



Smart Growth America
Improving lives by improving communities

RURAL DEVELOPMENT POLICY TOOLKIT

Fiscal Impact Analysis Policies in Rural Communities



Local Policy Primer

Resources are at a premium for local governments, and this is particularly true for many small towns and rural communities where tax base has shrunk, infrastructure has deteriorated, and service needs are growing. In this context many local governments welcome any new development as a source of new tax revenue and a help to the government's finances. In fact, with respect to local government costs and revenues, not all development is created equal. The type of development and its location can make the difference between a development that helps a locality balance its books and a development that makes the situation worse. Adopting a fiscal impact analysis policy can help local government better understand the revenue *and* costs that come with new development.

What is fiscal impact analysis?

Fiscal impact analysis is an analysis of the revenues and costs associated with a particular program, policy, development or other action that is expected to affect costs and revenues. Applied to development, it can be done at different scales and using different methodologies. The fiscal impact of a single house, multiple buildings, a proposed development, or the next five years of projected growth can each be analyzed and calculated depending on the need. Methods used to conduct fiscal impact analysis include average cost, marginal cost, location sensitive, analyses driven by standard data and multipliers, and analyses driven by local data, among others. The method used can greatly influence the results and as such choice of method is extremely important.

What is a fiscal impact analysis policy?

Broadly, a fiscal impact analysis policy is a policy adopted by a unit of government that requires that new development be analyzed to calculate its near- and long-term impacts on local government costs and revenues. Where multiple jurisdictions exist (such as an overlapping local governments or school districts) the policy can require analyses to be conducted on each so that both entities understand the costs and revenues that will result from the new development. The scope of the policy can be limited to private development or may include public facilities and infrastructure. Policies can also include threshold triggers that may specify for instance only developments greater than a certain size are required to perform a fiscal impact analysis.

Establishing a fiscal impact analysis policy

A policy can be adopted by executive order, legislation, or by an administrative action of an agency of the government. The policy can take different forms, including:

- Applying to all development public and private including infrastructure or just to a specified subset;
- Results can simply inform the permitting process or can lead to specific subsequent steps (impact fees, required changes to development, etc.) and,
- Applying on a project-by-project basis or applying more generally to establish different impact zones within the jurisdiction such that new development within that zone is assumed to have fiscal impacts associated with that zone.

Administering a fiscal impact analysis policy

Keys to successfully administering this policy include:

- Specifying the methodology to be used to calculate fiscal impacts. If the methodology is not specified projects will be difficult to compare to one another and results may ultimately be misleading or fail to account for factors of critical concern to the locality;
- Using fiscal impact analysis to inform decisions not make them. Communities have many goals including economic development, serving the full range of their constituents with appropriate, affordable housing, and creating safe and livable communities. Overall fiscal health must be one of the community's core goals but not all projects need contribute equally to achievement of that goal. Some projects that don't "pencil" may still be worthwhile due to their contribution to other community goals. The community just has to ensure that in net the costs and revenues ultimately balance, fiscal impact analyses can help achieve this;
- Collecting local data to serve as the basis for analyses of fiscal impacts within the jurisdiction;
- Easing administration by limiting the size (more than a certain number of units or square feet) or locations of developments (infrastructure extensions or development in undeveloped or unserved areas) that must be analyzed; Or,
- Easing administration by analyzing the whole jurisdiction and creating impact zones such that a given development in a specific location can simply be assigned an impact based on the findings of the analysis.

Once the methods to be used and the types of projects that must be analyzed are identified the jurisdiction can use the resulting information in a variety of ways.

In its most basic application the results of the fiscal analysis can simply be weighed along with the other project information to make decisions and negotiate projects on a case-by-case basis. Alternatively, jurisdictions may take a more systematic approach to the use of fiscal impact analysis. For instance, some jurisdictions conduct an analysis of the impact of different types of development (commercial, retail, residential, etc.) located in different parts of the jurisdiction and then use the result to calculate impact fees that vary by type and location (often a geographic zone) of development—to ensure that development is paying its way and is not subsidized by taxpayers. So, a residential unit built in one location is charged a different amount from a commercial building in the same location. And, a residential building is charged a different amount from the same residential building in a different location.

Where are fiscal impact analysis policies used?

Many localities require fiscal impact analysis. The City of Petaluma, CA adopted a Council Resolution establishing a policy and procedure for the preparation, review and use of fiscal impact assessments.¹

The Town of Moraga, CA uses fiscal impact analysis to establish the costs imposed by new growth and uses those cost estimates as the basis for impact fees that are charged to new development.² The analyses show that different types (housing, commercial, etc.) and different locations result in different costs. Similarly, the City of Yucaipa, CA requires that new developments complete an impact fee calculation based on a worksheet the city provides which includes multipliers the city

1 <https://xara1-4.cityofpetaluma.net/weblink/DocView.aspx?dbid=0&id=570&page=1&cr=1>

2 [http://www.moraga.ca.us/dept/planning/Development IF/Moraga-Impact-Fee-Study-May-2016_Final.pdf](http://www.moraga.ca.us/dept/planning/Development%20IF/Moraga-Impact-Fee-Study-May-2016_Final.pdf)

has developed based on fiscal impact analyses.³ For instance, drainage impact fees are calculated by multiplying the net acres by \$11,474.41 (a cost that was calculated by on fiscal impact analysis of the cost imposed by new growth).

Why is location important?

As discussed earlier, some fiscal impact analyses factor in the location of development as a factor influencing the costs associated with serving the development. Intuitively, it makes sense that a house or an office located far outside of town with few nearby neighbors would cost more to provide with police and fire protection, trash collection, school bus, or other services, but are these large or small cost differences? In our report *Building Better Budgets*, Smart Growth America examined numerous fiscal impact studies that have included location to see what overall conclusions could be drawn.⁴ Three findings emerged:

1. More compact development saved on average around 38 percent on capital costs for roads, water lines, sewers, and other infrastructure;
2. It also saved on average 10 percent annually on operating costs;
3. More compact development meant that a given acre of land produced 10 times more revenue than the same acre developed at low density.

Using what you have

In addition to location, fiscal studies have made another lesson abundantly clear. It is much less expensive to accommodate new students in schools that already exist, new traffic on existing roads, new housing on existing sewer, new customers on existing public utilities, etc. From a fiscal perspective the cost savings of not having to build and maintain new facilities are substantial, therefore accommodating new development on existing capacity can be an enormous win.

Fiscal impacts are not a surrogate for considered decision-making. Communities will want to meet the housing needs of all their residents using the benefits that come with good location, use of existing capacity, and a good mix of jobs and retail to create long-term fiscal health.

Additional resources

- **Dane County, WI's Utilities and Community Facilities Matrix**
<https://danedocs.countyofdane.com/webdocs/pdf/plandev/comprehensiveplan/matrices/UCFMatrix.pdf>
- **State Of Wisconsin Building Commission's Policy And Procedures Manual**
<http://www.doa.state.wi.us/documents/DFD/StateBuildingProgram/BldgCommPolicyProcManual.pdf> See page 8
- **Implementing Instructions – Sustainable Locations for Federal Facilities**
https://www.whitehouse.gov/sites/default/files/microsites/ceq/implementing_instructions_-_sustainable_locations_for_federal_facilities_9152011.pdf

³ http://yucaipa.org/wp-content/uploads/dev_svcs/DIF/DIF_Worksheet.pdf

⁴ <https://smartgrowthamerica.org/resources/building-better-budgets-a-national-examination-of-the-fiscal-benefits-of-smart-growth-development/>

Case studies

Macon, GA

Background

City residents and leadership in Macon, GA have big plans for downtown redevelopment. This effort has been underway since 2009, when residents of the College Hill Neighborhood and students of its neighbor, Mercer University, joined together to focus on redevelopment in the College Hill Corridor. The focus of redevelopment efforts has been on improvements to 2nd street which runs through the downtown, blight remediation, and a neighborhood stabilization and revitalization program known as 5X5 (the city annually selects a five block neighborhood in each of the nine commission districts and works with city agencies and other organizations to focus resources there over five weeks). These efforts were bolstered in 2014 when Macon received funding to create a master plan to guide the City's efforts to reactivate and reinvest in the urban core—the Macon Action Plan (MAP).

“Following decades of development moving out from the traditional city center and into surrounding greenfields (suburban shopping malls, housing subdivisions, and office parks), downtown Macon was beginning to show signs of the urban resurgence being experienced in towns and cities across the country. New businesses, retail activity and demand for housing have been seeking to locate in the downtown. The Macon Action Plan seeks to capitalize on that trend, and build upon the revitalization work that the city and local partners have undertaken. The question now was whether future growth would continue to be accommodated on the periphery, or be channeled to the resurgent downtown. And, what impact would that have on Macon's budget and taxes?” To answer these questions, Macon worked with Smart Growth America to evaluate the downtown development plan and compare it to other development possibilities.

Macon-Bibb County worked with Smart Growth America to analyze the fiscal impact of future growth focused on downtown compared to continued greenfield development in the further edges of its jurisdiction. To conduct this analysis, we developed four development scenarios: two in downtown and two in the suburbs.

The two suburban scenarios were distinguished principally by differences in density as reflected in differences in housing types.

- The conventional development scenario (which we refer to as “Low Density Greenfield”) is based on a product mix that is typical for such a development. For the residential component, it assumes 1,000 single-family detached units. (Note that this is a different program than the other scenarios, in that there are no multifamily units or townhouses). The commercial component, however, includes the same amount of commercial space as the other scenarios.
- The high-density suburban scenario (which we refer to as “High Density Greenfield”) assumes a development program identical to the downtown infill scenarios but on a greenfield location and at a lower density than downtown (but still high density in a suburban context).

The two downtown scenarios are the same in terms of the numbers and types of housing and commercial uses but vary in the assumptions made about the revenue generated. Both the downtown development scenarios (“Downtown Infill” and “Downtown Infill with Value Premium”) posit the same program: 800 multifamily units, 200 townhouses, 300,000 square feet of office, and 200,000 square feet of commercial space.

- The first scenario assumes values, and thus tax revenues, currently typical for the county as a whole.
- The second incorporates a 20 percent assessed value premium, as often appears in walkable urban places.

The purpose of these four scenarios is to illustrate the range of possible fiscal impacts associated with new development, depending upon whether it is more or less compact, and whether it occurs on greenfield sites (needing new infrastructure) or in locations within or proximate to existing development (utilizing existing infrastructure). Table 1, below, summarizes the quantity of development in each scenario:

TABLE 1
Quantity of development in four scenarios

Unit type	Low Density Greenfield	High Density Greenfield	Downtown Infill	Downtown Infill with Value Premium
Single-family detached	1,000	0	0	0
Single-family attached	0	200	200	200
Multifamily units	0	800	800	800
Total units	1,000	1,000	1,000	1,000
Total gross acres	688	140	77	77
Net residential density	2.0	16.4	21.8	21.8
Commercial sq. feet	500,000	500,000	500,000	500,000

Results

As is the case in many communities, school services in Macon Bibb are delivered by the Bibb County school district while other services (e.g., police, fire, etc.) are provided by Macon Bibb County. Therefore, it is important to know the fiscal effects on both the school district as well as the County. These have been calculated separately but can also be put together to understand the overall impact.

As Table 2 on page 8 shows, the fiscal impact for the Downtown Infill scenarios is substantially better than the Low Density Greenfield scenario. This is due to three main factors:

1. First, the multifamily and townhouse units in the Downtown and High Density Greenfield scenarios generate fewer public school students than the single-family detached homes in the Low Density Greenfield Scenario (though as can be seen below, the downtown locations still perform significantly better when there is no difference in public school students).
2. Second, the High Density Greenfield, and the Downtown Infill scenarios are more compact and therefore require less road and pipe to maintain than the Low Density Greenfield scenario. This is particularly true for the Downtown Infill scenarios, which would not only require less infrastructure if everything was built new, but can rely largely on existing infrastructure in Downtown. The use of existing infrastructure significantly reduces the cost of new development.
3. The Downtown Infill Premium scenario assumes 20 percent higher values on a per square foot basis for the new development. While this is a speculative assumption, a wide body of research has confirmed that dense, walkable environments enjoy significant value premiums of 20 percent and higher over typical suburban product. These impacts must be considered when making a comparison between infill development and typical suburban development.

TABLE 2
Revenues, expenditures, and net fiscal impacts, by scenario

Scenario	Macon-Bibb County			Bibb County School District		
	Total	Per capita	Per acre	Total	Per Capita	Per acre
Low density	(\$287,000)	(\$60)	(\$420)	(\$535,000)	(\$120)	(\$780)
High density greenfield	(\$110,000)	(\$30)	(\$790)	\$275,000	\$80	\$1,970
Downtown infill	\$105,000	\$30	\$1,350	\$323,000	\$90	\$4,180
Downtown infill	\$268,000	\$80	\$3,460	\$520,000	\$150	\$6,720

These results highlight the high cost of current development patterns on public finances and the opportunities presented by downtown revitalization.

- The low-density scenario represents a continuation of current patterns and practices and shows that both the County and the School District actually lose money when more growth comes worsening their respective budget situations.
- Keeping the outlying location the same but changing the development that happens there to a more compact pattern with more multifamily housing still loses money for the County but does generate a positive outcome for the school district.
- The two downtown scenarios make money for both the County and the School District.

In addition to generating positive fiscal outcomes, the downtown Infill scenarios consume far less land. In this case, infill development could avoid the need to develop up to 688 acres of land. This land, even if it remained vacant would generate property tax revenues, but more importantly, it could accommodate future growth and development, an opportunity that would be foreclosed under the low-density scenario. Because the value of the “saved” acreage is not reflected in the

absolute totals, the net fiscal impact per acre is the more informative comparison between the programs.

For more details go to: <https://smartgrowthamerica.org/app/legacy/documents/fiscal-implications-macon-ga.pdf>.

"Our community's future depends on smart growth, which involves making informed, strategic choices about land use, complete streets, and infrastructure investments. The fiscal impact analysis that the Smart Growth America team did for us provided a wealth of information about these choices and demonstrated how additional investments in downtown development were dramatically more cost effective and leveraged significant amounts of private capital. One year after applying these lessons, more people are using our downtown and it has become a "hot spot" for investment. We are convinced that we need to use these same findings to direct our future growth patterns. That's exciting for our long-term municipal finances AND for all the people who get to enjoy the walkable-urban development and all the amenities in downtown Macon-Bibb County."

—Mayor Robert Reichert, Macon, GA

Rifle, CO

Background

Rifle, CO is a growing community approximately 60 miles northeast of Grand Junction. Anticipating growth of more than 50% over the course of the next 20 years adding more than 5,000 new residents by 2036, Rifle's leaders began to plan for a reinvigorated town center, embodied in the 2008 downtown master plan. The plan identified numerous sites for expansion and focus, including potentially catalytic sites, in the second street mixed-use historic district, some of which had already been developed as of 2016. The downtown benefits from historic buildings and recent streetscape investments that promote a walkable pedestrian friendly environment. City offices and other municipal buildings such as the Rifle library further promote foot traffic that, in turn, can support downtown businesses. Planners' intention was to focus growth in identified areas of Rifle, while discouraging new development in areas not yet served by municipal facilities. Nonetheless, the town was faced with pressure for continued outward sprawl into undeveloped territory. Thus, the question is to what degree future growth will follow the plan, with more development concentrated in the existing core, or move into new greenfield areas. And, what impact does the answer to that question have on the municipal budget?

Rifle's general fund budget is approximately \$8 million per year while its total budget is over \$42 million. The addition of 5,000 people over the next 20 years is expected to have a significant impact on the municipality's budget. To maintain its good fiscal position, deliver the services its citizens want, and keep taxes low, Rifle's current residents and leaders wanted to better understand the fiscal impact that future growth was likely to have—in essence where and how can the city add more than 5,000 people in a way the city can afford.

Rifle worked with Smart Growth America to analyze the fiscal impact of growth by examining three possible future scenarios:

- The status quo development scenario (Baseline) that assumes new growth mirrors the density of the existing average of 1.4 households per acre
- A second scenario (Alt. A) that increases average density to 2.6 households per acre
- A third scenario (Alt. B) that emulates the most compact parts of Rifle at 4 houses per acre
- A fourth and final scenario (Alt. C) that assumes 50 percent of population growth occurs at 4 houses per acre as in Alt B, 50 percent as infill at 10 percent of Alt B costs

Results

TABLE 3

Fiscal Analysis of Rifle Growth Scenarios

	Baseline	Alt. A	Alt. B	Alt. C
Capital costs – 20 years	\$133,905,286	\$92,023,133	\$72,685,475	\$39,977,011
Amortized costs (20 years at 2.2% rate)	\$166,962,267	\$114,740,734	\$90,629,220	\$49,846,071
Maintenance costs – 20 years	\$6,695,264	\$4,601,157	\$3,634,274	\$1,998,851
Total costs – 20 years	\$173,657,531	\$119,341,891	\$94,263,494	\$51,844,922
Cost per year (additional costs imposed by new development)	\$8,682,877 (+20% to budget)	\$5,967,095 (+14% to budget)	\$4,713,175 (+11% to budget)	\$2,592,246 (+6.1% to budget)
Total 20-year savings	-	54,315,640	79,394,037	121,812,609
Savings per year	-	2,715,782	3,969,702	6,090,630

Fiscal impact

As can be seen in Table 3, above, the analysis shows that the more compact development is more affordable particularly when some of the new growth occurs in infill locations. The status quo development adds approximately \$8.6 million in costs to the budget annually, a roughly 20% increase in costs. By comparison, the more compact/infill case adds \$2.5 million or 6.1%. Even when none of the new development is infill and is only the most compact the costs added are \$4.7 million.

In all scenarios the types of houses being added are the same with only their location and proximity to one another varied. Because of this, it is assumed here that the value of those

houses does not vary significantly and therefore the revenues generated by those houses would not vary significantly either. So, if the house values led to tax revenues of \$8.6 million for example, the revenues would be the same in all scenarios and the status quo development would be a wash for the city while the more compact scenario would improve it's fiscal position. Conversely, if revenues were \$4.7 million then the status quo development patterns will cause shortfalls while the more compact will not.

For more details go to: <https://smartgrowthamerica.org/app/uploads/2017/03/Rifle-CO-Next-Steps-Memo-FINAL.pdf>

"Rifle is projected to grow by over 5,000 new residents over the next 20 years. Understanding the fiscal impact of our land use and infrastructure investment choices will ensure that both these new residents and our current population enjoy a sustainable financial future while living in neighborhoods where the local leadership can afford to properly service them for the decades to come."

—Nathan Lindquist, Planning Director, City of Rifle, CO

Model policy

City of Petaluma, California

Resolution No. 2008-189 N.C.S.

ESTABLISHING A POLICY AND PROCEDURE FOR THE PREPARATION, REVIEW AND USE OF "FISCAL AND ECONOMIC IMPACT ASSESSMENTS" FOR SPECIFIED DEVELOPMENT PROJECTS IN THE CITY OF PETALUMA

WHEREAS, in 2008, the City of Petaluma adopted General Plan 2025 ("General Plan"), which included an entire chapter on economic health and sustainability (Chapter 9); and,

WHEREAS, Goal 9-G-1 of the General Plan is to "establish a diverse and sustainable local economy that meets the needs of the community's residents and employers;" and,

WHEREAS, policies and programs under Goal 9-G-1 of the General Plan focus on attaining a diverse and sustainable local economy, including Policy 9-P-2 concerning ensuring that new commercial development will have a net positive impact on the community; and,

WHEREAS, Program "A" of General Plan Policy 9-P-2 recommends that the City consider the need for a "fiscal/economic analysis, as a component of the project's entitlement process, of the impacts on Petaluma's economy, existing businesses; local workforce and city finances" when reviewing commercial development proposals; and,

WHEREAS, on June 16, 2008, the City Council held a discussion regarding the means by which the City could begin to implement the various General Plan policies and programs related to the goal of establishing a diverse and sustainable local economy; and,

WHEREAS, the City Council's June 16, 2008, discussion of general plan economic policies concluded with City Council support for completion of a City-wide economic development strategy, and an immediate requirement for certain commercial uses of a given size and type that are particularly likely, given their size and nature, to have significant impacts on the local economy, to prepare a "fiscal and economic impact assessment" pursuant to Program "A" of Policy 9-P-2 prior to the granting of any required land use entitlements; and,

WHEREAS, on July 7, 2008, and August 4, 2008, the City Council considered and received public comment on proposed policies and procedures for the preparation and review of fiscal and economic impact assessments;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petaluma as follows:

1. Recitals Made Findings

The above recitals are hereby declared to be true and correct and incorporated in this resolution as findings of the City Council of the City of Petaluma.

2. Fiscal and Economic Impact Assessment Policy Established

The City Council of the City of Petaluma hereby establishes this policy and procedure for the

preparation, review and use of Fiscal and Economic Impact Assessments ("FEIAs") for specified development projects within the City of Petaluma ("City"). The purpose of this policy and procedure is to provide an objective evaluation of the potential economic impacts of specified retail/commercial projects within the City. Such evaluation, together with all other available information in the public record, is intended to help the decision making body determine project consistency with General Plan economic goals, policies and programs, including Policy 9-P-2 concerning ensuring new commercial development will have a net positive impact on Petaluma's economy, existing businesses, city finances and quality of life.

This policy and procedure implements General Plan Program 9-P-2 (A), regarding consideration of the need when reviewing commercial development proposals over a specific size in building area per occupant, to obtain a fiscal/economic analysis of the impacts on Petaluma's economy, existing businesses, local workforce and city finances as a component of the project's entitlement process.

FEIAs required pursuant to this resolution may also be used as appropriate by project applicants, the City Council, the Petaluma Community Development Commission, and City staff to assist in identifying projects that may merit City and/or Commission assistance, such as through negotiation of development agreements, direct Commission assistance for eligible projects, and other assistance.

3. Covered Projects and Time for Submission of FEIAs

Any applicant for a "General Retail," "Grocery," "Hotel," or "Building and Landscape Materials" use, as defined by the City of Petaluma Zoning Ordinance, as amended from time-to-time, that standing alone, or in combination with any other uses, has a total floor area (including, where applicable, the area used for outdoor sales) of 25,000 square feet or more of "General Retail," "Grocery," "Hotel," and/or "Building and Landscape Materials" uses shall be required to prepare and submit an FEIA to the City for consideration in accordance with this resolution. To the maximum extent permitted by law, this requirement shall apply to any new development or any redevelopment, as defined in California Health and Safety Code Sections 33020 and 33021 as amended from time to time, that meets the use and size requirements specified in this section. Subject to applicable law, FEIAs in accordance with this resolution must be submitted to the City for consideration prior to the granting of any required land use entitlements for the project.

If current economic impact assessment information already exists for a project, and that information analyzes and discusses one or more of the FEIA factors identified in Section 6(a-g) of this resolution, then that existing information may be used by the City or its consultants in the preparation of the FEIA. The City may elect to obtain peer review of existing economic impact assessment information. The source for all data and studies relied upon by the FEIA shall be identified, including materials submitted by the applicant and/or the public.

4. Preliminary Information Required from Applicants

Prior to commencing an FEIA, applicants for projects subject to this resolution shall submit to the City the following information in a form acceptable to the City:

- a. Complete applicant and project manager contact information.
- b. Descriptions of proposed uses, where those uses are known, by area (square footage), owner(s), and tenancies. Where owner(s), tenancies and/or users are not known,

reasonable assumptions regarding proposed types of retail users (e.g., home electronics, furniture, clothing, etc.) may be substituted.

5. FEIA Costs

Applicants for projects subject to this resolution shall be responsible for all costs associated with the preparation, administration and processing of the FEIA, including the cost of consulting services, noticing, and any subsequent analysis in accordance with this resolution. Applicants shall file with the City a deposit against Consultant costs for the preparation of the FEIA and the City's administration and processing costs in an amount to be determined by the City. To avoid delayed FEIA preparation and processing, applicants must update deposits when and as directed by the City.

6. FEIA Contents

FEIAs shall analyze and discuss each of the following factors in sufficient detail to assist City officials and bodies responsible for project review and entitlement determinations in assessing project consistency with General Plan economic goals, policies and programs, including whether the project will have a net positive impact on Petaluma's economy, existing businesses, City finances and quality of life 'in accordance with Policy 9-P-2 of the General Plan and this resolution. FEIAs shall include a separate section on each of the factors and a summary discussion on potential impacts to the local economy. For each factor, FEIAs shall analyze project impacts for a five-year period from the estimated completion of the project. FEIAs required pursuant to this resolution may analyze and discuss in addition to the following factors, any additional factors or information an applicant deems important or relevant for a meaningful assessment of the project's economic impact.

- a. The existing local retail market conditions for market sectors proposed for the project, including project primary and significant secondary market sectors, leakage of sales to other communities in those market sectors, regional market competition in the project market sectors; and population, demographic and related data for the project market sectors.
- b. Estimated retail sales by project retail sectors or merchandise categories per square foot, including estimated captured leakage.
- c. Current and estimated retail supply and demand for each project retail sector or merchandise category.
- d. The following estimated employment characteristics: (i) the estimated number and type of jobs, including construction related, permanent, part-time and full-time of the proposed project for the period covered by the FEIA; (ii) whether the proposed project will result in significantly increased or decreased permanent part-time jobs (3.5 hours or less per week), or permanent full-time jobs (more than 35 hours per week), or a combination of permanent and full-time jobs compared to or using applicable local or regional employment projections, such as those from the Association of Bay Area Governments ("ABAG") for Petaluma for the: period covered by the FEIA; (iii) estimated employee wages, benefits, and employer contributions for the proposed project compared with or using relevant data for the Petaluma community, such as living wages established in the Development Department occupational wage data for the Santa Rosa-Petaluma. Metropolitan Statistical Area for the period covered by the FEIA.

- e. The estimated impacts of the proposed project on existing retail businesses, including the potential for opportunities for business renewal and growth due to new businesses locating in the Petaluma community; as well as the potential for negative impacts such as reduced sales or closures.
- f. The estimated project impacts on current and projected public revenues, including: sales tax, use tax, base property tax, tax increment, transient occupancy tax, development fee proceeds, benefit assessments, land dedication, exactions, developer-funded improvements, and other public revenue benefits.
- g. The estimated cost of public contributions, services and infrastructure required by the project, including: tax rebates or refunds, land right-downs, below market or contingent loans, site acquisition or preparation costs, fee waivers or payments, and unfunded infrastructure and public improvement costs, and whether the estimated project public revenues will equal or exceed estimated project public contribution, services, and infrastructures costs.

7. FEIA Preparation

Consultants preparing FEIAs must be designated or approved by the City. Project applicants may propose FEIA consultants. City staff will coordinate with project applicants and FEIA consultants to avoid conflicts among FEIAs that are being prepared at the same time, or that involve related or overlapping market studies, or that otherwise could conflict.

8. Treatment of FEIA and Other Project Information

The contents of FEIAs, and other project information supplied in accordance with this resolution, will be available to members of the public, except to the extent such information is exempt from disclosure or the disclosure of such information is prohibited pursuant to the California Public Records Act. and/or other applicable law.

9. Notice of FEIA Availability and Council Hearing on FEIA

Upon receipt of the completed FEIA, the Community Development Department shall provide a public notice of its completion and availability for public review. Notice shall be provided in the form of a one-eighth page display advertisement in the City's adjudicated newspaper of general circulation, and by mail to all property owners and residents within 1,000 feet of the project site and to all others that have requested such notice in writing. Additional information shall be provided on the City's website and at designated City facilities. The notice shall appear at least thirty days prior to the City Council hearing on the FEIA. The notice shall contain the time and place of the City Council hearing on the FEIA.

10. City Council Hearing and Use of FEIAs

Before a project subject to this resolution is granted any required land use entitlements, the City Council will hold a public hearing, noticed in accordance with Section 9, to consider and discuss the FEIA and the project, and to permit project applicants, FEIA consultants, and the public to comment on the FEIA and the project. The FEIA hearing before the City Council is not intended to require or result in separate findings, conclusions or approvals regarding a project. The purpose of

the Council FEIA hearing is to have public discussion of project FEIAs with the City Council, applicants and the public before required project land use entitlements are granted.

The City officials and/or bodies responsible for project review and entitlement determinations shall, in the normal course of their project review and entitlement determination responsibilities, use the FEIA to assist them in determining project consistency with General Plan economic goals, policies and programs, including whether the project will have a net positive impact on Petaluma's economy, existing businesses, city finances and quality of life. In the normal course of their project review and entitlement determination responsibilities and after due consideration of the information, analysis and conclusions contained in the FEIA, the City officials and/or bodies responsible for project review and entitlement determinations may accept and adopt the information, analysis, and conclusions of the FEIA as findings of the officials or bodies in support of their action concerning the project. However, nothing in this resolution requires reviewing bodies to make findings concerning project consistency with the General Plan economic goals, policies and programs separate from or in addition to findings required by law or that are part of the City's existing entitlement process.

11. No Private Right of Action

Nothing in this resolution creates or shall be construed as creating a private right of action.

This resolution can be found at <https://xara1-4.cityofpetaluma.net/WebLink/DocView.aspx?dbid=0&id=570&page=4&cr=1>.