based on the market findings in this section combined with the Draft General Plan's targeted jobs/housing balance policies, and a conservative absorption scenario based on the growth assumptions reflected in SACOG's MTP 2035 regional growth projections.

Understanding that market conditions may fluctuate significantly in the next 20+ years, the figures in the intermediate 2030 absorption scenarios provide estimates of the amount of new development that could be in place within the unincorporated area by Draft General Plan's 2030 time horizon.

Overall, the Absorption Evaluation concludes that the Draft General Plan's policies that call for jobs/housing balance as an integral part of new development in the unincorporated area will tend to slow the rate of absorption for residential development compared to absorption rates that might be possible if residential development were allowed to proceed independently of the development of new job-generating land uses. This would be particularly true if the County applied a very rigid requirement for new jobs to keep pace precisely with new housing development. If the County allows residential development to lead non-residential development within defined phases of Specific Plans, this may facilitate more rapid absorption; however, the details of such phasing strategies will ideally be determined as part of the Specific Plan approval process, so that they can be tailored to best meet the needs of each Specific Plan project.

Fiscal Evaluation for Draft General Plan

The baseline fiscal projections presented in the Fiscal Evaluation chapter show that the public service standards targeted in the Draft General Plan have significant fiscal impact implications. Based on a combination of 2008/2009 service standards, current assumptions about revenues, and Draft General Plan policies, the new development that could be expected to occur under different absorption assumptions will create fiscal challenges for the General Fund, but will potentially create modest fiscal surpluses for the Library Fund, the Road Fund, and the ACO fund in most cases.

Scenarios that have balanced residential and job-generating land use absorption due to Draft General Plan Policies that promote jobs/housing balance tend to perform better than scenarios that primarily involve residential development and little non-residential growth. The projections show that job-generating growth in the absence of new residential growth tends to generate fiscal surpluses; however, the trade-off is the lack of a "balanced" community and, while the County may enjoy fiscal benefits from developing land with job-generating uses without accompanying residential development, the County would forego the benefits of a balanced community, which include the convenience of housing near jobs, and the benefits related to reduction of vehicle miles traveled, traffic congestion, and greenhouse gas emissions, for example.

The fact that Draft General Plan policies will not allow residential development to outpace job-generating uses over the long term will help to ensure that as the unincorporated area develops, new development will help to generate revenues necessary to ensure that the health of the County General Fund is not adversely affected. However, the jobs/housing balance policies alone will not be sufficient ensure the County's long-term fiscal health. If the County adheres rigidly to Draft General Plan service standards, it will create the need to establish significant revenue enhancements in conjunction with approving new development projects, in order to achieve fiscal balance. Alternatively, the County could reduce key service standards in order to economize on service costs. Although quality of life issues must be carefully considered, selective adjustment of service standards has the benefit of reducing the cost burden on the residents and businesses as well as the fiscal benefits to the County.

For Dunnigan in particular, the fiscal analysis included a more detailed examination of costs to provide targeted levels of public services and the new revenues that would be available to offset the service costs. The analysis found that by buildout, in addition to the need for new development in Dunnigan to cover a General Fund fiscal deficit of about $175 per residential unit, per year, additional costs for services that are not presumed to be covered by the General Fund would include about $66 per unit, per year to help support the portion of branch library operations costs that would not be covered by existing revenue sources, plus about $90 per unit, per year, to cover the cost of park maintenance services. The sum of these additional costs, which would likely need to be covered by a mechanism such as a Mello-Roos services Community Facilities District (CFD) or other similar mechanism, appears manageable. However, a final determination on viability can not be made until it is known whether new development in Dunnigan would also be subject to other special taxes or assessments to pay for infrastructure and/or services provided by other agencies, and how much all charges would add to annual property tax bills.

A series of sensitivity analyses conducted as part of the fiscal modeling exercise shows that:

a) Projected net fiscal impacts are very sensitive to Sheriff's cost projections. Modification of the cost projection methodology for Sheriff's services has the potential to change the projected fiscal deficit for the Draft General Plan 2030 Absorption scenario into a projected surplus.

b) Revenues related to property valuation make up the bulk of potential revenues from new development. A relatively large increase in the assessed valuation of new development (e.g., 20% increase from assumed values) would be needed to mitigate projected fiscal deficits. This means that in order to ensure fiscal sustainability of the General Plan, the County may need to consider service standard adjustments as well as revenue enhancements.

c) Variations in the assumptions about the demand for services created by employees relative to the demand for services created have a significant effect on the projected fiscal outcomes; thus, it will be important for the County consider the impacts of new job-generating uses in the unincorporated area, on a case by case basis, to identify any need for special mitigations.

d) Residential development alone is the least fiscally desirable of the various development scenarios considered in the fiscal analysis, leading to potential annual fiscal deficits which may be over $450 per residential unit, per year.

e) Developing upper floor residential units as mitigation for job creation in the Elkhorn area will likely lead to significant fiscal deficits in that sub-area. Thus, if residential units are incorporated into that sub-area, the County will need to take steps to increase revenues available to fund services and/or reduce service costs associated with new residential development in particular.

Introduction

This report provides an economic assessment of the Draft General Plan 2030 for Yolo County. The report includes two main components: an evaluation of potential absorption of new development that would be allowed under the Draft General Plan and an evaluation of the potential fiscal impacts of the new development that would be allowed as part of the Draft General Plan.

The absorption evaluation incorporates information from various regional growth projections, data and analyses from commercial real estate broker reports, and BAE's professional judgment to update the economic evaluations prepared for previous General Plan 2030 work products. The prior BAE work includes the Market and Fiscal Considerations background report and the economic/fiscal portions of the Alternatives Evaluation document, both prepared in 2006.

The fiscal evaluation has been prepared in consultation with staff from the Yolo County Administration office, and draws on the results of the absorption evaluation for a number of the assumptions and inputs that drive the fiscal impact calculations. The fiscal analysis is intended to help the County better understand what policies and programs it will need to emphasize in order to ensure the best fiscal results from implementation of the Draft General Plan.

Absorption Evaluation for Draft General Plan

This chapter addresses the potential absorption of the new residential, commercial, and industrial development that would be allowed under the Draft General Plan.[1] In addition to potential absorption of new development that would be allowed in the unincorporated area as a whole, this analysis also examines the potential absorption of the new development that the Draft General Plan would allow in three sub-areas: (1) Dunnigan, (2) Elkhorn, and (3) the remainder of the unincorporated county.

While this analysis addresses the potential absorption of land uses that would be allowed in the Draft General Plan, it is understood that full buildout is neither expected nor desired by the County within the General Plan's 2030 time horizon. Further, Draft General Plan policies CC-2.10 and CC-3.3 require a jobs/housing balance of 1.2 jobs per dwelling unit within each unincorporated community and that each phase of housing development be accompanied by "balanced job generating development." Therefore, the absorption potentials of residential and non-residential land uses are linked to each other in this analysis and will be constrained by the policies which call for balanced rates of development for residential and job-generating uses over time. In some cases, the jobs/housing balance policies may dictate absorption potential for residential land uses which is less than what may be possible based on market forces alone.

Regional Market Conditions Overview

As the Draft General Plan builds out, development projects in the unincorporated portions of Yolo County will primarily compete with developments in Yolo County's cities, as well as in other parts of the Sacramento Region for a share of overall regional demand for new housing, commercial, and industrial space. Overall growth and competitive market conditions within the region will define the setting in which the Draft General Plan will build out. The absorption potential of the new development that would be allowed under the Draft General Plan must be considered in light of the anticipated regional conditions.

Projected Regional Growth

Table 1 shows that, historically, Yolo County as a whole has represented approximately 11 percent of regional jobs and eight percent of regional housing. The California Department of Finance (DOF) also provides housing estimates for unincorporated Yolo County. These figures reveal that unincorporated Yolo County's share of regional housing has held fairly steady, at about one percent of the regional total, since 1990.

[1] Revised Draft General Plan as modified by the County Board of Supervisors January 21, 2009.

Table 2 presents job and housing unit projections based on the Metropolitan Transportation Plan for 2035 (MTP 2035) prepared by the Sacramento Area Council of Governments (SACOG). The SACOG region includes El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties. Figures for 2030 are estimated based on published 2005 and 2035 figures and the projected compound annual growth rates. It is important to point out that these projections are based on regionally developed market assumptions for build-out of local general plans in place at the time the model was built or last updated. For Yolo County at the time, that reflected very little growth at all in the unincorporated area. MTP projection figures indicate that between 2005 and 2030, an increase of nearly 430,000 jobs and close to 420,000 housing units is anticipated for the SACOG region. During that same period, SACOG projects that employment in unincorporated Yolo County will grow by 5,000 jobs and housing growth will lead to almost 3,700 net new housing units. Over this 25- to 30-year span, SACOG projects that Yolo County as a whole will consistently represent about nine percent of regional jobs and eight percent of housing units. Based on the same set of projections, the unincorporated area of Yolo County's share of total jobs and housing would be two and one percent, respectively, over the next few decades. These projections assume a conservative growth pattern that reflects moderate growth in Winters, Woodland, and Davis, and slower growth in unincorporated Yolo County. Significant growth is expected in West Sacramento.[2] It should be noted that after starting with a total growth projection for the six-county SACOG region, the SACOG projections do not necessarily account for market interactions that may shift demand from other adjacent regions to the SACOG region; thus, changes in policies and programs within Yolo County may cause actual growth to diverge from the projected patterns.

Generally, MTP 2035 projections reflect modest growth in the more rural areas of the SACOG region compared to the earlier SACOG projections used in the 2006 Market and Fiscal Considerations background report and the Alternatives Evaluation. For instance, the MTP 2035 projections show housing growth in Sutter, Yolo, and Yuba Counties as a smaller percentage of regional housing growth, than those assumptions adopted by SACOG earlier this decade. MTP 2035 projections also anticipate significantly lower amounts of total growth for unincorporated Sutter and Yuba Counties. This trend towards moderating future housing forecasts is similarly reflected in the MTP 2035 projection for housing in unincorporated Yolo County. The MTP 2035 projections reflect an urban-centric bias in SACOG's stance towards regional growth which is a reflection of the Regional Blueprint project which did not address rural areas; however, SACOG is now undertaking a companion project, the Rural Urban Connections Strategy (RUCS), which is examining the region's growth and sustainability objectives from a rural perspective. One potential outcome of the RUCS project may be to identify how growth appropriately planned in the region's rural areas, such as unincorporated Yolo County, may play a role in accommodating a greater share of regional growth in the future, in order to ensure their long-term viability and quality of life.

[2] SACOG. *Draft Final Metropolitan Transportation Plan*. March 20, 2008. Appendix D2, page 12. http://www.sacog.org/mtp/2035/final-mtp/. Accessed April 29, 2009.

Projected Growth in Unincorporated Yolo County

SACOG's MTP 2035 estimate of total housing units in unincorporated Yolo County during 2005 is only 5,800 housing units. The MTP 2035 growth projection results in a lower estimate of 3,700 net new housing units in the unincorporated county, or an annual average growth rate of two percent. The California State Department of Finance (DOF) estimated in 2005 that unincorporated Yolo County had 7,200 existing units. Because the DOF estimate of 2005 housing units is likely more reliable than SACOG's 2005 estimate, for the purpose of this analysis, SACOG's projected growth rate is applied to DOF's estimated 2005 housing unit count. Applying the MTP 2035's projected two percent compound annual growth rate for unincorporated Yolo County to the 2005 DOF estimate of 7,200 housing units, rather than the 5,800 units reported in the MTP, produces an estimated increase of approximately 4,500 net new housing units in the unincorporated county through 2030.

Current Regional Market Conditions and Implications for the Future

The Sacramento Valley real estate market, which includes Yolo County, has certainly experienced negative impacts from the global economic crisis. In the fourth quarter of 2008, the Marcus & Millichap commercial real estate brokerage firm ranked the Sacramento market in the bottom 15 of national markets based on recent employment trends.[3] However, because the Draft General Plan addresses a longer-term planning period that spans until 2030, this evaluation of market potential does not focus on current lease rates and vacancy rates, which will fluctuate over the following decades. Rather, the analysis emphasizes general market strengths and weaknesses that have longer-term implications for consideration in the Draft General Plan.

Residential

Regional Conditions

The Sacramento region is still recovering from the recent national housing crisis, with some analysts suggesting that regional housing prices will likely not hit bottom until the latter half of 2009.[4] However, longer-term projections indicate that the gap in housing prices between the Bay Area and the Sacramento region will increase. A general housing market recovery may not occur for another four to five years,[5] but large numbers of former Bay Area and Los Angeles region households relocating to the Sacramento Valley for more affordable housing have been major factors contributing to regional housing demand during the last two housing boom cycles. It is expected that the Bay Area and southern California housing markets will continue to struggle to meet demand in the future due to constrained land supplies in those regions. With major

---

[3] Marcus & Millichap. *National Economic and Apartment Market, Overview and Outlook.* Webcast. November 18, 2008.

[4] Ross, M., Thakur, S.K., "Real Estate Trends in the Sacramento Region", *Sacramento Business Review*, Volume 1, Issue 1, January 2009. Page XX. http://sacbusinessreview.com/realestate.aspx. Accessed June 9, 2009.

[5] Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009.* Page 35.

transportation thoroughfares providing access to Bay Area (including Vacaville and Fairfield) and Sacramento job markets, Yolo County will continue to experience a component of housing demand that is driven by overflow housing demand from the Bay Area. Therefore, Yolo County's Draft General Plan policies to promote local jobs/housing balance in order to limit the amount of out-commuting from Yolo County's housing to other job markets, will be very important over the coming decades. By adhering to these types of policies and attempting to limit the extent to which new housing development caters to commuter housing demand, Yolo County will likely limit the Draft General Plan's residential absorption potential through 2030. These policies may also limit the extent to which the County's housing production satisfies demand from retirees who are attracted to Yolo County's relatively affordable cost of living and high quality of life.

Currently, the shadow rental housing market created by foreclosed ownership units competes with multifamily rental units. The impact of this shadow market results in higher apartment vacancy rates and stagnant rents. Marcus & Millichap's 2009 *Apartment Market Forecast* anticipates that vacancy rates in the Sacramento area will rise to around 8 percent, up from approximately 6.5 percent in 2007. At the same time, the Sacramento market will experience little to no growth in rental rates, compared to growth of at least one percent between 2005 and 2008, with a peak of nearly three percent growth in 2006.[6] Lower rents could result in new multifamily construction becoming financially infeasible until rental rates recover to levels able to support construction costs. Market forces alone will not promote development of market rate multifamily rental housing until the economics become more attractive. In the meantime, Draft General Plan Policy CC-3.3, which calls for a match between overall wages and home prices, will be critical to ensure that a range of housing types is constructed to address workforce housing needs.

Competitive Attributes of Yolo County

Even during a period of high rental housing supply, the Davis/Woodland submarket (a submarket area defined by NAIBT that combines Woodland with the City of Davis and is dominated by Davis' large supply of multifamily rental properties) exhibited the lowest apartment vacancy rate in the Sacramento Metropolitan Area and highest overall average rent for apartment properties. West Sacramento, however, had higher vacancy rates with lower overall average rents than the regional average.[7] This is likely due to the fact that West Sacramento has been particularly hard hit by the collapse of the single-family home market and, consequently, the city's apartment market is suffering the effects of the aforementioned shadow market for single-family rental units. These measures also underscore the high level of demand generated by university students in the Davis area, and the housing pressure it creates locally, coupled with the effect of Davis' restrictive land use policy on limiting increases in housing supply. While UC Davis' planned development of housing for students, staff, and faculty in the West Village project in West Davis will help to

[6] Marcus & Millichap. 2009 National Apartment Report. Page 43.
[7] NAIBT. *Apartment Market Report, Spring 2008, Sacramento MSA*. Page 2.

expand the supply of housing for university affiliates, it alone will not fully satisfy local demand. Moreover, according to Woodland's 2008-2013 Housing Element Update Background Report, the City currently only has approximately 42 acres of vacant or underutilized land with the proper zoning designation and maximum density allowance that could support multifamily housing developments.[8] In addition, the Background report indicates that Woodland does not have an adequate amount of sites to meet the needs of lower-income households during the 2008-2013 planning period.[9] The City is addressing its obligation to provide sites suitable for lower-income housing through implementation of its affordable housing ordinance, the rehabilitation of the Casa Del Sol Mobile Home Park, and the identification of 90 potential sites that will be studied for redesignation or rezoning to allow for higher density residential development.[10] This situation suggests that the City of Woodland will provide fairly limited opportunities for multifamily residential development for at least the short-term.

Future Outlook for Residential Development in Unincorporated Area

As discussed in the *Yolo County General Plan Alternatives Evaluation*, Davis, West Sacramento, Winters, and Woodland are all planning for lower levels of residential growth than the projected potential published in the preliminary Draft MTP estimates from March of 2006.[11] The adopted MTP 2035 incorporates these lower housing development estimates for the incorporated cities in Yolo County.

With only modest growth anticipated for the incorporated cities relative to potential demand, coupled with the assessment that Yolo County is competitive with unincorporated Yuba and Sutter County locations, analysis in the *Yolo County General Plan Alternatives Analysis* suggested that total demand for new housing units, including an allowance for vacancies, could be as high as 17,000 new units by 2030. This "unconstrained" estimate was based on an assumption that current policies would change to allow such growth.[12]

Current MTP 2035 projections indicate that residential growth over the next decades in the region may occur at a more moderate pace (318,800 net increase in housing units between 2005 and

[8] City of Woodland 2008 Housing Element Update Background Report. Adopted March 24, 2009. Page 67. http://www.cityofwoodland.org/gov/depts/cd/redev/housing/housing_element.asp. Accessed June 22, 2009.
[9] City of Woodland 2008 Housing Element Update Background Report. Adopted March 24, 2009. Pages 71-72. http://www.cityofwoodland.org/gov/depts/cd/redev/housing/housing_element.asp. Accessed June 22, 2009.
[10] City of Woodland 2008 Housing Element Update Policy Document. Adopted March 24, 2009. Pages 26-28. http://www.cityofwoodland.org/gov/depts/cd/redev/housing/housing_element.asp. Accessed July 8, 2009.

[11] *Yolo County General Plan Alternatives Evaluation*, December 6, 2006. Appendix B, Pages B-1 to B-2.
[12] For a more detailed discussion of this topic, please see Appendix B of the *Yolo County General Plan Alternatives Analysis*, December 6, 2006.

2025[13]) than earlier projection estimates indicated (350,300 net increase between 2005 and 2025), with lower estimates of housing growth region-wide compared to SACOG projections adopted in 2004.

Previous SACOG projections also indicated compound household annual growth rates of 3.8 and 4.5 percent for unincorporated Yuba and Sutter Counties, respectively. As displayed in Table 2, the more urban-centric MTP 2035 projections suggest that the number of housing units in unincorporated Yuba and Sutter Counties will grow at annual compound rates of 2.9 and 1.9 percent, respectively, compared to 2.0 percent in unincorporated Yolo County. As indicated previously, these MTP 2035 projections do not account for the possibility that changes in policies and conditions could shift demand from other adjacent regions to the SACOG region and/or that the RUCS project might result in more emphasis on accommodating a portion of regional growth in rural areas, in order to ensure their long-term sustainability and quality of life.

Unincorporated Yolo County continues to have certain locational attributes that give it a competitive advantage for capturing a share of regional residential growth, including access to nearby Bay Area and Sacramento job markets. In addition, it is important to note that MTP 2035 projections do not take into account new Draft General Plan policies under consideration, including the development of a new town in Dunnigan. Currently, the vast majority of the housing development growth that SACOG projects in the unincorporated portions of Yuba, Sutter, and Yolo Counties is anticipated to occur in unincorporated Yuba County. However, with new land use policies in place allowing more residential development in the unincorporated communities of Yolo County, these locations could be well positioned to capture a larger portion of this regional housing growth than current projection figures indicate. However, Yolo County Draft General Plan policies that call for balanced housing and employment growth will moderate the residential absorption potential within the unincorporated area. Modest absorption potential for non-residential uses, coupled with policies encouraging jobs/housing balance will likely limit residential absorption in unincorporated Yolo County to levels below what the “unconstrained” market demand would indicate. The Draft General Plan Absorption Potential Section of this report provides an assessment of the jobs/housing balance policies impact on residential absorption potential, and suggests that total residential absorption could potentially be limited to 8,300 units through 2030. Even if Yuba and Sutter Counties take longer than Yolo County to adopt General Plans that are compliant with State environmental regulations, including greenhouse gas reduction requirements, the two jurisdictions would likely have compliant General Plans in place early enough in the Yolo County Draft General Plan planning period that they would still be competitive for a share of regional residential and commercial growth through 2030. In any event, the Yolo County Draft General Plan’s emphasis on mixed use projects (i.e., combining jobs in close

[13] This 2025 estimate was derived using 2005 and 2035 figures published in the MTP 2035 and the projected average compound annual rate of growth.

proximity to housing) with open space and available shopping will help to ensure that Yolo County's development opportunities will be very attractive relative to other potential development locations within the region.

Office

Regional Conditions

Current economic conditions are impacting the regional office market, with overall office vacancies for the Sacramento Valley increasing to nearly 18 percent by the end of 2008.[14] With a ten percent vacancy rate often considered indicative of a healthy commercial real estate market, the conditions as of 2008 are indicative of a distressed market, which puts downward pressure on rents and reduces feasibility for new construction. However, net occupancy rates are expected to rise once the region sees sustained job growth, which Grubb & Ellis indicates could occur at the end of this year.[15] Local brokers attribute much of the weakening of the local office market to overbuilding in the Sacramento Valley market,[16] particularly in Roseville and Rocklin.[17] Cornish & Carey Commercial projects that the regional office market will begin to improve in the second half of 2009.[18]

Approximately 1.3 million square feet of newly constructed office space became available in the greater Sacramento market area during 2008 and over half of that is vacant.[19] Up to 1.9 million square feet of additional office space is currently under construction in the region.[20] Absorption of these new office developments will be necessary before any new speculative office development occurs in the region, thus limiting short-term potential for new demand to spur development of new projects that would be allowed under the Draft General Plan.

Although the Sacramento office market has historically been heavily influenced by State office demand, the Sacramento regional economy has diversified considerably in the last 20 years. In addition, BAE's discussions with State Department of General Services staff for other projects in the past have indicated that, over the long term through economic cycles, the State's consumption of office space in the Sacramento region has kept pace closely with the rate of the State's population growth. Thus, although the current and anticipated state budget deficits over the next couple of years will likely temporarily slow regional office demand, the pattern of growth will likely resume as the State's population continues its long-term growth pattern. This in turn should provide market support for large-scale office development in West Sacramento in the future, but State office demand is not likely to be a large factor on the west side of the Yolo Causeway, since

[14] NAIBT Commercial. *Sacramento Valley Office Report, Fourth Quarter 2008*. Page 4.
[15] Grubb & Ellis Research. *Office Market Trends Sacramento, Fourth Quarter 2008*. Page 3.
[16] CB Richard Ellis. *MarketView Sacramento Office, Fourth Quarter 2008*. Page 1.
[17] Cornish & Carey Commercial. *Outlook 2009*. Page 34.
[18] Cornish & Carey Commercial. *Outlook 2009*. Page 34.
[19] CB Richard Ellis. *MarketView Sacramento Office, Fourth Quarter 2008*. Page 1.
[20] CB Richard Ellis. *MarketView Sacramento Office, Fourth Quarter 2008*. Page 3.

the State generally prefers to keep State offices clustered fairly close together.

Competitive Attributes of Yolo County

During this difficult period, both the Woodland and Davis submarkets outperformed the regional office markets with two of the three lowest vacancy rates in the region; both around ten percent. These are considered fairly healthy vacancy rates, especially given current economic conditions. In addition, both submarkets experienced relatively significant declines in vacancy rates during 2008 while the rest of the region had overall vacancy rate increases.

Davis had one of the highest average asking lease rates in the region, underscoring the likely benefits resulting from office demand generated by the University of California, Davis (UCD), coupled with the limited increase in office supply within the city. UCD and other businesses that cater to the university could also influence the office market in unincorporated Yolo County, as long as sites are sufficiently near the University campus, and offer other appropriate attributes, including convenient access and visibility, competitive cost, availability of employee housing, and appropriate land use designation. Woodland, on the other hand, exhibited the most affordable average asking lease rates in the region.[21] The lower lease rates could have implications for new construction potential in the unincorporated county. It is possible that these lease rates may not be sufficient to support new construction in the short term.

Unlike the Davis and Woodland submarkets, the West Sacramento submarket exhibited a higher vacancy rate than the region overall at the end of 2008, and vacancy rates increased over the course of 2008. Furthermore, the average asking lease rate was lower than the regional average,[22] indicating a weaker office market in this sub-area. However, Cornish & Carey Commercial reports a net absorption of nearly 150,000 square feet of office space in West Sacramento during 2008, with another 400,000 square feet under construction for the California State Teachers Retirement System.[23]

Clearly, West Sacramento is benefiting from its proximity to downtown Sacramento, which allows sites on its riverfront in particular to function as extensions of the downtown Sacramento Central Business District (CBD). Moving further away from the Sacramento River, this competitive locational attribute will diminish for sites in the unincorporated area, meaning that office development in the unincorporated area will need to be driven primarily by demand from industries that are attracted to Yolo County, as opposed to spillover demand due to limited space in downtown Sacramento.

Future Outlook for Office Development in Unincorporated Area

[21] NAIBT Commercial. *Sacramento Valley Office Report, Fourth Quarter 2008*. Page 4.
[22] NAIBT Commercial. *Sacramento Valley Office Report, Fourth Quarter 2008*. Page 4.
[23] Cornish & Carey Commercial. *Sacramento Market Summary, Fourth Quarter 2008*. Page 2.

Overall, historic regional trends indicate that unincorporated Yolo County will likely see only small amounts of professional office space development over the next 20 years. The primary demand will be for small professional office complexes that are targeted to tenants that serve local clientele, such as primary care doctors, dentists, real estate offices, and other similar uses. Development potential for these types of projects is greatest in a new town setting involving a sufficient population base and/or in an existing town or on the periphery of one of the existing cities.[24] With relatively small concentrations of population, (as opposed to Sacramento County, for example) to provide a large and diverse labor pool, and relatively few opportunities for development along the I-80 corridor, regional office development will likely be a fairly small prospect for the unincorporated area.

Retail

<u>*Regional Conditions*</u>

The retail sector is one of the hardest hit markets in the region. Colliers International is predicting record levels of retail store closures during 2009.[25] According to Marcus & Millichap, many retailers are withholding commitments for new space due to slowing regional population growth.[26] As a result, several retail developments currently under construction have been put on hold or slowed construction activities significantly, including the Elk Grove Promenade and Folsom's Palladio at Broadstone.[27] Minimal levels of retail development are projected for the next two years, pending stabilization of the housing and credit markets, with Colliers International anticipating no significant economic growth for at least three years.[28]

In addition, both Marcus & Millichap and Colliers International predict that retailers will shift towards urban infill areas and away from the suburbs, at least in the short-term,[29] which could have retail absorption implications for various unincorporated Yolo County communities. However, longer-term retail growth will likely favor under-served locations and locations with potential for significant growth and limited opportunities for new competition. Notably, though the Elk Grove Promenade and Folsom's Palladio at Broadstone projects have been slowed or put on hold, 208,000 retail square feet became available in 2009 at the Woodland Gateway Center,[30] including national tenants such as Best Buy, and Michael's, following the opening of Costco and a relocated Target.

<u>*Competitive Attributes of Yolo County*</u>

[24] This analysis is based on BAE's prior research for the Yolo County General Plan Update. Please see pages 18-19 of the *Market and Fiscal Considerations For the Yolo County General Plan*, September 7, 2006; and Appendix B of the *Yolo County general Plan Alternatives Evaluation*, December 6, 2006.

[25] Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 1.

[26] Marcus & Millichap. *2009 National Retail Report*. Page 43.

[27] Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 7.

[28] Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 30.

[29] Marcus & Millichap. *2009 National Retail Report*. Page 43. And Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 7.

[30] Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 7.

While the Yolo County retail market will face the same economic challenges as the rest of the region, brokerage reports from CB Richard Ellis, Colliers International, and Terranomics indicate that the Davis and West Sacramento submarkets generally outperformed the region at the end of 2008 and the beginning of 2009. While the three brokerages use different submarket area definitions, all report significantly lower vacancy rates in Davis and West Sacramento than the rest of the Sacramento region.[31] In addition, West Sacramento and Davis demonstrated high average asking lease rates relative to other regional submarkets. Woodland, however, had a higher retail vacancy rate than the regional average at the end of 2008,[32] though the significant number of square feet under construction at the Gateway Center may have skewed these figures. The performance of the retail submarkets located in Yolo County during extremely difficult economic conditions may suggest a local competitive advantage in this development type and/or local retail demand that can more readily support new retail development as economic conditions improve. Implementation of the County's Draft General Plan, however, will need to account for the fact that other than Winters, each of the Yolo County cities has a greater installed population base than any of the unincorporated areas (including Dunnigan in the future), and that retailers other than those that are strictly convenience oriented (e.g., grocery stores and gas stations) will naturally tend to gravitate to those locations with the greatest number of "rooftops" to provide market support for their stores.

An exception to the tendency towards convenience retail, which may be instructional for Dunnigan and other rural Yolo County communities, is the revitalization of downtown Winters. New small-scale, independently-owned retail and restaurants in downtown Winters, along with the Palms Playhouse, which relocated from Davis, have combined with the established Buckhorn Steak and Roadhouse to create a visitor destination in downtown Winters for residents of nearby communities who are attracted to the quaint small-town feel. If the proper environment is created, and the proper mix of restaurants and merchants are cultivated, the commercial districts in other rural Yolo County communities may also support a limited amount of small-scale restaurant and retail development that is attractive to visitors from larger nearby communities (e.g., Knights Landing attracting visitors from Woodland; Clarksburg attracting visitors from West Sacramento/Sacramento, etc.).

Future Outlook for Retail Development in Unincorporated Area

Interstates 5 and 505 provide connectivity between communities in unincorporated Yolo County and regional retail centers in Sacramento and Vacaville. As a result, there is little potential for unincorporated Yolo County sites to support large-scale regional retail developments, unless they are opportunistically placed at the edges of incorporated cities to capture unmet retail demand from city residents, or unless a retail development in Dunnigan took advantage of interstate freeway

[31] CB Richard Ellis. *MarketView Sacramento Retail, First Quarter 2009*. Page 2. Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 3. Terranomics. *Sacramento Valley Retail Report, Year End 2008*. Page 3.

[32] Colliers International. *Sacramento/Roseville Retail Outlook, February/March 2009*. Page 3.

access by developing an outlet center, which typically need to be located away from larger urban areas where they would compete with full-price department stores and boutiques). Beyond this "opportunistic" retail potential, other possible retail opportunities during the Draft General Plan period include some local-serving convenience retail and a small amount of community-serving retail sited to serve new residential projects, highway commercial uses catering to drive-by traffic, and a small amount of retail connected with agricultural tourism, such as sales facilities attached to wine or olive oil tasting rooms, or farm sales of fruit and produce. It is also important to recall the County's earlier recognition that a minimum population of approximately 12,000 people is necessary to support a local-serving neighborhood retail center anchored by a full-sized grocery store. A population of between 20,000 and 50,000 is generally needed to sustain a community-serving retail center, which can include products like clothing and soft goods, office supplies, some home improvements and household furnishings, as well as some specialty stores.[33] These and other similar threshold numbers were considered extensively by the County early in the General Plan process in determining where and what type of growth would be appropriate in the existing rural communities to achieve future quality of life improvements, including basic service for residents to achieve self-sufficiency and minimize commuting. Thus, of all of the unincorporated area communities, Dunnigan will be the most likely to support a significant complement of neighborhood/convenience retail by the time it reaches about 50 percent of expected Draft General Plan buildout, and possibly some community-oriented retail once it is near residential buildout. As discussed below in the Draft General Plan Absorption Potential Section of this report, Dunnigan is projected to achieve just below 25 percent of the Draft General Plan residential buildout potential by 2030, primarily due to the longer absorption time-frame anticipated for commercial uses and the County's jobs/housing balance policies, if the County applies a very strict requirement for concurrency of job-generating new development with new residential development. If the County implements its jobs/housing balance policies more flexibly, perhaps allowing job-generating development to lag new housing development to a limited degree, overall absorption rates may be increased.

The County should benefit in planning for retail development in Dunnigan due to the fact that it is far enough removed from other urban areas that retail facilities in the community will have a somewhat "captive" demand from local residents for basic convenience and community retail and services, for which it would be inconvenient to travel to competing shopping centers in other communities. Also, at buildout, Dunnigan could achieve a critical mass of population that could allow it to support a range of retail development that could also serve as a sub-regional retail "hub" for other smaller communities, such as Esparto/Madison, and nearby Colusa County communities, which will not be large enough to support a complete range of retail development of their own. However, with County policies targeting a jobs/housing balance, requiring both job-generating uses

[33] This analysis is based on BAE's prior research for the Yolo County General Plan Update. Please see pages 17-18 of the *Market and Fiscal Considerations For the Yolo County General Plan*, September 7, 2006; and Appendix B of the *Yolo County General Plan Alternatives Evaluation*, December 6, 2006.

and residential developments to be built concurrently, it will likely take longer to reach these residential population thresholds than it would without these requirements. While this may be an unintended consequence of Draft General Plan policies, it is balanced with the benefits that will accrue from these same policies due to limitations on greenhouse gas emissions/climate change, high quality and sustainable community design, and fiscal benefits that will be discussed in the next chapter.

Elkhorn Hotel/Conference Center

Regional Conditions

On a national scale, the hospitality industry has not escaped economic challenges, with businesses reducing travel expenses to reduce costs, consumers cutting back on vacations and auto travel, and airlines reducing domestic flights. This downturn will especially impact markets that are not part of airline and business hub centers.[34] Sacramento International Airport has recently removed the hotel component from its terminal modernization plan due to cost issues, although a hotel will likely be developed on airport property in the future, when market conditions warrant.[35] Such a hotel would likely include some level of conference facilities. As for stand-alone conference centers, these projects often struggle to achieve financial viability without public subsidy. For example, the stalled joint venture between the City of Roseville and Kobra Properties to build a 35,000 square-foot conference center[36] is only one example of the financial challenges faced by this type of development.

Competitive Attributes of Yolo County

Yolo County may have a niche competitive advantage for tourism and hospitality-related development. The County's budding wine-grape and organic farming industries may contribute to a foundation for agricultural tourism development, such as accommodations and dining, retail of locally produced goods, visitor centers, and conference/retreat centers. The Capay Valley, although limited in access and infrastructure, provides the potential for additional visitor destination development in conjunction with the Cache Creek Resort casino and recreational opportunities on Cache Creek and adjacent wildlands.

An industry focus group meeting conducted by the County as part of the General Plan Update indicated that there may be local and State regulatory barriers to agricultural tourism development and the County may need to engage in a marketing effort to brand and promote local agriculture and tourism opportunities. The barriers identified in the focus group meetings included limitations

---

[34] Urban Land Institute and Price Waterhouse Coopers. *Emerging Trends in Real Estate, 2009*. pages 51-52.

[35] Personal communication. Rob Leonard, Assistant to the County Executive for Economic Development and Intergovernmental Affairs. June 26, 2009.

[36] Roseville Planning and Redevelopment Department. "The Monthly Planner." Volume 2005, Issue 11. November 2005. http://www.roseville.ca.us/civica/filebank/blobdload.asp?BlobID=4926. Accessed June 9, 2009.

on the types of ancillary commercial development that would be permitted on agricultural lands under Williamson Act contract[37], lack of visibility of Yolo County's prime agricultural tourism areas, and the limited marketing resources of the Yolo County Visitors Bureau.[38] As a result, the draft *Yolo County Economic Development Strategy* includes an initiative to improve tourism capacity and promotion.[39] Proximity to Sacramento International Airport also contributes to the ability of developments in Yolo County, including the Elkhorn site, to attract tourists from a larger market area beyond the region. It will be necessary for such tourist activities and amenities to build on local strengths rather than attempt to compete with greater Sacramento, which offers a wider range of attractions and amenities.

Future Outlook for Hotel/Conference Center Development in Unincorporated Area

Although the current lack of plans for hotel and/or conference center facilities in the Sacramento International Airport signal less potential competition for conference center/hotel visitors along the I-5 corridor, they also signal a weakness in the general hotel/conference center market. It is likely that the airport area can compete effectively with Yolo County's Elkhorn site for conference center users, if demand begins to re-ignite interest in facilities that would leverage proximity to Sacramento, the Sacramento International Airport, and a planned light rail connection from Downtown Sacramento to the airport. New visitor facilities in Yolo County, such as the proposed conference center at the Elkhorn site, will need to be developed as unique destinations, so that they are differentiated from their competitors that are located in closer proximity to the Sacramento Region's urban areas. This will require that the Elkhorn conference center/hotel site be designed with careful attention to market differentiation and offering a unique setting and experience that will justify its more isolated location.

Industrial and Warehousing

Regional Conditions

There are various building types that fall under the general classification of industrial uses, including warehousing and distribution facilities, light or heavy manufacturing, research and development, and flex space, which can accommodate a variety of industrial, warehouse, or even office user needs. The industrial and warehousing real estate sector in the Sacramento region has actually fared relatively well during recent economic conditions. The "underlying fundamentals of the Sacramento region's industrial market place it in a stronger position to weather this storm than most other U.S. markets."[40] According to CB Richard Ellis, the Sacramento region is not overbuilt,

[37] For example, focus group members expressed concern that uses such as bed and breakfast facilities, farm produce stands, restaurants serving locally grown food, and other commercial activities would not be permitted on land under Williamson Act contract due to strict interpretation of the Act's limitations on "compatible" uses.

[38] Yolo County Tourism Focus Group, November 7, 2007.

[39] *Yolo County Draft 2030 Countywide General Plan*. "Appendix C: Economic Development Strategy." August 25, 2008. Page 27. http://www.yolocounty.org/Index.aspx?page=1528. Accessed April 27, 2009.

[40] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 8.

with most new construction being completed as needed.[41] One contributing factor to the stability in the warehousing sector is the lack of competitiveness in attracting "bulk warehousing" developments during previous years, resulting in lower levels of construction. In contrast, both Stockton and Reno were more competitive markets for this type of development for varying reasons and saw large amounts of new construction. As a result, the Sacramento region will be somewhat sheltered from the upcoming impacts on this type of warehouse product due to the retail sector shrinking and reducing demand for bulk warehousing.[42] However, over one million square feet of industrial and warehouse space is currently under construction in the Sacramento region, half of which is speculative development.[43] One local brokerage does not anticipate construction of new industrial space to be financially feasible until 2011 or even later.[44] While Woodland currently has a relatively high industrial vacancy rate, this is largely attributable to flood concerns; thus, much of the vacant supply may not be considered to be "available" supply until flood mitigations are in place.

The Sacramento region boasts many assets that contribute to its long-term competitive advantage. Marcus & Millichap's analysis of the region's industrial market outlook points to "Sacramento's transportation network and location near large markets generating demand for space, particularly among regional freight companies."[45] NAIBT also points to access to major regional thoroughfares as a local competitive asset, including I-80, US-50, I-5, and Highway 99. In addition, the Sacramento region presents high quality facilities at affordable rental rates, lower employment costs, an international airport, the Port of West Sacramento, a light rail system, and daily commute times lower than the Bay Area. These characteristics have all contributed to the relocation of many Bay Area companies to the Sacramento Valley.[46]

Short-term market projections are also more optimistic for "industries associated with food and grain storage, refineries and consumer essentials."[47] The region currently has a healthy food processing sector,[48] aided by access to the Port of West Sacramento, which primarily handles agricultural products and construction materials.[49] This competitive advantage could enhance the potential absorption of industrially zoned land and also development of agriculture land with ag-industrial uses in Yolo County, which already has a strong agricultural base. In addition, the Sacramento regional market is competitive for the clean technology sector due to proximity to the state capitol, the Bay Area, the University of California, Davis (UCD), and relatively low local

[41] CB Richard Ellis. *MarketView Sacramento Industrial, Fourth Quarter 2008*. Page 1.
[42] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 10.
[43] Cornish & Carey Commercial. *Outlook 2009*. Page 55.
[44] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 17.
[45] Marcus & Millichap. *2008 National Industrial Report*. Page 30.
[46] NAIBT Commercial. Sacramento Valley Industrial & Warehouse Report, Fourth Quarter 2008. Page 1.
[47] Cornish & Carey Commercial. *Outlook 2009*. Page 55.
[48] CB Richard Ellis. *MarketView Sacramento Industrial, Fourth Quarter 2008*. Page 1.
[49] NAIBT Commercial. Sacramento Valley Industrial & Warehouse Report, Fourth Quarter 2008. Page 1.

lease rates.[50] Flex space, which is typically concrete tilt-up buildings that can be configured to accommodate warehouse, light manufacturing, research and development and office space according to tenant needs, may also experience strong market conditions locally due to a potential undersupply of space in the future while information sector employment is projected to grow.[51]

Competitive Attributes of Yolo County

Within this healthy regional market, Yolo County submarkets demonstrated local competitive advantage in the industrial and warehousing sectors. Colliers International describes West Sacramento as "the strongest overall in the region in terms of overall vacancy, absorption trends and continued demand."[52] Based on various brokerage reports, both West Sacramento and Davis exhibited significantly lower vacancy rates than the rest of the region during the fourth quarter of 2008.

While average asking lease rates in West Sacramento paralleled the regional average, asking rates were much higher in the Davis submarket. Asking lease rates in the Davis submarket may reflect the role of UCD and related research and development (R&D) operations in the area, with no real significant warehousing operations in the City. Though land in Davis is generally more expensive than in other parts of the County due to a limited supply of industrially zoned parcels, research and development activities associated with the university will nevertheless often choose to be in close proximity to campus. R&D activities are typically not space intensive, in comparison to production activities, while tenant improvement costs for lab space are high. This tends to downplay the importance of land costs. Additionally, for university faculty involved in off-campus R&D activities, proximity to campus will be a key locational decision factor, because of the need to conveniently move between campus facilities and off-campus research sites.

Woodland had a much higher vacancy rate as well some of the lowest average asking lease rates in the region.[53] These market indicators reflect the relatively high concentration of very large warehouse/distribution buildings in Woodland.[54] In addition, Woodland's industrial vacancy rate is affected by concerns over flood risks. Anecdotally, staff from the City of Woodland report that some tenants have left Woodland's industrial area, due to flood concerns.[55] On the other hand, several of the largest regional industrial transactions occurred in the Woodland market area, including a lease of nearly 320,000 square feet to E&E Co. Ltd, and the sale of over 150,000

[50] CB Richard Ellis. *MarketView Sacramento Industrial, Fourth Quarter 2008*. Page 1.
[51] Marcus & Millichap. *2008 National Industrial Report*. Page 30.
[52] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 11.
[53] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 3. NAIBT Commercial. *Sacramento Valley Industrial & Warehouse Report, Fourth Quarter 2008*. Page 3. CB Richard Ellis. *MarketView Sacramento Industrial, Fourth Quarter 2008*. Page 2. Cornish & Carey Commercial. *Sacramento Market Summary, Fourth Quarter 2008*. Page 2.
[54] NAIBT Commercial. *Sacramento Valley Industrial & Warehouse Report, Fourth Quarter 2008*. Page 1.
[55] Personal communication. Paul Hanson, Senior Planner, City of Woodland. June 26, 2009.

square feet to Clark Pacific Precast LLC.[56] These large transactions may indicate a niche market in the Woodland area based on the availability of low cost facilities. Safeway, Inc. also renewed its lease for nearly 450,000 square feet in West Sacramento.[57] More significantly, Colliers points to industrial land sales in West Sacramento, mostly infill sites, as a sign of continued competitiveness in this submarket since industrial land sales are nearly non-existent in the regional market.[58]

Future Outlook for Industrial Development in Unincorporated Area

Similar to other job-generating land uses, as Yolo County plans for growth over the next several decades, the County should look towards opportunities that build on submarket strengths. These strengths include regional transportation networks and local agricultural production. Niche industrial uses that are a good fit with the County's vision for the unincorporated area include food processing and storage facilities, ag-related research and development functions, and nursery and greenhouse operations that support the local agricultural production sector. The County's draft *Economic Development Strategy* already includes an initiative to promote biotechnology in the County.[59] Previous research for the Draft General Plan indicated that some potential exists for R&D facilities related to activities at UCD, as well as limited business park development on the periphery of Woodland, West Sacramento, or Davis. However, production facilities for marketable products generated by R&D activities would likely be moved to more competitive regional locations closer to existing manufacturing supply chains for inputs and labor. Standard (non-agricultural related) warehouse and distribution uses could be attracted to locations near the Interstate 5/ Interstate 505 interchange as it could serve as a hub for shipments into and out of both the Bay Area and the Sacramento regions, as well as providing connectivity to the larger western U.S. and national transportation networks.

Beyond these opportunities, most sites in the unincorporated county will not be particularly competitive for general industrial uses. Other locations are more central to the Sacramento Region, have better infrastructure availability, have better access to transportation networks and the regional labor pool, are more established, and still offer available sites. Therefore, Yolo County is unlikely to capture more than a portion of overall regional industrial growth including light industrial, warehousing, and distribution uses that are ancillary to primary agricultural uses.[60] The functional links between these industrial uses and active agricultural production underscore the importance of preserving agriculture as a viable base level industry within the county.

[56] NAIBT Commercial. *Sacramento Valley Industrial & Warehouse Report, Fourth Quarter 2008*. Page 2.
[57] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 12.
[58] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 12.
[59] *Yolo County Draft 2030 Countywide General Plan*. "Appendix C: Economic Development Strategy." August 25, 2008. Page 29. http://www.yolocounty.org/Index.aspx?page=1528. Accessed April 27, 2009.
[60] This analysis is based on BAE's prior research for the Yolo County General Plan Update. Please see pages 19-20 of the *Market and Fiscal Considerations For the Yolo County General Plan*, September 7, 2006; and Appendix B of the *Yolo County general Plan Alternatives Evaluation*, December 6, 2006.

The draft *Economic Development Strategy* seeks to address some of these competitive challenges by establishing initiatives to improve local infrastructure capacity and maintain county roads, potentially provide various financial and/or regulatory incentives, and generally advance the local business climate, although resources will be limited.[61] To the extent that various economic development measures can be implemented, the ability of the unincorporated county to compete with other areas in the region could be enhanced.

Draft General Plan Buildout Potential

The Draft General Plan allows for a net increase over existing developed conditions of over 2,100 acres of residential land uses, nearly 900 acres of commercial development, more than 1,100 acres of industrial land use, and over 850 agricultural acres assumed to convert to agricultural support uses, including just over 300 acres on four targeted sites for specific ag-industrial and/or commercial facilities. Appendix A provides a more detailed listing of these acreages. Table 3 then translates these land use acres to housing units, population, commercial and industrial building square feet, and jobs. The assumptions used to develop these various estimates are detailed in Table 3 and Appendices A1 through A3, including housing densities, Floor-Area Ratio (FAR) assumptions, and jobs per acre estimates. Although the Draft General Plan establishes maximum FARs for different land uses, this analysis calculates the potential yield of building square footage based on lower FARs that are more likely to be representative of the overall average development intensity that may be expected in the unincorporated area. As will be discussed later, non-residential absorption through 2030 is unlikely be to constrained by the Draft General Plan's capacity to accommodate new development, even if the more conservative FARs (i.e., lower building square footage yield) are assumed. Based on these assumptions, Draft General Plan buildout might yield a net increase of nearly 13,800 housing units,[62] close to ten million building square feet of commercial uses, almost 20 million industrial building square feet, and nearly six million building square feet of ag-industrial and/or commercial uses. These job-generating land uses could accommodate over 36,000 new jobs in unincorporated Yolo County.

The following analysis explores the overall absorption potential of these land uses in unincorporated Yolo County through 2030, building on information presented earlier in this section to assess the absorption potential for the net increase in residential, commercial, and industrial uses allowed for in the Draft General Plan, while taking into account Draft General Plan policies targeting a jobs/housing ratio of 1.2 jobs per dwelling unit. Table 4 details the calculation of residential absorption potential as constrained by the estimated absorption potential of commercial and industrial uses through 2030. The analysis first provides individual assessments for Dunnigan,

---

[61] *Yolo County Draft 2030 Countywide General Plan.* "Appendix C: Economic Development Strategy." August 25, 2008. Pages 11-17, 22. http://www.yolocounty.org/Index.aspx?page=1528. Accessed April 27, 2009.

[62] Excludes potential units in mixed-use land use districts in Elkhorn required as part of CEQA mitigation measures.

Elkhorn, and the balance of unincorporated Yolo County and then addresses the total development program for the unincorporated county.

Table 5 provides a summary of various development scenarios, including the expected buildout based on the Draft General Plan's land use designations, a potential market/policy-constrained 2030 absorption scenario based on the findings in this analysis, and a status quo 2030 absorption scenario that is primarily based on MTP 2035 projections.

2030 Absorption Potential for Dunnigan Sub-Area

The Draft General Plan allocates land for a new town in Dunnigan that could potentially include about 8,100 new residential units based on mid-range housing density assumptions that fall between the minimums and maximums specified in the Draft General Plan, and nearly five million commercial building square feet, and 3.7 million square feet of industrial space, based on typical FARs.

Commercial

The amount of commercial space that the Draft General Plan could yield amounts to over 10,500 commercial jobs in Dunnigan, more than double the projected increase in total employment for the unincorporated county through 2030, reported in Table 2. Based on previous market analysis conducted as part of the Draft General Plan, if Dunnigan did absorb over 8,000 residential units and grow by about 22,600 residents as indicated in Table 3, Dunnigan's per capita retail capture rate could be in the range of 12 to 18 square feet of retail space, amounting to approximately 240,000 to 360,000 square feet of retail space to serve local convenience shopping needs. Some amount of additional retail space may also be absorbed if residents of smaller nearby communities, including those nearby in Colusa County, can be attracted for certain shopping trips when Dunnigan would offer more variety than their own local options. These retail uses would likely include a neighborhood retail center that could support a supermarket, drug store, and other local-serving retail stores, some stand-alone retail facilities, some small unanchored strip centers, and some community-serving "mid-box" retail stores. However, larger regional-serving retail centers and "big-box" stores would be unlikely to locate in Dunnigan due to insufficient retail demand in a community of this size. Dunnigan also has some potential to absorb highway serving retail and lodging facilities, including fast-food, gas station, convenience, and motel uses. These uses will not likely amount to a significant increase in retail space since Dunnigan already has some of these types of establishments that cater to drive-by traffic.

Beyond retail uses, professional offices, medical offices and centers, and service-commercial businesses would also demand commercial space in Dunnigan. Commercial absorption rates will be highly dependent on the size of Dunnigan's own population base, since the community is fairly isolated from large population centers. In prior analysis for the Draft General Plan it was estimated that a population of around 20,000 people will not be able to support more than about 100,000 square feet of office uses.[63]

Due to the importance of the local population base in supporting various types of commercial activities, the Draft General Plan's targeted 1.2 jobs per dwelling unit ratio could impact the commercial absorption potential, depending on how Draft General Plan policies are implemented. At residential buildout of a projected 8,100 units, it is estimated that the community could support a wider and more diverse range of commercial businesses. However, strict application of the 1.2 jobs/housing ratio requirement would mean that residential absorption would be limited by the pace of absorption for job-generating uses. In turn, reduced residential absorption potential means that there will be less demand for retail goods and services. The commercial absorption estimate for 2030 is approximately 250,000 square feet. The jobs/housing balance calculations are detailed in Table 4.

The projections of absorption reflect the development patterns of other small, but growing communities in the region, as well as an assumption about strict application of the requirement for concurrent jobs and housing development to comply with the jobs/housing balance policies. For example, between 1990 and 1999 employment in Galt rose from 2,100 to 2,800 total jobs, including 170 retail jobs, 40 office jobs, and 89 medical jobs.[64] By 2000, DOF reports that Galt had around 6,200 housing units and a population of 19,500. Unless Dunnigan experiences an unexpected change in local market conditions, job-generating development will come online slowly, and limit the allowed pace of residential development. As the local population base grows and the town becomes more established, the potential for a change in market conditions increases. For the next couple of decades, as Dunnigan reaches an intermediate development stage, it is reasonable to expect fairly modest growth in Dunnigan. Over the longer term, as Dunnigan's population base increases and its local economic base expands, the town will be capable of supporting a greater amount and variety of commercial development. In the near to mid-term, the County could potentially facilitate more rapid buildout of Dunnigan, based on a willingness to let job-generating development "lag" residential development by a certain amount. For example, the County could allow the residential component of a Specific Plan phase to develop before the commercial component of the same phase builds out, with the understanding that the Specific Plan would not proceed to the second phase if the jobs/housing balance had not yet been provided for the first phase. With this type of approach, the developers might be compelled to provide discounted land, subsidize infrastructure development, and take other steps to accelerate non-residential development so that they can move to the next phase of the project. The specific steps to be taken will need to be determined through the Specific Plan development process.

[63] *Yolo County general Plan Alternatives Evaluation,* December 6, 2006. Page 18.
[64] SACOG. http://www.sacog.org/demographics/employment/cities/sacr.cfm#galt. Accessed June 17, 2009.

Industrial

Dunnigan's proximity to the Interstate 5/Interstate 505 interchange could attract warehousing and distribution facilities interested in taking advantage of this strategic site to serve as a hub for shipments into and out of the Bay Area and the Sacramento region as well as the larger western U.S. and national transportation networks. Typical warehousing and distribution activities often occupy a complex of 500,000 square feet or more. Based on the locational attributes of Dunnigan, it is estimated that approximately three million industrial and warehouse building square feet (or the equivalent of around six large-scale warehousing and distribution facilities) could potentially be absorbed through 2030. Three million square feet represents approximately 18 percent of the warehouse space (not including other industrial products) that exists currently in the Davis/Woodland submarket.[65]

Residential

Dunnigan's location near the Interstate 5/Interstate 505 interchange positions Dunnigan as a potential bedroom community for commuters to both the Sacramento and Bay Area employment centers. During the housing boom, Dunnigan was attracting retirees from the East Bay.[66] Demand for housing was also high in nearby communities within Colusa County around the same time.[67] These conditions indicate a significant potential for housing development in Dunnigan through 2030; however, the Draft General Plan seeks to development that caters to primarily to commuter populations seeking bedroom communities, by establishing policies that will promote jobs/housing balance in Specific Plan areas.

Using typical residential density assumptions, the residential acreage in the Draft General Plan could yield approximately 7,100 additional single-family units and nearly 1,000 additional multifamily homes in Dunnigan, at buildout. The likely 8,100-unit increase at buildout would represent nearly 60 percent of the anticipated residential buildout in the entire unincorporated county. This amount of residential development equates to over 20 percent of the housing growth projected for Yolo County as a whole through 2030 in Table 2; around 30 percent of the new housing development anticipated in unincorporated Yuba, Sutter, and Yolo Counties combined; and two percent of total regional housing growth. The *Yolo County General Plan Alternatives Evaluation* indicated potential market demand in Dunnigan for 7,000 new units, and possibly more, if the County concentrated growth in Dunnigan.[68]

While the anticipated buildout increment of 7,100 single-family units could probably be absorbed

---

[65] Colliers International. *Sacramento Industrial Overview, Fourth Quarter 2008*. Page 3.
[66] Personal communication. David Morrison, Assistant Director, Yolo County Planning Division. August 8, 2006.
[67] Personal communication. Kent Johanns and Steve Hackney, Colusa County Planning and Building. May 22 and 23, 2006.
[68] *Yolo County general Plan Alternatives Evaluation*, December 6, 2006. Page 17.

in Dunnigan by 2030 under non-regulated market conditions, the Draft General Plan jobs/housing balance target of 1.2 jobs per dwelling unit would limit the amount of residential development in Dunnigan and slow the absorption potential through 2030. In addition, the reduced residential absorption potential will impact the pace of commercial development that requires a certain population base, as well as the jobs connected with those uses, further influencing the number of permitted residential units. As detailed in Table 4, it is estimated that approximately 2,000 units are likely to be developed in Dunnigan through 2030. This estimate conservatively takes into account the County's jobs/housing ratio target and the estimated absorption potential for commercial and industrial uses assuming requirements for a fairly tight concurrency between new residential development and new job-generating development. The County may potentially increase the overall absorption rate by allowing a reasonable lag between residential development and commercial development, as indicated in Draft General Plan Policy CC-3.3, which states that the jobs/housing relationship within Specific Plans shall be monitored by phase. This would potentially allow much of the residential development in one phase of a Specific Plan to precede the job-generating development in the same phase. Although the policy would require that the job-generating development "catch up" to the residential development before proceeding to the next phase of the Specific Plan, this flexibility may help the Dunnigan Specific Plan to build out more rapidly than the estimate above of 2,000 units by 2030. The details of such phasing plans will need to be addressed in the Specific Plan development and approval process.

There may be market barriers that would impede the development of multifamily units through 2030. In the near term, residential rental rates may not be sufficiently high in this area to support new market rate multifamily construction and other development costs. As a result, the amount of new multifamily units may initially be tied to the construction of affordable housing projects within the County and not market rate multifamily developments. Later, as the Dunnigan community grows and begins to attract its own base of local retail and other businesses that will employ a diverse range of workers, local demand will increase for multifamily rental units to house smaller households who are attracted to the area to work within the community's local commercial and industrial sectors. With the typically lower wages paid by retail and industrial/warehousing uses that could be expected to occupy a large proportion of the land allocated in the Draft General Plan for commercial and industrial uses in Dunnigan, many local workforce households will likely need to rely on rental apartments for housing.

The County's inclusionary housing policy will also affect the availability of multifamily housing in Dunnigan. However, the current policy requires comparability of affordable units with market-rate units in the same project. Therefore, a single-family for-sale residential development will generally be required to include single-family affordable units. The County's inclusionary requirements do not appear to have discouraged development interest in the unincorporated County. Current inclusionary requirements in the County are higher than West Sacramento's inclusionary requirements, and slightly more stringent for for-sale projects as compared to Woodland, but are similar to Woodland's inclusionary requirements for multifamily rental projects. The City of Davis has higher inclusionary requirements.

Overall, the competitiveness of Dunnigan for residential development will depend on a variety of regulatory and market factors, including the availability of land that is appropriately zoned, access to utilities and services, application and developments fees, and land prices. These variables will continue to change within each of the County's jurisdictions over time, and the relative competitiveness of Dunnigan will correspondingly change over the next couple of decades. Because a large portion of the Dunnigan Specific Plan area is controlled by a single landowner/developer group, this should facilitate creative structuring of the development project to successfully address the inclusionary housing policies through cross-subsidization between not only market rate and affordable residential components, but also potentially between commercial components and affordable residential components.

2030 Absorption Potential for Elkhorn Sub-Area

Development under the Draft General Plan would likely yield nearly two million square feet of commercial building space and close to 2.3 million industrial square feet in the Elkhorn Specific Plan Area. According to Policy CC-3.11 of the Draft General Plan, this area is envisioned as "a regional conference center and hotel facility, with appropriate general commercial development and industrial research and development uses, capitalizing on the existing natural amenities and riverfront.[69]

Commercial

As noted in the Regional Market Conditions Overview section of this report, there may be some increased potential for the development of hotel and conference center facilities at the Elkhorn site due to the cancellation of the Sacramento International Airport hotel project as well as the moratorium on development in the Natomas region delaying construction at Metro Air Park. However, these facilities would still need to cater to a niche interest in a more isolated setting that caters to small- or medium-sized groups and builds on local natural assets, as described in Policy CC-3.11 of the Draft General Plan. Groups looking for a more urban setting will likely find sufficient hotel and meeting facilities, and greater amenities and attractions in nearby Sacramento.

Market conditions also indicate that significant hurdles exist to the financing of convention centers. These facilities generally require public and/or private subsidies to finance construction costs and private investors are leery of this type of development due to high ongoing operations and maintenance costs. While some cross-subsidy opportunities from other development types may exist on the site, including other commercial and industrial buildings, development of these additional facilities may run counter to the niche competitive advantage that the Elkhorn site offers

[69] Revised Draft General Plan as modified by the County Board of Supervisors January 21, 2009.

for a more isolated and natural setting. Moreover, as noted in previous market analysis for the Draft General Plan, a conference center at Elkhorn may not generate sufficient activity to support additional retail, restaurant, or office space development on the site.[70]

Considering that Elkhorn's competitive niche aligns with smaller, more intimate conference facilities in a natural setting, 300,000 building square feet would be the anticipated development potential on this site through 2030.

Industrial

As noted in the Regional Market Conditions Overview section, most locations within the unincorporated county, including Elkhorn, are not directly competitive with locations that are more central to the Sacramento Region. The Elkhorn location does provide good access to I-5 and the Sacramento urban areas; however, it will face stiff competition for standard industrial uses from Sacramento County's Metro Air Park project. This 1,900-acre project in unincorporated Sacramento County is located adjacent to Sacramento International Airport and is planned to include up to 20 million square feet of commercial/industrial space. Although development is on hold at this time, due to market conditions and the moratorium on development in the Natomas area due to flood hazards, Sacramento County staff indicate that levee improvements are anticipated for completion by 2012 or 2013. Furthermore, Sacramento County and the Metro Air Park's developer team have already installed all of the park's backbone infrastructure with the exception of sewer, which will be completed relatively soon also.[71] This means that by 2012 or 2013, Metro Air Park will have "shovel–ready" sites for industrial development.

With a more visible location near Highway 99 and the airport as well as I-5 on the Sacramento County side of the river, and a larger size which may support more intensive marketing efforts, Metro Air Park will have distinct advantage in direct competition with Elkhorn for standard industrial tenants. Nevertheless, if Elkhorn's developers can identify opportunities to cater to industrial market niches not served by Metro Air Park, the Yolo County site may have the potential to capture enough demand to support an expected buildout of 2.3 million square feet of industrial space by 2030. This absorption potential should be considered highly variable and dependent on a variety of external factors, such as the status of Metro Air Park, the continuance of air cargo operations at Sacramento International Airport, and the cost competitiveness of Elkhorn space relative to Metro Air Park and other regional competitors. It is also imperative that any industrial and warehousing uses are distanced from potential hotel and conference facilities at the Elkhorn site and adhere to Policy CC-3.11 by not compromising the natural setting for other potential uses, such as the hotel/conference center planned for the site. In addition, based on the projected

[70] *Yolo County general Plan Alternatives Evaluation*, December 6, 2006. Page 104.

[71] Personal communication. Rob Leonard, Assistant to the County Executive for Economic Development and Intergovernmental Affairs. June 26, 2009.

absorption of commercial development at Elkhorn, it would be necessary to develop approximately 1,700 residential units in Elkhorn through 2030 in order to comply with the Draft General Plan's jobs/housing target.

2030 Absorption Potential for Balance of the Unincorporated County

Within the rest of the unincorporated county, at mid-range development densities, the increase in land use acreage in the Draft General Plan could yield approximately 5,700 housing units, close to three million commercial building square feet, nearly 14 million industrial square feet, and almost six million building square feet of ag-industrial or commercial uses. At the assumed building FARs, commercial and industrial acreages are estimated to accommodate almost 18,000 new jobs, or just over 40 percent of the total new jobs projected for Yolo County through 2030. New development potential is generally concentrated around the existing unincorporated communities, including Madison, Esparto, Knights Landing, Clarksburg, Yolo, Zamora, and Monument Hills, as well as at the County Airport and the outskirts of Davis, Woodland, and Winters. Some additional highway commercial development is also designated in areas in the unincorporated county.[72]

Commercial

The Draft General Plan could yield approximately three million net new square feet of commercial space by 2030 assuming a typical FAR of 0.25 for commercial uses. This amount of commercial acreage is estimated to house over 6,000 new jobs, which would equate to nearly 15 percent of all new jobs projected for the entire County through 2030.

Commercial development will continue to gravitate towards the large population bases in the County, both for access to customers as well as to access local labor pools. Under the Draft General Plan there is limited potential in North Woodland for commercial development in the unincorporated area that is adjacent to or in close proximity to a significant population base in an incorporated city. There is also some potential for commercial development in the unincorporated towns, such as Madison, Esparto, and Knights Landing, including the potential for redevelopment of existing commercial land in these communities' downtowns. In addition, there is some potential for highway commercial within the remainder of the unincorporated County. Based on these opportunities, it is likely that approximately one million building square feet of commercial space spread throughout the unincorporated county would be absorbed through 2030.

Industrial

With potential for nearly 14 million building square feet based on typical development densities and more than 8,000 new industrial jobs, the Draft General Plan has significant capacity for industrial development in the balance of the unincorporated area through 2030 and beyond. This

[72] Revised Draft General Plan as modified by the County Board of Supervisors January 21, 2009. Page LU-3.

new capacity represents around 20 percent of countywide employment growth projected through 2030 for all job-generating sectors.

Based on the analysis in the Regional Market Conditions Overview, there is some absorption potential for industrial land located near Davis and Woodland, although freeway access from the unincorporated area sites will affect their marketability to industrial users. Overall, however, areas in the unincorporated communities are not as competitive for attracting industrial uses as other locations in the Sacramento region, with the exception of ag-related industrial uses discussed below.

If Woodland is unsuccessful in obtaining flood map revisions that would remove significant portions of its industrial area from the flood hazard zone, and with relatively limited opportunities for industrial growth in Davis, the unincorporated area may be able to increase its share of countywide industrial growth through 2030. Assuming that Woodland's ability to capture industrial development remains at least partially impaired, and assuming that Davis continues to have limited industrial expansion capacity, two to three million square feet of standard industrial building space could potentially absorb in the balance of the unincorporated county over the next couple of decades.

Outside of Dunnigan, the most likely locations in the unincorporated area for non ag-related industrial development are likely to be near Davis, West Sacramento, and Woodland. Currently, no industrial sites are designated near West Sacramento, though the Draft General Plan does identify industrial land further south in Clarksburg that would be less competitive than West Sacramento locations. This, and other sites that lack easy freeway access, such as the Covell/Pole Line site adjacent to Davis, may take longer to absorb due to their inferior access, unless their other locational attributes offer special benefits for specific users, such as ag-industrial users discussed below. This suggests that the Spreckels site may be the County's best existing opportunity for standard (non-agricultural related) industrial development in the remainder of the unincorporated area outside of Dunnigan and Elkhorn. For example, land currently designated for standard (non-ag) industrial development in Esparto is likely to be in direct competition with land that the Draft General Plan designates for standard industrial development in Dunnigan. The Esparto industrial property would likely be less competitive than the Dunnigan property, since it would be smaller, and the Esparto development will not likely have the critical mass and economies of scale in marketing that would be enjoyed by the Dunnigan property as part of a much larger and more coordinated Specific Plan effort.

Ag-Industrial/Commercial

In addition to the general industrial and commercial development discussed above, the Draft General Plan would allow ag-industrial and ag-commercial uses within the AG land use designation. This includes just over 300 acres of land specifically targeted for ag-industrial or ag-commercial uses within the Clarksburg, Madison, Zamora, and Winters areas. In addition, the County assumed for EIR purposes that additional smaller unspecified sites would also develop with ag-industrial or ag-commercial uses, for a total potential of 854 acres of new ag-industrial and ag-commercial development through buildout of the Draft General Plan.   The 854 acres equate to potential for almost six million building square feet, based on a typical 0.4 FAR. All of the acreage designated for ag-industrial/commercial use is located in the balance of the unincorporated area. While there is potential for some amount of ag-commercial development in the unincorporated county, much of this type of development would likely take the form of small boutique retail space or produce stands catering to agricultural tourists or residents of nearby urban areas. Therefore, it is probable that a more significant portion of this space will be developed for industrial uses, such as food processing and storage connected to agricultural activity in the unincorporated area.

The County does exhibit some competitive advantages in attracting large agricultural production, processing, and packaging facilities that require little infrastructure and inexpensive land. These facilities also generally require a relatively low number of employees.   It is difficult to project the net increase in ag-industrial building square feet in the unincorporated county since there is not a lot of historical data available and the available projections of industrial employment growth do not provide separate ag-industrial figures. In addition, potential technological changes could spur the need for new development. However, overall the county should not anticipate a significant amount of net new ag-industrial development through 2030. These uses are tied to agricultural production, and between 1997 and 2006, the number of harvested agricultural acres in the County declined by over 50,000 acres while total crop values countywide dropped by nearly $70 million once adjusted for inflation.[73] While crop values have rebounded due to inflation of domestic food prices, this may not translate to increases in farmed acreage or the amount of produce grown. Though there may not be a significant need for increased agricultural processing and warehousing capacity in the County, there will likely be opportunities related to replacement facilities due to modernization, changing technologies, and other factors. These considerations make it desirable to not be overly aggressive in assumptions for the fiscal analysis. Therefore, it is estimated that a net increase of two to three million building square feet would probably be a sufficient amount of space to address demand for these uses through 2030 in the unincorporated county.

Residential

Using mid-range residential densities, buildout of the Draft General Plan could yield nearly 5,000 new single-family homes and an increase of over 700 multifamily units in areas of the unincorporated county besides Dunnigan and Elkhorn. Based on previous housing development pressures experienced in unincorporated Yolo County prior to the current housing market downturn and an anticipated recovery of housing demand over the next several years, it is possible that unincorporated Yolo County communities could absorb this amount of new housing units by 2030.

[73] Yolo County Agricultural Department, Crop Reports 1998-2006.

However, unincorporated Yolo County communities would have to draw housing demand away from other areas in the region. These 5,700 new units represent more residential growth in unincorporated Yolo County than current projections estimate, and would represent approximately 20 percent of total new housing units projected for unincorporated Yuba, Sutter, and Yolo Counties combined. In addition, if residential growth is constrained in the incorporated cities of Yolo County, as discussed previously in this chapter, the unincorporated communities of the County could potentially capture some of the unmet residential demand, provided that the new development in the unincorporated areas provides reasonable access to jobs, attractive amenities such as parks, schools, and shopping, and reasonable levels of public services.

As calculated in Table 4, the absorption potential for job-generating uses in the balance of the unincorporated county limits the number of allowable residential units to 4,700 through 2030, assuming a strict jobs/housing1.2 ratio of jobs to dwelling units. Residential unit absorption potential might be increased if implementation of the Draft General Plan allows some flexibility in regard to the concurrency of job-generating uses with residential development. In addition, the development of multifamily units may face the same economic hurdles discussed in the Dunnigan analysis. In contrast to Dunnigan however, there is less potential for comprehensive planning and development of large-scale mixed use projects, so the opportunity for cross-subsidization as a strategy to facilitate production of lower-cost residential units in the balance of the unincorporated area may be more challenging. Beyond the area surrounding Davis, where demand from UCD students drives up rents, rental rates may not be sufficient in the unincorporated county to support the development of new market-rate multifamily projects in the near term. These factors could combine to limit multifamily development potential in the balance of the unincorporated area unless regulated affordable housing projects are built after securing significant local, state, or federal subsidies.

2030 Absorption Potential for Draft General Plan as a Whole

The estimated absorption potential for the unincorporated area as a whole is based on the Regional Market Conditions Overview and the assessments presented above for Dunnigan, Elkhorn, and the remainder of the unincorporated county.

Commercial Absorption Potential Through 2030

Buildout of the Draft General Plan may yield a net increase of over 50,000 commercial square feet in mixed-use developments, more than one million additional Commercial (Local) square feet, and almost nine million square feet of new Commercial (General) uses. This growth of nearly ten million square feet of office, retail, hotel/conference center uses, medical offices, and other commercial uses equates to approximately 21,000 new jobs in the unincorporated county. In contrast, SACOG projections summarized in Table 2 estimate that total employment in the unincorporated county will grow by just 5,100 jobs, including commercial, industrial, and other job-generating uses, through 2030.

With an increase of nearly 430,000 jobs region-wide and just under 43,000 jobs countywide projected between 2005 and 2030, 21,000 new commercial jobs in unincorporated Yolo County represents about half of total projected Yolo County employment growth and five percent of total regional job growth. The MTP 2035 estimates indicate that, in 2005, unincorporated Yolo County represented less than 20 percent of County employment and just two percent of all regional jobs, including commercial, industrial, and other job-generating sectors. Moreover, just the increase of 21,000 commercial jobs in the unincorporated area would require a compound annual growth rate of over three percent in the unincorporated county.

The MTP 2035 projections assume a one percent compound annual job growth rate for unincorporated Yolo County. Region-wide, the MTP 2035 assumes a 1.4 percent compound annual growth rate for total employment. Based on MTP 2035 regional projections and the analysis indicating that unincorporated Yolo County is less competitive for most commercial development relative to more urban locations in the region, the absorption potential for the unincorporated county may be approximately 1.5 million commercial building square feet through 2030.

Industrial

At buildout, the Draft General Plan could yield approximately 20 million net new industrial square feet in unincorporated Yolo County, accommodating close to 12,000 new industrial jobs. The potential amount of industrial employment represents more than double SACOG's total job growth projections for unincorporated Yolo County through 2030, as shown in Table 2. As noted above, Table 2 estimates an increase of 5,100 total jobs in the unincorporated county and nearly 43,000 jobs in Yolo County overall. SACOG expects much of the countywide employment in 2030 (more than 80 percent) to be within the incorporated cities; however, the Draft General Plan would accommodate new industrial growth in the unincorporated area that was not foreseen in the SACOG projections. Additionally, the limited industrial growth opportunities in Davis and flood concerns in Woodland's industrial areas may enable the unincorporated county to increase its share of countywide industrial growth through 2030.

While Yolo County presents competitive attributes for attracting industrial uses, sites in the unincorporated county will have to compete with locations within the cities. West Sacramento and Woodland in particular each exhibit unique competitive advantages for capturing industrial development including conventional industrial, warehousing and distribution functions. The unincorporated area also has its unique attributes that will be attractive to certain types of development, including conventional warehouse/distribution functions in the Dunnigan area due to its excellent freeway access as well as ag-related industrial facilities, which are discussed below and not included in the general industrial absorption estimates. Sites within the unincorporated area may also be competitive with these cities as a result of potentially lower fee structures, lower cost of land, or a lack of flood concerns, as long as they provide access to water and sewer infrastructure or are marketed to uses that do not have heavy demands for water or sewer. While sites in the unincorporated county near Woodland, West Sacramento, and even Davis may take advantage of local competitive attributes, infrastructure, and services in these cities, these sites would also generally require easy freeway access, especially for conventional industrial and warehousing/distribution uses.

After accounting for warehousing and distribution opportunities along the major interstate corridors, an estimated 8.3 million industrial and warehouse building square feet could be absorbed in the unincorporated county by 2030, not including ag-industrial uses. This estimate is based on the analyses above of conventional industrial, warehousing/distribution, and research and development absorption potentials in Dunnigan, Elkhorn, and the remainder of the unincorporated county. In the short term, there are opportunities for conventional industrial and warehousing/distribution uses at the edges of cities, where with infrastructure and services are available, or for uses that do not require significant water and sewer use. Over the longer term, as the population base in Dunnigan grows to provide a sufficient labor pool, additional opportunities for a variety of industrial uses could further develop there.

Ag-Industrial/Commercial

In addition to the general industrial and commercial development discussed above, the Draft General Plan allows ag-industrial and ag-commercial development on land designated AG, of which about 854 acres are assumed to development with ag-industrial and ag-commercial development for the purposes of the Draft General Plan DEIR. The 854 acres might yield approximately 5.8 million square feet of additional ag-industrial/commercial space. Since the entire ag-industrial and ag-commercial acreage is within the balance of the unincorporated County, the analysis of the absorption potential for these uses discussed above applies to the overall total unincorporated county potential as well. As noted in the previous portion of this report, industrial uses are expected to represent the majority of these ag-related building square feet, and two to three million building square feet would likely be sufficient space to accommodate the demand for these uses through 2030.

Residential

While the Draft General Plan residential land uses could allow a maximum increase of over 22,000 dwelling units,[74] the more likely or "typical" yield is expected to be just under 13,800 net new housing units through buildout, using the mid-range of the densities. The estimated potential yield of 13,800 residential units excludes any residential units in the Elkhorn subarea that may be required as a General Plan mitigation measure to address the jobs/housing balance in that area.

---

[74] *Yolo County 2030 Countywide General Plan EIR*. Section V. Alternatives. Page 766. http://www.yolocounty.org/Index.aspx?page=1683. Accessed May 28, 2009.

This 13,800-unit expected yield in unincorporated Yolo County through 2030 falls below the 15,000 maximum potential residential unit demand estimated in earlier market research, but is nearly four times the number of units projected by SACOG for unincorporated Yolo County in Table 2.

An increase of 13,800 units represents three percent of the new housing units projected for the SACOG region between 2005 and 2030. Historically, unincorporated Yolo County's share of regional housing units has been just one percent, a trend that the MTP 2035 projections assume will continue. These projections, however, do not take into consideration new policies incorporated into the Draft General Plan, including the establishment of a new town in Dunnigan. Therefore, it is possible for unincorporated Yolo County to capture a larger portion of regional housing growth than indicated by current projections.

If the County were to absorb 13,800 new housing units, the number of units in unincorporated Yolo County would have to grow at an estimated compound rate of nearly five percent. This growth rate is much higher than the projected growth rate of 1.7 percent for the entire region. Moreover, this level of housing growth represents over 50 percent of the net increase in housing projected for the more traditionally rural parts of the Sacramento Region combined (unincorporated Sutter, unincorporated Yuba, and unincorporated Yolo Counties). The MTP projections do reflect region-wide urban focused growth principles - more so than previous projection estimates. As a result, the MTP 2035 projections indicate much lower average compound annual residential growth rates for all three unincorporated areas, but future projection series may allocate some growth back to rural areas, depending on the outcomes of SACOG's RUCS project, discussed previously.

A large amount of new housing in unincorporated Yolo County would represent a significant departure from the historic quantities of growth in unincorporated Yolo County; however, the new housing growth would be consistent with the existing pattern of growth (i.e., building up existing communities in the unincorporated area with the intention of achieving size thresholds that would help to raise quality of life and pay for infrastructure that would benefit existing residents). However, market research indicates that the unincorporated county could potentially capture close to 13,800 new residential units when previous trends of residential migration from the Bay Area to the Sacramento region resume. According to published DOF housing estimates, the number of housing units in unincorporated Yuba County alone increased by almost 3,700 units between 2000 and 2007. With major regional transportation corridors connecting unincorporated Yolo County to the Bay Area and Sacramento, the unincorporated county is well positioned to compete with Yuba, Sutter, and Colusa Counties for new regional housing growth. This market absorption estimate, however, does not take into account Draft General Plan policies would constrain the rate of residential absorption to a level that would keep pace with the absorption of job-generating land uses.

The Draft General Plan includes a policy that establishes a target of 1.2 jobs per residential unit. Therefore, residential growth in the County will also depend on the absorption potential of job-generating uses. Table 4 calculates a potential net increase of 8,300 residential units that could be supported by increases in commercial and industrial uses in the unincorporated county, including approximately 1,700 units that could be supported by job-generating development at Elkhorn. Some additional residential development will also likely be supported by increased jobs in the public sector, such as education. These additional units, however, will not likely be significant.

Table 1: Historic Regional Employment and Housing Trends

	Jobs					
	1990		2000		2007	
	Total Industry Employment	Share of Region	Total Industry Employment	Share of Region	Total Industry Employment	Share of Region
El Dorado County	30,400	5%	44,200	5%	53,600	6%
Placer County	60,900	9%	111,500	13%	141,400	15%
Sacramento County	471,400	71%	558,100	66%	615,300	64%
Sutter County	19,400	3%	25,000	3%	29,200	3%
Yolo County	64,700	10%	92,200	11%	101,700	11%
Yuba County	17,700	3%	18,100	2%	17,700	2%
Regional Total	**664,500**	**100%**	**849,100**	**100%**	**958,900**	**100%**

	Housing					
	1990		2000		2007	
	Total Housing Units	Share of Region	Total Housing Units	Share of Region	Total Housing Units	Share of Region
El Dorado County	61,451	9%	71,278	9%	82,695	9%
Placer County	77,879	12%	107,302	14%	144,207	16%
Sacramento County	417,574	64%	474,814	62%	544,477	60%
Sutter County	24,163	4%	28,319	4%	33,069	4%
Unincorporated Sutter	*11,688*	*2%*	*12,589*	*2%*	*8,607*	*1%*
Yuba County	21,245	3%	22,636	3%	26,718	3%
Unincorporated Yuba	*15,878*	*2%*	*16,822*	*2%*	*20,486*	*2%*
Yolo County	53,028	8%	61,587	8%	71,755	8%
Davis	*18,310*	*3%*	*23,617*	*3%*	*25,729*	*3%*
West Sacramento	*11,652*	*2%*	*12,133*	*2%*	*17,566*	*2%*
Winters	*1,564*	*0%*	*1,954*	*0%*	*2,234*	*0%*
Woodland	*14,942*	*2%*	*17,121*	*2%*	*18,963*	*2%*
Unincorporated Yolo	*6,560*	*1%*	*6,762*	*1%*	*7,263*	*1%*
Regional Total	**655,340**	**100%**	**765,936**	**100%**	**902,921**	**100%**

Sources: CA EDD, 2009; CA DOF, Tables E-8 and E-5, 2009; BAE, 2009.

Table 2: SACOG Projections for MTP 2035

Jobs

	2005	2030 (a)	2035	Projected Compound Annual Growth Rate 2005-2035
El Dorado County	48,144	77,618	85,398	1.9%
Placer County	131,651	222,916	247,676	2.1%
Sacramento County	678,503	912,325	967,986	1.2%
Sutter County	28,159	45,283	49,796	1.9%
Unincorporated Sutter	*4,377*	*7,716*	*8,643*	*2.3%*
Yuba County	21,653	35,869	39,679	2.0%
Unincorporated Yuba	*13,165*	*22,660*	*25,260*	*2.2%*
Yolo County	92,047	134,857	145,562	1.5%
Davis	*16,326*	*20,375*	*21,298*	*0.9%*
West Sacramento	*30,655*	*54,045*	*60,535*	*2.3%*
Winters	*1,895*	*3,673*	*4,193*	*2.7%*
Woodland	*25,417*	*33,576*	*35,498*	*1.1%*
Unincorporated Yolo	*17,754*	*22,854*	*24,038*	*1.0%*
SACOG Region Total	**1,000,157**	**1,428,868**	**1,536,097**	**1.4%**

Housing Units

	2005	2030 (a)	2035	Projected Compound Annual Growth Rate 2005-2035
El Dorado County	60,747	82,214	87,344	1.2%
Placer County	119,805	205,740	229,238	2.2%
Sacramento County	506,003	739,369	797,633	1.5%
Sutter County	29,688	45,779	49,921	1.7%
Unincorporated Sutter	*5,232*	*8,460*	*9,313*	*1.9%*
Yuba County	24,883	49,864	57,301	2.8%
Unincorporated Yuba	*18,194*	*37,137*	*42,834*	*2.9%*
Yolo County	66,549	102,115	111,245	1.7%
Davis	*24,832*	*30,370*	*31,618*	*0.8%*
West Sacramento	*15,448*	*31,364*	*36,136*	*2.9%*
Winters	*2,509*	*4,286*	*4,770*	*2.2%*
Woodland	*17,961*	*26,205*	*28,262*	*1.5%*
Unincorporated Yolo	*5,799*	*9,480*	*10,459*	*2.0%*
SACOG Region Total	**807,675**	**1,225,082**	**1,332,682**	**1.7%**

Note:

(a) 2030 estimates derived from 2005 and 2035 figures published in the MTP 2035 and the projected average compound annual rate of growth.

Sources: Metropolitan Transportation Plan 2035, SACOG, March 20, 2008; BAE, 2009.

Table 3: Estimates of Net New Development Potential Under Draft General Plan (a)

	Dunnigan				Elkhorn				Rest of Unincorporated Area				TOTAL - NET NEW			
	Residential		Commercial		Residential		Commercial		Residential		Commercial		Residential		Commercial	
GP Designation	Units (b)	Pop. (d)	Sq. Ft. (e)	Jobs (f)	Units (a)(c)	Pop. (c)(d)	Sq. Ft. (e)	Jobs (f)	Units (a)	Pop. (d)	Sq. Ft. (e)	Jobs (f)	Units	Pop.	Sq. Ft.	Jobs
RR	190	429	0	0	0	0	0	0	58	131	0	0	248	559	0	0
RL	4,205	11,774	0	0	0	0	0	0	3,236	9,062	0	0	7,441	20,835	0	0
RM	2,724	7,629	0	0	0	0	0	0	1,662	4,654	0	0	4,386	12,282	0	0
RH (g)	975	2,730	56,817	120	2,034	5,695	0	0	731	2,047	0	0	3,740	10,472	56,817	120
CL	0	0	557,568	1,178	0	0	0	0	0	0	546,678	1,155	0	0	1,104,246	2,332
CG	0	0	4,356,000	9,360	0	0	1,905,750	4,095	0	0	2,374,020	5,101	0	0	8,635,770	18,556
IN	0	0	3,702,600	2,214	0	0	2,265,120	1,354	0	0	13,822,459	8,250	0	0	19,790,179	11,818
AG (h)	0	0	0	0	0	0	0	0	0	0	5,819,616	3,474	0	0	5,819,616	3,474
PR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PQ (i)	0	0	8,348,274	434	0	0	435,600	0	0	0	16,036,614	775	0	0	24,820,488	1,209
TOTALS	**8,094**	**22,561**	**17,021,259**	**13,306**	**2,034**	**5,695**	**4,606,470**	**5,449**	**5,687**	**15,893**	**38,599,387**	**18,754**	**15,815**	**44,149**	**60,227,117**	**37,509**
Breakdown of Residential Units By Type of Unit	**Units**	**Pop.**	**Units**	**Pop.**	**Units**	**Pop.**	**Units**	**Pop.**	**Units**	**Pop.**	**Units**	**Pop.**	**Units**	**Pop.**	**Units**	**Pop.**
SFD (j)	7,119	19,831	0	0	0	0	0	0	4,956	13,846	0	0	12,075	33,677	0	0
MFD (j)	975	2,730	0	120	2,034	5,695	0	0	731	2,047	0	0	3,740	10,472	0	120

Notes:

(a) For details regarding calculation of the figures below, please see Appendices A, B, and C.

(b) "Typical" yield - not minimum or maximum. Page LU-53 of Draft 2030 Countywide General Plan. Differs from the maximum yield of 14,798 units analyzed in the GP EIR. Includes Specific Plan Areas and additional units resulting from changes to allowed residential land use densities.

(c) CEQA Mitigation (Land Use) requires upper-story high density residential. The 2,034 units shown is half the number, about 4,067 units, that would be needed for jobs/housing balance because not all may be feasible or desirable. These units are not modeled in the Fiscal Impact Analysis.

(d) Figures are based on a "typical" ratio of persons per acre - not minimum or maximum. Page LU-53 of the Draft 2030 Countywide General Plan.

(e) Figures are based on the typical floor area ratio (FAR) reported for each land use type in Appendix C.

(f) Figures include employment estimates for unincorporated areas of the county, plus the total estimated number of jobs for each specific plan area, as reported on pages LU-32 through LU-37 of the Draft 2030 Countywide General Plan. Estimates for unincorporated areas are based on ratio of jobs per acre derived using figures reported for the County's four specific plan areas.

(g) Jobs within the Residential High (RH) land use designation are due to mixed use development in the Dunnigan Specific Plan area. For the purposes of this analysis all mixed use development is assumed to include uses compatible with the Commercial Local (CL) land use category. The square footage estimate provided is based on jobs per acre and maximum FAR values considered typical for CL development.

(h) Includes approximately 334 acres of land targeted for development as Ag-commercial (agri-tourism) and/or Ag-industrial. The targeted sites can be located anywhere in the AG district and are strongly encouraged, so more or less may result. Note that figures are based on those reported in Table LU-7 of the Draft 2030 General Plan, and rely on figures for existing developed acres that are likely underestimated. Industrial and commercial uses in the AG district are subject to the same FAR as in the IN land use category. Jobs associated with Ag-commercial and/or Ag-industrial are calculated based on the ratio of jobs per acre in the industrial land use category, as most of the land may be anticipated to consist of agricultural processing facilities.

(i) Jobs figures within the PQ land use designation may result from any number of development types, including public infrastructure, education, and airports, among others. These figures represent those reported in the Draft 2030 Countywide General Plan, pages LU-32 through LU-37. This analysis only takes into account new jobs as specifically noted in the General Plan.

(j) For the purpose of this analysis, the land use designations RR, RL, and RM are assumed to be single-family dwellings (SFD). The RH category is assumed to be multi-family dwellings (MFD).

Sources: Tschudin Consulting Group, 2009; Revised Draft 2030 Countywide General Plan, 2009; BAE, 2009.

Table 4: Draft General Plan Residential Absorption Potential

	Potential Market Absorption Through 2030 (Building s.f.)	Floor-Area Ratio (FAR)	Acres (Building s.f / FAR)	Jobs per Acre	Jobs Estimate (acres x jobs per acre)	Unit Potential With 1.2 J/H Balance
Dunnigan						
Commercial	250,000	0.25	23	23	528	440
Industrial	3,000,000	0.4	172	10.4	1,791	1,492
Total	3,250,000		195		2,319	1,932
Elkhorn (a)						
Commercial	300,000	0.25	28	23	634	528
Industrial	2,300,000	0.4	132	10.4	1,373	1,144
Total	2,600,000		160		2,006	1,672
Balance of Unincorporated County						
Commercial	1,000,000	0.25	92	23	2,112	1,760
Industrial	3,000,000	0.4	172	10.4	1,791	1,492
Ag-Industrial/Commercial	3,000,000	0.4	172	10.4	1,791	1,492
Total	7,000,000		436		5,693	4,744
Total Unincorporated Area						
Commercial	1,550,000	0.25	142	23	3,274	2,728
Industrial	8,300,000	0.4	476	10.4	4,954	4,128
Ag-Industrial/Commercial	3,000,000	0.4	172	10.4	1,791	1,492
Total	12,850,000		791		10,018	8,349

Note:

(a) The Elkhorn Specific Plan does not include residential land uses. Therefore, residential development is not assessed in the economic evaluation of Elkhorn. CEQA mitigation requires upper-story high density residential uses, but no specific CEQA clearance is given for these units.

Sources: Revised Draft 2030 Countywide General Plan, 2009; BAE, 2009.

Table 5: Draft General Plan Buildout and Alternative Absorption Scenarios

	Draft General Plan Buildout		Draft General Plan 2030 Absorption		MTP 2035 Growth Projection	
Dunnigan						
Residential	8,100	Units	1,900	Units	100	Units (e)
Single-family	*7,100*	*Units*	*1,700*	*Units*	*100*	*Units (e)*
Multifamily	*1,000*	*Units*	*200*	*Units*	*0*	*Units (e)*
Commercial	5,000,000	s.f.	250,000	s.f.	50,000	s.f (e)
Industrial	3,700,000	s.f.	3,000,000	s.f.	0	s.f (e)
Elkhorn						
Commercial	1,900,000	s.f.	300,000	s.f.	0	s.f (d)
Industrial	2,300,000	s.f.	2,300,000	s.f.	0	s.f (d)
Balance of Unincorporated County						
Residential	5,700	Units	4,700	Units	4,400	Units (f)
Single-family	*5,000*	*Units*	*4,100*	*Units*	*3,800*	*Units (f)*
Multifamily	*700*	*Units*	*600*	*Units*	*600*	*Units (f)*
Commercial	2,900,000	s.f.	1,000,000	s.f.	450,000	s.f (f)
Industrial	13,800,000	s.f.	3,000,000	s.f.	200,000	s.f (f)
Ag-Industrial/Commercial	5,800,000	s.f.	3,000,000	s.f.	200,000	s.f (f)
Total Unincorporated Area						
Residential	13,800	Units	8,300	Units (a)	4,500	Units (c)
Single-family	*12,100*	*Units*	*7,300*	*Units (b)*	*3,900*	*Units (b)*
Multifamily	*1,700*	*Units*	*1,000*	*Units (b)*	*600*	*Units (b)*
Commercial	9,800,000	s.f.	1,550,000	s.f.	500,000	s.f (d)
Industrial	19,800,000	s.f.	8,300,000	s.f.	200,000	s.f (d)
Ag-Industrial/Commercial	5,800,000	s.f.	3,000,000	s.f.	200,000	s.f (d)

Notes:

(a) Housing unit absorption potential based on job-housing balance target of 1.2 jobs per dwelling unit as calculated in Table 4. No housing uses are designated in the Elkhorn site, though jobs created at Elkhorn contribute to overall jobs-housing ratio estimates for the unincorporated County overall.

(b) Estimates of single- and multifamily units based on proposed General Plan buildout distribution.

(c) Based on MTP 2035 projected two percent compound annual growth rate for unincorporated Yolo County to the 2005 DOF estimate of 7,200 housing units.

(d) Estimates based on commercial and industrial share of total jobs in unincorporated Yolo County in 1999, as reported by SACOG, applied to MTP 2035 projection of 5,100 net new jobs in the unincorporated County through 2035. Jobs per acre estimates of 23 commercial jobs per acre and 10.4 industrial jobs per acre were then used to determine potential acreage. Building square feet figures were derived using an FAR of 0.25 for commercial and 0.4 for industrial uses. Industrial square feet estimate is split evenly between the Industrial and Ag-Industrial/Commercial land use categories.

(e) Estimates based on Dunnigan's and Elkhorn's shares of 2005 development in the unincorporated County, as reported in Tables 1 and 2 of the *Market and Fiscal Considerations for the Yolo County General Plan* report. Housing units restricted to account for a 1.2 jobs-housing balance.

(f) Estimates are calculated by subtracting Dunnigan and Elkhorn development from Total Unincorporated Area development.

Sources: Metropolitan Transportation Plan 2035, SACOG, March 20, 2008; Employment, Counties and Cities, SACOG, 2009; DOF, 2009; *Market and Fiscal Considerations for the Yolo County General Plan*, BAE, 2006; BAE, 2009.

Fiscal Evaluation of Draft General Plan

Overview

This chapter presents analysis of the potential fiscal impacts to Yolo County from implementing the Draft General Plan. The analysis examines fiscal impacts from the expected level of new development in the unincorporated area at buildout of the Draft General Plan as the "base" analysis. It also includes analysis of the potential fiscal impacts from new development that would be expected in the Dunnigan and Elkhorn sub-areas under the Draft General Plan, by buildout. In addition to presenting projections of fiscal impacts for the increase in development that could be expected at General Plan buildout, this chapter also provides fiscal impact projections for the different areas, under varying absorption scenarios through the General Plan time horizon of 2030, and also tests variations in key assumptions that drive the fiscal impact projections.

Expected Buildout Under Draft General Plan

The development assumptions used to drive the fiscal impact model for the unincorporated area as a whole and for the Dunnigan and Elkhorn sub-areas are the same as those discussed in the Market Evaluation chapter. It should be noted that multifamily housing units identified in the DEIR as mitigation requirements for the Elkhorn sub-area are not considered in the base fiscal impact analysis; however, their fiscal impacts are considered in the sensitivity analysis portion of the study. For the purposes of the fiscal impact analysis, the key figures regarding new development that would be expected in the unincorporated area under the Draft General Plan are summarized in the upper part of Table 6. It should be noted that these figures reflect projections of buildout based on "expected" average residential and non-residential development intensity, and not the maximum quantities that the General Plan would allow.

New Service Population Under Draft General Plan

Estimates of the new service population (i.e., net increase in residents and jobs) in the unincorporated area drive many of the fiscal impact model's calculations of service costs and revenues. The lower part of Table 6 documents the conversion of new housing units and new non-residential building square footage into new residents and new jobs, respectively. The employment and population density factors used to estimate the net increase in population and jobs are drawn from the Draft General Plan as well as the Draft EIR for the Draft General Plan. These assumptions are noted in Appendix D.

Table 6: Net New Unincorporated Area Development, Draft General Plan Buildout

Net New Development In Unincorporated Area (a)	Quantity
Residential Development	
Single-Family Detached Units	12,075
Multifamily Units	1,706
Commercial Development	
Commercial Square Feet (Retail/Office)	9,796,833
Industrial Square feet	19,790,179
Ag-industrial/Commercial Square Feet	5,819,616
New New Service Population (Dwelling Unit Equivalents)	
Number of Residents (b)	38,700
Residential Dwelling Unit Equivalents (DUEs) (b)	**13,772**
Number of Employees (c)	
Commercial	21,100
Industrial	11,800
Ag-Industrial/Commercial	3,500
Public/Quasi-Public (d)	1,200
Subtotal - Employees	*37,600*
Employment DUEs (b)	13,380
Employment DUEs Adjustment Factor (d)	0.26
Adjusted Employment DUEs	**3,418**
Total New Adjusted DUEs	**17,189**

Notes:

(a) Unincorporated Area, including Dunnigan and Elkhorn subareas. Excludes potential new residential units and population in Elkhorn.

(b) DUE Factor = 2.81 persons per household (Yolo County average household size).

(c) Employment calculated based on the following assumptions. Figures are rounded to nearest 100..

	FAR	Jobs/Acre
Commercial	0.25	23.4
Industrial	0.40	10.4
Ag-Industrial/Commercial	0.40	10.4

(d) See Appendix C.

(d) Employee DUE adjustment factor represents reduced service demand associated with employees as opposed to residents. See Appendix D.

Sources: BAE, 2009.

Other Key Fiscal Analysis Assumptions

In addition to the population and employment density factors used to estimate the new residents and new jobs that buildout of Draft General Plan would bring to the unincorporated areas of Yolo County, a number of other assumptions play a key role in the fiscal impact calculations, as explained below.

General Fund Operating Costs and Revenues

The fiscal impact analysis projects increased operating costs and revenues that will accrue to the Yolo County General Fund. The fiscal impact analysis is focused on the General Fund because that is where the County receives and budgets its discretionary revenues. The County relies on the General Fund to pay for key public services, including General Government functions. Also, the County provides significant support to other funds, such as Law and Justice, Health and Human Services and others, using transfers of funds out of the General Fund.

The fiscal impact analysis does not address potential costs for capital facilities necessary to serve new development that would be allowed under the Draft General Plan. This is because General Fund revenues are typically not used to finance capital improvements. New development is responsible to pay the cost of required new capital facilities, using mechanisms such as the County's development impact fee program supplemented by other sources such as developer contributions/exactions and/or formation of special tax districts that are used to repay debt on land-secured financings. In addition, state and federal grants may supplement funds collected from developers and property owners.

The analysis does include basic calculations of impacts to the County Library Fund, the County Road Fund, and the County Accumulated Capital Outlay (ACO) fund, because they are funded with property tax revenues (via property tax allocation shares that are distinct from the portion allocated to the General Fund). The analysis also projects increased demands for General Fund contributions (transfers out) to other funds, such as Law and Justice, Health and Human Services, and Land, Education, and Recreation. Costs and revenue projections are expressed in terms of the net increase in costs and revenues due to new development, through expected General Plan buildout. All cost and revenue figures are based on 2008/2009 dollars.

Service Standards and Funding for Expanded Services Levels

Yolo County has traditionally provided a "rural" level of services in unincorporated areas. This level of service is appropriate in locations where provision of urban levels of services would be costly and/or impractical, because the service population is spread over a relatively large area and the intensity of development is fairly low. For example, in rural areas, where the population tends to live among agricultural areas, urban parks are not commonly provided; rather, agricultural lands and open space provide important recreational resources for residents. (The General Plan does call for developers to contribute to the development of neighborhood parks at a ratio of 5 acres per

1,000 residents and to “resource” parks at a ratio of 20 acres per 1,000 residents. See the Conservation and Open Space Element of the General Plan.)

The Draft General Plan seeks to allow growth in targeted urban areas where such growth can help existing communities achieve a critical mass necessary to support a range of services and amenities. This concept of “bootstrapping” existing communities through new growth is an important component of the Draft General Plan. While it is a goal of the General Plan to generally improve the quality of life experienced by residents of the County’s rural communities (see Table 11 on page LU-38), the Draft General Plan also explicitly recognizes that “the County’s rural character and severe fiscal constraints dictate a lower level of community services overall than might be attainable elsewhere.” The Draft General Plan identifies appropriate levels of service for a variety of community services and utilities. See Draft General Plan Policy PF-7.1, for example, which states that new public library service should be established in communities with 5,000 or more residents. It also emphasizes financial responsibility at the community level, as well as collaboration and multiple-use to efficiently serve a variety of needs.

Generally, the Draft General Plan establishes minimum service thresholds for entire communities and identifies new development that would be allowed assuming that the new services are provided to both existing and new residents. For the purposes of this analysis, the level of service for the unincorporated area, to be used as a comparison for determining the fiscal impacts of build-out of the Draft General Plan, is the level of services funded in the County budget for the 2008/2009 fiscal year. Although the County was experiencing revenue declines in 2008/2009, the County was able to substantially maintain service levels by economizing and using about $8 million in General Fund reserves from prior years to avoid drastic budget cutbacks. For 2009/2010, the County is anticipating the need for more drastic cuts in service in order to be able to balance the budget. Hopefully, this will be a temporary situation and in future years the County will be able to restore service levels as the budget outlook improves due to overall improvement in the local, state, and national economies. At any rate, because the 2009/2010 level of service is substantially below the level of services that the County wishes to target for the remainder of the General Plan time horizon, the cost projections in this fiscal analysis are based on the service levels reflected in the 2008/2009 budget.

Service Demand Factor for Non-Residential Uses

This fiscal impact analysis utilizes average cost multipliers to calculate many of the service expenditure increases. In brief, an existing average cost per service population is calculated for County services as of 2008/2009, and then this average cost is applied to the increase in service population associated with expected new development under the Draft General Plan. To do this, it is it is necessary to determine the demand for services from commercial uses relative to residential uses. Appendix D calculates the service demand factor for non-residential uses as a function of the typical hours that workers are present within the County versus the hours that residents are typically located within the County. As shown in the appendix, one employee equals the demand of 0.26 residents.

Property Valuation Assumptions

Assumptions about the value of property that could be developed under the Draft General Plan play a key role in determining the fiscal impacts of the Draft General Plan, because they drive the projections of two major sources of County discretionary revenue, including property tax revenue and property tax in lieu of vehicle license fees (ILVLF). For example, over three-fourths of the total projected increase in General Fund revenues would come from these two sources at buildout of the Draft General Plan. Thus, the fiscal impacts from the Draft General Plan buildout will be very sensitive to changes in assumptions about the value of property that will be developed in the unincorporated areas.

Because there has historically been relatively little new development in the unincorporated parts of Yolo County, spread over a large and diverse landscape, there is inadequate data to base fiscal impact modeling assumptions strictly on market comparables. Rather, it was necessary for BAE to review the data on property values that do exist, and then use that information along with professional judgment in order to develop a series of assumptions that are reasonable, but biased towards conservative estimates (i.e., lower values) for the different types of new development that could be expected in the unincorporated area. The resulting assumptions are shown in Appendix E.

Property Tax Allocation Factors

Property tax allocation factors dictate the portion of the increase in property taxes that is attributable to new development that will be allocated to the County. Although the fiscal analysis results are less sensitive to these factors than to the property valuation assumptions, the property tax allocation factors are still important assumptions in the model. Most importantly, Yolo County only receives a very modest proportion of the property taxes paid in the unincorporated area. In the various tax rate areas (TRAs) that cover the unincorporated area, the County's share of the basic ad-valorem one percent property tax ranges between about ten and fifteen percent. The remainder of the property taxes are allocated to other taxing entities, including schools, fire districts, and other special districts that provide services. For the purposes of this analysis, BAE reviewed property tax allocation share information furnished by the Yolo County Auditor-Controller's office for different tax rate areas, correlated it with the approximate geographic locations of the Dunnigan and Elkhorn sub-areas and the remainder of the unincorporated area, and then developed weighted average property tax share information, based on a combination of tax share, and total amount of new assessed valuation planned within the different areas. These calculations are shown in Appendix F.

Sales Tax Revenue Generation

There are two primary options to project increases in local sales tax revenues. The first option is to project increases based on planned increases in the supply of retail space, based on an assumption that new retail space will achieve an average level of sales productivity. The second option is to project increases based on anticipated increases in local demand, assuming that the local supply of retail space will be adequate to satisfy the potential demand. For this study, the latter approach is used, in order to generate conservative estimates about potential increases in sales tax revenues. This is a more conservative approach, because it assumes that future per capital sales tax generation rates will equal current levels, which allows for leakage of expenditures to the adjacent cities and to other locations outside of Yolo County which are expected to remain competitive throughout the General Plan time horizon. To the extent that future commercial development within the unincorporated area provides residents of Yolo County (and other adjacent counties) more attractive options to shop within the unincorporated area than exist at present, the projections in this study may tend to under-estimate future sales tax revenues.

2030 Absorption Scenarios and Sensitivity Analysis

In addition to the "base" fiscal model for the expected buildout of the Draft General Plan in the unincorporated area overall and in the Dunnigan, and Elkhorn sub areas, this chapter also presents the results of fiscal modeling for expected new development by 2030, under two different absorption scenarios. This includes an absorption scenario that is consistent with Draft General Plan jobs/housing balance policies and a "status quo" absorption scenario that is based on SACOG's MTP 2035 growth projections for Yolo County. Thus, fiscal projections are prepared for the following scenarios:

	Draft General Plan Buildout	**Draft General Plan 2030 Absorption**	**MTP 2035 Growth**
Unincorporated area as a whole	☑	☑	☑
Dunnigan	☑	☑	☑
Elkhorn	☑	☑	n.a. – MTP 2035 assumes no growth in this area

The two different 2030 absorption scenarios are explained in the last section of the Absorption Evaluation chapter of this report. Due to the number of tables associated with each of the nine fiscal projection scenarios (14 tables plus supporting appendices), this report includes printouts of each of the detailed fiscal calculation tables for the Draft General Plan Buildout scenario, and summarizes the key input assumptions and results for each of the alternative scenarios in the sections of the report that deal with those different scenarios. In addition to testing the fiscal impacts of these different absorption scenarios using the standard fiscal inputs developed for this study, the sensitivity analysis portion of this study examines the impacts on the fiscal projections from altering individual model inputs, as explained below.

Fiscal Impacts of New Development in Unincorporated Area Overall

As discussed previously, Table 6 summarizes the development assumptions for expected buildout of the Draft General Plan within the unincorporated area of Yolo County. Tables 7 through 10 detail the current General Fund service costs for the unincorporated area, as well as the projected increases in costs due to anticipated new development in the unincorporated area. Similarly, Tables 11 through 13 detail the current service costs and projected increases in costs for the County Road Fund, ACO Fund, and Library Fund through expected General Plan buildout. Tables 14 through 18 present the calculations for increased General Fund revenues associated with expected Draft General Plan buildout, and Table 19 summarizes the projected net fiscal impacts.

Fiscal Impacts at Buildout

As shown in Table 19, the fiscal model projects that expected buildout of the Draft General Plan would produce a slight fiscal surplus of approximately $780,000 annually, based on increased General Fund expenditures of $23.1 million and increased revenues of $23.9 million. Given the margin of error for this type of analysis, this result essentially indicates that the Draft General Plan buildout would be fiscally neutral. Increased expenditures for Law and Justice services (e.g., Sheriff, District Attorney, Probation, Public Defender), account for about 70 percent of the increased service costs. Large increases in assessed valuation due to new housing development and new commercial development are responsible for almost 80 percent of the increased revenues, via ad-valorem property taxes and via property taxes in-lieu of vehicle license fees.

The lower part of Table 19 projects that there will be expected surpluses in the Road, Library, and ACO funds associated with the expected Draft General Plan buildout. It should be noted that for the Roads Fund, the current level of services indicated by the projected expenditure increases may very well be inadequate for the new Dunnigan community, since roadway usage will be much more intensive in Dunnigan at buildout than in most parts of the unincorporated area today. Thus, it is possible that residential and commercial development in Dunnigan will need to establish a supplemental revenue mechanism in order to ensure adequate levels of roadway maintenance in the future. In addition, as discussed in the sub-area analysis for Dunnigan, the estimated costs for a branch library that meets the Draft General Plan library standard for library space per capita are greater than the projected increase in Library service costs at existing service levels shown in Table 12. As discussed in the Dunnigan sub-area analysis, the residents of the Dunnigan area would need to establish a supplemental revenue mechanism to fund the full costs of a branch library facility at the size targeted by Draft General Plan policies.

Table 7: Yolo County General Government Expenditures

Existing Conditions	FY 08/09 General Fund
Assessor	$1,166,862
Administration	$4,593,423
General Services Department	$5,435,275
Non-Departmental Programs (a)	$4,400,637
Library	$263,978
Auditor-Controller/Treasurer Tax Collector	$1,807,201
Human Resources Division	$1,493,318
IT Division	$2,361,140
County Clerk-Recorder	$1,442,731
County Counsel	$695,897
Contingency General Fund	$369,136
Total General Government	**$24,029,598**
Less A-87 Reimbursements	$2,648,738
Net General Government Expenditures	**$21,380,860**
Existing Countywide Adjusted DUEs (b)	79,607
Average Cost Per Adjusted DUE	$268.58
Percent of Costs Variable	100%
Average Variable Cost Per Adjusted DUE	**$268.58**

Project Impacts	Buildout
New Adjusted DUEs	17,189
New General Government Costs	**$4,616,665**

Notes:

(a) Countywide reflects 07/08 budget figures Non-Departmental Programs expenditures, less the following transfers out to specific Non-General Fund departments:

District Attorney	$6,142,888
Probation	$3,410,385
Sheriff-Coroner (Countywide Functions Only)	$9,141,489
Sheriff-Coroner (Unincorporated Area Functions Only)	$3,403,822
Alcohol, Drug & Mental Health	$1,120,338
Community Health	$4,906,295
Employment and Social Services	$3,514,599
Library Fund	$263,978
Sub-Total Transfers Out	**$31,903,794**

(b) Countywide Residents, 2008	198,326	
DUE Factor	2.81	persons per DUE
	70,575	Existing Countywide Residential DUEs
Countywide Employment, 2008	99,367	
DUE Factor	2.81	persons per DUE
	35,360	Existing Countywide Employment DUEs
(c) Employment DUE Adjustment Factor	0.26	See Appendix D.
	9,032	Existing Countywide Adjusted Employment DUEs
Total Existing Countywide Adjusted DUEs	**79,607**	

Sources: County of Yolo, 2009; 2008 California Department of Finance, 2009; 2008 California Employment Development Department, 2009; BAE, 2009.

Table 8: Yolo County Law and Justice Expenditures

Existing Conditions	FY 08/09 General Fund
District Attorney	$6,142,888
Probation	$3,410,385
Public Defender	$4,657,516
Public Guardian-Public Administrator	$790,551
Conflict Indigent Defense	$1,623,339
Total Expenditures (Non-Sheriff)	**$16,624,679**
Existing Adjusted Countywide DUEs (a)	79,607
Average Cost Per Countywide DUE	**$208.84**
Sheriff-Coroner	
Civil	$241,231
Coroner	$353,437
Court Security	$0
Detention	$7,589,640
Management	$837,736
Training	$119,445
Animal Services	$411,333
Boat	$98,304
Sheriff Patrol	$2,894,185
Total Expenditures (Sheriff-Coroner)	**$12,545,311**
Sworn Officers	86
Average Total Cost Per Sworn Officer	**$145,876**

Project Impacts	Buildout
New Adjusted DUEs	17,189
New Service Population	48,304
Ratio of Sworn Sheriff's Officers Per 1,000 Service Population in Uninc. Area	1.75
New Countywide Law and Justice Costs	**$3,589,686**
New Sheriff- Coroner Costs	**$12,326,980**
Total New Law and Justice Costs	**$15,916,666**

Notes:
(a) See Table 7 notes.

(b) Existing unincorporated area residents:	23,191	
DUE factor	2.81	persons per household
Resdiential DUEs	8,253	
Existing unincorporated area jobs:	38,715	(c)
DUE factor	2.81	persons per DUE
Employment DUEs	13,777	
Employment DUE adjustment factor	0.26	See Appendix D.
Adjusted Employment DUEs	3,519	
Existing Adjusted Unincorporated Area DUEs	**11,771**	

(c) The estimate of unincorporated are jobs is derived by applying the SACOG 2010 projection of the proportion of total jobs in all of Yolo County that are located in the Unicorporated Area to a 2008 estimate of the total number of jobs in all of Yolo County.

Sources: County of Yolo, 2009; State Department of Finance, 2009; EDD, 2009; SACOG, 2004; BAE, 2009.

Table 9: Yolo County Health and Human Services

Existing Conditions	**FY 08/09 General Fund**
Alcohol, Drug & Mental Health	$1,120,338
Community Health	$4,906,295
Employment and Social Services	$3,514,599
Contingency Health Fund	$737,795
Total HHS Expenditures	**$10,279,027**
Existing Countywide Residential DUEs	70,575
Average Cost Per Residential DUE	**$145.65**

Project Impacts	**Buildout**
New Residential DUEs	13,772
New Health and Human Services Costs	**$2,005,780**

Sources: County of Yolo, 2009; BAE, 2009.

Table 10: Yolo County Land, Education & Recreation Services Expenditures

Existing Conditions	FY 08/09 General Fund
Land, Education & Recreation Functions	
Agriculture	$506,682
Cooperative Extension	$367,978
Planning and Public Works	
Building and Planning	$880,136
Roads	$0
County Surveyor	$0
Transportation	$0
Integrated Waste	$0
Parks and Resources	
Cache Creek Area Plan	$0
Fish and Game	$0
Parks, and Resources	$1,636,745
Total Land, Ed., & Rec. Expenditures (Less Ag. & Coop. Ext.) (a)	**$2,516,881**
Existing Countywide DUEs	79,607
Average Non-Library Cost Per DUE	**$31.62**
Library	$263,978
Countywide Residential DUEs, Less Woodland (b)	59,801
Average Library Cost Per Residential DUE	**$4.41**

Project Impacts	Buildout
New Adjusted DUEs	17,189
New Residential DUEs	13,772
New Non-Library Land, Education, and Recreation Costs	**$543,458**
New Library Costs (c)	**$60,791**

Notes:

(a) Agriculture and Cooperative Extension excluded from cost calculations because these functions are primarily related to the non-developed areas.

(b) Countywide residential DUEs, less Woodland residential DUEs:

Woodland Residents (2008/2009)	55,657	
DUE Factor	2.81	person per DUE
	19,806	Woodland Residential DUEs

(c) This represents the General Fund's contribution to Library operations. Most new library expenses will be funded through the Library Fund, plus special taxes/assessments implemented to provide augmented levels of services in certain communities.

Sources: County of Yolo, 2009; BAE, 2009.

Table 11: Yolo County Road Fund Expenditures

Existing Conditions	2008/2009 Road Prop. Tax
Public Works Road Maintenance	$2,135,305
Total	**$2,135,305**
Existing Total Countywide DUEs	79,607
Average Cost Per DUE (a)	**$26.82**

Project Impacts	Buildout
New Adjusted DUEs	17,189
New County Road Fund Costs	**$461,066**

Sources: County of Yolo, 2009; BAE, 2009.

Table 12: Yolo County ACO Fund Expenditures

Existing Conditions	2008/2009 A.C.O. Fund
ACO Fund Expenditures	$1,340,954
Total	**$1,340,954**
Existing Total Countywide DUEs	79,607
Average Cost Per DUE	**$16.84**

Project Impacts	Buidout
New Adjusted DUEs	17,189
New County A.C.O. Fund Costs	**$289,546**

Sources: County of Yolo, 2009; BAE, 2009.

Table 13: Yolo County Library Fund Expenditures

Existing Conditions	2008/2009 Library Fund
Library Fund Expenditures (a)	$5,275,098
Less General Fund Support (b)	$263,978
Net Library Fund Expenditures	**$5,011,120**
Existing Residential DUEs, less Woodland (c)	59,801
Average Cost Per DUE	**$83.80**

Project Impacts	Buidout
New Residential DUEs	13,772
New County Library Fund Costs	**$1,154,008**

Notes:

(a) Includes 2008/2009 budget amount for Library Contingency.

(b) See Table 10.

(c) See Table 10.

Sources: County of Yolo, 2009; BAE, 2009.

Table 14: Yolo County Property Tax Revenues

Development Summary Rest of Unincorporated Area	
Residential Development	
Single-Family Detached Units	12,075
Multifamily Units	1,706
Commercial Development	
Commercial Square Feet (Retail/Office)	9,796,833
Industrial Square feet	19,790,179
Ag-industrial Square Feet	5,819,616

Project Impacts

Total Assessed Value	Weighted Average for Unincorporated Area (g)	Assessed Value
Residential Development Unincorporated Area		
Single-Family Detached Units (a)	$275,521	$3,326,920,128
Multifamily Units (b)	$150,000	$255,900,000
Commercial Development		
Commercial Square Feet (Retail/Office) (c)	$229	$2,244,849,179
Industrial Square feet (d)	$100	$1,971,776,867
Ag-industrial Square Feet (e)	$100	$579,832,254

	Buildout
Total Assessed Value	$8,379,278,428
Gross Basic Property Taxes (One Percent of Assessed Value)	$83,792,784
New Property Tax Allocations to Yolo County Funds (f)	
County General Fund	**$11,188,826.39**
County Accumulated Capital Outlay Fund	**$1,340,953.69**
County Library Fund	**$2,004,171.70**
County Road District #2	**$2,135,304.51**

Notes:

(a) Median price across all Unincorporated Areas of Yolo County. Home sales data are provided by Dataquick.com for Esparto/Madison and Knights Landing for the time period of January through March 2009. For Clarksburg, Dunnigan and other Unincorporated Areas homes sales data include current for-sale housing due to a lack of completed sales from Metrolist.com in March 2009.

(b) Weighted average price per unit. Multifamily for-sale housing data comes from Metrolist.com and Loopnet.com for the areas of Davis, Woodland, and West Sacramento due to incomplete sales records for recently sold properties. Data for unincorporated communities is not available due to a lack of recent sales and current for-sale properties.

(c) Median price per square foot. For-sale commercial data comes from Loopnet.com for the areas of Davis, Woodland, and West Sacramento due to incomplete sales records for recently sold properties. Data for unincorporated communities is not available due to a lack of recent sales and current for-sale properties.

(d) Median price per square foot. For-sale commercial data comes from Loopnet.com for the areas of Woodland and West Sacramento.

(e) Same price per square foot as in the industrial land use category, as most of the land may be anticipated to consist of agricultural processing facilities.

(f) Current Post ERAF Shares of Property Tax Increment (see Appendix F):

County General Fund	13.35%
County Accumulated Capital Outlay Fund	1.60%
County Library Fund	2.39%
County Road District #2	2.55%
Total Property Tax Share Controlled by County	**19.89%**

(g) See Appendix E for further information

Sources: Dataquick.com, 2009; Metrolist.com, 2009; Yolo County Auditor-Controller's Office, 2009; BAE, 2009.

Table 15: Yolo County Property Tax In Lieu of Vehicle License Fee Revenues

Existing Conditions	
In-Lieu VLF Property Tax Revenues	**FY 08/09(a)**
08/09 County ILVLF Allocation	$20,074,166
08/09 Countywide AV (b)	$21,735,173,556
Project Impacts	**Buildout**
Cumulative Project Assessed Valuation	$8,379,278,428
New AV as Percent of Base Year Countywide AV	38.55%
New ILVLF Revenues	**$7,738,932**

Note:
(a) Approved/adopted by the Board of Supervisors 2008-2009.
(b) Gross Assessed Valuation for 2008-2009.

Sources: County of Yolo, 2009; BAE, 2009.

Table 16: Yolo County Sales Tax Revenues

Existing Revenues	
Estimated Sales Tax Revenue, 2008/2009	$2,277,557
Existing Unincorporated Area Resident Population	23,191
Total Retail Sales Tax Revenue Per Resident	**$98**
Projected Impacts	
Net New Residents	38,700
New Annual Sales Tax Revenues	**$3,800,675**

Sources: County of Yolo Comprehensive Annual Report, 2008; BAE, 2009

Table 17: Yolo County Property Transfer Tax Revenues

Development Summary	
Residential Development	
Single-Family Detached Units	12,075
Multifamily Units	1,706
Commercial Development	
Commercial Square Feet (Retail/Office)	9,796,833
Industrial Square feet	19,790,179
Ag-industrial Square Feet	5,819,616

Project Impacts	Assessed Value	% Turnover Annually	Value Turned Over Annually (a)
Residential Development			
Single-Family Detached Units	$3,326,920,128	14.3%	$475,274,304
Multifamily Units	$255,900,000	5.0%	$12,795,000
Commercial Development			
Commercial Square Feet (Retail/Office)	$2,244,849,179	5.0%	$112,242,459
Industrial Square feet	$1,971,776,867	5.0%	$98,588,843
Ag-industrial Square Feet	$579,832,254	5.0%	$28,991,613
Total	$8,379,278,428		$727,892,219
Transfer Tax Rate (b)			0.11%
			Buildout
New County Property Transfer Tax Revenues			**$400,341**

Notes:
(a) Shows the amount of assessed value subject to turnover in a given year Assumes that one seventh of all homes turnover per year, and one twentieth of commercial spaces turnover per year.
(b) The property transfer tax rate is $1.10 per $1,000 in value, which is all allocated to the County, for transactions of property in the unincoporporated area.

Sources: BAE, 2009

Table 18: Yolo County "Other" Revenues

Existing Revenues	FY 08/09
Licenses, Permits, and Franchises	$2,091,600
Fines. Forfeitures, and Penalties	$1,181,877
Revenues from use of Money and Property	$75,000
Charges for Services	$321,850
Total "Other" Revenues	**$3,670,327**
Existing Countywide DUEs	79,607
Average Revenues Per DUE	**$46.11**

Project Impacts	Buildout
New Countywide DUEs	17,189
New Annual "Other" Revenues	**$792,516**

Source: County of Yolo, 2009; BAE, 2009.

Table 19: Yolo County Fiscal Impact Summary, Draft General Plan Buildout

GENERAL FUND IMPACTS

General Fund Expenditures	Buildout
General Government	$4,616,665
Law and Justice	$15,916,666
Health and Human Services	$2,005,780
Land, Education, and Recreation (Non-Library)	$543,458
Land, Education, and Recreation (General Fund Library Contribution)	$60,791
Sub-total, New General Fund Costs	**$23,143,360**
General Fund Revenues	
Property Tax	$11,188,826
Property Transfer Tax	$400,341
Property Tax In-Lieu of VLF	$7,738,932
Sales and Use Tax	$3,800,675
Other Revenues	$792,516
Sub-total, New General Fund Revenues	**$23,921,290**
NET GENERAL FUND IMPACT	**$777,930**

OTHER COUNTY OPERATING FUND IMPACTS

County Road Fund Expenditures	$461,066
County Road Fund Revenues	$2,135,305
NET ROAD FUND IMPACT	**$1,674,239**
County ACO Fund Expenditures	$289,546
County ACO Fund Revenues	$1,340,954
NET ACO FUND IMPACT	**$1,051,408**
County Library Fund Expenditures	$1,154,008
County Library Fund Revenues	$2,004,172
NET LIBRARY FUND IMPACT	**$850,163**

Source: BAE, 2009.

Fiscal Impacts for Draft General Plan 2030 Absorption

As explained in the Absorption Evaluation chapter, the potential Draft General Plan absorption by 2030 is constrained by a combination of market forces and the Draft General Plan's jobs/housing balance policies. Although there is potential demand to support more rapid residential absorption in the absence of jobs/housing balance requirements, the anticipated pace of absorption for job-generating uses means that about 8,300 new residential units could be built in the unincorporated area by 2030, to accompany projected market-based non-residential absorption potential of about 13 million square feet of new space during the same time frame. These assumptions are summarized in Table 5 of the Absorption Evaluation chapter.

When processed through the fiscal impact model, the projected Draft General Plan 2030 absorption generates an estimated $1.5 million annual General Fund deficit, based on increased costs of $12.7 million and increased revenues of $11.1 million. In contrast, significant annual surpluses would be expected for the Road Fund, the Library Fund, and the ACO fund by 2030 under this absorption scenario. These results are summarized in Table 20. Again, the calculations on Table 20 assume that services are funded at their current levels and expenditures will increase commensurate with the increase in service populations for these services. To the extent that a new branch library meeting the Draft General Plan's targeted library space standard is established in Dunnigan by 2030, the projection of Library fund impact would tend to under-state the costs, and it would be necessary for Dunnigan residents to make up for any shortfall in revenues to support the library operation through a special revenue mechanism.

Fiscal Impacts for MTP 2035 Growth Through 2030

This scenario assumes that new development in the unincorporated area would proceed along the trend represented in SACOG's MTP 2035 projection series. A distinguishing feature of this projection is an expectation that in the absence of the Draft General Plan's jobs/housing balance policies, residential development in the unincorporated area would significantly outpace job-generating development. As shown in the fiscal summary presented on Table 21, this would lead to a significant annual General Fund deficit by 2030. The increased service costs would be approximately $6.4 million per year while the increased revenues would only be $4.5 million, for an annual deficit of about $1.9 million by 2030. Although this annual deficit is similar in magnitude to the annual deficit projected for the Draft General Plan 2030 Absorption scenario, the MTP 2035 scenario's deficit is much greater relative to the MTP 2035's projection of new service costs (deficit equals 30% of service costs), compared to the Draft 2030 Absorption scenario's deficit relative to service costs (12%).

Although the fiscal model projects fiscal surpluses for the Road and ACO Funds, it projects an annual deficit for the Library Fund under this absorption scenario. Furthermore, the Road Fund surplus is based on a very minor increase in roadway maintenance costs that reflects current maintenance service standards in the unincorporated area. Because this absorption scenario would involve significant concentrations of urban development in the unincorporated area, the roadway cost projection may not adequately represent the increased roadway maintenance costs, in which case the projected Road Fund surplus would be significantly overstated.

This scenario illustrates the importance of the Draft General Plan's jobs/housing balance policies to the County's fiscal situation. Without the more balanced residential and job-generating development that these policies would require, the market is likely to support development of relatively more residential uses than job-generating uses through 2030. A growth pattern that allows residential development to outpace job-generating development will tend to generate worse fiscal results than a growth pattern that involves jobs/housing balance.

Table 20: Yolo County Fiscal Impact Summary, Draft General Plan 2030 Absorption

GENERAL FUND IMPACTS

General Fund Expenditures	2030
General Government	$2,502,766
Law and Justice	$8,628,673
Health and Human Services	$1,207,614
Land, Education, and Recreation (Non-Library)	$294,617
Land, Education, and Recreation (General Fund Library Contribution)	$36,600
Sub-total, New General Fund Costs	**$12,670,271**
General Fund Revenues	
Property Tax	$4,863,604
Property Transfer Tax	$202,885
Property Tax In-Lieu of VLF	$3,363,990
Sales and Use Tax	$2,288,262
Other Revenues	$429,635
Sub-total, New General Fund Revenues	**$11,148,376**
NET GENERAL FUND IMPACT	**-$1,521,895**

OTHER COUNTY OPERATING FUND IMPACTS

County Road Fund Expenditures	$108,650
County Road Fund Revenues	$928,183
NET ROAD FUND IMPACT	**$819,533**
County ACO Fund Expenditures	$68,231
County ACO Fund Revenues	$582,891
NET ACO FUND IMPACT	**$514,660**
County Library Fund Expenditures	$694,791
County Library Fund Revenues	$871,181
NET LIBRARY FUND IMPACT	**$176,391**

Source: BAE, 2009.

Table 21: Yolo County Fiscal Impact Summary, MTP 2035 Growth by 2030

GENERAL FUND IMPACTS	
General Fund Expenditures	**2030**
General Government	$1,265,282
Law and Justice	$4,362,255
Health and Human Services	$653,045
Land, Education, and Recreation (Non-Library)	$148,945
Land, Education, and Recreation (General Fund Library Contribution)	$19,793
Sub-total, New General Fund Costs	**$6,449,319**
General Fund Revenues	
Property Tax	$1,761,199
Property Transfer Tax	$91,149
Property Tax In-Lieu of VLF	$1,218,162
Sales and Use Tax	$1,237,429
Other Revenues	$217,204
Sub-total, New General Fund Revenues	**$4,525,143**
NET GENERAL FUND IMPACT	**-$1,924,176**
OTHER COUNTY OPERATING FUND IMPACTS	
County Road Fund Expenditures	$19,891
County Road Fund Revenues	$336,112
NET ROAD FUND IMPACT	**$316,221**
County ACO Fund Expenditures	$12,491
County ACO Fund Revenues	$211,075
NET ACO FUND IMPACT	**$198,584**
County Library Fund Expenditures	$375,724
County Library Fund Revenues	$315,471
NET LIBRARY FUND IMPACT	**-$60,253**

Source: BAE, 2009.

Fiscal Impacts of New Dunnigan Development

This section provides fiscal calculations that isolate the impact of new development expected in the Dunnigan area, under the Draft General Plan. The analysis includes projections of fiscal impacts at expected buildout as well as for the Draft General Plan 2030 absorption scenario (as constrained by the Draft General Plan's jobs/housing balance policies) and the MTP 2035 projections-based absorption scenario (unconstrained by jobs/housing balance policies).

Fiscal Impacts at Buildout

Modification of the fiscal impact model to project the impacts of expected buildout of the Dunnigan sub-area involved modifying the development assumptions used on Table 6 (see Table 5 from the Absorption Evaluation chapter), adjusting the property valuation assumptions in Table 14 to reflect Dunnigan specifically (see Appendix E), and adjusting the property tax allocation factors to reflect conditions in the Dunnigan area tax rate areas (see Appendix F).

For the Dunnigan sub-area alone, the fiscal model projects that the increased General Fund costs would exceed increased revenues by buildout. Projected service cost increases are $12.6 million per year, while projected revenue increases are $11.2 million per year, for a projected annual deficit of $1.4 million. Table 22 summarizes the increased costs and revenues for the expected Dunnigan buildout.

Costs for Library, Parks, and Sheriff's Patrol Services

As mentioned previously, Draft General Plan policies call for the cost of services in Dunnigan to be funded through mechanisms that would place the burden on the new development that would benefit from the services. Based on this policy, there should be no fiscal impact on the County to provide the services; however, BAE has collected a limited amount of information in order to provide a general sense of the order of magnitude of costs that would be placed on new development in Dunnigan. This will help to determine whether this is indeed likely to represent a viable approach.

Library Services. As envisioned within the Draft General Plan, Dunnigan would grow into a community of sufficient size (approximately 22,600 new residents by buildout) to justify provision of a new branch library in Dunnigan. Draft General Plan Action PF-A38 calls for 0.75 to 1.0 square feet of library space per capita. Based on this standard, Dunnigan would require a branch library of approximately 17,000 square feet, minimum.

BAE staff contacted Yolo County Library staff and discussed the project and found that the new West Sacramento branch library will be approximately 18,000 square feet, and has a projected operating cost of $1.5 million per year.[75] [76] The projected costs for the new West Sacramento

[75] Personal communication. Patty Wong, Yolo County Librarian, April 28, 2009

branch therefore provide a reasonable approximation of the costs for a new branch to serve Dunnigan at buildout. The fiscal model projects that increased property tax revenues to the County Library from the Dunnigan sub-area would equal about $928,000 per year at expected buildout. This new revenue, plus the $36,000 that the fiscal model calculates as the increase in General Fund support for the Library Fund stemming from Dunnigan development, suggests that, without additional special revenue sources, the expected buildout of Dunnigan would generate new revenues to pay for just under half the cost to operate a branch library of the targeted size in Dunnigan at buildout. The remainder of the operational funding for the Dunnigan branch library would need to be obtained through supplemental revenues that would be generated by development in the area that benefits from the new library services. With an estimated net increase of 8,100 new units at buildout in Dunnigan, the additional library revenue requirement would be approximately $66 per residential new residential unit in order to support a full branch library operation that meets the General Plan standard for library space per capita. To the extent that other library operating revenues, such as user fees or grants, offset a portion of operating costs, this supplemental cost could be reduced.

Park Services. Although Yolo County owns and maintains various regional parks and open spaces within the County, it does not typically develop and own neighborhood and community parks to serve residential communities. (Esparto and Dunnigan are the only towns that currently have neighborhood/community parks.) However, with the development of Dunnigan into a "new town" where there will be a significant concentration of residents, including a large proportion who can be expected to live on small lots, and in medium- and high-density housing. As a result, it will be appropriate to plan for development and maintenance of neighborhood and community parks within this community. The Draft General Plan establishes a parks standard of five acres of park land per 1,000 residents in the Dunnigan area.[77] With an expected population increase of about 22,600 at buildout, the Dunnigan community would require a total of 114 new acres of neighborhood park land.

In order to estimate potential parks maintenance costs, BAE contacted representatives of the City of Davis, Parks and Community Services (PCS) Department, in order to obtain information on current maintenance costs for comparable parks facilities. According to City of Davis PCS staff, the average annual maintenance cost per acre for neighborhood parks is $5,500 and the average cost per acre for community parks is $7,500.[78] (Davis has fairly high park service levels. To the extent that this is a higher level of service than what might be provided in Dunnigan, these costs provide a conservative estimate of potential fiscal impacts.) If it is assumed that the Dunnigan

---

[76] West Sacramento Library 2008-2009 Budget

[77] Yolo County General Plan Policy PF-3.1 states "Establish a service threshold of five acres of community (neighborhood) park per 1,000 people in each unincorporated community."

[78] Personal Communication. Pat Riley, City of Davis Parks Manager April 22, 2009.

parks maintenance cost per acre would represent an average of Davis neighborhood and community park maintenance costs per acre, the annual parks maintenance cost for 114 acres in Dunnigan would be about $733,000. Per the Draft General Plan, the Dunnigan community would be expected to pay for all parks maintenance costs through a special revenue mechanism, so that these maintenance costs do not become a General Fund responsibility. If this annual maintenance cost were spread among all projected Dunnigan households, the average cost per year would be approximately $90 per new household.

Sheriff Services. Draft General Plan policy also dictates that development in the Dunnigan area would be responsible to pay for the cost of Sheriff's services that would be provided to the area, which may include establishing a Sheriff's sub-station in Dunnigan. Based on 2008/2009 staffing data from the Yolo County Sheriff's Department as well as 2009 data on the populations in Yolo County as a whole and in the unincorporated area only, the Sheriff's Department employs 2.42 sworn officers per 1,000 residents in the unincorporated area. This includes a factor for Sheriff's services that are provided on a countywide basis (e.g., detention, court security, administration) as well as a factor for services provided in the unincorporated area only (e.g., patrol, investigation). Based on this standard and the 2008/2009 overall average cost per sworn officer for the entire Sheriff's Department which was approximately $146,000 per year, buildout of the Dunnigan area would entail increased costs of $6.7 million per year to maintain the Sheriff's staffing at current levels relative to service population. This would include costs for overhead and support services, including non-sworn staff, vehicles, and substation operation costs. As discussed above, the high costs for Law and Justice functions are a major contributor to the projected fiscal deficit for the Draft General Plan Buildout scenario for Dunnigan. The $1.4 million annual fiscal deficit projected at buildout for Dunnigan primarily is attributable to projected Sheriff's Department cost increases. The demand for the Sheriffs services is primarily attributable to new residential development. If the projected $2.8 million annual deficit is then allocated entirely to new residential development projected at buildout of Dunnigan (8,100 units), the average annual special revenue enhancement required of each residential unit to cover the projected deficits would be $175 per unit, per year.

Based on this information, total revenue enhancements necessary for new development in Dunnigan to cover costs of all targeted services at buildout would be an average of $330 per unit, per year. Based on an average assessed value of about $240,000 per unit (considering the mix of single- and multifamily units), this would represent an average tax burden increase of approximately 0.13 percent of assessed value, in addition to the basic 1 percent ad valorem property tax plus any other special taxes or assessments, such as levies for infrastructure financing or services to be provided by agencies other than Yolo County. Initially, this appears to be a manageable supplemental service cost burden for new development in Dunnigan.

Table 22: Yolo County Fiscal Impact Summary, Dunnigan Buildout

GENERAL FUND IMPACTS	
General Fund Expenditures	**Buildout**
General Government	$2,504,643
Law and Justice	$8,635,143
Health and Human Services	$1,181,700
Land, Education, and Recreation (Non-Library)	$294,838
Land, Education, and Recreation (General Fund Library Contribution)	$35,815
Sub-total, New General Fund Costs	**$12,652,138**
General Fund Revenues	
Property Tax	$5,187,545
Property Transfer Tax	$186,365
Property Tax In-Lieu of VLF	$3,189,814
Sales and Use Tax	$2,239,157
Other Revenues	$429,957
Sub-total, New General Fund Revenues	**$11,232,839**
NET GENERAL FUND IMPACT	**-$1,419,300**
OTHER COUNTY OPERATING FUND IMPACTS	
County Road Fund Expenditures	$115,865
County Road Fund Revenues	$989,079
NET ROAD FUND IMPACT	**$873,214**
County ACO Fund Expenditures	$72,728
County ACO Fund Revenues	$620,840
NET ACO FUND IMPACT	**$548,113**
County Library Fund Expenditures	$679,881
County Library Fund Revenues	$927,977
NET LIBRARY FUND IMPACT	**$248,096**

Source: BAE, 2009.

Fiscal Impacts for Dunnigan 2030 Absorption

This scenario involves the projected impacts of new development under the Draft General Plan that is likely to be absorbed in Dunnigan by 2030. Table 5 of the Absorption Evaluation chapter of this report summarizes the 2030 Dunnigan absorption assumptions. As explained in the Absorption Evaluation chapter of this report, BAE expects that the pace of new commercial development in Dunnigan will be modest within the next twenty years, and absorption of commercial uses will not accelerate significantly until the area reaches a critical mass. During the next 20 years, the fiscal analysis conservatively assumes that new commercial uses will be primarily limited to local-serving convenience retail and services, and that this will generate relatively small increases in jobs, which will in turn allow relatively modest increases in residential development. To the extent that absorption evaluation under-estimates the absorption potential of new development under the Draft General Plan, the analysis of fiscal impacts at buildout provides an indication of the potential implications of more rapid absorption.

Table 23 shows that this scenario would involve modest amounts of new development by 2030, which would tend to have somewhat negative fiscal implications. Projected costs for new development in Dunnigan at 2030 would be approximately $2.9 million, while projected revenues would be $2.6 million per year, for an annual deficit of about $260,000, or just under 10 percent of total service costs. In addition to this finding of near fiscal balance, the projections show that this absorption scenario would generate expected surpluses for the Road, Library, and ACO funds.

Fiscal Impacts for SACOG MTP 2035 Absorption Through 2030

This scenario assumes that regardless of new land use plans established for the area, Dunnigan would only grow at the pace projected by SACOG’s MTP 2035 growth projections. As shown in Table 24, the result would be a minor increase in costs, and a minor increase in revenues, generating an annual General Fund deficit of about $32,000 by 2030. Although small, the deficit amounts to about 20 percent of project costs. This scenario would also involve minor annual surpluses for the Road, Library, and ACO funds.

Table 23: Yolo County Fiscal Impact Summary, Dunnigan 2030 Absorption

GENERAL FUND IMPACTS	
General Fund Expenditures	**2030**
General Government	$573,303
Law and Justice	$1,976,552
Health and Human Services	$274,693
Land, Education, and Recreation (Non-Library)	$67,487
Land, Education, and Recreation (General Fund Library Contribution)	$8,325
Sub-total, New General Fund Costs	**$2,900,361**
General Fund Revenues	
Property Tax	$1,223,586
Property Transfer Tax	$44,284
Property Tax In-Lieu of VLF	$752,381
Sales and Use Tax	$520,506
Other Revenues	$98,416
Sub-total, New General Fund Revenues	**$2,639,173**
NET GENERAL FUND IMPACT	**-$261,189**
OTHER COUNTY OPERATING FUND IMPACTS	
County Road Fund Expenditures	$6,256
County Road Fund Revenues	$233,294
NET ROAD FUND IMPACT	**$227,039**
County ACO Fund Expenditures	$3,927
County ACO Fund Revenues	$146,438
NET ACO FUND IMPACT	**$142,511**
County Library Fund Expenditures	$158,042
County Library Fund Revenues	$218,882
NET LIBRARY FUND IMPACT	**$60,839**

Source: BAE, 2009.

Table 24: Yolo County Fiscal Impact Summary, Dunnigan MTP 2035 Growth

GENERAL FUND IMPACTS

General Fund Expenditures	**2030**
General Government	$31,114
Law and Justice	$107,270
Health and Human Services	$15,549
Land, Education, and Recreation (Non-Library)	$3,663
Land, Education, and Recreation (General Fund Library Contribution)	$471
Sub-total, New General Fund Costs	**$158,066**
General Fund Revenues	
Property Tax	$55,063
Property Transfer Tax	$2,295
Property Tax In-Lieu of VLF	$33,858
Sales and Use Tax	$29,463
Other Revenues	$5,341
Sub-total, New General Fund Revenues	**$126,021**
NET GENERAL FUND IMPACT	**-$32,046**

OTHER COUNTY OPERATING FUND IMPACTS

County Road Fund Expenditures	$15
County Road Fund Revenues	$10,499
NET ROAD FUND IMPACT	**$10,483**
County ACO Fund Expenditures	$10
County ACO Fund Revenues	$6,590
NET ACO FUND IMPACT	**$6,580**
County Library Fund Expenditures	$8,946
County Library Fund Revenues	$9,850
NET LIBRARY FUND IMPACT	**$904**

Source: BAE, 2009.

Fiscal Impacts of New Elkhorn Development

The following sections present the results of the fiscal analysis for the Elkhorn sub-area, based on the development assumptions summarized in Table 5 of the Absorption Evaluation chapter. To analyze these scenarios, the fiscal model was adjusted to utilize the property valuation assumptions for the Elkhorn area shown in Appendix E, and the property tax allocation assumptions for the Elkhorn area shown in Appendix F.

Fiscal Impacts of Buildout

As summarized in Table 25, expected buildout of the Elkhorn area per the Draft General Plan would generate an estimated $453,000 annual increase in General Fund service expenditures, to be offset by an estimated $1.4 million annual increase in General Fund revenues. The resulting $990,000 annual fiscal surplus can be attributed to the relatively low service demand generated by non-residential uses. In addition, the Road, Library, and ACO funds would also realize fiscal surpluses under this scenario. The Library Fund in particular is a good illustration of the role that non-residential development plays in balancing out the tax revenue base, contributing revenues that will be dedicated to the Library operation, while it is expected that the increased costs for library services associated with a purely commercial development will be little, if any. It should be noted that the fiscal impacts of housing units needed to mitigate the impacts of the commercial development planned for Elkhorn have not been analyzed as part of the baseline study; however, the sensitivity analysis will provide an estimate of the contribution of housing units needed for EIR mitigation to the fiscal picture for Elkhorn.

Fiscal Impacts for Elkhorn 2030 Absorption

Based on the absorption scenario summarized in Table 5 of the Absorption Evaluation chapter of this report, the Elkhorn area's industrial development may potentially reach expected buildout of 2.3 million by 2030, while the commercial absorption may be closer to 300,000 square feet. These quantities of absorption by 2030 could be expected to generate an annual General Fund fiscal surplus of approximately $422,000, resulting from an increase in costs of about $223,000 and an increase in revenues of about $645,000. Additionally, the Road, Library, and ACO funds would also experience fiscal surpluses by 2030 under this scenario. These results are summarized on Table 26. A key assumption underlying the positive fiscal impacts projected for the Elkhorn sub-area is the fact the exercise excluded any residential development, also assumes a relatively low employee service demand factor (i.e., one employee is equal to demand from 0.26 residents). The sensitivity analysis section will test the implications of changing these key assumptions.

Fiscal Impacts for MTP 2035 Absorption through 2030

The SACOG MTP 2035 projections do not anticipate significant new residential or commercial development in the Elkhorn area by 2035. As a result, the fiscal results for this scenario are zero costs and zero revenues.

Table 25: Yolo County Fiscal Impact Summary, Elkhorn Buildout

GENERAL FUND IMPACTS	
General Fund Expenditures	**Buildout**
General Government	$134,266
Law and Justice	$462,902
Health and Human Services	$0
Land, Education, and Recreation (Non-Library)	$15,805
Land, Education, and Recreation (General Fund Library Contribution)	$0
Sub-total, New General Fund Costs	**$612,974**
General Fund Revenues	
Property Tax	$788,559
Property Transfer Tax	$18,274
Property Tax In-Lieu of VLF	$613,742
Sales and Use Tax	$0
Other Revenues	$23,049
Sub-total, New General Fund Revenues	**$1,443,623**
NET GENERAL FUND IMPACT	**$830,650**
OTHER COUNTY OPERATING FUND IMPACTS	
County Road Fund Expenditures	$944
County Road Fund Revenues	$150,349
NET ROAD FUND IMPACT	**$149,405**
County ACO Fund Expenditures	$593
County ACO Fund Revenues	$94,373
NET ACO FUND IMPACT	**$93,780**
County Library Fund Expenditures	$0
County Library Fund Revenues	$141,059
NET LIBRARY FUND IMPACT	**$141,059**

Source: BAE, 2009.

Table 26: Yolo County Fiscal Impact Summary, Elkhorn 2030 Absorption

GENERAL FUND IMPACTS	
General Fund Expenditures	**2030**
General Government	$48,824
Law and Justice	$168,328
Health and Human Services	$0
Land, Education, and Recreation (Non-Library)	$5,747
Land, Education, and Recreation (General Fund Library Contribution)	$0
Sub-total, New General Fund Costs	**$222,900**
General Fund Revenues	
Property Tax	$353,504
Property Transfer Tax	$8,192
Property Tax In-Lieu of VLF	$275,135
Sales and Use Tax	$0
Other Revenues	$8,381
Sub-total, New General Fund Revenues	**$645,212**
NET GENERAL FUND IMPACT	**$422,313**
OTHER COUNTY OPERATING FUND IMPACTS	
County Road Fund Expenditures	$154
County Road Fund Revenues	$67,400
NET ROAD FUND IMPACT	**$67,246**
County ACO Fund Expenditures	$97
County ACO Fund Revenues	$42,306
NET ACO FUND IMPACT	**$42,210**
County Library Fund Expenditures	$0
County Library Fund Revenues	$63,235
NET LIBRARY FUND IMPACT	**$63,235**

Source: BAE, 2009.

Sensitivity Analysis

This portion of the study presents a series of sensitivity analyses, which test the impact of changes to key assumptions on the fiscal impact modeling results, for different scenarios modeled previously.

1. **Changes in Sheriff's Department cost estimate methodology**. Sheriff's Department staffing represents a key component of all of the scenarios that have been modeled thus far. Projected increases in Sheriff's Department expenditures represent 53 percent of total increased costs in the scenario of Draft General Plan Absorption by 2030. An alternate method of calculating the Sheriff's cost increase, which would more carefully segregate the General Fund costs of Sheriff-Coroner department staffing between functions performed on a countywide basis and functions provided just in the unincorporated area, would have a significant effect on projected cost increases. This is because the current average General Fund expenditure per sworn officer providing services in the unincorporated area is significantly less than the current average General Fund cost per sworn officer providing countywide services. This is due to the fact that the County is able to use other funding sources, such as Proposition 172 public safety sales tax proceeds to offset a significant portion of the costs for the Sheriff's patrol function, which serves the unincorporated area only. Based on preliminary calculations, methodological adjustments such as that discussed above, would decrease the projected Sheriff's costs substantially, and lead to a projected net fiscal surplus of $1.4 million per year at 2030. This shows that potential refinements in the fiscal projection methodology could significantly improve the fiscal outlook.

2. **Changes in average property valuation assumptions**. In addition to changes in service standards, changes in revenue assumptions can lead to changes in projected fiscal outcomes. As mentioned previously, assumptions about the assessed valuation of new development account directly or indirectly for a large portion of the projected revenue increases. To test the sensitivity of the fiscal results, the base fiscal model for the Draft General Plan 2030 Absorption scenario was adjusted to assume 20% across-the-board increases in assessed value for all land use types. The resulting revenue projections showed that the increased assessed valuation assumption shifted the results to a slight fiscal surplus of $164,000 per year by 2030. This compares to a projected deficit of $1.5 million per year with the baseline assessed value assumptions for this scenario. From this, it is clear that the fiscal results are sensitive to the assumptions about assessed value. While an upswing in the real estate market could provide a substantial fiscal benefit through increased property-related revenues, some level of service cost reductions or additional revenues from new sources could still be necessary in order to ensure fiscal balance for the Draft General Plan by 2030.

3. **Changes in employee service demand factor**. As acknowledged in the prior discussion, the baseline fiscal demand model assumes a relatively low service demand factor for non-residential development, with service demand for one employee equal to the demand of 0.26 residents. This can have a significant impact on the service cost projections, particularly for alternatives that heavily weighted to commercial development. For this sensitivity analysis, two additional scenarios were created. One tested the effect of changing the employee demand factor to one employee equals 0.5 residents, for the Draft General Plan 2030 Absorption scenario, and the second tested the effect of the same factor of one employee equals 0.5 residents on the Elkhorn 2030 Absorption scenario. For the first sensitivity scenario, the projected annual deficit at 2030 increased from $1.5 million per year to $2.7 million per year. For the second sensitivity scenario, the projected fiscal surplus decreased from $422,000 per year with the 0.26 demand factor, to a $217,000 per year surplus using the 0.5 employee demand factor. These results suggest that the fiscal projections are sensitive to the demand factor assigned to employees; thus, the County should considering specific new non-residential development proposals within the unincorporated area on a case by case basis to ensure that if any projects have the potential to generate disproportionately high law enforcement service demands, appropriate mitigations planned.

4. **Impacts of residential development alone**. A central premise of the Draft General Plan is that job-generating development should accompany housing development. The impetus for this policy is not fiscal impacts; rather, the policy addresses the County's desire to create balanced, sustainable communities where job/housing balance can help to reduce commuting, vehicle miles traveled, and greenhouse gas emissions, and provide attractive, self-contained communities where residents can enjoy retail, services, and jobs are in close proximity to where they live. To test the fiscal impacts of this policy, a sensitivity scenario was created for the Draft General Plan 2030 Absorption scenario which eliminated all non-residential development, in order to isolate the projected costs and revenues associated with residential development. This scenario showed that by 2030, with 8,300 new housing units absorbed, the projected fiscal deficit would be approximately $3.7 million per year, or about $456 per unit, per year. This sensitivity analysis shows that if the County were to allow residential development to proceed without accompanying job-generating land uses, the County would experience greater fiscal challenges, in addition to losing the environmental and other benefits associated with planning for a residential growth balanced with new job-generating development.

5. **Residential mitigation units at Elkhorn**. Although not modeled in the baseline fiscal impact scenarios, the DEIR for the Draft General Plan identifies the construction of upper floor residential units as mitigation to offset the number of new jobs that would be created at the Elkhorn site. As indicated in the Absorption Evaluation chapter of this study, projected non-residential absorption in Elkhorn by 2030 would require approximately 1,700 upper floor residential units in order to achieve a jobs/housing balance at that site. To test the impacts of this, a modified the Elkhorn 2030 Absorption scenario was created to include 1,700 upper floor (multifamily) residential units. The inclusion of these units in the scenario generated a projected net fiscal deficit of $833,000 per year, by 2030. This is in comparison to the projected surplus of $422,000 per year with only non-residential development in Elkhorn.

Appendix A: Land Use Assumptions - Dwelling Units

	Dunnigan					Elkhorn		Rest of Unincorporated Area					TOTAL NET NEW	
	Land Use		SP		Density	SP	MM	Land Use		SPs		Density		
GP Designation	Ac.	DU (a)	Ac.	DU (a)(b)	Change (c)	Ac.	DU (d)	Ac.	DU (a)	Ac.	DU (a)(b)	Change (c)	Ac.	DU (a)
RR	105	42	371	148	0	0	0	318	127	0	0	-69	794	248
RL	8	54	593	4,151	0	0	0	324	2,267	123	861	108	1,048	7,441
RM	8	121	133	1,995	608	0	0	31	468	56	840	354	228	4,386
RH	0	0	39	975	0	0	2,034	10	240	17	425	66	66	3,740
CL	21	0	30	0	0	0	0	40	0	10	0	0	101	0
CG	188	0	212	0	0	175	0	87	0	131	0	0	793	0
IN	5	0	208	0	0	130	0	765	0	28	0	0	1,136	0
AG (e)	0	0		0	0	0	0	810	0	44	0	0	854	0
PR	0	0	115	0	0	0	0	89	0	42	0	0	246	0
OS	0	0	229	0	0	23	0	91	0	124	0	0	467	0
PQ	1	0	382	0	0	20	0	686	0	50	0	0	1,140	0
TOTALS	**336**	**217**	**2,312**	**7,269**	**608**	**348**	**2,034**	**3,251**	**3,102**	**625**	**2,126**	**459**	**6,872**	**15,815**
Unit Type														
SFD (f)	**121**	**217**	**1,097**	**6,294**	**608**	**0**	**0**	**673**	**2,862**	**179**	**1,701**	**393**	**2,070**	**12,075**
MFD (f)	**0**	**0**	**39**	**975**	**0**	**0**	**2,034**	**10**	**240**	**17**	**425**	**66**	**66**	**3,740**

Notes:

(a) "Typical" yield - not minimum or maximum. Page LU-53 of Draft General Plan. Differs from maximum yield of 14,798 units analyzed in the GP EIR.

(b) Allowed to go up to 7,500 DUs in Dunnigan Specific Plan; total of 9,635 in all Specific Plans, excluding Elkhorn, for which no specific CEQA clearance is given.

(c) Redevelopment expected in existing developers areas due to changes in allowed residential land use density ranges.

(d) CEQA Mitigation (Land Use) requires upper-story high density residential. The 2,034 units shown is half the number, about 4,067 units, that would be needed for jobs/housing balance because not all may be feasible or desirable. These units are not modeled in the Fiscal Impact Analysis.

(e) Includes approximately 334 acres of land targeted for development as Ag-commercial (agri-tourism) and/or Ag-industrial. The targeted sites can be located anywhere in the AG district and are strongly encouraged, so more or less may result. Note that figures are based on those reported Table in LU-7 of the Draft 2030 General Plan, and rely on figures for existing developed acres that are likely underestimated.

(f) For the purpose of this analysis, the land use designations RR, RL, and RM are assumed to be single-family dwellings (SFD). The RH category is assumed to be multi-family dwellings (MFD).

Sources: TSCHUDIN CONSULTING GROUP, 2009; Revised Draft 2030 Countywide General Plan, 2009; BAE, 2009.

Appendix B: Land Use Assumptions - Population

	Dunnigan					Elkhorn		Rest of Unincorporated Area					TOTAL NET NEW	
	Land Use		SP		Res. Density	SP	MM	Land Use		SPs		Res. Density		
GP Designation	Ac.	Pop. (a)	Ac.	Pop. (a)(b)	Change (c)(e)	Ac.	Pop. (a)(d)	Ac.	Pop. (a)	Ac.	Pop. (a)	Change (c)(e)	Ac.	Pop. (a)
RR	105	95	371	334	0	0	0	318	286	0	0	-155	794	559
RL	8	151	593	11,623	0	0	0	324	6,348	123	2,411	302	1,048	20,835
RM	8	340	133	5,586	1,702	0	0	31	1,310	56	2,352	991	228	12,282
RH	0	0	39	2,730	0	0	142,380	10	672	17	1,190	185	66	147,157
CL	21	0	30	0	0	0	0	40	0	10	0	0	101	0
CG	188	0	212	0	0	175	0	87	0	131	0	0	793	0
IN	5	0	208	0	0	130	0	765	0	28	0	0	1,136	0
AG (f)	0	0	0	0	0	0	0	810	0	44	0	0	854	0
PR	0	0	115	0	0	0	0	89	0	42	0	0	246	0
OS	0	0	229	0	0	23	0	91	0	124	0	0	467	0
PQ	1	0	382	0	0	20	0	686	0	50	0	0	1,140	0
TOTALS	**336**	**586**	**2,312**	**20,273**	**1,702**	**348**	**142,380**	**3,251**	**8,617**	**625**	**5,953**	**1,323**	**6,872**	**180,834**
Unit Type														
SFD (g)	**121**	**586**	**1,097**	**17,543**	**1,702**	**0**	**0**	**673**	**7,945**	**179**	**4,763**	**1,138**	**2,070**	**33,677**
MFD (g)	**0**	**0**	**39**	**2,730**	**0**	**0**	**142,380**	**10**	**672**	**17**	**1,190**	**185**	**66**	**147,157**

Notes:

(a) Figures are based on a "Typical" ratio of persons per acre - not minimum or maximum. Remaining land use designations are assumed to represent negligible population increases. Page LU-53 of Draft General Plan.

	Persons Per Acre
RR =	0.9
RL =	19.6
RM =	42.0
RH =	70.0
CL =	22.4
CG =	22.4

2.8

(b) Allowed to go up to 7,500 DUs in Dunnigan Specific Plan; total of 9,635 in all Specific Plans, excluding Elkhorn, for which no specific CEQA clearance is given.

(c) Redevelopment expected in existing developers areas due to changes in allowed residential land use density ranges.

(d) CEQA Mitigation (Land Use) requires upper-story high density residential. The 2,034 units shown is half the number, about 4,067 units, that would be needed for jobs/housing balance because not all may be feasible or desirable. These units are not modeled in the Fiscal Impact Analysis.

(e) The population associated additional units that are allowed due to densities changes are based on the number of units reported in Appendix A1. Figures are then divided by typical density for each land use type, see below, then multiplied by the typical persons per acre reported above.

	Density
RR =	1 du/2.5 ac.
RL =	7 du/ac.
RM =	15 du/ac.
RH =	25 du/ac.

(f) Includes approximately 334 acres of land targeted for development as Ag-commercial (agri-tourism) and/or Ag-industrial. The targeted sites can be located anywhere in the AG district and are strongly encouraged, so more or less may result. Note that figures are based on those reported in Table LU-7 of the Draft General Plan, and rely on figures for existing developed acres that are likely underestimated.

(g) For the purpose of this analysis, the land use designations RR, RL, and RM are assumed to be single-family dwellings (SFD). The RH category is assumed to be multi-family dwellings (MFD).

Sources: TSCHUDIN CONSULTING GROUP, 2009; Revised Draft 2030 Countywide General Plan, 2009; BAE, 2009.

Appendix C: Land Use Assumptions - Commercial/Industrial Square Feet and Jobs																		
	Dunnigan						**Elkhorn**			**Rest of Unincorporated Area**						**TOTAL**		
	Land Use			SP			SP			Land Use			SPs			**NET NEW**		
GP Designation	Ac.	Sq.Ft. (a)	Jobs (b)	Ac.	Sq.Ft. (a)	Jobs (c)	Ac.	Sq.Ft. (a)	Jobs (c)	Ac.	Sq.Ft. (a)	Jobs (b)	Ac.	Sq.Ft. (a)(d)	Jobs (c)	Ac.	Sq.Ft. (a)	Jobs (b)
RR	105	0	0	371	0	0	0	0	0	318	0	0	0	0	0	794	0	0
RL	8	0	0	593	0	0	0	0	0	324	0	0	123	0	0	1,048	0	0
RM	8	0	0	133	0	0	0	0	0	31	0	0	56	0	0	228	0	0
RH (e)	0	0	0	39	56,817	120	0	0	0	10	0	0	17	0	0	66	56,817	120
CL	21	230,868	488	30	326,700	690	0	0	0	40	437,778	925	10	108,900	230	101	1,104,246	2,332
CG	188	2,047,320	4,399	212	2,308,680	4,961	175	1,905,750	4,095	87	947,430	2,036	131	1,426,590	3,065	793	8,635,770	18,556
IN	5	78,408	47	208	3,624,192	2,167	130	2,265,120	1,354	765	13,334,587	7,959	28	487,872	291	1,136	19,790,179	11,818
AG (f)	0	0	0	0	0	0	0	0	0	810	5,052,960	3,016	44	766,656	458	854	5,819,616	3,474
PR	0	0	0	115	0	0	0	0	0	89	0	0	42	0	0	246	0	0
OS	0	0	0	229	0	0	23	0	0	91	0	0	124	0	0	467	0	0
PQ (g)	1	28,314	1	382	8,319,960	433	20	435,600	0	686	14,947,614	755	50	1,089,000	20	1,140	24,820,488	1,209
TOTALS	**336**	**2,384,910**	**4,935**	**2,312**	**14,636,349**	**8,371**	**348**	**4,606,470**	**5,449**	**3,251**	**34,720,369**	**14,690**	**625**	**3,879,018**	**4,064**	**6,872**	**60,227,117**	**37,509**

Notes:

(a) Figures are based on the typical floor area ratio (FAR) reported for each land use type. The FARs used are as follows, and assume standard, non-mixed use development:

	Typical FAR	Max FAR
CL =	0.25	1
CG =	0.25	0.5
IN =	0.4	0.5
PQ =	0.5	0.5

(b) Figures are based on a ratio of total jobs to total acre derived using figures reported in the Draft 2030 General Plan Land Use Element for the County's four Specific Plan areas. These include Commercial General (CG), Commercial Local (CL), and Industrial (IN) designations.

	Typical Jobs Per Acre
CL =	23.0
CG =	23.4
IN =	10.4
PQ =	1.1

(c) Figures are those reported for the County's four Specific Planning Areas in the Draft 2030 Countywide General Plan, pages LU-32 and LU-37.

(d) According to the Draft 2030 Countywide General Plan, the commercial development in the Knights Landing SP area is not assumed to create any new jobs, thus this analysis assumes that no additional commercial square feet will be constructed.

(e) Jobs within the Residential High (RH) land use designation are due to mixed use development in the Dunnigan Specific Plan area. For the purposes of this analysis all mixed use development is assumed to include uses compatible with the Commercial Local (CL) land use category. The square footage estimate provided is based on jobs per acre and FAR values considered typical for CL development.

(f) Includes approximately 334 acres of land targeted for development as Ag-commercial (agri-tourism) and/or Ag-industrial. The targeted sites can be located anywhere in the AG district and are strongly encouraged, so more or less may result. Note that figures are based on those reported in Table LU-7 of the Draft 2030 General Plan, and rely on figures for existing developed acres that are likely underestimated. Industrial and commercial uses in the AG district are subject to the same FAR as in the IN land use category. Jobs associated with Ag-commercial and/or Ag-industrial are calculated based on the ratio of jobs per acre in the industrial land use category, as most of the land may be anticipated to consist of agricultural processing facilities.

(g) Jobs figures within the PQ land use designation may result from any number of development types, including public infrastructure, education, and airports, among others. These figures represent those reported in the Draft 2030 Countywide General Plan pages LU-32 through LU-37. This analysis only takes into account new jobs as specifically noted in the General Plan.

Sources: TSCHUDIN CONSULTING GROUP, 2009; Revised Draft 2030 Countywide General Plan, 2009; BAE, 2009.

Appendix D: Employee Service Demand Adjustment Factor

Total Residents In Unincorporated Area, 2009	23,191
Percent of Residents Employed (a)	0.46
Estimated Number of Employed Residents in Unincorporated Area	10,781
Estimated Hours of Service Demand (b)	6,760
Estimated Number of Non-Working Residents in Unincorporated Area	12,410
Estimated Hours of Service Demand (c)	8,760
Estimated Total Hours of Service Demand	181,590,579
Estimated Average Hours of Service Demand for Residents	7,830
Estimated Average Hours of Service Demand for Employees (d)	2,000
Ratio of Employee Demand to Resident Demand	0.26

Notes:
(a) Divides CA EDD 2008 estimate of 92,200 employed Yolo County residents by Table 7 estimate of 2008 countywide population.
(b) Assumes employed residents demand service 365 days x 24 hrs., minus 50 work weeks X 8 hrs./day X 5 work days/week.
(c) Assumes non-employed residents demand services 365 days x 24 hours.
(d) Assumes local employees demand services 50 work weeks X 8 hrs./day X 5 work days/week.

Sources: CA DoF, 2009; EDD, 2008; BAE, 2009.

Appendix E: Weighted Average Property Values

	Dunnigan	Elkhorn	Rest of Unincorporated Area	Total
Current Average Value				
SFR	$252,029	$213,966 (a)	$309,267	
Multifamily	$150,000 (b)	$150,000 (b)	$150,000 (b)	
Commercial	$229 (c)	$229 (c)	$229 (c)	
Industrial	$100 (d)	$100 (d)	$100 (d)	
Ag-Industrial/Commercial	$100 (e)	$100 (e)	$100 (e)	
Projected New Development				**Total**
SFR (units)	7,119	0	4,956	12,075
Multifamily (units)	975	2,034	731	3,740
Commercial (square feet)	4,970,385	1,905,750	2,920,698	9,796,833
Industrial (square feet)	3,702,600	2,265,120	13,822,459	19,790,179
Ag-Industrial/Commercial (square feet)	0	0	5,819,616	5,819,616
Total Value of New Development				**Total**
SFR	$1,794,191,400	$0	$1,532,728,728	$3,326,920,128
Multifamily	$146,250,000	$305,100,000	$109,650,000	$561,000,000
Commercial	$1,138,915,517	$436,684,095	$669,249,567	$2,244,849,179
Industrial	$368,905,251	$225,683,212	$1,377,188,403	$1,971,776,867
Ag-Industrial/Commercial	$0	$0	$579,832,254	$579,832,254
Weighted Average for Unincorporated Area				
SFR				$275,521
Multifamily				$150,000
Commercial				$229
Industrial				$100
Ag-Industrial/Commercial				$100

Notes:

(a) No single family sales records for Elkhorn; uses Woodland average as a proxy.

(b) No recent sales of newly developed multifamily projects. Assumes minimal $150,000 per unit value before development occurs. Closest incorporated city, is used as a proxy.

(c) No commercial buildings are for-sale nor have been sold recently in Dunnigan and Elkhorn/ The for-sale average price per square foot for commercial buildings in Woodland is used as a proxy.

(d) Since no industrial buildings are for-sale nor have been sold recently in Dunnigan and Elkhorn. The for-sale average price per square foot for industrial buildings in Woodland is used as a proxy.

(e) Since no ag-industrial/commercial buildings are for-sale nor have been sold recently in the Unincorporated Area, the average for-sale price per square foot for industrial buildings in the Woodland is used as a proxy.

Sources: Dataquick, 2009; Loopnet, 2009; Metrolist, 2009; BAE, 2009.

Appendix F: Property Tax Share to County

Assessed Value	Dunnigan	Elkhorn	Rest of Unincorporated Area		Total
SFR (a)	$1,794,191,400	$0	$1,532,728,728		$3,326,920,128
Multifamily (a)	$146,250,000	$305,100,000	$109,650,000	(b)	$561,000,000
Commercial (a)	$1,138,915,517	$436,684,095	$669,249,567		$2,244,849,179
Industrial (a)	$368,905,251	$225,683,212	$1,377,188,403		$1,971,776,867
Ag-Industrial/Commercial (a)	$0	$0	$579,832,254		$579,832,254
Total Assessed Value	$3,448,262,168	$967,467,307	$4,268,648,953		$8,684,378,428
Total 1% Ad Valorem Property Tax	$34,482,622	$9,674,673	$42,686,490		$86,843,784
Property Tax Share to County (b)					
County General Fund	15.02%	11.87%	12.34%	(c)	13.35%
County Accumulated Capital Outlay Fund	1.80%	1.42%	1.48%	(c)	1.60%
County Library Fund	2.69%	2.12%	2.21%	(c)	2.39%
County Road District #2	2.86%	2.26%	2.36%	(c)	2.55%
Tax Increment Allocation to County					
County General Fund	$5,179,301	$1,148,045	$5,268,879		$11,596,226
County Accumulated Capital Outlay Fund	$619,854	$137,395	$632,531		$1,389,779
County Library Fund	$926,502	$205,364	$945,280		$2,077,146
County Road District #2	$987,508	$218,889	$1,006,657		$2,213,054

Notes:
(a) See Appendix E.
(b) Tax increment allocation figures shown are representative of the range of tax increment allocation shares when a sub-area involves multiple Tax Rate Areas. See Appendix D.
(c) Due to multiple TRAs spanning remainder of unincorporated area, uses the average for all unicorporated TRAs. See Appendix H.

Sources: Dataquick, 2009; Loopnet, 2009; Metrolist, 2009; Yolo County, 2009; BAE, 2009.

Appendix G: Unique TRAs and Tax Increment Allocation Shares, Dunnigan and Elkhorn Areas

Share Dunnigan Specific Plan and Existing Community

TRA	Gen. Fund Share	County ACO Fund	County Library Fund	County Road District #2
062004	15.27%	1.83%	2.73%	2.91%
062008	14.48%	1.73%	2.59%	2.76%
062011	14.49%	1.73%	2.59%	2.76%
062013	15.27%	1.83%	2.73%	2.91%
062015	15.28%	1.83%	2.73%	2.91%
062019	15.27%	1.83%	2.73%	2.91%
062022	15.27%	1.83%	2.73%	2.91%
062023	15.27%	1.83%	2.73%	2.91%
062024	15.28%	1.83%	2.73%	2.91%
062025	15.27%	1.83%	2.73%	2.91%
062026	15.27%	1.83%	2.73%	2.91%
063011	13.79%	1.65%	2.47%	2.63%
Average	15.02%	1.80%	2.69%	2.86%

Elkhorn Specific Plan

TRA	Gen. Fund Share	County ACO Fund	County Library Fund	County Road District #2
087013	12.73%	1.52%	2.28%	2.43%
087083	11.00%	1.32%	1.97%	2.10%
Average	11.87%	1.42%	2.12%	2.26%

Sources: Yolo County Auditor Controller's Office, 2009; BAE, 2009.

Appendix H: Average Property Tax Increment Distribution for Unincorporated Area TRAs

Fund	Entity	Total Value	Average Share
110	County General Fund	$3,992,427	12.34%
120	County ACO Fund	$479,292	1.48%
140	County Library Fund	$716,274	2.21%
151	County Road District #2	$762,781	2.36%
Total		**$32,345,153**	**18.40%**

Source: Yolo County Auditor-Controllor's Office, 2009; BAE, 2009.