

MEMORANDUM

To: Emi Sugiyama, Associate Planner
City of Cupertino Community Development Department

From: Economic & Planning Systems, Inc. (EPS)

Subject: Fiscal Impact Peer Review for 20840 Stevens Creek; EPS
#241073

Date: April 3, 2025

The Economics of Land Use



This memorandum provides a third-party peer review of a fiscal impact report for a proposed residential development at 20840 Stevens Creek Boulevard in Cupertino. The goal is to evaluate the assumptions, findings, and methodology of a report ("Report") prepared by BAE Urban Economics. ("BAE") for SummerHill Homes.¹ Economic & Planning Systems, Inc. (EPS) provided this peer review at the request of the City of Cupertino.

The BAE fiscal analysis is designed to estimate the impact of a proposed residential development on the City of Cupertino's General Fund budget, accounting for both tax revenues and incremental public service costs. The analysis provides an estimate of ongoing net fiscal impacts at project stabilization, once the project is fully built and occupied. Fiscal impact estimates are presented on constant 2025 dollars.

The proposed project is a 59-unit townhome-style condominium community. Out of the 59 total townhomes, twelve units are designated as affordable for median and moderate-income households. The fiscal impact of the existing retail and commercial buildings at the site is treated as a baseline condition (i.e., fiscal outcome in the absence of redevelopment). For this peer review, EPS set up an independent fiscal impact model to evaluate BAE's results given project specifications and the baseline condition. The results of the EPS model are described in comparison to BAE's results described in the Report. Key affirmations of or differences in assumptions, methodology, and findings are described in the memorandum. The memorandum is followed by an appendix table set, which contains detail on EPS's fiscal peer review findings.

*Economic & Planning Systems, Inc.
1330 Broadway
Suite 450
Oakland, CA 94612
510 841 9190 tel*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

¹ The original report is titled "Cupertino SummerHill Homes Community Fiscal Impact Analysis" ("Report"), dated July 12, 2024.

Project Description

The City of Cupertino ("City") has received an application for a residential project on a 2.90-acre site located at 20840 Stevens Creek Boulevard ("Proposed Project"). The site includes a 0.82-acre portion of an existing parcel, requiring a lot line adjustment. The Proposed Project would consist of 59 townhomes, twelve of which are designated as Below Market Rate (BMR) units consistent with the City's inclusionary requirements. Per the Report, the Project is expected to increase the City's resident population by 190 persons. The site is currently the location of three commercial buildings, including 21,668 square feet of retail space occupied by an office supply store and 7,600 of vacant retail space.² The combined 29,268 square feet of total existing retail space is the baseline condition for the purposes of the fiscal impact analysis.

BAE concludes that the fiscal impact of the Proposed Project is slightly positive, with net General Fund fiscal impacts over the baseline condition estimated at \$2,900 annually.

Key Findings

1. **BAE's analysis concludes that the Proposed Project is likely to generate a slight positive fiscal impact on the City's General Fund. EPS' peer review and modeling indicates that the overall fiscal benefit is likely to be slightly negative to neutral, primarily depending on how the baseline condition is analyzed.**

EPS estimates that the fiscal impact of the Proposed Project at project buildout is \$27,200 (**Tables 1 and 2**). EPS found that the fiscal impact of the baseline condition ranges from \$30,000 to \$37,400 depending on whether the 7,600 square feet of vacant retail remains vacant (or is re-leased to sales-tax-generating tenants).

The BAE Report assumes that the 7,600 square feet of vacant retail remains vacant. However, given Cupertino's strong retail market with a vacancy rate that is under 5 percent, EPS conducted a sensitivity analysis that considers the vacant retail as occupied. As shown in the alternative fiscal impact summary, **Table 2**, if the vacant retail is leased, the negative net fiscal impact of redevelopment would be more significant.

² Square footages and current vacancies reported by BAE.

Table 1 Annual Fiscal Impact Summary

Revenue / Expense Category	Fiscal Impact at Project Buildout	Fiscal Impact Baseline (Excluding Vacant Retail)	Net Fiscal Impact
General Fund Revenues	\$143,400	\$44,900	\$98,500
General Fund Expenditures	<u>\$116,300</u>	<u>\$14,900</u>	<u>\$101,400</u>
Net Impact on General Fund	\$27,200	\$30,000	-\$2,800

Table 2 Annual Fiscal Impact Summary (Alternative)

Revenue / Expense Category	Fiscal Impact at Project Buildout	Fiscal Impact Baseline (With All Existing Retail)	Net Fiscal Impact
General Fund Revenues	\$143,400	\$57,500	\$85,900
General Fund Expenditures	<u>\$116,300</u>	<u>\$20,200</u>	<u>\$96,100</u>
Net Impact on General Fund	\$27,200	\$37,400	-\$10,200

2. EPS found BAE's assumptions regarding market-rate and BMR townhome pricing to be reasonable given current market conditions.

For the market-rate townhomes, key assumptions EPS reviewed included townhome sales prices in the Cupertino region. EPS reviewed recent comparable townhome sales from 2022 to 2024 and can conclude that the Report's assumed townhome sales price of \$1,145 per square foot is on the higher end of townhome prices, but reasonable given strong demand in the local housing market. For the BMR townhomes, EPS reviewed 2024 household income limits for Santa Clara County provided by the State of California Housing and Community Development Department as well as the City's inclusionary housing policy. EPS also reviewed home pricing assumptions such as mortgage insurance and interest rates. Based on current economic conditions and comparable projects, EPS concludes that BAE's BMR home pricing assumptions are reasonable and appropriate for the fiscal analysis.

3. **EPS found BAE's methodology for estimating fiscal impacts follows generally accepted industry-standard approaches. BAE cites sources where appropriate, and thoroughly explains calculations, enabling EPS' peer review of the study methodology and results.**

Key assumptions used in estimating fiscal costs and revenues are included, and the Report's summary tables are accompanied by more detailed narratives and tables provided in later sections and appendices. Most estimates use an average cost method to estimate impacts (i.e., average General Fund cost per unit of development) on a per service population basis, while selected categories alternatively use the case study approach (i.e., estimated using assumptions specific to the theoretical prototype land uses). Both methods are appropriate and standard for fiscal impact analyses.

4. **In some instances, EPS and BAE preferred methodology and assumptions differ, such as with the calculation of new sales tax revenue and new transfer tax revenue.**

EPS and BAE use different methods for the calculation of sales tax revenue attributed to the new residential development. EPS typically uses a case study approach to account for the spending power of new households. BAE uses a per resident method based on citywide taxable sales. The per resident method results in a higher level of taxable sales and sales tax revenue. In the fiscal model EPS created to replicate BAE's results, EPS uses the case study method, and a more conservative result is reflected in the summary tables above.

For the baseline sales tax revenue calculation, EPS and BAE both use the case study approach. However, BAE assumes a lower sales per square foot than EPS. HdL California Retail Analytics provides a sales per square foot range for office supply stores. BAE has assumed the lowest end of the range whereas EPS has assumed the mid-point.

For the calculation of transfer tax revenue associated with the Proposed Project, EPS's fiscal impact model assumes a lower turnover rate than the BAE model. As a result, the EPS transfer tax revenue estimate is more conservative and slightly lower than BAE's estimate. The lower transfer tax revenue is reflected in the summary tables above.

5. **In addition, BAE's per service population methodology for calculating Recreation & Community Services expenditures includes workers, which potentially understates the project's costs to the City's current General Fund.**

For the calculation of General Fund expenditures, as described above, both BAE and EPS use the per service population methodology. However, for Recreation & Community Services, EPS assumes that local parks in Cupertino are primarily resident serving. Instead of distributing the cost of Recreation & Community Services across the entire service population made up of residents and workers, EPS only takes into account residents as they are most likely to be served by the City's Recreation & Community Services. The exclusion of workers results in a EPS's higher cost estimate, which is reflected in the summary tables above.

6. BAE's baseline retail square footage and resulting service population estimate is potentially understated, which disproportionately reduces the baseline contribution to the City's current General Fund.

For the calculation of the baseline fiscal impact, BAE assumes an employment density of 1,500 square feet per employee whereas EPS uses 500 square feet per employee. EPS has found that the 500 square feet per employee is typical for retail uses. EPS's higher employment density assumption for the baseline results in higher expenditures when calculating the baseline fiscal impact, which improves the overall net fiscal impact of the proposed project.

7. The City requested EPS to estimate one-time benefits of the Proposed Project. EPS estimates \$122,000 in construction sales tax revenue and \$2.6 million in development impact and in-lieu fees for a total of \$2.7 million in one-time benefits. EPS estimates are provided for reference as one-time benefits are not included as part of BAE's study.

The construction sales tax is calculated using an estimate of total construction costs. Construction costs are based on the Developer's program and reported market values as provided in the BAE study and categorized as either a labor cost or materials cost. The 1 percent sales tax is only applied to a portion of the materials cost as only contracts of a certain size are eligible for point-of-sale capture.

The development impact fees and in-lieu fees estimate includes the parkland dedication in-lieu fee, transportation impact fee, and master storm drain area fee.³ The parkland dedication in-lieu fee assumes that the developer is not providing dedicated parkland through their development proposal. Per City confirmation, EPS assumes that the twelve BMR townhomes are not subject to the parkland dedication fee, but are subject to the master storm drain area and transportation impact fees.

³ The per unit fee amounts used in EPS's calculations are from the City's FY2024 – 2025 engineering fee schedule published on July 14, 2024.



STEVENS CREEK FISCAL PEER REVIEW

CITY OF CUPERTINO

Table 1
Net Annual Fiscal Impact Summary - Excluding Vacant Baseline Retail
Fiscal Impact Analysis (EPS# 241073)

Revenue / Expense Category	Fiscal Impact at Project Buildout	Fiscal Impact Baseline (Excluding Vacant Retail)	Net Fiscal Impact
General Fund Revenues	\$143,400	\$44,900	\$98,500
General Fund Expenditures	<u>\$116,300</u>	<u>\$14,900</u>	<u>\$101,400</u>
Net Impact on General Fund	\$27,200	\$30,000	-\$2,800

Table 1 (Alternative)
Net Annual Fiscal Impact Summary - All Baseline Retail
Fiscal Impact Analysis (EPS# 241073)

Revenue / Expense Category	Fiscal Impact at Project Buildout	Fiscal Impact Baseline (With All Existing Retail)	Net Fiscal Impact
General Fund Revenues	\$143,400	\$57,500	\$85,900
General Fund Expenditures	<u>\$116,300</u>	<u>\$20,200</u>	<u>\$96,100</u>
Net Impact on General Fund	\$27,200	\$37,400	-\$10,200



NEW PROPOSED DEVELOPMENT

Table 2-a
Project Program and Service Population
Fiscal Impact Analysis (EPS# 241073)

Item	Development Program	Density Assumptions	Population	Population
<u>Residential For-Sale</u>				
Townhomes [1]	47 DU	2.85 Residents / HH	134	134
BMR For-Sale [2]	12 DU	4.67 Residents / HH	<u>56</u>	<u>56</u>
Total			190	190

[1] California Department of Finance 2024 City of Cupertino population estimate.

[2] Based on BMR unit mix and estimated household size of number of bedrooms plus one.

Table 3-a
FY2024-2025 Revenue Budget Summary and Fiscal Impact Estimating Factors
Fiscal Impact Analysis (EPS# 241073)

Item	FY2024-2025 Total	Factors Applied to Estimate Project Revenue
Sales Tax	\$11,648,962	1.0% of estimated taxable sales
Property Tax		
Property Tax in Lieu of VLF	\$10,894,681	0.3% of Citywide Assessed Value
Other Property Tax	\$22,280,296	7.00% of base property tax rate (1%)
Transient Occupancy Tax	\$7,731,947	- not applicable
Utility Tax	\$4,130,140	\$49.02 per service population
Franchise Fees	\$3,509,346	\$41.65 per service population
Business License	\$744,690	
Other Taxes	\$939,639	
Property Transfer Tax	\$878,901	\$0.55 per \$1,000 in value
Licenses & Permits	\$3,665,866	- not estimated
Use of Money & Property	\$4,697,122	- not estimated
Intergovernmental	\$2,471,990	- not estimated
Charges for Services	\$15,102,136	- not estimated
Fines & Forfeitures	\$395,000	- not estimated
Miscellaneous	\$1,210,653	- not estimated
Other Financing Sources	\$367,000	- not estimated
Transfer-In	<u>\$15,000</u>	- not estimated
Total Revenues	\$89,804,468	

Table 4-a
Sales Tax Estimate
Fiscal Impact Analysis (EPS# 241073)

Item	Assumptions	Factor/ Estimate
Project Households Retail Purchases in Cupertino		
Estimated Annual Household Income [1]		
Townhomes	35% of income is Housing Costs	\$299,356
BMR For Sale		\$198,064
Household Taxable Retail Spending [2]		
Single-Family Unit	14.3% percent of income	\$42,808
BMR Unit	22.1% percent of income	\$43,772
Weighted Average Household Spending		\$43,004
Household Retail Spending in Cupertino [3]	40% of retail expenditures	\$17,202
Project Households		59
Household Taxable Retail Sales Captured in Cupertino		\$1,014,894
Total Sales Tax Revenue	1.0% of taxable sales	\$10,149

[1] Income estimate relies on typical mortgage financing and the assumption that housing costs represent 35 percent of gross household income.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey for respective income groups.

[3] Assumes 40 percent of taxable retail spending by Cupertino residents is captured by the retailers within the City.

Sources: State Board of Equalization, ICSC Research Survey, U.S. Bureau of Labor Statistics

Table 5-a
Property Tax and Property Tax In Lieu of VLF Estimate
Fiscal Impact Analysis (EPS# 241073)

Land Use	Assumption / Factor	Total at Buildout
<u>Assessed Value Estimate</u>		
Market-Rate Townhomes	\$2,133,306 per Unit	\$100,265,360
BMR For Sale	\$615,929 per Unit	<u>\$7,391,147</u>
Total Assessed Value		\$107,656,507
Property Tax	1.0% Base Property Tax Rate	\$1,076,565
Cupertino General Fund Revenue [1]	7.00% Allocation to Cupertino General Fund	\$75,360
Property Tax In Lieu of VLF		
Existing Citywide Property Tax in Lieu of VLF		\$10,894,681
Citywide Assessed Value [2]		\$33,715,982,769
Project Assessed Value Proportion [3]		0.32%
Property Tax In Lieu of VLF Revenue [4]		\$34,787

[1] Subject to City confirmation.

[1] FY2024-2025 value based on secured and unsecured assessed value from Santa Clara County's Annual Assessor's Report.

[2] Calculated by dividing the new assessed value by citywide assessed value.

[3] Calculated by multiplying existing property tax in lieu of VLF by project net assessed value increase.

Table 6-a
Property Transfer Tax Estimate
Fiscal Impact Analysis (EPS# 241073)

Land Use	Assumption / Factor	Annual Total at Buildout
Property Value		
Townhouse	\$2,133,306 per Unit	\$100,265,360
BMR Unit	\$615,929 per Unit	\$7,391,147
Total		\$107,656,507
Average Annual Turnover	10.0%	\$10,765,651
Property Transfer Tax Revenue	\$0.55 per \$1,000 in value	\$5,921

Table 7-a
FY2024-2025 Other Revenue Budget Summary and Fiscal Impact Estimating Factors
Fiscal Impact Analysis (EPS# 241073)

Item	Allocation Factor	Project Characteristic	Annual Total at Buildout
Utility User Tax	\$49.02 per service population	190 service pop.	\$9,314
Franchise Fees	\$41.65 per service population	190 service pop.	\$7,914
Total			\$17,227

Table 8-a
FY2024-2025 Expenditure Budget Summary and Fiscal Impact Estimating Factors
Fiscal Impact Analysis (EPS# 241073)

Item	City General Fund Expenses (FY2024-2025)	Percent Variable [1]	Annual Variable Expenses	Estimating Factors		Per Capita General Fund Expense	Project Population/ Service Population	Annual Total at Buildout
General Government [2]	\$15,170,440	10%	\$1,517,044	84,252	Service Pop.	\$18.01	190	\$3,421
Police [3]	\$18,648,806	90%	\$16,783,925	84,252	Service Pop.	\$199.21	190	\$37,848
Innovation and Technology [4]	\$3,122,993	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation & Community Services	\$6,122,536	75%	\$4,591,902	59,471	Population	\$77.21	190	\$14,670
Planning & Community Development	\$11,460,954	50%	\$5,730,477	84,252	Service Pop.	\$68.02	190	\$12,922
Public Works [5]	\$28,040,398	75%	\$21,030,299	84,252	Service Pop.	\$249.61	190	\$47,424
Non-Departmental	<u>\$7,372,862</u>	N/A	N/A	N/A	N/A	N/A	N/A	<u>N/A</u>
Total Expenditures	\$89,938,989							\$116,285

[1] Percentage of costs that are population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

[2] Includes Administration, Administrative Services, and Council and Commissions.

[3] Reflects the contract portion of the police department's budget. Modeling assumes no change in the structure of the contract terms.

[4] Formerly known as Public Affairs and includes services such as videography, applications, IT and GIS.

[5] Includes administration, environmental programs, development services, service center, grounds, streets, trees and right of way, facilities and fleet, transportation, and other programs.

Sources: City of Cupertino FY2024-2025

Table 9-a
Annual Fiscal Impact Summary
Fiscal Impact Analysis (EPS# 241073)

Item	Annual Fiscal Impact
<u>General Fund Revenues</u>	
Sales Tax	\$10,100
Property Tax	\$75,400
Property Tax in Lieu of VLF	\$34,800
Property Transfer Tax	\$5,900
Utility Tax	\$9,300
Franchise Fees	<u>\$7,900</u>
Total Revenues	\$143,400
<u>General Fund Expenditures</u>	
General Government	\$3,400
Police	\$37,800
Recreation & Community Services	\$14,700
Planning & Community Development	\$12,900
Public Works	<u>\$47,400</u>
Total Expenditures	\$116,300
Net Impact on General Fund	\$27,200



BASELINE CONDITION (ALTERNATIVE)

Table 2-b
Project Program and Service Population
Fiscal Impact Analysis (EPS# 241073)

Item	Development Program	Density Assumptions	Population	Service Population
<u>Retail (Existing)</u>	29,268 Sq.Ft.	500 Sq.Ft./ Employee	59	29
Total			59	29

[1] California Department of Finance 2024 City of Cupertino population estimate.

[2] Based on BMR unit mix and estimated household size of number of bedrooms plus one.

Table 3-b
FY2024-2025 Revenue Budget Summary and Fiscal Impact Estimating Factors
Fiscal Impact Analysis (EPS# 241073)

Item	FY2024-2025 Total	Factors Applied to Estimate Project Revenue
Sales Tax	\$11,648,962	1.0% of estimated taxable sales
Property Tax		
Property Tax in Lieu of VLF	\$10,894,681	0.0% of Citywide Assessed Value
Other Property Tax	\$22,280,296	7.00% of base property tax rate (1%)
Transient Occupancy Tax	\$7,731,947	- not applicable
Utility Tax	\$4,130,140	\$49.02 per service population
Franchise Fees	\$3,509,346	\$41.65 per service population
Business License	\$744,690	
Other Taxes	\$939,639	
Property Transfer Tax	\$878,901	\$0.55 per \$1,000 in value
Licenses & Permits	\$3,665,866	- not estimated
Use of Money & Property	\$4,697,122	- not estimated
Intergovernmental	\$2,471,990	- not estimated
Charges for Services	\$15,102,136	- not estimated
Fines & Forfeitures	\$395,000	- not estimated
Miscellaneous	\$1,210,653	- not estimated
Other Financing Sources	\$367,000	- not estimated
Transfer-In	<u>\$15,000</u>	- not estimated
Total Revenues	\$89,804,468	

Table 4-b
Sales Tax Estimate
Fiscal Impact Analysis (EPS# 241073)

Item	Assumptions	Factor/ Estimate
Retail (Existing)		
Retail Square Feet	5% Vacancy	27,805
Sales per Square Foot (Annual)		\$165
Total Retail Sales (Annual) [1]		\$4,587,759
Total Sales Tax Revenue	1.0% of taxable sales	\$45,878

[1] Based on HdL California Retail Analytics 2024 midpoint sales per square foot estimate for office supply stores.

Sources: State Board of Equalization, U.S. Bureau of Labor Statistics

Table 5-b
Property Tax and Property Tax In Lieu of VLF Estimate
Fiscal Impact Analysis (EPS# 241073)

Land Use	Assumption / Factor	Total at Buildout
<u>Assessed Value Estimate</u>		
Retail (Existing AV from County)	\$293 per Sq.Ft.	<u>\$8,572,942</u>
Total Assessed Value		\$8,572,942
Property Tax	1.0% Base Property Tax Rate	\$85,729
Cupertino General Fund Revenue [1]	7.00% Allocation to Cupertino General Fund	\$6,001
Property Tax In Lieu of VLF		
Existing Citywide Property Tax in Lieu of VLF		\$10,894,681
Citywide Assessed Value [2]		\$33,715,982,769
Project Assessed Value Proportion [3]		0.03%
Property Tax In Lieu of VLF Revenue [4]		\$2,770

[1] Subject to City confirmation.

[1] FY2024-2025 value based on secured and unsecured assessed value from Santa Clara County's Annual Assessor's Report.

[2] Calculated by dividing the new assessed value by citywide assessed value.

[3] Calculated by multiplying existing property tax in lieu of VLF by project net assessed value increase.

Table 6-b
Property Transfer Tax Estimate
Fiscal Impact Analysis (EPS# 241073)

Land Use	Assumption / Factor	Annual Total at Buildout
Property Value		
Retail (Existing)	\$293 per Sq.Ft.	<u>\$8,572,942</u>
Total		\$8,572,942
Average Annual Turnover	5.0%	\$428,647
Property Transfer Tax Revenue	\$0.55 per \$1,000 in value	\$236

Table 7-b
FY2024-2025 Other Revenue Budget Summary and Fiscal Impact Estimating Factors
Fiscal Impact Analysis (EPS# 241073)

Item	Allocation Factor	Project Characteristic	Annual Total at Buildout
Utility User Tax	\$49.02 per service population	29 service pop.	\$1,435
Franchise Fees	\$41.65 per service population	29 service pop.	\$1,219
Total			\$2,654

Table 8-b
FY2024-2025 Expenditure Budget Summary and Fiscal Impact Estimating Factors
Fiscal Impact Analysis (EPS# 241073)

Item	City General Fund Expenses (FY2024-2025)	Percent Variable [1]	Annual Variable Expenses	Estimating Factors		Per Capita General Fund Expense	Project Population/ Service Population	Annual Total at Buildout
General Government [2]	\$15,170,440	10%	\$1,517,044	84,252	Service Pop.	\$18.01	29	\$527
Police [3]	\$18,648,806	90%	\$16,783,925	84,252	Service Pop.	\$199.21	29	\$5,831
Innovation and Technology [4]	\$3,122,993	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation & Community Services	\$6,122,536	75%	\$4,591,902	59,471	Population	\$77.21	59	\$4,520
Planning & Community Development	\$11,460,954	50%	\$5,730,477	84,252	Service Pop.	\$68.02	29	\$1,991
Public Works [5]	\$28,040,398	75%	\$21,030,299	84,252	Service Pop.	\$249.61	29	\$7,306
Non-Departmental	<u>\$7,372,862</u>	N/A	N/A	N/A	N/A	N/A	N/A	<u>N/A</u>
Total Expenditures	\$89,938,989							\$20,174

[1] Percentage of costs that are population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

[2] Includes Administration, Administrative Services, and Council and Commissions.

[3] Reflects the contract portion of the police department's budget. Modeling assumes no change in the structure of the contract terms.

[4] Formerly known as Public Affairs and includes services such as videography, applications, IT and GIS.

[5] Includes administration, environmental programs, development services, service center, grounds, streets, trees and right of way, facilities and fleet, transportation, and other programs.

Sources: City of Cupertino FY2024-2025

Table 9-b
Annual Fiscal Impact Summary
Fiscal Impact Analysis (EPS# 241073)

Item	Annual Fiscal Impact
<u>General Fund Revenues</u>	
Sales Tax	\$45,900
Property Tax	\$6,000
Property Tax in Lieu of VLF	\$2,800
Property Transfer Tax	\$200
Utility Tax	\$1,400
Franchise Fees	<u>\$1,200</u>
Total Revenues	\$57,500
<u>General Fund Expenditures</u>	
General Government	\$500
Police	\$5,800
Recreation & Community Services	\$4,500
Planning & Community Development	\$2,000
Public Works	<u>\$7,300</u>
Total Expenditures	\$20,200
Net Impact on General Fund	\$37,400



ESTIMATE OF ONE-TIME FEES

Table 10
Estimate of One-Time Impact Fees
Fiscal Impact Analysis (EPS# 241073)

Fee Category	Fee Amount	Fee Unit	Project Units	Required Fee
Parkland Dedication In-Lieu Fee	\$54,000 per Market Rate DU		47	\$2,538,000
Master Storm Drain Area Fee				
Per Unit Amount	\$347 per DU [1]		58	\$20,126
Per Acre Amount	\$4,584 per Acre		2.90	<u>\$13,294</u>
Total Master Storm Drain Area Fee				\$33,420
<u>Transportation Impact Fee</u>				
<u>Proposed</u>				
Multifamily	\$4,215 per DU		59	\$248,685
<u>Existing</u>				
Retail	\$10.94 per Sq. Ft.		21,668	<u>\$237,048</u>
Net Transportation Impact Fee				\$11,637
Total One-Time Impact Fee Amount				\$2,583,057

[1] Maximum chargeable dwelling units of 20 units per acre.

Source: City of Cupertino Fees Effective July 14, 2024.

Table 11
One-Time Construction Sales Tax Revenue Estimate
Fiscal Impact Analysis (EPS# 241073)

Item	Assumptions	Total
Total Construction Hard Costs [1]		\$69,976,730
Labor [2]	64% of Hard Costs	\$44,785,107
Materials	35% of Hard Costs	\$24,491,855
Point-of-Sale Assumption	50% of Materials	\$12,245,928
Total Construction Sales Tax Revenue	1.0% Sales Tax	\$122,459

[1] Assumes 65% of the total \$107.7 million assessed value of the new project from the BAE report represents hard costs.

[2] IMPLAN analysis of residential industry spending.