



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 05/01/07
AGENDA ITEM _____
WORK SESSION ITEM Ws #2

TO: Mayor and City Council
Planning Commission

FROM: Director of Community and Economic Development

SUBJECT: Update on South of Route 92 Specific Plan Amendment Study

RECOMMENDATION:

It is recommended that the City Council and Planning Commission review and comment on this report.

DISCUSSION:

On November 14, 2006, the City Council authorized work to begin on the South of Route 92 Specific Plan Amendment Study. The purpose of the study is to evaluate potential revisions to the Specific Plan which would allow for consideration of a greater variety of land uses within the approximately 57 acres bordering Hesperian Boulevard and Industrial Boulevard (see Exhibit A). The study was initiated in response to interest expressed by the property owner of the remaining undeveloped acreage to explore potential land uses. In addition to Specific Plan amendments, this study will also result in proposed amendments to the South of Route 92 Development Guidelines as well as related amendments to the General Plan and Zoning Ordinance.

Tasks completed so far as part of the study include preparation of a market analysis, formulation of three land use alternatives (one of which reflects the existing Specific Plan and another proposed by the property owner), and fiscal impact and traffic impact analyses for each alternative. The analyses incorporate and update results of previous reports and technical studies whenever appropriate. An environmental analysis in the form of a Mitigated Negative Declaration for the selected alternative will be done in the near future.

On February 27, 2007, at a joint work session of the City Council and Planning Commission, staff presented major findings of the market study, which addresses potential uses in the study area, and reviewed illustrative development concepts prepared by the property owner for each of the land use alternatives. While comments supported expansion of the commercial retail area, concerns were expressed about accommodating additional housing at the expense of reducing the space available for future business park uses.

On March 7, 2007, staff made a similar presentation at a workshop for residents of the Eden Shores community. All of the alternatives were reviewed and discussed with the residents. Broad support was expressed for Alternative 2, in part because of the greater mix of land uses. Residents

liked the provision of commercial retail opportunities and the transition between the current housing and proposed development.

Refined Land Use Alternatives

Subsequent to the meetings noted above, additional staff discussion led to further refinement of the possible development scenarios for each land use alternative. The land use alternatives are presented in Exhibit B. The major refinement involved increasing the footprints of buildings and the amount of square footage planned for office-flex uses (primarily within the three-story buildings) in Alternative 2 from 312,000 square feet to 503,000 square feet, which required increasing the floor area ratio for the northeastern portion of the property above the maximum of 0.60 permitted in the Business Park zoning district to 0.73. The revised development scenarios are summarized in the following table and provide the basis for work on both the traffic impact analysis and the fiscal impact analysis.

<u>Land Use Alternative</u>	<u>Office/Flex/R&D</u>	<u>Retail</u>	<u>Residential</u>
Alternative 1 Existing Specific Plan	53 ac. 1,400,000 sq. ft.	3 ac. 33,000 sq. ft.	None
Alternative 2 <i>(Owner's Previous Proposal)</i> Owner's Revised Proposal	20 ac. <i>(312,000 sq. ft.)</i> 503,000 sq. ft.	22 ac. 227,000sq. ft.	15 ac. 174 units
Alternative 3 Office/Biotech/Retail	35 ac. 907,000 sq. ft.	21 ac. 227,000sq. ft.	None

Traffic Impact Analysis

Major findings of the traffic impact analysis prepared by DKS Associates are summarized in the following section. The Executive Summary and selected excerpts from the report are included as Exhibit C.

Alternative 1 represents development that is consistent with the Specific Plan and the General Plan. Alternative 2, which includes residential uses, results in about 3,800 more average daily trips over that anticipated in the existing General Plan. Alternative 3, which includes more office use, results in about 7,100 average daily trips over the existing General Plan.

Based on the traffic analysis, the increase in the number of daily trips over existing conditions would be 18,651 under Alternative 1, 22,499 under Alternative 2, and 25,762 under Alternative 3. A more detailed presentation of the trip generation under each alternative is presented in Exhibit C-4. As Councilmembers and Commissioners are aware, the primary concern when evaluating traffic impacts of any project is the number of peak hour trips, since that information is used for the Level of Service (LOS) analysis. Again, compared to existing conditions the added AM peak

hour trips are 2,241 under Alternative 1, 1,281 under Alternative 2 and 1,817 under Alternative 3. Similarly, the PM peak hour trip increases are 2,368 under Alternative 1, 1,919 under Alternative 2, and 1,817 under Alternative 3. It should be noted that for the gasoline service station component of Alternatives 2 and 3, the analysis used standard traffic engineering reduction factors associated with gasoline service stations that are part of a larger retail facility to ensure trips are not double counted. These reduction factors are 58% in the AM peak hour and 42% in the PM peak hour. No reduction factors are available for the other types of uses such as offices, and thus no consideration was made for trips related to workers living in the surrounding development. As a result, the analysis can be considered conservative in that regard.

Level of Service analysis was performed using the developed trip generation and assumptions on distribution of that traffic to the street network based on knowledge of existing traffic patterns. Each of the alternatives would generate significant transportation impacts at the intersection of Hesperian Boulevard and Industrial Boulevard. Alternatives 1 and 3 result in Level of Service (LOS) F in the AM peak hour and all three alternatives result in LOS F in the PM peak hour. However, the analysis identifies a mitigation measure that would achieve acceptable levels of service under each of the alternatives (Level of Service E in the PM peak hour). The mitigation measure involves adding an additional left-turn lane on Industrial Boulevard in the westbound direction. Adding a left-turn lane would require modification to the east, west and south legs of the intersection as well as modification to the traffic signal. These improvements can be accommodated within the existing right-of-way. This improvement will mitigate the impacts to LOS E or better for each of the alternatives during the peak hours.

Each of the three alternatives also results in the unsignalized left turn from Industrial Parkway to the NB I-880 ramps deteriorating to LOS F in the PM peak hour. This impact is significant and essentially the result of homeward bound business park workers accessing northbound I-880 since the trip distribution assumption for this type of use indicates 42% of those office workers will use this ramp to return home. The analysis indicates that constructing a left turn only traffic signal on Industrial Parkway will achieve LOS D under Alternative 1 and LOS B under Alternatives 2 and 3. Hayward's General Plan Circulation Element also identifies the need for an improvement to the Industrial Parkway interchange to add a northbound I-880 off-ramp, which would include a signal at this location. Timing of this mitigation should be coordinated with any other improvements at the interchange, and because there is uncertainty in when that might occur, it should also be tied to the amount of development in each alternative at which the intersection would expect to be at LOS E. It would be reasonable to tie this to office development: for Alternative 1 that would be 25%; for Alternative 2 it would be 50%; and for Alternative 3 it would be 20%. Coordination will also be needed with Caltrans since, even today, the metering lights at the northbound ramps impact through movements on Industrial.

Fiscal Impact Analysis

Major findings of the fiscal impact analysis prepared by Pacific Municipal Consultants (PMC) are summarized in the following section. The narrative portion of the report is included as Exhibit D.

The results of the fiscal impact analysis for each of the three alternatives are summarized in the table on the following page. Alternative 3, an office/flex and retail alternative, results in the

greatest fiscal benefit for the City's General Fund over the 20 year period (in nominal/current dollars). Net revenues would be about \$39.9 million over 20 years. Alternative 2, proposed by the property owner, entails a mix of retail, office/flex and housing, and provides the next highest fiscal benefit of about \$39.4 million, just slightly less than Alternative 3. Alternative 1, which reflects the existing Specific Plan, yields the lowest fiscal benefit of about \$9.9 million.

The type of office and retail development mix in Alternative 3, especially one which includes a regional retailer, generates general fund revenues that outpace the public cost of city programs to service the project area. The bulk of the revenues from the project would be from sales taxes, property taxes and property transfer tax revenue. Although Alternative 2 contains a similar retail component, the replacement of office uses with housing in the development mix results in additional costs in the city budget to service the project area.

**Fiscal Impact Summary
For Each Land Use Alternative
In 5 Year Increments (Nominal/Current Dollars)**

Alternative #1					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 1,546,941	\$ 3,697,727	\$ 5,852,884	\$ 8,447,448	\$ 19,545,000
5-Year Cost	\$ 529,906	\$ 1,518,134	\$ 2,890,840	\$ 4,689,900	\$ 9,628,780
Net Fiscal Impact	\$ 1,017,035	\$ 2,179,593	\$ 2,962,044	\$ 3,757,548	\$ 9,916,220
Alternative #2					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 5,249,822	\$ 14,279,435	\$ 16,114,192	\$ 18,663,341	\$ 54,306,790
5-Year Cost	\$ 1,560,958	\$ 3,513,782	\$ 4,414,587	\$ 5,401,451	\$ 14,890,778
Net Fiscal Impact	\$ 3,688,864	\$ 10,765,652	\$ 11,699,605	\$ 13,261,890	\$ 39,416,011
Alternative #3					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 3,590,218	\$ 12,730,321	\$ 15,347,114	\$ 17,686,163	\$ 49,353,816
5-Year Cost	\$ 618,301	\$ 1,913,015	\$ 3,020,541	\$ 3,931,892	\$ 9,483,748
Net Fiscal Impact	\$ 2,971,917	\$ 10,817,306	\$ 12,326,573	\$ 13,754,271	\$ 39,870,068

Environmental Analysis of Owner's Proposal

With completion of the traffic impact analysis and fiscal impact analysis, the next step in the study process would be to conduct an environmental analysis. Based on results of the traffic and fiscal analyses, as well as the previously completed market study, it is proposed that the property owner's proposal (Alternative 2) be the subject of preparation of the environmental analysis. Staff acknowledges that the property owner has been advised of the City Council's concerns with additional housing in the study area.

Alternative 2 (refer to Exhibit B2) contains a mix of land uses, including office/flex uses, regional retail, neighborhood retail, and housing (both single-family detached and townhomes). Three-story office buildings are located along Industrial Boulevard to provide a continuous frontage compatible with the appearance of the streetscape to the east and west of the study area. The amount of development shown in this alternative will require construction of multi-level parking structures. Smaller office buildings are shown west of Marina Drive. The major feature of this alternative, as in Alternative 3, is the space provided for a regional retail use (approximately 160,000 square feet) in the northwest quadrant of Hesperian Boulevard and Eden Shores Boulevard. This alternative, along with Alternative 3, also features opportunities for a larger neighborhood retail center compared to the existing Specific Plan, with frontage along Hesperian Boulevard between Eden Shores Boulevard and Eden Park Place, which is strongly supported by the local community.

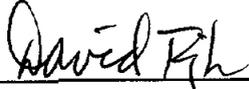
Proposed Amendments to the Specific Plan and Related Documents

The property owner's proposal (Alternative 2) would require amendments to the General Plan and Zoning Ordinance as well as the Specific Plan and Development Guidelines. Staff is currently working on proposed amendments to these documents for presentation and consideration at future public hearings. In addition to changes to the General Plan Land Use Map, and changes in Zoning classifications, amendments to the text of the Zoning Ordinance would be warranted to accommodate the owner's proposed development. With regard to the Specific Plan and Development Guidelines, most of the proposed amendments would primarily reflect the land use changes in the General Plan and Zoning Ordinance.

NEXT STEPS:

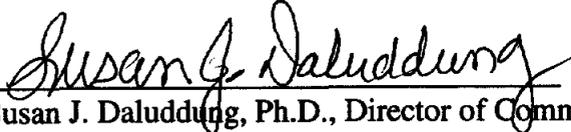
Staff is currently working with the consultants on preparation of the Mitigated Negative Declaration (MND). Release of the MND for public review is anticipated within the next two weeks. The overall timeline calls for completion of the study later this spring, with public hearings before the Planning Commission and City Council envisioned in June. In addition, further opportunities for public review and comment will be provided prior to the public hearings. The next community workshop, scheduled for May 16, will highlight the findings of the traffic impact and fiscal impact analyses, and review the refined land use alternatives.

Prepared by:



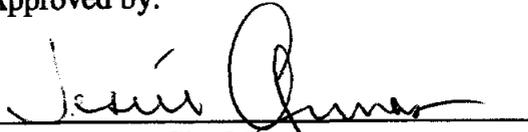
David Rizk, AICP, Planning Manager

Recommended by:



Susan J. Daluddung, Ph.D., Director of Community and Economic Development

Approved by:

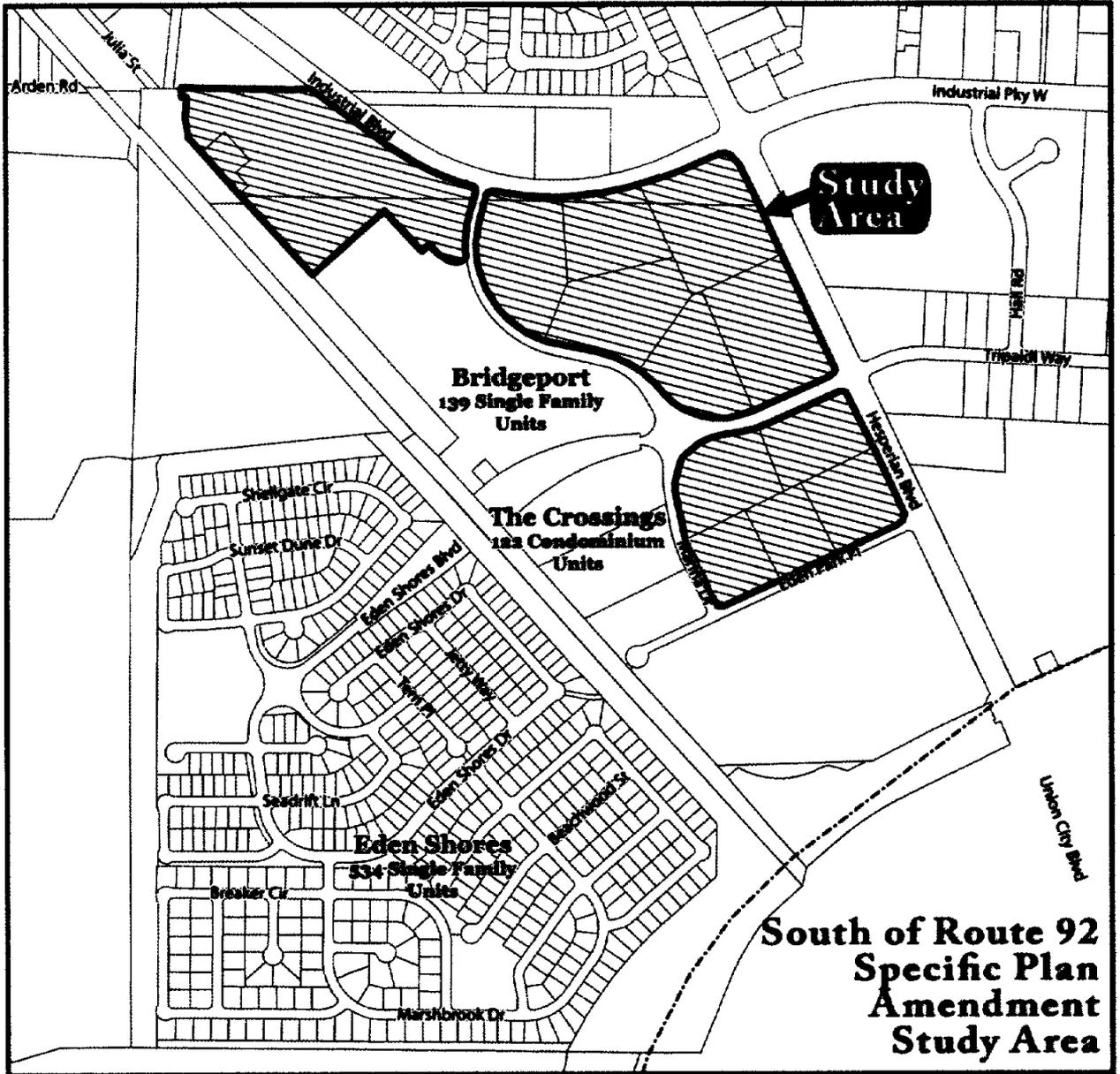


Jesús Armas, City Manager

Attachments:

- Exhibit A: South of Route 92 Specific Plan Amendment Study Area
- Exhibit B: Land Use Alternatives and Conceptual Site Plans
- Exhibit C: Traffic Impact Analysis (excerpts)
- Exhibit D: Fiscal Impact Analysis (excerpts)

4/27/07



**DUE TO THE SIZE AND
COLOR OF EXHIBIT B, IT
HAS BEEN ATTACHED AS A
SEPARATE LINK**

Traffic Impact Analysis

South of Route 92 Specific Plan Amendment

Prepared for:

City of Hayward

By

DKS Associates

1000 Broadway
Suite 450
Oakland, CA 94607-4039

April 23, 2007

EXECUTIVE SUMMARY

This report provides an evaluation of traffic and transportation issues related to the proposed revisions to the South of 92 Specific Plan, originally adopted in 1998. The proposed project is located at the southwest of the intersection of Industrial Boulevard and Hesperian Boulevard in the City of Hayward.

The traffic study area is bounded by State Route 92 to the north, Whipple Road to the south, Eden Landing Road to the west and Interstate 880 to the east. The proposed project site is bounded by Industrial Boulevard to the north, Eden Park Place to the south, the Union Pacific (UP) Railroad Line to the west and Hesperian Boulevard to the east. The site location and the surrounding roadway network are illustrated in **Figure 1**.

For the purpose of this study, three project alternatives were considered. This report provides a general description of the transportation facilities in the project vicinity and summarizes existing and project conditions within the study area. For the purpose of this analysis, a cumulative condition analysis was not conducted for this project. The cumulative condition has been analyzed in the General Plan and as part of the previous South of 92 Specific Plan Amendment (2002).

Particular attention is given to impacts on vehicular, transit, bicycle and pedestrian facilities.

Under the City of Hayward traffic impact analysis guidelines, Alternatives 1, 2 and 3) would result in a significant transportation impact at the intersections of Hesperian Boulevard & Industrial Boulevard and Industrial Boulevard & I-880 NB Ramp. **Table ES-1** summarizes the City of Hayward intersection operations for all studied conditions under the A.M. peak hour. **Table ES-2** summarizes the City of Hayward intersection operations for all studied conditions under the P.M. peak hour.

Table ES-1 LOS Analysis Summary – A.M. Peak Hour

#	Intersection	Traffic Control	Existing		Alternative 1		Alternative 2		Alternative 3	
			Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS
1.	Clawiter Rd & SR92 WB Ramps	Signal	23.1	C	24.0	C	23.8	C	23.9	C
2.	Clawiter Rd - Eden Landing Rd & SR92 EB Ramps	AWSC ¹	20.3	C	23.9	C	22.2	C	23.3	C
3.	Industrial Blvd & SR92 WB Ramps	Signal	22.9	C	23.8	C	23.6	C	23.7	C
4.	Industrial Blvd & SR92 EB Ramps	Signal	13.2	B	15.1	C	14.2	B	14.6	B
5.	Industrial Blvd & Baumberg Ave	Signal	11.8	B	13.2	B	13.1	B	13.0	B
6.	Hesperian Blvd & SR92 WB Ramps	Signal	7.0	B	6.9	B	6.9	B	6.9	B
7.	Hesperian Blvd & SR92 EB Ramps	Signal	8.5	B	7.8	B	8.1	B	8.0	B
8.	Hesperian Blvd & Tennyson Rd	Signal	21.8	C	21.2	C	21.3	C	21.2	C
9.	Hesperian Blvd & Industrial Blvd	Signal	25.5	D	>60	F ³	31.3	D	>60	F
10.	Hesperian Blvd & Tripaldi Way	Signal	10.8	B	17.4	C	14.8	B	16.4	C
11.	Union City Blvd & Whipple Rd	Signal	21.5	C	38.2	D	25.5	D	30.3	D
12.	Industrial Blvd & I-880 SB Ramps	Signal	11.7	B	11.7	B	11.7	B	11.6	B
13.	Industrial Blvd & I-880 NB Ramps	TWSC ²	14.1	B	24.9	C	17.8	C	21.2	C
14.	Industrial Blvd & Marina Dr	Signal	2.4	A	11.2	B	10.0	B	10.0	B

Source: Highway Capacity Manual

Notes:

Avg. Delay: Average Delay in seconds per vehicle for signalized and All-way stop controlled intersections; for two-way stop controlled intersections, delay is based on worst approach delay.

LOS: Level of Service

¹ AWSC : All-way stop controlled intersection

² TWSC : Two-way stop controlled intersection

³ Although the traffic impact analysis for this intersection in the Specific Plan showed a better LOS, the analysis done for this study utilized a more current methodology.

Exhibit C-2

Table ES-2 LOS Analysis Summary – P.M. Peak Hour

#	Intersection	Traffic Control	Existing		Alternative 1		Alternative 2		Alternative 3	
			Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS
1.	Clawiter Rd & SR92 WB Ramps	Signal	22.4	C	23.1	C	23.2	C	23.3	C
2.	Clawiter Rd - Eden Landing Rd & SR92 EB Ramps	AWSC ¹	20.1	C	23.1	C	24.5	C	24.7	C
3.	Industrial Blvd & SR92 WB Ramps	Signal	12.6	B	13.3	B	13.1	B	13.3	B
4.	Industrial Blvd & SR92 EB Ramps	Signal	28.2	D	36.1	D	39.5	D	39.7	D
5.	Industrial Blvd & Baumberg Ave	Signal	16.5	C	16.7	C	16.7	C	16.9	C
6.	Hesperian Blvd & SR92 WB Ramps	Signal	2.5	A	2.4	A	2.4	A	2.4	A
7.	Hesperian Blvd & SR92 EB Ramps	Signal	23.5	C	28.2	D	27.8	D	29.3	D
8.	Hesperian Blvd & Tennyson Rd	Signal	24.8	C	24.7	C	24.5	C	24.5	C
9.	Hesperian Blvd & Industrial Blvd	Signal	31.0	D	>60	F ³	>60	F	>60	F
10.	Hesperian Blvd & Tripaldi Way	Signal	5.8	B	23.5	C	18.6	C	26.8	D
11.	Union City Blvd & Whipple Rd	Signal	21.7	C	28.7	D	24.6	C	26.8	D
12.	Industrial Blvd & I-880 SB Ramps	Signal	14.0	B	25.3	D	15.1	C	17.7	C
13.	Industrial Blvd & I-880 NB Ramps	TWSC ²	16.8	C	>50	F	>50	F	>50	F
14.	Industrial Blvd & Marina Dr	Signal	0.9	A	13.4	B	9.4	B	9.2	B

Source: Highway Capacity Manual

Notes:

Avg. Delay: Average Delay in seconds per vehicle for signalized and All-way stop controlled Intersections; for two-way stop controlled intersections, delay is based on worst approach delay.

LOS: Level of Service

¹ AWSC : All-way stop controlled intersection ² TWSC : Two-way stop controlled intersection ³ Although the traffic impact analysis for this intersection in the Specific Plan showed a better LOS, the analysis done for this study utilized a more current methodology.

Exhibit C-3

**Peak Hour Trip Generation Estimates for Three Alternatives
for the South of Route 92 Specific Plan Amendment Study Area**

Area - Land Use	Units	Alternative 1				Alternative 2				Alternative 3			
		Size	Daily	AM	PM	Size	Daily	AM	PM	Size	Daily	AM	PM
Parcel 1													
Townhouses	du	0	0	0	0	100	586	44	52	0	0	0	0
Office	ksf	366	4,030	567	545	107	1,173	165	159	366	4,030	567	545
SubTotal			4,030	567	545		1,759	209	211		4,030	567	545
Parcel 2A													
Office	ksf	325	3,578	504	484	396	4,360	614	590	325	3,578	504	484
SubTotal			3,578	504	484		4,360	614	590		3,578	504	484
Parcel 2B													
Retail: Shopping Center	ksf	0	0	0	0	160	9,218	207	544	160	9,218	207	544
Gasoline/Service Station	fs	0	0	0	0	16	1,349	81	129	16	1,349	81	129
Office	ksf	405	4,459	628	603	0	0	0	0	0	0	0	0
SubTotal			4,459	628	603		10,567	289	673		10,567	289	673
Parcel 3													
Retail: Shopping Center	ksf	33	3,303	80	291	67	5,209	123	385	67	5,209	123	385
Single Family Residential	du	0	0	0	0	46	440	35	46	0	0	0	0
Townhouses	du	0	0	0	0	28	164	12	15	0	0	0	0
Office	ksf	298	3,281	462	444	0	0	0	0	216	2,378	335	322
SubTotal			6,584	542	735		5,813	169	446		7,587	457	706
Total		---	18,651	2,241	2,368	--	22,499	1,281	1,919	--	25,762	1,817	2,409

Notes:

- Trip rates are from Trip Generation, Institute of Transportation Engineers, Seventh Edition, 2003.
Units: du = dwelling unit, fs = fueling station, ksf = 1,000 square feet, ac = acres
- Size refers to the quantity of units for that Alternative.

3.0 INTERSECTION LEVEL OF SERVICE METHODOLOGY

To evaluate traffic conditions, as well as provide a basis for comparison of conditions before and after project-generated traffic is added to the street system, intersection Level of Service (LOS) analysis was evaluated at all 14 study intersections. Signal timing sheets were provided by City staff and used in this analysis.

The City of Hayward designated intersection level of service software analysis program is TRAFFIX. TRAFFIX evaluates signalized intersection operation on the basis of average stopped delay for all vehicles at the intersection. The analysis uses procedures from the Highway Capacity Manual (HCM).

Per the City of Hayward requirements, traffic conditions for the signalized intersections were evaluated based on the methods outlined in the 1994 Highway Capacity Manual (HCM). For unsignalized intersections, traffic conditions were evaluated based on the methods outlined in the 2000 Highway Capacity Manual (HCM).

For reference purposes, LOS as defined in the Highway Capacity Manual is a quality measure describing operating conditions within a traffic stream, generally in terms of such service measures as speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience.

3.1 Level of Service (LOS) Definition

The LOS evaluation indicates the degree of congestion that occurs during peak travel periods and is the principal measure of roadway and intersection performance. Level of Service can range from "A" representing free-flow conditions, to "F" representing extremely long delays. LOS B and C signify stable conditions with acceptable delays. LOS D is typically considered acceptable for a peak hour in urban areas. LOS E is approaching capacity and LOS F represents conditions at or above capacity.

Unsignalized Intersections

At unsignalized intersections each approach to the intersection is evaluated separately and assigned a LOS. The level of service is based on the delay at the worst approach for two-way stop controlled intersections. Total delay is defined

as the total elapsed time from when a vehicle stops at the end of the queue until the vehicle departs from the stop line. This time includes the time required for the vehicle to travel from the last-in-queue position to the first-in queue position. **Table 1** provides definitions of LOS for unsignalized intersections. **Table 2** defines the levels of service for signalized intersections.

Table 1 Unsignalized Intersections – LOS Thresholds

Level of Service	Expected Delay	Average Control Delay
A	Little or no delay	≤ 10
B	Short traffic delay	> 10 and ≤ 15
C	Average traffic delays	> 15 and ≤ 25
D	Long traffic delays	> 25 and ≤ 35
E	Very long traffic delays	> 35 and ≤ 50
F	Extreme delays potentially affecting other traffic movements in the intersection	> 50

Source: Transportation Research Board, Special Report 209, Highway Capacity Manual, Chapter 17- Unsignalized Intersections, 2000. Notes: Worst Approach Delay (in seconds per vehicle)

Table 2 Signalized Intersection LOS Thresholds

Level of Service	Average Stopped Delay (seconds/vehicle)	Description
A	Delay ≤ 5.0	Little or no delay
B	5.0 < Delay ≤ 15.0	Good progression and short cycle lengths
C	15.0 < Delay ≤ 25.0	Fair progression, longer cycle lengths
D	25.0 < Delay ≤ 40.0	The influence of congestion becomes noticeable. Some unfavorable progression and long cycle lengths.
E	40.0 < Delay ≤ 60.0	Poor progression, long cycle lengths and cycle failures
F	Delay > 60.0	Unacceptable to most drivers, arrival flow rates exceed the capacity of the intersections.

Source: Transportation Research Board, Chapter 10. Highway Capacity Manual, 1994.

Notes: 1 Control Delay per vehicle (in seconds per vehicle)

3.2 Standards of Significance³

An acceptable operating level of service (LOS) is defined as LOS E.

This report highlights:

- Any signalized intersection operating at LOS "F"
- Unsignalized intersections that meet Caltrans signal warrants or for which a traffic signal would mitigate LOS "F"
- Potential queuing problems
- Potential impacts on pedestrian or vehicular safety.

³ City of Hayward Transportation Development Section. Requirements for Traffic Studies. May 2003

11.0 CONCLUSION

Based on this analysis, the proposed project would generate vehicular trips, as follow:

Project Alternative 1

The proposed project (Alternative 1) would increase traffic by 18,651 daily vehicular trips over the existing conditions, including 2,241 vehicle trips during the AM peak hour and 2,368 during the P.M. peak hour.

Project Alternative 2

The proposed project (Alternative 2) would increase traffic by 22,499 daily vehicular trips over the existing conditions, including 1,281 vehicle trips during the AM peak hour and 1,919 during the P.M. peak hour.

Project Alternative 3

The proposed project (Alternative 3) would increase traffic by 25,762 daily vehicular trips, including 1,817 vehicle trips during the AM peak hour and 2,409 during the P.M. peak hour.

Project Impacts

All three project alternatives would result in significant transportation impacts at the intersection of Hesperian Boulevard & Industrial Boulevard. In the AM peak, Alternatives 1 and 3 result in a LOS F. In the PM, all alternatives result in LOS F. However, the mitigation measure described below would achieve acceptable levels of service under any of the project alternatives (1, 2 or 3):

All three project alternatives would result in a LOS F in the PM peak at the unsignalized Industrial Parkway/I-880 NB on ramp. However, the mitigation measure described below would result in improving the LOS to D or better.

Project Mitigations

Mitigation Measure for Hesperian Boulevard & Industrial Boulevard:

- add an additional left-turn lane in the westbound direction,

This improvement would convert the Hesperian Boulevard & Industrial Boulevard intersection to: two left-turn lanes, two through lanes and one exclusive right-turn

lane in the westbound direction. Adding a left-turn lane would require modification to the east, west and south legs of the intersection as well as modification to the traffic signal. These improvements can be accommodated within the existing right-of-way.. This improvement will mitigate the impacts to LOS E or better for each alternatives during the peak hours. See Table 19.

Mitigation Measure for Industrial Parkway/I-880 NB on-ramp:

- Provide a left-turn only signal at the eastbound Industrial Parkway/Northbound I-880 on ramps

The analysis indicates that constructing a left turn only traffic signal on Industrial Parkway will achieve LOS D in Alternative 1 and LOS B in Alternatives 2 and 3. The city's circulation element also identifies the need for an improvement to the Industrial Parkway interchange to add a northbound I-880 off ramp which would include a signal at this location. Timing of this mitigation should be coordinated with any other improvements at the interchange. Coordination will also be needed with Caltrans since even today the metering lights at the northbound ramps impact through movements on Industrial. See Table 19a.

Parking

The parking analysis consisted of an evaluation of the proposed parking supply and comparison to the code requirements of the City of Hayward. Based on the proposed site plan, Alternatives 1, 2 or 3 would provide a surplus of parking spaces which would satisfy the City of Hayward Parking Code Requirements.

Table 19 Mitigation Measure for Hesperian Blvd & Industrial Blvd

Scenario	A.M. Peak								P.M. Peak								
	Existing		Alternative 1		Alternative 2		Alternative 3		Existing		Alternative 1		Alternative 2		Alternative 3		
	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	
Existing	25.5	D	>60	F	31.3	D	>60	F	31.0	D	>60	F	>60	F	>60	F	
With Mitigation			44.7	E	26.4	D	35.5	D	With Mitigation			55.7	E	40.5	E	59.6	E

Source: Highway Capacity Manual

Notes:

Avg. Delay: Average Delay in seconds per vehicle for signalized and All-way stop controlled intersections; for two-way stop controlled intersections, delay is based on worst approach delay.

LOS: Level of Service

¹ AWSC : All-way stop controlled intersection ² TWSC : Two-way stop controlled intersection

Exhibit C-10

Table 19a Mitigation Measure for Industrial Parkway & I-880 Northbound Ramps

A.M. Peak Hour									P.M. Peak Hour							
Scenario	Existing		Alternative 1		Alternative 2		Alternative 3		Existing		Alternative 1		Alternative 2		Alternative 3	
	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS
Existing	14.1	B	24.9	C	17.8	C	21.2	C	16.8	C	375	F	105	F	250	F
With Mitigation			9.3	A	7.1	A	5.7	A	With Mitigation		37.7	D	14.4	B	18.5	B

Source: Highway Capacity Manual, 2000

Notes: Avg. Delay: average delay in seconds per vehicle
 LOS: Level of Service

Exhibit C-11

**Fiscal Impact Analysis
South of Route 92
Specific Plan Amendment
Three Development Scenarios**

Prepared for

City of Hayward

Prepared by

PMC

April 20, 2007



I. INTRODUCTION

This study presents a fiscal impact analysis of three alternative land uses as part of potential revisions to the South of Route 92 Specific Plan (SOR 92 Plan) area and potential associated changes to the City's General Plan and Zoning Ordinance. The analysis focuses on 57 acres of undeveloped land between Hesperian Boulevard and the Union Pacific Railroad tracks, south of Industrial Boulevard and north of Eden Park Place. The property owner of the 57 acres has recently expressed interest in exploring other potential land uses in addition to those permitted by the current Business Park and Commercial Retail zoning designations.

The fiscal impact analysis estimates the public service costs associated with the project in five year increments from 2007 through 2026 and compares these costs to the expected General Fund revenues that will be generated by development on the project site. City costs include police and fire costs, general government, library, community and economic development and other expenditures.¹

City general fund revenues generated by the new development include property tax, property transfer tax, sales tax, business tax, license and permit fees, franchise fees, motor vehicle in-lieu revenues, and emergency facility tax. The net fiscal impact was determined in 5 year increments as well as for the entire 20 year period for project build out.

Property tax revenues generated by the project site for the Hayward Area Recreation and Park District (HARD) is also estimated in 5 year increments and for the 20 year build out period. However, the fiscal analysis focuses on the impacts to the City of Hayward.

The main body of this report provides the summary information of the analysis, description of methodology and assumptions. The detailed data tables are contained in the Appendices section.

¹ Public Works cost is not included in the analysis, as it is assumed there are no new public streets constructed and maintained from the project site.

II. Fiscal Impact Findings

The results of the fiscal impact analysis for each of the three alternatives is summarized in Table II-1. Alternative #3, an office/flex and retail alternative, results in the greatest fiscal benefit for the City's General Fund over the 20 year period (in nominal/current dollars). Net revenues would be about \$39.9 million over 20 years. Alternative #2, a mix of retail, office/flex and housing, provides the next highest fiscal benefit of about \$39.4 million, followed by Alternative #1 of about \$9.9 million. Alternative #1 conforms to the current zoning in the General Plan.

Table II-1
Fiscal Impact Summary
For Each Land Use Alternative
In 5 Year Increments (Nominal/Current Dollars)

Alternative #1					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 1,546,941	\$ 3,697,727	\$ 5,852,884	\$ 8,447,448	\$ 19,545,000
5-Year Cost	\$ 529,906	\$ 1,518,134	\$ 2,890,840	\$ 4,689,900	\$ 9,628,780
Net Fiscal Impact	\$ 1,017,035	\$ 2,179,593	\$ 2,962,044	\$ 3,757,548	\$ 9,916,220
Alternative #2					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 5,249,822	\$ 14,279,435	\$ 16,114,192	\$ 18,663,341	\$ 54,306,790
5-Year Cost	\$ 1,560,958	\$ 3,513,782	\$ 4,414,587	\$ 5,401,451	\$ 14,890,778
Net Fiscal Impact	\$ 3,688,864	\$ 10,765,652	\$ 11,699,605	\$ 13,261,890	\$ 39,416,011
Alternative #3					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 3,590,218	\$ 12,730,321	\$ 15,347,114	\$ 17,686,163	\$ 49,353,816
5-Year Cost	\$ 618,301	\$ 1,913,015	\$ 3,020,541	\$ 3,931,892	\$ 9,483,748
Net Fiscal Impact	\$ 2,971,917	\$ 10,817,306	\$ 12,326,573	\$ 13,754,271	\$ 39,870,068

Alternative #3 includes a mix of office and retail. This type of development mix, especially which includes a regional retailer, generates general fund revenues that outpace the public cost of city programs to service the project area. The bulk of the revenues from the project would be from sales taxes, property taxes, property transfer tax revenue.

When the revenues and costs are adjusted for inflation using the Bay Area Consumer Price Index (CPI, 3 percent rate), Table II-2 shows the results in real/constant dollar terms. Alternative #3 has a net fiscal benefit of \$28.4 million, Alternative #2 has a net benefit of \$28.3 million, and Alternative #1 has a net benefit of \$7.0 million.

Table II-2
Fiscal Impact Summary
For Each Land Use Alternative
In 5 Year Increments (Real/Constant Dollars)

Alternative #1					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 1,427,365	\$ 2,986,629	\$ 4,082,929	\$ 5,092,327	\$ 13,589,251
5-Year Cost	\$ 488,400	\$ 1,225,366	\$ 2,014,062	\$ 2,823,918	\$ 6,551,747
Net Fiscal Impact	\$ 938,965	\$ 1,761,263	\$ 2,068,867	\$ 2,268,409	\$ 7,037,504
Alternative #2					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 4,783,457	\$ 11,576,257	\$ 11,288,996	\$ 11,288,730	\$ 38,937,440
5-Year Cost	\$ 1,437,616	\$ 2,849,913	\$ 3,090,461	\$ 3,261,086	\$ 10,639,077
Net Fiscal Impact	\$ 3,345,841	\$ 8,726,344	\$ 8,198,535	\$ 8,027,644	\$ 28,298,363
Alternative #3					
	2007-2011	2012-2016	2017-2021	2022-2026	Total
5-Year Revenue	\$ 3,247,748	\$ 10,324,572	\$ 10,740,592	\$ 10,685,846	\$ 34,998,758
5-Year Cost	\$ 567,403	\$ 1,545,910	\$ 2,109,536	\$ 2,373,851	\$ 6,596,699
Net Fiscal Impact	\$ 2,680,345	\$ 8,778,661	\$ 8,631,056	\$ 8,311,995	\$ 28,402,058

HARD is expected to receive property tax revenue from each of the land use alternatives. Table II-3 shows the 5 year incremental revenues for each alternative. Alternative #2 generates the most revenue for HARD (\$4.2 million over 20 years), followed by Alternatives #3 (\$3.5 million) and #1 (\$3.1 million). It is assumed that HARD receives about 6.1% of the total 1% property tax revenue.

Table II-3
HARD Property Tax Revenues

5-Year Revenue	2007-2011	2012-2016	2017-2021	2022-2026	Total
Alternative #1	\$ 189,859	\$ 517,511	\$ 929,831	\$ 1,429,903	\$ 3,067,104
Alternative #2	\$ 439,254	\$ 1,046,928	\$ 1,248,627	\$ 1,449,284	\$ 4,184,093
Alternative #3	\$ 251,842	\$ 799,316	\$ 1,130,249	\$ 1,367,315	\$ 3,548,722

III. Land Use Alternatives and Demographic Assumptions

Land Use Alternatives

The land owner provided the anticipated land uses for each alternative and the potential phasing, or implementation, of each alternative in each 5 year period. Office/flex and retail uses are expressed in square footage, while housing is expressed as housing units. A stable phased rate of both residential and commercial development is assumed during each 5 year period. Table III-1 shows the land use and corresponding square footages for non-residential plus residential units.

Table III-1
Land Use Alternatives
Square Footage or Housing Units

	Land Use Type	Grand Total
Alt 1	Retail	33,000
	Office/Flex	1,400,000
Alt 2	Retail	226,500
	Office/Flex	503,000
	Residential- SF detached	46
	Residential- Townhome Parcel 1	100
	Residential- Townhome Parcel 3	28
Alt 3	Retail	226,500
	Office/Flex	907,000

Demographic Assumptions

The fiscal analysis requires the development of citywide demographic information that is used as the basis to forecast revenue and cost assumptions. Demographic data includes citywide population, employment, persons per household, and student enrollment at the two local colleges within Hayward's borders (Chabot College and CSU East Bay). ABAG 2007 projections provide the current and forecast demographic information. Table III-2 shows the summary of the demographic data in 5 year increments. The variable that is calculated and used to generate several project revenues and costs is daytime population, which includes both residential population and a ratio of employees and student enrollment at the community colleges.

Table III-2
Demographic Summary

Characteristic	Forecast Year				
	Current Year	2011	2016	2021	2026
Population ⁽¹⁾	148,020	153,140	158,060	161,878	165,789
Households ⁽²⁾	46,660	48,158	49,974	51,522	53,118
Persons per Household ⁽³⁾	3.17	3.25	3.33	3.41	3.49
Employment ⁽⁴⁾	76,220	82,256	86,666	91,244	96,064
CSUEB Student Enrollment ⁽⁵⁾	12,706	13,597	14,550	15,570	16,661
Chabot College Student Enrollment ⁽⁶⁾	15,377	16,566	17,686	19,054	20,528
Daytime Population ⁽⁷⁾	182,440	190,238	197,297	203,415	209,762

NOTES:

(1) Based on Table 1 of KMA South of Route 92 Market Study (Jan. 2007), which references ABAG 2005 Projections through 2020. See detailed spreadsheet.

(2) Based on Table 15 of KMA Market Study, which references ABAG 2005 Projections through 2020. See detailed spreadsheet.

(3) Based on Table 2 of KMA Market Study, extrapolated for years 2011 through 2026. See detailed spreadsheet.

(4) Based on Tables 2 and 4 of KMA Market Study, which references ABAG 2005 Projections through 2020. See detailed spreadsheet.

(5) CSU website provided current and historic enrollment from 2002 through 2006. Extrapolated for forecast years. Source: CSU ERSS Statistical Extract. See detailed spreadsheet.

(6) Chabot College website provided enrollment for Fall 2005 and projected enrollment in 2015. Extrapolated for forecast years. See detailed spreadsheet.

(7) 100% residential population plus 33% of employment and student enrollment (assumption that employees and students are in the city 8 hours per 24 hour period).

IV. Cost Assumptions

The public cost of servicing the project area is based on a four year average of Hayward's budget from FY's 2004-05 through 2007-08. The four year average is used to account for fluctuations in annual budgets and governmental spending cycles. The recent budgets are then adjusted by an annual price deflator, which enables each year's budget to be expressed in today's dollars to derive the average. The price deflator is taken from the U. S. Department of Commerce, Bureau of Economic Analysis's Implicit Price Deflator for Local and State Governments. The costs included in the analysis are those that are impacted by the project area, such as general government, police, fire, community services, library and other governmental expenses.² Public Works cost is not included in the analysis since new streets shared by the project site were included in a separate prior fiscal study that evaluated the cost of new streets from an adjacent residential development.³ Thus, to avoid double counting the impacts, the costs are excluded. Table IV-1 shows the non-adjusted budget numbers, while Table IV-2 shows the adjusted budget and the resulting average.

Table IV-1
Hayward Budgets, Non Adjusted
FY's 2004-05 through 2007-08

Revenue Item	Fiscal Year 2004-2005	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Expenditures				
Administrative	\$21,418,614	\$21,717,797	\$22,373,926	\$23,150,160
Police	\$40,876,784	\$42,016,652	\$43,933,367	\$46,529,407
Fire	\$21,751,612	\$22,799,273	\$23,685,474	\$24,653,719
Community Services	\$10,621,020	\$11,733,649	\$11,445,710	\$12,022,764
Library Services	\$3,413,322	\$3,638,072	\$3,654,829	\$3,784,949
Non Departmental	\$522,853	\$623,868	\$617,042	\$631,542
Total Expenditures	\$98,604,205	\$102,529,311	\$105,710,348	\$110,772,541

Note: Public Works cost is not included in the analysis since new streets shared by the project site were included in a separate prior fiscal study that evaluated the cost of new streets from an adjacent residential development. The Fiscal Impact Analysis for Oliver East-Eden Shores prepared in 2005 for City of Hayward includes the public streets bordering both developments.

Source: City of Hayward Budgets for FYs 2003-2004; 2004-2005; 2005-2006; 2006-2008

² The Non-departmental Program contains General Fund expenditures that are not allocated to a specific department. These expenditures include dues to organizations in which the City Council and the City as a whole participate, contributions to various community based organizations for special community promotion activities, and other programs that have a citywide purpose.

³ The Fiscal Impact Analysis for Oliver East-Eden Shores prepared in 2005 for City of Hayward includes the public streets bordering both developments.

**Table IV-2
Hayward Budgets, Adjusted
FY's 2004-05 through 2007-08**

Expenditures Adjusted by Implicit Price Deflator	Fiscal Year 2004-2005	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008	4-Year Average Expenditure
Expenditures					
Administrative	\$24,232,520	\$23,257,746	\$23,342,567	\$23,150,160	\$23,495,748
Police	\$46,247,039	\$44,995,936	\$45,835,388	\$46,529,407	\$45,901,942
Fire	\$24,609,266	\$24,415,906	\$24,710,896	\$24,653,719	\$24,597,447
Community Services	\$12,016,374	\$12,565,649	\$11,941,233	\$12,022,764	\$12,136,505
Library Services	\$3,861,753	\$3,896,038	\$3,813,059	\$3,784,949	\$3,838,950
Non Departmental	\$591,544	\$668,105	\$643,756	\$631,542	\$633,737
Total Expenditures	\$111,558,495	\$109,799,379	\$110,286,898	\$110,772,541	\$110,604,329

Note: Public Works cost is not included in the analysis since new streets shared by the project site were included in a separate prior fiscal study that evaluated the cost of new streets from an adjacent residential development. The Fiscal Impact Analysis for Oliver East-Eden Shores prepared in 2005 for City of Hayward includes the public streets bordering both developments.

Implicit Price Deflator

	2004-05	2005-06	2006-07 *	2007-08 **
State and local Price Deflator	117.77	124.89	128.34	133.90
Multiplier	1.13	1.07	1.04	1.00

* first two quarters of FY 2006-07

** projected deflator based on average growth the last 5 years.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts Table 1.1.9., Implicit Price Deflators for Local and State Governments.

Unit Costs by City Department

Unit costs are developed from the average citywide budget which is used as the basis for determining the cost for each land use alternative. The average budget for each city department is forecasted for a 20 year period using a 4 percent assumed growth rate, which is the average growth in the governmental price deflator for the last five years. A description of each cost unit is contained below, while Table IV-3 shows the unit costs for each expenditure.

Administration, Community Services, and Non-Departmental Expenses: It is assumed that 50 percent of the expenditures in these departments are fixed and not impacted from new development.⁴ The remaining variable costs are forecasted and then divided by the citywide daytime population to arrive at the unit cost per daytime population.

Library: It is assumed that all library cost is variable and divided by the daytime population to arrive at the unit cost per daytime population.

⁴ Other recent fiscal impact analyses for the City of Hayward include a factor for fixed costs in the range of 20 to 90 percent.

Police and Fire: Costs for these public services are based on the number of annual service calls and the average budget per department. In 2006, there were 102,731 police calls, and 13,550 fire calls citywide. By dividing the respective average budgets by the total calls, the current average cost per call is \$447 for police, and \$1,815 for fire. The number of calls per person is derived by dividing the number of calls by the citywide daytime population, resulting in 0.56 police calls per person, and 0.074 fire calls per person. These numbers are then multiplied by the daytime population for each land use alternative to determine the public safety costs.

Table IV-3
Unit Cost per Department

		Current Year
Administrative	Net Variable Cost	\$ 11,747,874
	Daytime Population	184,000
	Cost Factor	\$ 63.85
Police	Net Variable Cost	\$ 45,901,942
	Service Calls	102,731
	Daytime Population	184,000
	Calls per Population	0.56
	Cost Per Call	\$ 447
Fire	Net Variable Cost	\$ 24,597,447
	Service Calls	13,550
	Daytime Population	184,000
	Calls per Population	0.074
	Cost Per Call	\$ 1,815
Community Services	Net Variable Cost	\$ 6,068,253
	Daytime Population	184,000
	Cost Factor	\$ 32.98
Library Services	Net Variable Cost	\$ 3,838,950
	Daytime Population	184,000
	Cost Factor	\$ 20.86
Non Departmental	Net Variable Cost	\$ 316,868
	Daytime Population	184,000
	Cost Factor	\$ 1.72

The unit cost factor for each department is multiplied by the daytime population generated by each land use alternative to calculate the cost of each alternative. Table IV-4 shows the five year incremental cost for each alternative, expressed in nominal/current dollars. Alternative #2 has the highest city services cost at about \$14.9

million over 20-years, while Alternatives #1 and #3 have about the same cost at \$9.6 and \$9.5 million over 20-years, respectively.

Table IV-4
20 Year Cost By Alternative
In 5 Year Increments

IV-4A
Alternative #1

5-Year Cost	2007-2011	2012-2016	2017-2021	2022-2026	Total
Administrative	\$ 68,207	\$ 184,583	\$ 342,767	\$ 543,112	\$ 1,138,669
Police	\$ 272,635	\$ 763,679	\$ 1,464,816	\$ 2,392,210	\$ 4,893,340
Fire	\$ 146,097	\$ 409,232	\$ 784,950	\$ 1,281,912	\$ 2,622,191
Community Services	\$ 35,232	\$ 95,344	\$ 177,053	\$ 280,539	\$ 588,169
Library Services	\$ 22,289	\$ 60,318	\$ 112,009	\$ 177,477	\$ 372,092
Non Departmental	\$ 1,840	\$ 4,979	\$ 9,245	\$ 14,649	\$ 30,713
Total Cost	\$ 546,300	\$ 1,518,134	\$ 2,890,840	\$ 4,689,900	\$ 9,645,173

IV-4B
Alternative #2

5-Year Cost	2007-2011	2012-2016	2017-2021	2022-2026	Total
Administrative	\$ 194,793	\$ 427,614	\$ 523,839	\$ 625,784	\$ 1,772,030
Police	\$ 779,128	\$ 1,767,090	\$ 2,236,425	\$ 2,754,826	\$ 7,537,468
Fire	\$ 417,511	\$ 946,930	\$ 1,198,432	\$ 1,476,227	\$ 4,039,099
Community Services	\$ 100,619	\$ 220,880	\$ 270,584	\$ 323,243	\$ 915,325
Library Services	\$ 63,654	\$ 139,735	\$ 171,179	\$ 204,493	\$ 579,061
Non Departmental	\$ 5,254	\$ 11,534	\$ 14,129	\$ 16,879	\$ 47,796
Total Cost	\$ 1,560,958	\$ 3,513,782	\$ 4,414,587	\$ 5,401,451	\$ 14,890,778

IV-4C
Alternative #3

5-Year Cost	2007-2011	2012-2016	2017-2021	2022-2026	Total
Administrative	\$ 77,099	\$ 232,646	\$ 358,284	\$ 455,528	\$ 1,123,557
Police	\$ 308,687	\$ 962,256	\$ 1,530,368	\$ 2,005,327	\$ 4,806,638
Fire	\$ 165,416	\$ 515,644	\$ 820,077	\$ 1,074,594	\$ 2,575,730
Community Services	\$ 39,825	\$ 120,171	\$ 185,068	\$ 235,299	\$ 580,363
Library Services	\$ 25,194	\$ 76,024	\$ 117,079	\$ 148,857	\$ 367,154
Non Departmental	\$ 2,080	\$ 6,275	\$ 9,664	\$ 12,287	\$ 30,305
Total Cost	\$ 618,301	\$ 1,913,015	\$ 3,020,541	\$ 3,931,892	\$ 9,483,748

V. Revenue Assumptions

The general fund revenues sources included in the analysis are property tax, property transfer tax, sales tax, business tax, license and permit fees, franchise fees, motor vehicle in-lieu revenues, and emergency facility tax. Each is described below:

Property Tax: Property tax is collected on private parcels for each alternative. The growth in property tax is subject to the 2 percent maximum increase per year (Proposition 13). When property is sold, the market price of the sale becomes the new assessed value. The developer provided estimated market prices for homes for Alternative #2, ranging from between \$550,000 and \$650,000 for townhomes, to between \$695,000 and \$730,000 for single family detached. Office/flex prices are based on an estimated sales price per square foot of \$220.⁵ Retail square footage is estimated to be \$400.⁶ Residential real estate prices are assumed to grow at 4% annually, and 3% for non-residential.

The Hayward inclusionary zoning policy includes affordable housing for developments of 20 units or more. It is assumed that 15% of housing units in Alternative #2 is set aside as affordable, and priced at 50% less than market value.

Property Transfer Tax: This tax is collected during a real estate transaction. Residential units are sold (turnover) at a rate of once every seven years, and every six years for office and neighborhood retail. There is no turnover assumed for regional retail during the time period of this analysis. The tax is \$4.50 per \$1,000 in valuation.

Sales Tax: Hayward receives sales tax revenues directly from retail uses for each land use alternative, and indirectly from household spending from new residences. The City receives 1% of the retail sales tax, which includes the triple flip revenues. Taxable neighborhood retail sales per square foot is assumed to be \$450.⁷ Taxable regional retail sales per square foot is estimated to be \$750.⁸ Sales tax generated per household is \$141.⁹ It is also assumed that sales tax revenues grow by 2.5% annually.

Business Tax: Revenues from this tax are on a per employee basis. By dividing the budgeted revenues from the business tax for FY 2007-08 by the approximate number of citywide employees, the annual tax is about \$29 per employee.

⁵ S. Hayward BART BART/Mission Blvd. Concept Plan, Fiscal Impact Analysis. January 11, 2006, page 54.

⁶ Estimated by Legacy Partners from market data.

⁷ KMA Market Study for S. of 92 Specific Plan Amendment. January 2007, page 18.

⁸ Estimated by Legacy Partners for regional retail.

⁹ Sales tax per household from Fiscal Impact Oliver East-Eden Shores, September 2005, Table A-2.

License and Permit Fees and Fines: Revenue is generated on a per daytime population basis. By dividing the revenues for licenses and permits from the FY 2007-08 budget by the citywide daytime population, the estimated revenue is \$12 per person. For fines, the estimated revenue is \$6.60 per person by dividing the budget revenue for fines by the daytime population.

Franchise Fees and Motor Vehicle In-Lieu: Both revenues are derived on a per capita basis, which includes only the residential population. The estimated revenue from the budget is \$12 per capita from franchise fees, and \$77 dollars per capita for motor vehicle in-lieu.

Emergency Facility Tax: The tax is to support the availability of emergency response facilities and to ensure that the city owned property is seismically sound. The tax is charged at a rate of \$36 per year per household, and \$5.50 per employee.¹⁰

Table V-1 shows the five year incremental revenues for each revenue source per alternative, expressed in nominal/current dollars. Alternative #2 generates the greatest revenue at about \$54.3 million over a 20 year period, followed by Alternative #3 at \$49.4 million and Alternative #1 at \$19.5 million.

¹⁰ The actual tax for businesses varies by number of employees. The tax ranges from \$15 to \$550 per year for businesses that employ from 1 to 3 people, to 101 persons and above.

Table V-1
20 Year Revenue By Alternative
In 5 Year Increments

V-1A
Alternative #1

Alternative #1

5-Year Revenue	2007-2011	2012-2016	2017-2021	2022-2026	Total
Property Tax	\$ 622,490	\$ 1,696,757	\$ 3,048,625	\$ 4,688,207	\$ 10,056,079
Property Transfer Tax	\$ 485,392	\$ 838,736	\$ 1,364,551	\$ 2,035,776	\$ 4,724,455
Sales Tax	\$ 323,834	\$ 883,137	\$ 999,189	\$ 1,130,491	\$ 3,336,651
Business Tax	\$ 81,698	\$ 197,887	\$ 312,341	\$ 420,436	\$ 1,012,361
Franchise Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses & Permits	\$ 11,540	\$ 27,953	\$ 44,120	\$ 59,389	\$ 143,003
Fines	\$ 6,283	\$ 15,219	\$ 24,021	\$ 32,334	\$ 77,857
VLF In-Lieu	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Facility Tax	\$ 15,704	\$ 38,037	\$ 60,037	\$ 80,815	\$ 194,593
Total	\$ 1,546,941	\$ 3,697,727	\$ 5,852,884	\$ 8,447,448	\$ 19,545,000

V-1B
Alternative #2

Alternative #2

5-Year Revenue	2007-2011	2012-2016	2017-2021	2022-2026	Total
Property Tax	\$ 1,440,176	\$ 3,432,551	\$ 4,093,860	\$ 4,751,752	\$ 13,718,339
Property Transfer Tax	\$ 1,362,794	\$ 1,046,966	\$ 1,001,100	\$ 1,534,785	\$ 4,945,646
Sales Tax	\$ 2,055,800	\$ 9,062,025	\$ 10,252,849	\$ 11,600,158	\$ 32,970,831
Business Tax	\$ 94,806	\$ 212,153	\$ 225,251	\$ 225,251	\$ 757,461
Franchise Fees	\$ 77,844	\$ 132,930	\$ 136,198	\$ 139,547	\$ 486,520
Other Licenses & Permits	\$ 33,753	\$ 64,737	\$ 67,442	\$ 68,318	\$ 234,249
Fines	\$ 18,376	\$ 35,246	\$ 36,718	\$ 37,195	\$ 127,536
VLF In-Lieu	\$ 129,259	\$ 220,728	\$ 226,156	\$ 231,717	\$ 807,859
Emergency Facility Tax	\$ 37,015	\$ 72,099	\$ 74,617	\$ 74,617	\$ 258,349
Total	\$ 5,249,822	\$ 14,279,435	\$ 16,114,192	\$ 18,663,341	\$ 54,306,790

V-1C
Alternative #3

Alternative #3

5-Year Revenue	2007-2011	2012-2016	2017-2021	2022-2026	Total
Property Tax	\$ 825,711	\$ 2,620,709	\$ 3,705,735	\$ 4,482,999	\$ 11,635,155
Property Transfer Tax	\$ 653,643	\$ 841,276	\$ 1,091,892	\$ 1,290,934	\$ 3,877,746
Sales Tax	\$ 1,977,151	\$ 8,916,120	\$ 10,087,771	\$ 11,413,387	\$ 32,394,428
Business Tax	\$ 94,806	\$ 249,732	\$ 327,369	\$ 353,694	\$ 1,025,601
Franchise Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Other Licenses & Permits	\$ 13,392	\$ 35,276	\$ 46,243	\$ 49,962	\$ 144,873
Fines	\$ 7,291	\$ 19,206	\$ 25,177	\$ 27,201	\$ 78,875
VLF In-Lieu	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Facility Tax	\$ 18,223	\$ 48,003	\$ 62,926	\$ 67,986	\$ 197,138
Total	\$ 3,590,218	\$ 12,730,321	\$ 15,347,114	\$ 17,686,163	\$ 49,353,816

It should be noted that a one-time source of revenue generated from the project site is park in-lieu fees. Table V-2 shows the fees generated from new residential development.

V-2
Park In-Lieu Fees

Alternative #2	Fee	# Units	One-Time Revenue
Residential Single Family Detached	\$ 11,953	46	\$ 549,838
Residential Townhomes	\$ 11,395	128	\$ 1,458,560
Total		174	\$ 2,008,398

Notes: \$11,953 per single-family detached dwelling unit
\$11,395 per single-family attached dwelling unit.