

# FISCAL IMPACT ANALYSIS

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## North Bayshore Master Plan

Prepared for:  
**City of Mountain View**

Prepared by:  
**Seifel Consulting, Inc.**

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# Table of Contents

## North Bayshore Master Plan Fiscal Impact Analysis

<b>Executive Summary</b>	<b>1</b>
<b>I. Introduction</b>	<b>4</b>
A. Methodology	4
<b>II. Overview of North Bayshore Master Plan (NBMP)</b>	<b>6</b>
A. Location of North Bayshore Master Plan	6
B. NBMP Development Program	6
<b>III. Growth in Service Population</b>	<b>8</b>
<b>IV. Fiscal Impact on Shoreline Fund</b>	<b>10</b>
A. Annual Revenues to Shoreline Fund	10
B. Annual Costs to Shoreline Fund	11
C. Net Fiscal Impact	15
<b>V. Fiscal Impact on General Fund</b>	<b>16</b>
A. Annual Revenues to General Fund	16
B. Annual Costs to General Fund	19
C. Net Fiscal Impact	20
<b>VI. Conclusion</b>	<b>22</b>
<b>Appendix 1, 2 and 3</b>	

# **Executive Summary**

## **Mountain View North Bayshore Master Plan Fiscal Impact Analysis**

The applicant is proposing to redevelop a substantial portion of its Mountain View properties in North Bayshore and submitted its proposed North Bayshore Master Plan in September 2021, as required by the North Bayshore Precise Plan (NBPP). Based on input from community members and the City of Mountain View, the applicant has refined various components of the North Bayshore Master Plan and submitted its revised Master Plan in March 2023 (NBMP or Master Plan).

The City of Mountain View (City) retained Seifel Consulting Inc. to evaluate the potential fiscal impact from the buildout of the proposed NBMP, which would occur over the next three decades. The Fiscal Impact Analysis (FIA) evaluates the Master Plan's impact on the City's General Operating Fund (General Fund) and on the Fund of the Shoreline Regional Park Community (Shoreline Fund), as properties within the NBMP are located within the Shoreline Regional Park Community (Shoreline Community or SRPC).

The FIA builds on prior fiscal work performed by Seifel as part of the NBPP process, as well as fiscal impact analysis reports that were prepared for the City's Housing Element update and the Middlefield Park Master Plan located within the East Whisman Precise Plan. This Executive Summary presents the key findings from the NBMP FIA while the report provides supporting information and tables that document the basis for these findings.

### **Summary of Findings from the Fiscal Impact Analysis**

- The NBMP FIA analyzes the annual revenues and costs that would be generated from the NBMP at buildout within a 30-year development horizon, which are presented in constant 2022 dollars.
- The NBMP project is located within the greater Shoreline Community.
- The Shoreline Fund receives property tax revenues from all properties within the boundaries of the Shoreline Community, which will include future property taxes generated by the NBMP.
- The primary fiscal impacts from NBMP will be on the Shoreline Fund; however, the NBMP is projected to result in positive fiscal impacts to both the Shoreline Fund and General Fund as further described below.
- The NBMP would also generate revenues for payments to the Mountain View Whisman (MVWSD) and Mountain View Los Altos Union High School District (MVLAUHSD) and other benefits, including a 4.1 acre school site.

### **Shoreline Fund**

- The primary source of annual revenue is increased property taxes resulting from growth in assessed value from future development in NBMP from a 2022 valuation of \$1 billion to approximately \$8.7 billion at build out.
  - About 55% of the assessed value at build out would be generated by new residential development in NBMP.
- Annual revenues are projected to be \$76.5 million and expenses are projected to be \$70.3 million resulting in a net fiscal operating balance and positive fiscal impact of approximately \$6.2 million (8%) for the Shoreline Fund.
- The primary Shoreline Fund cost (\$31.8 million or 45%) are future annual costs from bonds that would be issued to fund public improvements in the Shoreline Community for sea level rise

protection, transportation, recycled water and other utilities, and police, library and community facilities.

- These improvements will pave the way for the development of 7,000 housing units as well as new office, hotel and retail uses.
- The second largest expenditures are payments to the School Districts (\$23.3 million or 33%) for Mountain View Whisman School District (MVWSD) and Mountain View Los Altos Union High School District (MVLAUHSD).
  - These payments are based on the current terms of the Education Enhancement Reserve Joint Powers Agreement (EER JPA).
  - This does not include current payments to the School Districts from the Shoreline Community (estimated at \$8.8 million for FY 2022/23) or any change in payments negotiated in a successor EER JPA.
  - In addition, NBMP will provide a 4.1-acre site for a future potential school for the MVWSD and other community and public benefits that are not analyzed in the NBMP FIA.
- Through the existing Memorandum of Understanding between the Shoreline Community and the City, the Shoreline Fund would pay a partial reimbursement (\$8.1 million) to cover some of the General Fund fiscal costs generated by NBMP (\$10.8 million) for essential City services to the Shoreline Community and would also pay for direct costs to serve the Shoreline community.
- The County would receive an annual payment of \$3.9 million (6%), which does not include the County Retirement Override Levy payment (additional \$3.0 million).
- The following table summarizes the projected annual fiscal revenues and costs of the Shoreline Fund, and the net fiscal impact from buildout of the NBMP.

**Table ES-1**  
**Summary of Net Annual Fiscal Impact to Shoreline Fund at Buildout (In Constant 2022 Dollars)**  
**Mountain View North Bayshore Master Plan**

	<b>Shoreline Fund</b>
<b>Annual Shoreline Fund Revenues<sup>a</sup></b>	
Property Tax	<u>\$76,542,000</u>
<b>Total Annual Fiscal Revenues</b>	<b>\$76,542,000</b>
<b>Annual Shoreline Fund Costs<sup>a</sup></b>	
Mountain View Whisman School District Payment	\$14,227,000
Mountain View-Los Altos Union High School District Payment	\$9,107,000
County Payment (Without Retirement Override)	\$3,919,000
Shoreline Fund Direct Costs	\$3,121,000
Reimbursement for Essential City Services	\$8,112,000
<u>Shoreline Community Annual Bond Costs</u>	<u>\$31,800,000</u>
<b>Total Annual Fiscal Costs</b>	<b>\$70,286,000</b>
<b>Net Annual Fiscal Impact</b>	<b>\$6,256,000</b>
<i>Net Fiscal Impact as Percent of Total Revenue</i>	<b>8%</b>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. Refer to report tables for supporting calculations for revenues and costs. The Shoreline Regional Park Community and its associated Shoreline Fund reimburses the City of Mountain View for essential City services for operations, maintenance and capital equipment costs for the area within the Shoreline Community.

Source: City of Mountain View, North Bayshore Master Plan.

## General Fund

- The General Fund is not projected to receive any property tax revenue from NBMP, as all property taxes are projected to be paid to the Shoreline Fund.
- The General Fund would receive \$9.3 million per year from transient occupancy taxes (TOT), Sales and Use Tax, Business License Tax and Property Tax in Lieu of VLF.
- The General Fund would incur expenses of approximately \$10.8 million per year to provide police, fire, community services, library services, public works, and other services related to the Shoreline Community and will receive a partial reimbursement from the Shoreline Fund to cover its expenditures for essential City services. (\$8.1 million).
- This results in a net fiscal operating balance and positive fiscal impact of about \$6.6 million or 38% for the General Fund. For context, this net fiscal operating balance represents less than 5% of the City’s current General Fund budget.
- The following table summarizes the projected annual fiscal revenues and costs of the General Fund, and the net fiscal annual impact from buildout of the NBMP.

**Table ES-2**  
**Summary of Net Annual Fiscal Impact to General Fund at Buildout (In Constant 2022 Dollars)**  
**Mountain View North Bayshore Master Plan**

	General Fund
<b>Annual General Fund Revenues<sup>a</sup></b>	
Property Tax	\$0
Property Tax In-Lieu of Vehicle License Fee Revenue	\$2,785,000
Transient Occupancy Tax (TOT)	\$2,680,000
Sales and Use Tax	\$1,927,000
Business License Taxes	\$75,000
<u>Other Revenues to General Fund</u>	<u>\$1,863,000</u>
<b>Subtotal- Annual General Fund Revenues</b>	<b>\$9,330,000</b>
<b><u>Reimbursement for Essential City Services</u></b>	<b><u>\$8,112,000</u></b>
<b>Total Annual Fiscal Revenues</b>	<b>\$17,442,000</b>
<b>Projected Annual General Fund Costs<sup>a</sup></b>	
Citywide Service Costs (Non-Reimbursed)	\$2,674,000
<u>Cost for Essential City Services</u>	<u>\$8,112,000</u>
<b>Total Annual Fiscal Costs</b>	<b>\$10,786,000</b>
<b>Net Annual Fiscal Impact</b>	<b>\$6,656,000</b>
<b><i>Net Fiscal Impact as Percent of Total Revenue</i></b>	<b><i>38%</i></b>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. Refer to report tables for supporting calculations for revenues and costs. The Shoreline Regional Park Community and its associated Shoreline Fund reimburses the City of Mountain View for essential City services for operations, maintenance and capital equipment costs for the area within the Shoreline Community.

Source: City of Mountain View, North Bayshore Master Plan.

# I. Introduction

This report presents the findings from the fiscal impact analysis conducted by Seifel Consulting Inc. (Seifel) for the proposed North Bayshore Master Plan (NBMP FIA). The NBMP FIA projects the future annual fiscal revenues and costs to the Mountain View General Fund and Shoreline Fund at buildout of the NBMP in constant 2022 dollars. The report begins with an Executive Summary of key findings, while the main body of the report is organized into six sections followed by three appendices:

## **Executive Summary**

### **I. Introduction**

### **II. Overview of North Bayshore Master Plan (NBMP)**

### **III. Growth in Service Population**

### **IV. Fiscal Impact on Shoreline Fund**

### **V. Fiscal Impact on General Fund**

### **VI. Conclusion**

## **Appendix 1, 2 and 3**

## A. Methodology

The NBMP FIA measures the fiscal impact from new development by comparing the potential growth in revenues with the associated public service costs for the Shoreline Fund and the General Fund at buildout of the NBMP. In summary, the NBMP FIA evaluates the following fiscal changes that would occur as the result of new development:

- While existing properties within the NBMP currently generate revenues to the Shoreline Fund and the General Fund, the FIA analyzes the future growth in revenues that would occur from new development in the NBMP.
- New development would generate additional property tax revenues to the Shoreline Fund and would generate other revenues to the General Fund, such as sales taxes and transient occupancy taxes.
- New residents and employees in NBMP will need public services and create a growing demand for capital facilities, which will increase costs to operate, maintain and expand public facilities.
- The NBMP FIA analyzes the annual fiscal revenues and costs that would be generated from buildout within a 30-year development horizon and is a “static” analysis that projects annual revenues and costs at buildout rather than providing an estimate of how these may change over time.
- The difference between projected annual revenues and costs at buildout is referred to as the “net annual fiscal impact.”
- As described in the Executive Summary, the net annual fiscal impact is projected to be positive for both the Shoreline Fund and General Fund because the “net fiscal operating balance” is positive as annual revenues are projected to exceed annual costs.

In order to prepare this analysis, the NBMP FIA relies on three primary methodological approaches, which were reviewed and agreed upon in consultation with City staff:

- Evaluation of the current and future population of residents and employees that need services from the Shoreline Fund and the City's General Fund, referred to as the service population.
- The application of appropriate municipal tax rates for property tax, property tax in-lieu of vehicle license fee (VLF), transient occupancy tax, sales and use tax, and business license fee revenues, and projections of revenues that would be subject to these taxes and fees.
- The use of fiscal revenue and cost projections and factors that quantify how new development would affect future fiscal revenue generation and expenditures of the Shoreline Fund and General Fund. This was informed by consultations with leadership from each of the City's major departments.

Appendix 1 presents supporting information and further describes the analysis that is used in the NBMP FIA to project annual fiscal revenues and costs, which is accompanied by a series of appendix tables. Appendix 2 includes a map that shows the overlapping geographic boundaries of the NBMP, North Bayshore Precise Plan and Shoreline Community. Appendix 3 is an excerpt from the Fiscal Impact Analysis for the Housing Element Update that summarizes the need for City services, which was relied upon to prepare this analysis.

The base year for the fiscal analysis is 2022, and the projected annual fiscal revenues and costs are presented in constant 2022 dollars. Most of the fiscal revenue and costs are based on data from the City of Mountain View Adopted Budget for Fiscal Year (FY) 2022/23, which is the most recent fiscal year for which budgetary information is currently available. As some of the projections are rounded, some of the numbers presented in the report and its accompanying tables may not precisely calculate due to rounding.

The analysis presented in this report has been gathered from the most reliable sources available to the City and Seifel. The estimates and projections of current and future information assembled and provided herein are intended solely for the purpose of establishing reasonable estimates for use in the NBMP FIA. While the City and Seifel believe these estimates are reasonable and are based on the best available information at present, they make no warranty of the accuracy of these numbers, or their consistency with future trends and events.

## II. Overview of North Bayshore Master Plan (NBMP)

The applicant submitted the revised North Bayshore Master Plan (NBMP) in March 2023, which proposes to redevelop existing non-residential properties into a mix of residential, office, retail, community, and hotel uses in conformance with the NBPP. The applicant has also requested a 30-year Development Agreement (DA) to facilitate this long-term, multi-phased project in accordance with the NBMP and NBPP. The DA would be approved concurrent with the formal approval of the NBMP.

### A. Location of North Bayshore Master Plan

The NBMP consists of approximately 153 acres of property owned by Google that are located to the north of Highway 101 in North Bayshore. Almost all properties within the NBMP are located within the boundaries of the North Bayshore Precise Plan and the Shoreline Regional Park Community.

The NBMP area is bounded by Charleston Road to the north, Stevens Creek to the east, Space Park Way to the south and Huff Avenue to the west. The NBMP area also includes the following subareas:

- Portions of the Gateway Master Plan area that are located at the northwest corner of Shoreline Boulevard and the US 101 freeway northbound on-ramp.
- A centralized parking garage on the current parking lot subleased by Google at the Shoreline Amphitheater, referred to as Lot C,
- Additional parking in the vicinity of Marine Way. (This portion of the NBMP is located outside of the Shoreline Community.)

### B. NBMP Development Program

The NBMP FIA assumes full buildout of the residential and non-residential components of the Master Plan based on the March 2023 NBMP as well as subsequent updates that were provided by the applicant during Spring 2023, as shown in Table 1. The NBMP includes the following key elements in its mixed use development program:

- Up to 7,000 residential units, with 15% affordable units provided through land dedication as provided for in the NBPP.
- Up to about 3.1 million square feet of office space (1.3 million square feet of net new office along with 1.8 million square feet of redeveloped office space).
- Up to 340,000 square feet of hotel uses (two hotels).
- Up to about 290,000 square feet of ground-floor commercial space, consisting of about 234,000 retail square feet plus 55,000 square feet of community space.
- District parking for residential and commercial uses through centralized parking garages.
- LEED Platinum® buildings and other sustainability measures to use 100 percent renewable energy and all electric for all office and residential uses, incorporating a private district utility system that will include up to 130,000 square feet of a district central plant.
- Land dedication of approximately 7 acres for affordable housing, 4 acres for an elementary school site, 15 acres for public parks and open space, and 11 acres of privately owned publicly accessible (POPA) open space.
- Multi-modal transportation options, including bike and pedestrian paths connecting to the Stevens Creek trail.



The NBMP is part of the greater Shoreline Community, which is anticipated to be developed with almost 10,000 housing units and new office space. The buildout projections for the Shoreline Community that are shown in the last column of Table 1 were developed based on information on current and future projects provided by City staff, which include projects currently under construction and in development such as the Sobrato’s Pear Avenue mixed use development and Google’s Charleston East office building.

**Table 1**  
**Summary of Development at Buildout**  
**Mountain View North Bayshore Master Plan and Shoreline Community**

<b>Land Uses</b>	<b>North Bayshore Master Plan (NBMP)</b>	<b>Shoreline Regional Park Community (Shoreline Community)</b>
<b>Residential</b>		
Market Rate Units	5,950	8,115
Inclusionary Units	0	370
<u>Land Dedication Affordable Units</u>	<u>1,050</u>	<u>1,050</u>
Residential Total (units)	7,000	9,535
<b>Non-Residential</b>		
Office (sq.ft.) <sup>a</sup>		
Existing Office	1,814,681	1,814,681
<u>New Office</u>	<u>1,303,250</u>	<u>3,615,445</u>
Subtotal	3,117,931	5,430,126
Office Parking (spaces)	5,697	6,797
Community (sq.ft.)	55,000	55,000
Retail (sq.ft.) <sup>b</sup>		
Existing Retail	11,056	11,056
New Retail	<u>222,934</u>	<u>312,934</u>
Subtotal	233,990	323,990
Retail Parking (spaces)	582	582
Hotel (rooms)	525	725
District Systems (sq.ft.)	130,000	130,000

Note: North Bayshore Master Plan (NBMP) refers to the area and the associated properties that are located within its boundaries. The NMBP is a subarea within the greater Shoreline Regional Park Community (Shoreline Community or SRPC). The Shoreline Community refers to the area and associated properties that are located within the SRPC boundaries.

a. Includes the new office space and existing (replaced) office space.

b. Includes 11,056 sq.ft. of existing retail space. Excludes retail space at the land dedication sites.

Source: North Bayshore Master Plan (NBMP).

### III. Growth in Service Population

The NBMP FIA evaluates the current and future population of residents and employees that would require services from the Shoreline Fund and the City’s General Fund, referred to as the service population. Both fiscal revenues and costs increase in relationship to the growth in service population. For example, revenues like utility user taxes, franchise fees and fines generally increase in proportion to the growth in service population. Similarly, municipal costs to provide services, such as public safety, increase proportionately as new personnel, equipment and support services are needed to meet the growing needs of residents and employees.

This analysis utilizes the projected resident and employee population that is anticipated to be generated from new development at build out of the NBMP as well as in the Shoreline Community based on the population and employment factors that were utilized in the NBMP and its Supplemental EIR as provided by the City of Mountain View. The service population from future employment is adjusted by 1/3 because employees only work part of a week in Mountain View, and some may both live and work in the City.<sup>1</sup> Table 2 shows the projected service population at buildout of the NBMP and the Shoreline Community.

The City of Mountain View is currently estimated to have a citywide population of about 84,000 residents and 99,000 employees according to 2022 data provided in the Housing Element Update. After adjusting the employee population by 1/3, the current 2022 service population in Mountain View is about 117,000, as shown in Table 2. Appendix Table 1 summarizes the City’s existing service population in 2022, which is compared to the projected growth from NBMP and the Shoreline Community in Table 2.<sup>2</sup> The existing citywide service population is used to estimate fiscal revenues and costs as further described below. (See Appendix Table 1.)

The NBMP is projected to increase the service population by about 14,500 people or by 12.4%. Growth in the greater Shoreline Community is projected to increase the service population by about 22,000 people or by 18.8%. Thus, the NBMP represents about 66% of the anticipated growth in service population from the Shoreline Community.

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<sup>1</sup> This adjustment to the service population is consistent with the methodology used in the FIA reports that were recently prepared for the City’s Housing Element update and the Middlefield Park Master Plan.

<sup>2</sup> The growth in service population is calculated based on the proposed new development in NBMP as shown in Table 1. As shown in Table 2, the FIA uses a fiscal factor (or ratio) for service population of 1.00 for residents and a factor of one-third for employees to calculate population served. The fiscal factor for employees is reduced as most employees are located in the City for only a portion of the week, and some employees both live and work in the City reducing their total demand on City services.

**Table 2**  
**Projected Change in Service Population at Buildout**  
**Mountain View North Bayshore Master Plan and Shoreline Community**

<b>Development Type</b>	<b>Assumptions<sup>a</sup></b>	<b>NBMP</b>	<b>Shoreline Community</b>
<b>Projected Resident Population</b>			
Market Rate Units	1.8 persons/unit	10,710	14,607
Inclusionary Units	1.8 persons/unit	0	666
<u>Land Dedication Affordable Units</u>	1.8 persons/unit	<u>1,890</u>	<u>1,890</u>
<b>Total Resident Population</b>		<b>12,600</b>	<b>17,163</b>
<b>Projected Employment<sup>b</sup></b>			
Office (Net New)	3.72 employees/1000 sq.ft.	4,848	13,449
Office Parking	0 employees/space	0	0
Community	0 employees/1000 sq.ft.	0	0
Retail (Net New)	2.48 employees/1000 sq.ft.	553	776
Retail Parking	0 employees/space	0	0
Hotel	0.4 employees/room	210	290
<u>District Systems</u>	0.015 employees/1000 sq.ft.	<u>2</u>	<u>2</u>
<b>Total Employee Population</b>		<b>5,613</b>	<b>14,517</b>
<b>Total Employee Service Population</b>	33.3% of employee population	<b>1,871</b>	<b>4,839</b>
<b>Projected Service Population Increase</b>		<b>14,471</b>	<b>22,002</b>
<b>Citywide Service Population<sup>c</sup></b>		<b>116,993</b>	<b>116,993</b>
<i>Growth in Service Population from NBMP</i>		<i>12.4%</i>	<i>18.8%</i>
<b>NBMP Share of Service Population Growth in Shoreline Community</b>		<i>66.0%</i>	<i>100.0%</i>

- a. Density and service population assumptions per City of Mountain View. Service population is adjusted by 1/3 for employees as they work part of a week in Mountain View, and some may both live and work in the City.
- b. Community space and parking spaces are not assumed to generate additional employment. Growth in office and retail employment is based on net new square feet of development.
- c. See Appendix Table 1.

Source: City of Mountain View, North Bayshore Master Plan (NBMP) and its Supplemental EIR.

## IV. Fiscal Impact on Shoreline Fund

The City of Mountain View has a unique tax increment district called the Shoreline Regional Park Community (Shoreline Community or SRPC), which represents a significant source of funding for the development and improvement of the North Bayshore area. The California State Legislature created the Shoreline Community to facilitate the development of the Shoreline Regional Park and recreation facility and to enhance and preserve the North Bayshore area both economically and environmentally. The Shoreline Regional Park Community Fund (Shoreline Fund) collects revenues and pays for expenditures in the Shoreline Community.

The Shoreline Community encompasses the majority of the NBPP area, excluding the area around Garcia Avenue, Marine Way and Casey Avenue. All of the proposed development in the NBMP except for two parking garages along Marine Way are proposed to be built within the Shoreline Community.

### A. Annual Revenues to Shoreline Fund

The Shoreline Regional Park Community and its associated Shoreline Fund can collect and pledge property taxes collected from the increase in taxable valuation over the 1977 base assessed value (tax increment) in the Shoreline Community to help fund better living conditions, promote economic success (including expanding housing, employment and investment opportunities), and make needed additions to the general housing supply.

As property taxes generated from growth in assessed value from the Shoreline Community are exclusively collected and pledged to its Shoreline Fund, the City's General Fund is not projected to receive property tax revenues from NBMP. For purposes of the FIA, all property tax increment generated from buildout of the NBMP is assumed to accrue to the Shoreline Fund because all development except for the parking garages along Marine Way are proposed to be built within the Shoreline Community.

Assessed value (AV) is projected to increase by \$7.7 billion to a total of \$8.7 billion due to future development in NBMP above the existing property value of \$1.0 billion as of 2022, as shown in Table 3.

- The current assessed value as of 2022 for existing property within the NBMP is estimated to be \$1.035 billion based on assessed value information for properties within the NBMP, which was provided by the applicant.
- This compares to the historical AV increase of about \$1.0 billion over the past 45 years above the 1977 frozen base for existing properties within NBMP.
- The projection of future growth in assessed value from the NBMP was prepared in consultation with the applicant and City staff, and the assessed value by land use is based on the assessed value per square foot, unit or hotel room for similar new developments in North Bayshore and other areas of the City according to the Santa Clara County Assessor's Office as well information obtained from published real estate sources, such as Saylor Current Construction Costs, 2022.
- About 55% of the \$8.7 billion in assessed value at build out would be generated by new residential development in NBMP.
- Future assessed value for residential development does not assume any assessed value for affordable housing units on land to be dedicated for affordable housing as the property will likely be developed for very low and low income households, which would be eligible for a welfare property tax exemption.

Based on this incremental growth in assessed value at buildout, the Shoreline Fund is projected to receive approximately \$76.5 million in annual property tax revenues from the 1% basic tax rate generated in constant 2022 as shown in Table 3. (See Appendix Table 2 and Appendix Table 3 for supporting data and calculations regarding projected assessed value and the existing assessed value for NBMP.)

**Table 3**  
**Projection of Annual Property Tax Revenues For Shoreline Fund At Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	Residential Development		Non-Residential Development		Total Development	
<b>Projected Net Growth in Assessed Value</b>						
Projected Assessed Value at Build Out <sup>a</sup>	\$4,760,000,000		\$3,929,600,000		\$8,689,600,000	
<u>Less: Assessed Value of Existing Property<sup>b</sup></u>	<u>\$0</u>		<u>\$1,035,400,000</u>		<u>\$1,035,400,000</u>	
<b>Net Growth in Assessed Value</b>	<b>\$4,760,000,000</b>		<b>\$2,894,200,000</b>		<b>\$7,654,200,000</b>	
<b>Estimated Increase in Property Tax Revenues</b>	Base Rate: 1.00%	\$47,600,000	Base Rate: 1.00%	\$28,942,000	Base Rate: 1.00%	<b>\$76,542,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for projected assessed values and to the nearest thousand for property tax revenues. Numbers may not add up precisely due to rounding.

a. See Appendix Table 2.

b. FY 2021/22 assessed value per Santa Clara County.

Source: Santa Clara County, City of Mountain View, Google (the applicant).

## B. Annual Costs to Shoreline Fund

The Shoreline Fund is anticipated to have four primary types of expenditures, each of which is further described below:

- Payments to taxing entities
- Direct costs for delivering services
- Reimbursement of the General Fund for essential City services
- Annual bond costs for public improvement investments in the Shoreline Community

The projection of these fiscal costs was prepared based on cost estimates prepared by City staff based on a thorough analysis of Departmental budgets and interviews with the City’s leadership to project how operation, maintenance and equipment costs would increase by Departmental and non-Departmental budget line items as the result of future development.

### 1. Payments to Taxing Entities

The two Mountain View School Districts (School Districts) and the County of Santa Clara (County) receive a portion of the tax increment revenues based on prescribed formulas in contractual agreements.

As shown in Table 4, the local School Districts, Mountain View Whisman School District (MVWSD) and Mountain View Los Altos Union High School District (MVLAUHSD), are projected to receive \$23.3 million in future property tax revenues.

- These payments are based on the current terms of the Education Enhancement Reserve Joint Powers Agreement (EER JPA).

- This does not include current payments to the School Districts from the Shoreline Community (estimated at \$8.8 million for FY 2022/23) or any change in payments negotiated in a successor EER JPA. It also does not include potential growth in parcel tax revenues from future development.
- In addition to these property tax payments, NBMP will provide a 4.1-acre site for a future potential school for the MVWSD and other community and public benefits.

The County would receive an annual payment of \$3.9 million based on the terms of its contractual agreement from the 1% basic tax rate. This does not include revenues that the County receives from the County Retirement Override Levy payment (additional \$3.0 million), which is above the 1% tax rate.

**Table 4**  
**Distribution of Annual Property Tax Revenues to Shoreline Fund At Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	Residential Development		Non-Residential Development		Total Development	
	Base Rate:		Base Rate:		Base Rate:	
<b>Estimated Increase in Property Tax Revenues</b>	1.00%	\$47,600,000	1.00%	\$28,942,000	1.00%	<b>\$76,542,000</b>
<b>Property Tax Revenue Allocation</b>						
<b>Local School Districts<sup>c</sup></b>						
Mountain View Whisman School District	Share: 23.76%	\$11,310,000	Share: 10.08%	\$2,917,000	Share: 18.59%	\$14,227,000
<u>Mountain View Los Altos Union High School District</u>	<u>Share: 15.21%</u>	<u>\$7,240,000</u>	<u>Share: 6.45%</u>	<u>\$1,867,000</u>	<u>Share: 11.90%</u>	<u>\$9,107,000</u>
<b>Subtotal– Local School Districts</b>	Share: 38.97%	\$18,550,000	Share: 16.53%	\$4,784,000	Share: 30.49%	<b>\$23,334,000</b>
<b>Santa Clara County<sup>d</sup></b>	Share: 5.12%	\$2,437,000	Share: 5.12%	\$1,482,000	Share: 5.12%	<b>\$3,919,000</b>
<b>Shoreline Fund</b>	Share: 55.91%	\$26,613,000	Share: 78.35%	\$22,676,000	Share: 64.39%	<b>\$49,289,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for projected assessed values and to the nearest thousand for property tax revenues. Numbers may not add up precisely due to rounding.

a. See Appendix Table 2.

b. FY 2021/22 assessed value per Santa Clara County.

c. The School District property tax shares for residential development are based on their respective property tax rate factor in the Shoreline Community Tax Rate Area (TRA) as of FY 2021/22 according to Santa Clara County, while the shares for non-residential development are calculated based on each district's current proportion of FY 2021/22 property tax revenues from the Shoreline Fund.

d. The County property tax share is based on 20% of its property tax rate factor in the Shoreline Community TRA as of FY 2021/22 according to Santa Clara County. The County would also receive additional funds from the Retirement Override Levy of 0.0388% that is generated above the 1% basic property tax. The County is estimated to receive additional revenues for its retirement fund of about \$2,970,000

Source: Santa Clara County, City of Mountain View, Google (the applicant).

## 2. Direct Costs for Delivering Services

The Shoreline Fund pays for the direct costs for delivering service to the Shoreline Fund. The Shoreline Fund's operating costs associated with the provision of these services are expected to increase as the result of the NBMP, as new development would increase service demands from future employees and residents in North Bayshore. The Shoreline Fund currently pays about \$5.3 million in direct costs for operations and administration related to the Shoreline Park and other Shoreline Community facilities, which are anticipated to increase in proportion to the 12.4% growth in service population from buildout of the NBMP.

In addition, growth in the greater Shoreline Community is anticipated to increase direct costs by about \$3.7 million for community services related to major park expansion and library services, and 66% of this increase in direct costs would be attributable to build out of the NBMP based on its share of service population growth of the greater Shoreline Community. As shown below in Table 5, the growth in direct costs from buildout of the NBMP is estimated to be about \$3.1 million.

### **3. Reimbursement of the General Fund for Essential City Services**

The City General Fund receives reimbursement for essential City services that the City provides to the Shoreline Community, which include police, fire and other critical City services. The Shoreline Fund currently pays about \$8.0 million in direct costs for essential City services, which are anticipated to increase in proportion to the 12.4% growth in service population from buildout of the NBMP.

In addition, growth in the greater Shoreline Community is anticipated to increase direct costs by about \$10.8 million for public safety services for a new police beat and a new engine company for the Fire Department, and 66% of this increase in direct costs would be attributable to build out of the NBMP based on its share of service population growth of the greater Shoreline Community. As shown below in Table 5, the growth in costs for essential City services from buildout of the NBMP is estimated to be about \$8.1 million.

### **4. Annual Bond Costs for Public Improvement Investments in the Shoreline Community**

In order to provide the public improvements necessary to support future development in North Bayshore, bonds will need be issued that are secured by revenues from the Shoreline Fund. To catalyze new mixed use development in the NBMP and the greater Shoreline Community, investments in public infrastructure and facilities will be required. The public improvements that need to be undertaken primarily consist of four types of improvements: 1) sea level rise protections, 2) transportation improvements (including transit, bike and pedestrian improvements) 3) library, police and community facilities, and 4) recycled water. The funding of these types of public improvements is a key reason why the State Legislature created the Shoreline Community to enhance and preserve the North Bayshore area both economically and environmentally.

Costs for these public improvements are based on the City's Capital Improvement Project budget and the community facilities required for new development in the Shoreline Community. The NBMP share of public improvements for sea level rise is based on NBMP's proportion (23%) of developable area in the North Bayshore Precise Plan. The NBMP share for other public improvements is allocated based on its 66% share of service population growth in the Shoreline Community.

The Sea Level Rise improvements are net costs after utilization of about \$15 million from current reserve funds available in the Shoreline Fund. Fee revenues from the transportation component of North Bayshore Development Impact Fees that will be generated by NBMP are deducted as these funds will help offset the cost of transportation improvements. (See Appendix Table 4 for fee calculations.)

In addition to these public improvements, the NBMP will require improvements to the water and sewer system in North Bayshore, which will be partially funded by North Bayshore Development Impact Fees and other utility fees (citywide sewer and water fees). These utility improvement costs are not included in the calculation of annual bond costs for the NBMP FIA.

Annual bond costs are projected based on the City's recent experience with bonding for the Shoreline Community and citywide projects, which assume annual payments of principal. A bond issuance timing adjustment of 20% is applied given the significant lag between future tax increment revenues that would be used to repay debt service and the need to construct public improvements in advance of new development. As shown in Table 5, the future annual costs from bonds that would be issued to fund NBMP's share of public improvement costs is \$31.8 million, which represents 45% of the Shoreline Fund annual revenues from buildout of the NBMP. (See Appendix Table 5, which shows the supporting calculations for the annual bond costs.)

**Table 5**  
**Annual Shoreline Fund Costs at Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	Shoreline Fund FY 2022/23 Cost <sup>a</sup>	Shoreline Fund Cost Projections	Fiscal Cost Factor <sup>b</sup>	Fiscal Cost Basis	Estimated NBMP Cost (Rounded)
<b>Shoreline Fund Direct Costs</b>					
Growth in Direct Shoreline Fund Operating and Administration Costs from NBMP	\$5,279,000	N/A	12.4%	Growth in Citywide service population from NBMP	\$655,000
Additional Costs from NBMP Development Community Services- Major Park Expansion <sup>c</sup>	N/A	1,179,000	66.0%	NBMP share of Shoreline service population growth	\$778,000
Library Services - New Branch Library <sup>d</sup>	N/A	2,386,000	66.0%	"	\$1,575,000
Amortization of Upfront Capital Investment for Vehicles, Equipment and Supplies <sup>e</sup>	N/A	<u>\$171,000</u>	66.0%	"	<u>\$113,000</u>
<b>Subtotal- Shoreline Fund Direct Costs</b>	<b>\$5,279,000</b>	<b>\$3,736,000</b>			<b>\$3,121,000</b>
<b>General Fund Cost of Essential City Services</b>					
Growth in General Fund Operating and Administration Costs from NBMP	\$8,024,000	N/A	12.4%	Growth in Citywide service population from NBMP	\$995,000
Additional Costs from NBMP Development Fire- New Engine Company <sup>f</sup>	N/A	\$5,416,000	66.0%	NBMP share of Shoreline service population growth	\$3,575,000
Police- New Beat <sup>g</sup>	N/A	\$5,016,000	66.0%	"	\$3,311,000
Amortization of Upfront Capital Investment for Vehicles, Equipment and Supplies <sup>e</sup>	N/A	<u>\$350,000</u>	66.0%	"	<u>\$231,000</u>
<b>Subtotal- General Fund Costs</b>	<b>\$8,024,000</b>	<b>\$10,782,000</b>			<b>\$8,112,000</b>
<b>Shoreline Fund Annual Bond Costs<sup>h</sup></b>	N/A	N/A	66% or 23%	NBMP share of Shoreline service population growth or Shoreline developable area	<b>\$31,800,000</b>
<b>Total</b>					<b>\$43,033,000</b>

Note: Total Shoreline Service Costs are rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

- a. Per City of Mountain View FY 2022/23 Adopted Budget for General Fund direct costs in Shoreline Community.
- b. Fiscal cost factor is based on the growth in service population calculated based on the percentage of city wide growth for Shoreline direct operating costs and based on the North Bayshore Master Plan's share of service population growth in the Shoreline Community, which includes development currently under construction and planned.
- c. Projected costs for park operations based on increased staffing, trucks, other equipment, and supply costs associated with 19 acres of parks.
- d. Projected costs to operate a branch library in the Shoreline Community based on increased staffing, books, other equipment, and supply costs for a 20,000 square foot building.
- e. Projected costs for upfront capital investment for expansion of parks, library services, fire, and police amortized over 7 years.
- f. Projected costs to operate a new fire company in the Shoreline Community based on increased staffing, ladder trucks, other fire or emergency vehicles, radios, other equipment, and supply costs.
- g. Projected costs to operate a new police beat in the Shoreline Community based on increased staffing, patrol vehicles, motorcycles, radios, other equipment, and supply costs.
- h. See Appendix tables for supporting calculations and assumptions for bond obligations.

Source: City of Mountain View, North Bayshore Master Plan and Capital Improvement Plan for Shoreline Community.



## C. Net Fiscal Impact

As shown in Table 6 below and previously described in this report, annual revenues to the Shoreline Fund are projected to be \$76.5 million from property taxes, while annual expenses would be \$70.3 million. This results in a net fiscal operating fund balance and positive net annual fiscal impact of approximately \$6.2 million (8%) from buildout of the NBMP.

**Table 6**  
**Net Annual Fiscal Impact to Shoreline Fund at Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	<b>Shoreline Fund</b>
<b>Annual Shoreline Fund Revenues<sup>a</sup></b>	
Property Tax	<u>\$76,542,000</u>
<b>Total Annual Fiscal Revenues</b>	<b>\$76,542,000</b>
<b>Annual Shoreline Fund Costs<sup>a</sup></b>	
Mountain View Whisman School District Payment	\$14,227,000
Mountain View-Los Altos Union High School District Payment	\$9,107,000
County Payment (Without Retirement Override)	\$3,919,000
Shoreline Fund Direct Costs	\$3,121,000
Reimbursement for Essential City Services	\$8,112,000
<u>Shoreline Community Annual Bond Costs</u>	<u>\$31,800,000</u>
<b>Total Annual Fiscal Costs</b>	<b>\$70,286,000</b>
<b>Net Annual Fiscal Impact</b>	<b>\$6,256,000</b>
<i>Net Fiscal Impact as Percent of Total Revenue</i>	<b>8%</b>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

- a. Refer to report tables for supporting calculations for revenues and costs. The Shoreline Regional Park Community and its associated Shoreline Fund reimburses the City of Mountain View for essential City services for operations, maintenance and capital equipment costs for the area within the Shoreline Community.

Source: City of Mountain View, North Bayshore Master Plan.

## V. Fiscal Impact on General Fund

The General Operating Fund (General Fund) is the main component of the City’s operating budget that provides for core programs and services. Other major funds include the Shoreline Fund, Building Services, and the Water, Wastewater and Solid Waste Management Enterprise Funds. To provide a full range of services to its residents, the City relies on local tax revenues, fees and charges, and external sources, such as State or Federal intergovernmental funds. Most of the funds the City receives such as property taxes, sales taxes, and other taxes and fees are accounted for in the General Fund. These revenues are used to provide for public safety, planning, recreation, parks, library services, community services, and the regular maintenance of streets and other infrastructure throughout the City.

The General Fund provides for operational services in the City, while other special funds are restricted by law for the purpose of such funds (such as water and wastewater enterprise funds) and cannot be used for general operational purposes. General Fund revenues are subject to changes in economic conditions and can fluctuate significantly.<sup>3</sup>

### A. Annual Revenues to General Fund

The General Fund is projected to receive ongoing annual fiscal revenues from buildout of the NBMP from the following major revenue categories.

- Property Tax In-Lieu of Vehicle License Fee
- Transient Occupancy Tax (TOT)
- Sales and Use Tax
- Business License Taxes
- Other Major Revenues

Table 7 presented on the following page summarizes revenues from these sources, each of which is further described below and in the accompanying appendix tables.

#### 1. Property Tax In-Lieu of Vehicle License Fee

The City General Fund would receive property taxes in-lieu of vehicle license fee (PTIVLF) revenues based on the growth in assessed value from NBMP. Property tax in-lieu of Vehicle License Fee (PTIVLF) revenue is a revenue swap enacted as part of the State Budget Act of 2004, which provided cities and counties with additional property tax revenue given statewide reductions in the vehicle license fees.

According to the City’s Finance Department, the City’s General Fund revenues from the PTIVLF equals about 3.639 percent of the 1 percent base property tax revenues from growth in assessed value.<sup>4</sup> PTIVLF revenues are projected to increase by about \$2.8 million at buildout of the NBMP. (See Appendix Table 6 for supporting calculations.)

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<sup>3</sup> This introductory description of the General Fund is summarized from the City’s website description of the General Operating Fund: <https://www.mountainview.gov/our-city/departments/finance-and-administrative-services/budget-and-analysis/understanding-the-budget>

<sup>4</sup> This factor is calculated by dividing the base amount that the City received from property tax in-lieu vehicle license fee revenues in FY 2004/05 divided by the total Citywide Assessed Value in FY 2004/05.

**Table 7**  
**Annual Fiscal Revenues to General Fund at Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Revenue Source</b>	<b>General Fund</b>
<b>Annual General Fund Revenues<sup>a</sup></b>	
Property Tax	\$0
Property Tax In-Lieu of Vehicle License Fee Revenue	\$2,785,000
Transient Occupancy Tax (TOT)	\$2,680,000
Sales and Use Tax	\$1,927,000
Business License Taxes <sup>b</sup>	\$75,000
Other Revenues to General Fund	<u>\$1,863,000</u>
<b>Subtotal</b>	<b>\$9,330,000</b>
<b><u>General Fund Reimbursement<sup>c</sup></u></b>	<b><u>\$8,112,000</u></b>
<b>Total</b>	<b>\$17,442,000</b>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding. General Fund represents the City of Mountain View General Operating Fund.

- a. See appendix tables for supporting calculations and assumptions for each revenue source.
- b. This represents 10% of Business License Taxes that are generated for the General Fund as the remaining 90% of taxes is dedicated to transportation and affordable housing projects: \$679,000
- c. The Shoreline Regional Park Community and its associated Shoreline Fund reimburses the City of Mountain View for operating, maintenance and capital equipment costs for the area within the Shoreline Community.

Source: City of Mountain View, North Bayshore Master Plan.

## 2. Transient Occupancy Tax (TOT)

The City has a current Transient Occupancy Tax (TOT) rate of 10% of room revenues, and TOT would be generated from the increased growth in new hotel rooms in NBMP. The estimated hotel room revenues were developed based on data provided by the City staff regarding TOT revenues for comparable hotels in Mountain View and reflect the lower average annual occupancy rates that much of the Bay Area has experienced since the pandemic. (See Appendix Table 7 for supporting calculations.)

## 3. Sales and Use Tax

New development would generate increased sales and use taxes to the General Fund from household expenditures by new residents and from new retail development in NBMP. Additional sales and use tax that may be generated from business to business (BtoB) sales in office, R&D and industrial areas are not considered in this FIA but could generate additional revenues.<sup>5</sup>

The City collects 1 percent of sales and use tax from businesses generating taxable sales within the City of Mountain View.<sup>6</sup> An analysis of annual sales and use tax revenues in FY 2021/22 for the City and County of Santa Clara provided by The HdL Companies (HdL) was performed to estimate incremental growth in sales and use tax revenue based on the increase in future resident population from NBMP.

The HdL sales and use tax data indicates that the City experiences a “leakage” of taxable sales in certain retail industry groups, such as “Autos and Transportation,” meaning that the City captures a smaller amount of taxable sales per resident than the countywide average for this industry group. This indicates that residents make a portion of their taxable purchases in locations outside of Mountain View due to a shortage of retailers in Mountain View to meet demand, coupled with the presence of retailers outside but near City limits that are capturing “leaked” sales. From other retail industry groups, such as “Restaurants and Hotels,” the City captures a greater amount of taxable sales per capita than the countywide average indicating a net positive injection of sales to the City.

Utilizing a similar methodology and assumptions to what was used in the Housing Element Update FIA, the future taxable sales at “point of sale” that would be generated in a store or other retail outlet in Mountain View by NBMP is projected to be \$11,470 per new resident. In addition, the City is projected to receive about \$2,570 per new resident in NBMP as an allocation of sales and use tax from the County pool, a substantial portion of which would be from online purchases. (See Appendix Tables 8 and 8a for supporting information on the generation of sales and use tax by new residents.)

New retail space in NBMP would also generate sales tax revenues based on taxable retail sales, which are assumed at a modest \$300 per square foot of retail area in NBMP. The analysis assumes that 75 percent of these sales would be generated through purchases by residents of Mountain View, which are already incorporated in the projections of sales tax revenues from residents described above, and only 25 percent would be attributable to workers or visitors from outside of Mountain View. (See Appendix Table 8b for supporting information on the generation of sales and use tax at retail establishments in NBMP.)

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<sup>5</sup> Additional sales tax revenues could also be generated by employees that frequent local food and drinking establishments or buy retail goods in Mountain View, as well as businesses that generate business to business (BtoB) sales tax revenues.

<sup>6</sup> Taxable transactions that take place in the City of Mountain View are subject to a 9.125% sales tax as of 2023, which includes the 1% sales tax that accrues to the City of Mountain View’s General Fund. The remaining sales tax revenues from taxable transactions that take place in Mountain View accrue to other governmental agencies, including the State of California.

## 4. Business License Taxes

The City collects revenue from the issuance of business licenses to businesses that do business within the City and recently modified its business license tax rates to be a tiered system that is based on the number of employees per business, with large employers paying the highest rates. Ninety percent of business license tax revenues are dedicated to affordable housing and transportation projects, which means that only 10% of Business License Taxes are generated for the General Fund. Based on an evaluation of the types of businesses and number of employees that would occupy space in NBMP at build out, business license taxes to the General Fund are anticipated to increase by about \$75,000. The remaining 90% of business license taxes is dedicated to transportation and affordable housing projects and is estimated at \$679,000. (See Appendix Table 9.)

## 5. Other Major Revenues

Utility users tax (UUT) and other major revenue sources, such as Licenses, Permits & Franchise fees, would generate additional revenues to the General Fund based on the projected increase in service population from NBMP. The fiscal analysis divides the total citywide UUT and other major revenue sources in the FY 2022/23 Adopted Budget by the current citywide service population (as of 2022) to calculate the current revenue per person served citywide. This current citywide revenue per person served is then multiplied by the growth in service population from the NBMP to project total revenues from other major revenue sources. Other major revenue sources are projected to generate about \$1.9 million in revenues. (See Appendix Table 10.)

## B. Annual Costs to General Fund

As described in Section IV.B, the growth in General Fund costs for essential City services from buildout of the NBMP is estimated to be about \$8.1 million. In addition to these reimbursable costs, the City anticipates that additional annual General Fund costs will likely occur that would not be reimbursed by the Shoreline Fund based on an analysis of the General Fund expenditures for each of the City's departments according to the FY 2022/23 budget.

Each City budget expenditure line item was analyzed in consultation with City staff to project the percentage of each Department's budget that would likely increase based on the need to deliver General Fund services that are in addition to what is currently being reimbursed by the Shoreline Fund. The fiscal cost factor is the portion of a department's expenses for citywide programs that would likely vary due to growth from NBMP and would not likely be reimbursed by the Shoreline Fund. For example, the provision of services to NBMP residents and employees who use library services at the main library or participate in City sponsored events that are coordinated by various departments.

The incremental cost factor for non-reimbursable expenditures for General Government, Community Development, Public Works, Library Services, Police and Fire is projected to be 10% based on budgetary information and discussions with City staff. To account for the current lack of reimbursement for recreational and other community service costs for residents in the Shoreline Community, the fiscal cost factor was increased to 25% for the Community Services department. To account for the current lack of reimbursement for non-departmental costs for residents and employees in the Shoreline Community, the fiscal cost factor was increased to 50%.

The fiscal analysis divides the total citywide fiscal costs by department in the FY 2022/23 Adopted Budget by the current citywide service population (as of 2022) to calculate the current citywide cost per person served. This current citywide cost per person served is then multiplied by the growth in service population from the NBMP to project total revenues from each expenditure line item, as shown in Table 8. (See Appendix Tables 11 and 12 for supporting documentation.)

**Table 8**  
**Annual Citywide General Fund Costs (Non-Reimbursed)**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<i>Estimated Growth in Service Population<sup>a</sup></i>			<i>14,471</i>
<b>Estimated Fiscal Cost</b>			
<b>Departments</b>	<b>Fiscal Cost Factor<sup>b</sup></b>	<b>Per Person Served<sup>c</sup></b>	<b>Total Fiscal Cost (Rounded)</b>
General Government	10%	\$23.62	\$342,000
Community Development	10%	\$1.79	\$26,000
Public Works	10%	\$11.18	\$162,000
Community Services	25%	\$42.97	\$622,000
Library Services	10%	\$6.41	\$93,000
Fire	10%	\$25.68	\$372,000
Police	10%	\$40.76	\$590,000
<u>Non-Departmental</u>	50%	<u>\$32.25</u>	<u>\$467,000</u>
<b>Total</b>		<b>\$184.66</b>	<b>\$2,674,000</b>

Note: Total General Fund Costs are rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

- a. See Table 2.
- b. The 10% fiscal cost factor represents citywide general operating costs that are not currently reimbursed from the Shoreline Fund. To account for the current lack of reimbursement for recreational and other community service costs for residents in the Shoreline Community, the fiscal cost factor was increased to 25%. To account for the current lack of reimbursement for non-departmental costs for residents and employees in the Shoreline Community, the fiscal cost factor was increased to 50%.
- c. See appendix tables for supporting calculations and assumptions for each major cost.

Source: City of Mountain View, North Bayshore Master Plan.

## C. Net Fiscal Impact

As shown in Table 9 below and previously described in this report, annual revenues to the General Fund are projected to be \$9.3 million from five major revenue sources, and the General Fund would receive a partial reimbursement for General Fund costs from the Shoreline Fund of \$8.1 million. General Fund annual expenses are projected to be \$10.8 million, which includes expenses reimbursed by the Shoreline Fund and unreimbursed expenses. This results in a net fiscal operating fund balance and positive net annual fiscal impact of approximately \$6.6 million (38%) from buildout of the NBMP.

**Table 9**  
**Net Annual Fiscal Impact to General Fund at Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	<b>General Fund</b>
<b>Annual General Fund Revenues<sup>a</sup></b>	
Property Tax	\$0
Property Tax In-Lieu of Vehicle License Fee Revenue	\$2,785,000
Transient Occupancy Tax (TOT)	\$2,680,000
Sales and Use Tax	\$1,927,000
Business License Taxes	\$75,000
<u>Other Revenues to General Fund</u>	<u>\$1,863,000</u>
<b>Subtotal- Annual General Fund Revenues</b>	<b>\$9,330,000</b>
<b><u>Reimbursement for Essential City Services</u></b>	<b><u>\$8,112,000</u></b>
<b>Total Annual Fiscal Revenues</b>	<b>\$17,442,000</b>
<b>Projected Annual General Fund Costs<sup>a</sup></b>	
Citywide Service Costs (Non-Reimbursed)	\$2,674,000
<u>Cost for Essential City Services</u>	<u>\$8,112,000</u>
<b>Total Annual Fiscal Costs</b>	<b>\$10,786,000</b>
<b>Net Annual Fiscal Impact</b>	<b>\$6,656,000</b>
<i>Net Fiscal Impact as Percent of Total Revenue</i>	<i>38%</i>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. Refer to report tables for supporting calculations for revenues and costs. The Shoreline Regional Park Community and its associated Shoreline Fund reimburses the City of Mountain View for essential City services for operations, maintenance and capital equipment costs for the area within the Shoreline Community.

Source: City of Mountain View, North Bayshore Master Plan.

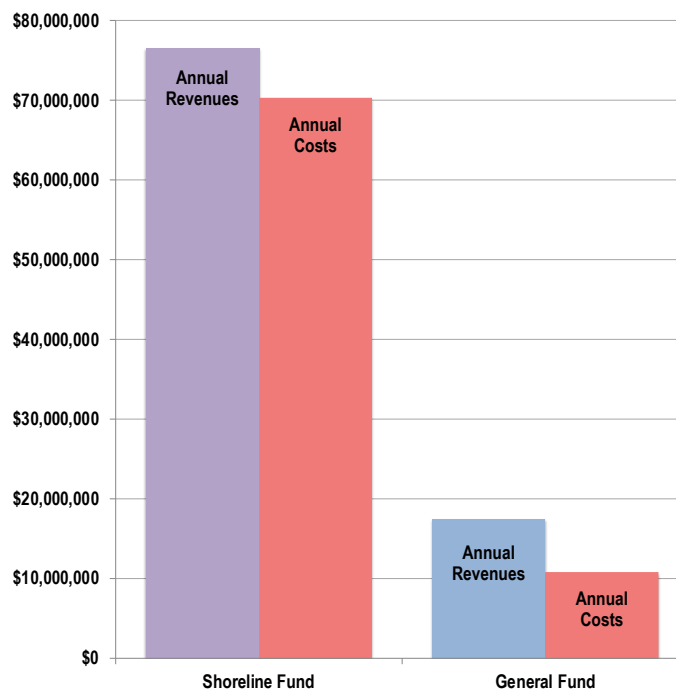
## VI. Conclusion

In conclusion, the NBMP is projected to have a positive net annual fiscal impact to the Shoreline Fund and General Fund at buildout.

- Annual revenues to the Shoreline Fund are projected to be \$76.5 million from future growth in property taxes from the NBMP while future annual expenses are projected to be \$70.3 million to pay potential future bond costs for public improvements that will pave the way for the development of 7,000 housing units, new office space, two hotels and retail uses, as well as annual direct operation, maintenance and related capital costs to meet the needs of future residents and workers.
- Annual revenues to the General Fund are projected to be \$9.3 million from transient occupancy taxes (TOT), Sales and Use Tax, Business License Tax and Property Tax in Lieu of VLF. The General Fund would incur expenses of approximately \$10.8 million per year to provide police, fire, community services, library services, public works, and other services related to the Shoreline Community and will receive a partial reimbursement from the Shoreline Fund to cover its expenditures for essential City services (\$8.1 million).
- The NBMP would also provide community benefits and public benefits to the City of Mountain View and would generate \$23.3 million in annual revenues to the local school districts, as well as provide a 4.1 acre school site.

Figure 1 illustrates the positive net annual fiscal impact at build out of the NBMP. (See Appendix Table 13 for a summary of the net fiscal impact to both funds.)

**Figure 1**  
**Summary of Net Annual Fiscal Impact from NBMP at Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**





## 1. Limitations to this Analysis

While the City of Mountain View and Seifel Consulting, Inc. (Seifel) have made reasonable efforts to verify the accuracy of the figures, information and analysis presented in this report and presumes that the information relied upon is timely and accurate, Seifel makes no warranty or guarantee as to the accuracy of this information or to the projections that are based on this information. Although Seifel has prepared the analysis in this report based on reasonable assumptions and information, projections of current and future revenues may be lower or higher than what is shown in this report and may not reflect actual future revenue received by public entities.

The tables and analysis in this report have been prepared for the sole purpose of providing background information and analysis to assist the City and the public in understanding the fiscal characteristics of the proposed project. The information presented in this report and the fiscal projections were prepared based on economic, financial and real estate data without consideration of the effects of future pandemics or other similar disruptive economic events, and this report does not represent any modifications to this data that may occur as the result of similar economic disruptions.

## Appendix 1 – Supporting NBMP FIA Appendix Tables

The NBMP fiscal impact analysis was developed based on an analysis of major annual revenue sources and annual costs of the General Fund and Shoreline Fund. The supporting data, assumptions and calculations used to prepare the fiscal impact analysis are shown on the following appendix tables.

**Appendix Table 1  
Existing Citywide Service Population  
Mountain View North Bayshore Master Plan**

<b>Citywide Resident Population<sup>a</sup></b>	<b>83,864</b>
Citywide Employee Population <sup>a</sup>	99,387
<b>Employee Service Population (33% of Employee Population)</b>	<b>33,129</b>
<b>Citywide Persons Served (Resident + Employee Service Population)</b>	<b>116,993</b>

a. Resident and employee population from the City of Mountain View 2022 Housing Element and California Department of Finance (2022 data).

Source: City of Mountain View, BAE.

**Appendix Table 2**  
**Projected Assessed Value at Build Out**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Development Type</b>	<b>Estimated Assessed Value (AV) Basis<sup>a</sup></b>	<b>Projected AV at Buildout<sup>b</sup></b>
<b>Residential</b>		
Market Rate Units	\$800,000 /unit	\$4,760,000,000
<u>Land Dedication Affordable Units</u>	\$0 /unit	<u>\$0</u>
<b>Total</b>		<b>\$4,760,000,000</b>
<b>Non-Residential</b>		
Office	\$1,000 /sq.ft.	\$3,117,900,000
Office Parking	\$70,000 /space	\$398,800,000
Retail/Community		
Community	\$238 /sq.ft.	\$13,100,000
Retail	\$300 /sq.ft.	\$70,200,000
Retail Parking	\$0 /space	\$0
Hotel	\$400,000 /room	\$210,000,000
<u>District Systems</u>	<u>\$920 /sq.ft.</u>	<u>\$119,600,000</u>
<b>Total</b>		<b>\$3,929,600,000</b>
<b>Total</b>		<b>\$8,689,600,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for projected assessed values.  
Numbers may not add up precisely due to rounding.

- a. Estimated assessed value includes tenant improvements and personal property values.
- b. The projected AV at full buildout represents the total assessed value from developable parcels within the North Bayshore Master Plan, and includes future assessed value from the redevelopment of existing non-residential properties. The incremental growth in assessed value is calculated by subtracting the existing assessed value for all properties to be redeveloped from the total projected AV as shown in Table 3.

Source: Santa Clara County, City of Mountain View, Google (the applicant).

**Appendix Table 3**  
**Distribution of Annual Property Tax Revenues From Existing Property in NBMP**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	Residential Development		Non-Residential Development		Total Development	
<b>Assessed Value of Existing Property in NBMP<sup>a</sup></b>		\$0		\$1,035,400,000		<b>\$1,035,400,000</b>
<b>Estimated Property Tax Revenues</b>	Base Rate: 1.00%	\$0	Base Rate: 1.00%	\$10,354,000	Base Rate: 1.00%	<b>\$10,354,000</b>
<b>Property Tax Revenue Allocation</b>						
<b>Local School Districts</b>						
Mountain View Whisman School District	Share: 23.76%	\$0	Share: 10.08%	\$1,044,000	Share: 10.08%	\$1,044,000
Mountain View Los Altos Union High School District	Share: 15.21%	\$0	Share: 6.45%	\$668,000	Share: 6.45%	\$668,000
<b>Subtotal– Local School Districts</b>	Share: 38.97%	\$0	Share: 16.53%	\$1,712,000	Share: 16.53%	<b>\$1,712,000</b>
<b>Santa Clara County<sup>b</sup></b>	Share: 5.12%	\$0	Share: 5.12%	\$530,000	Share: 5.12%	<b>\$530,000</b>
<b>SRPC Fund</b>	Share: 55.91%	\$0	Share: 78.35%	\$8,112,000	Share: 78.35%	<b>\$8,112,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for projected assessed values and to the nearest thousand for property tax revenues. Numbers may not add up precisely due to rounding.

a. FY 2021/22 assessed value per Santa Clara County.

b. The County would also receive additional funds from the Retirement Override Levy of 0.0388% that is generated above the 1% basic property tax. The County is estimated to receive additional revenues for its retirement fund of about #####

Source: Santa Clara County, City of Mountain View.

**Appendix Table 4**  
**Fee Revenues from Transportation Component of North Bayshore Development Impact Fee at Buildout**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

Land Uses	North Bayshore Development Impact Fee Level– Transportation Component	North Bayshore Master Plan (NBMP) Development	North Bayshore Development Impact Fee Revenues– Transportation Component
<b>Residential<sup>a</sup></b>			
Market Rate Units	N/A	5,950	N/A
Inclusionary Units	N/A	0	N/A
<u>Land Dedication Affordable Units</u>	N/A	<u>1,050</u>	N/A
Residential Total (units)		7,000	N/A
<b>Non-Residential<sup>a</sup></b>			
Office (sq.ft.)			
Existing Office	N/A	1,814,681	N/A
<u>New Office</u>	\$27.11 per SF	<u>1,303,250</u>	<u>\$35,331,000</u>
Subtotal		3,117,931	\$35,331,000
Office Parking (spaces)	N/A	5,697	N/A
Community (sq.ft.)	\$2.83 per SF	55,000	\$156,000
Retail (sq.ft.)			
Existing Retail	N/A	11,056	N/A
New Retail	\$2.83 per SF	<u>222,934</u>	<u>\$631,000</u>
Subtotal		233,990	\$631,000
Retail Parking (spaces)	N/A	582	N/A
Hotel (rooms)	\$2,415 per room	525	\$1,268,000
District Systems (sq.ft.) <sup>b</sup>	N/A	130,000	N/A
<b>Total Fee Revenues</b>	N/A	0	<b>\$37,386,000</b>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. Fees are only applicable to new non-residential space.

b. Fees are not applicable to district utility systems.

Source: City of Mountain View, North Bayshore Master Plan (NBMP), City of Mountain View Master Fee Schedule FY 2022/23.

**Appendix Table 5**  
**Shoreline Fund Annual Bond Costs for Public Improvements**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	Shoreline Community <sup>a</sup>	NBMP Share <sup>a</sup>	NBMP Costs
<b>Public Improvement Costs</b>			
Sea Level Rise Protections	\$109,500,000	23.6%	\$25,800,000
Transportation Improvements	\$315,800,000	66.0%	\$208,400,000
Library, Public Safety and Community Improvements	\$85,000,000	66.0%	\$56,100,000
Recycled Water Improvements	<u>\$51,100,000</u>	<u>66.0%</u>	<u>\$33,700,000</u>
Subtotal- Public Improvement Costs	\$561,400,000	57.7%	<b>\$324,000,000</b>
<u>Less: North Bayshore Impact Fees from NBMP<sup>b</sup></u>			<u>\$37,400,000</u>
<b>Net Improvement Costs After Fee Contribution</b>			<b>\$286,600,000</b>
Bond Issuance Costs and Reserves			\$25,800,000
<u>Bond Issuance Timing Adjustment</u>			<u>\$57,300,000</u>
<b>Projected Bond Principal for Public Improvements</b>			<b>\$369,700,000</b>
<b>Annual Costs for Bonds<sup>c</sup></b>			<b>\$31,800,000</b>
Debt Service Coverage			\$6,400,000
Debt Service Payment (Public Improvements)			\$25,400,000
<b>Bond Debt Service Assumptions<sup>d</sup></b>			
<i>Bond Debt Coverage Ratio</i>	1.25		
<i>Number of Years</i>	30		
<i>Annual Interest Rate</i>	5.5%		
<i>Issuance Costs and Reserves (as percent of net costs)</i>	9.0%		
<i>Bond Issuance Timing Adjustment (as percent of net costs)</i>	20.0%		

Note: Dollar figures rounded to the nearest hundred thousand. Numbers may not add up precisely due to rounding.

- a. Public improvement costs were provided by the City of Mountain View based on the Capital Improvement Projects and community facilities required for new development in the Shoreline Community. The NBMP share of public improvements for sea level rise is based on NBMP's proportion of developable area in the North Bayshore Precise Plan. The NBMP share for other public improvements is allocated based on its share of service population growth in the Shoreline Community. The Sea Level Rise improvements are net costs after utilization of about \$15 million from current reserve funds available in the Shoreline Fund. In addition to these public improvements, the NBMP will require improvements to the water and sewer system in North Bayshore, which will be partially funded by North Bayshore Development Impact Fees and other utility fees.
- b. Fee revenues from the transportation component of North Bayshore Development Impact Fees that will be generated by NBMP are deducted as these funds will help offset the cost of transportation improvements.
- c. The annual pledged revenue obligation for bonds is the amount of revenues that must be reserved to meet debt obligations, which includes the required debt service coverage.
- d. The bond debt service assumptions are based on the City's recent experience with bonding for the Shoreline and citywide projects, which assume annual payments of principal. The bond issuance timing adjustment takes into account the lag between future tax increment revenues that would be used to repay debt service and the need to construct public improvements in advance of new development.

Source: City of Mountain View.

**Appendix Table 6**  
**Annual Property Tax In-Lieu of Vehicle License Fee Revenue**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Base Property Tax In-Lieu of Vehicle License Fee (VLF) Revenue</b>	
FY 2004/05 City of Mountain View Total Assessed Value	\$11,288,218,521
FY 2004/05 Base Property Tax In-Lieu of VLF Revenue	\$4,107,339
<b>Annual Property Tax In-Lieu of VLF Revenue Per \$1,000 in Citywide AV</b>	<b>\$0.3639</b>
<b>Growth in Property Tax In-Lieu VLF Revenue</b>	
Projected Increase in AV at Build Out Under North Bayshore Master Plan <sup>a</sup>	\$7,654,200,000
<b>Growth in Potential Annual Property Tax In-Lieu VLF Revenue to City<sup>b</sup></b>	<b>\$2,785,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for projected assessed values and to the nearest thousand for Property Tax In-Lieu VLF revenues.

- a. See Table 4.
- b. Calculated by multiplying annual in-lieu of VLF revenue per \$1,000 in citywide AV by projected increase in AV at build out under North Bayshore Master Plan.

Source: Santa Clara County, City of Mountain View, BAE.



**Appendix Table 7**  
**Annual Transient Occupancy Tax (TOT) Revenues**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Hotel Revenue Assumptions</b>	
Number of Rooms (Keys)	525
Average Daily Rate	\$200
Occupancy Rate	70%
<b>Annual Taxable Room Revenue</b>	<b>\$26,800,000</b>
<b>Annual Transient Occupancy Tax (TOT) Revenues</b>	
TOT Rate	10%
<b>Annual TOT Revenue</b>	<b>\$2,680,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for taxable room revenue and to the nearest thousand for TOT revenues.

Source: City of Mountain View, Strategic Economics.

**Appendix Table 8**  
**Summary of Projected Increase in Annual Sales and Use Tax Revenues**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Growth in Sales Tax Revenues by Sales Generation Type<sup>a</sup></b>	
New Resident Expenditures	\$1,769,000
<u>New Retail Space<sup>b</sup></u>	<u>\$158,000</u>
<b>Total Growth in Sales Tax Revenues</b>	<b>\$1,927,000</b>

Note: Numbers may not add up precisely due to rounding.

a. See supporting calculations in following appendix tables.

b. This analysis assumes sales from new retail space is captured by resident expenditures.

Source: State of California, City of Mountain View, The HdL Companies, BAE.

**Appendix Table 8a**  
**Annual Sales and Use Tax Revenues from New Residents**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

Industry Groups	FY 2021/22 Taxable Sales Per Resident <sup>a</sup>		Sales Leakage <sup>b</sup>	Estimated Percentage of Countywide Taxable Sales in City <sup>c</sup>	Estimated Taxable Sales Per Resident in City <sup>d</sup>
	City of Mountain View	Santa Clara County			
<b>Residential Population</b>	<b>83,864</b>	<b>1,894,783</b>			
<b>Retail Point of Sale<sup>e</sup></b>					
Autos and Transportation	\$2,622	\$3,758	30%	70%	\$2,622
Building and Construction	\$672	\$2,055	67%	33%	\$672
Food and Drugs	\$1,225	\$1,005	-22%	85%	\$854
Fuel and Service Stations	\$2,098	\$1,547	-36%	85%	\$1,315
General Consumer Goods	\$4,202	\$4,068	-3%	85%	\$3,458
<u>Restaurants and Hotels</u>	<u>\$6,018</u>	<u>\$2,998</u>	<u>-101%</u>	<u>85%</u>	<u>\$2,549</u>
<b>Subtotal</b>	<b>\$16,836</b>	<b>\$15,431</b>		<b>68%</b>	<b>\$11,470</b>
<b>Allocations from County Pool</b>	<b>\$5,138</b>	<b>N/A</b>	<b>N/A</b>	<b>50%</b>	<b>\$2,569</b>
<b>Total</b>	<b>\$21,975</b>	<b>\$15,431</b>			<b>\$14,039</b>
<b>Sales Tax Revenues from Household Expenditures</b>					
<b>Growth in Resident Population</b>					<b>12,600</b>
Growth in Annual Taxable Sales (Rounded)					\$176,900,000
<b>Increase in Annual Sales Tax Revenues</b> (Sales Tax Rate: 1.00% )					<b>\$1,769,000</b>

Note: Dollar figures rounded to the nearest hundred thousand for taxable sales and to the nearest thousand for sales tax revenues. Numbers may not add up precisely due to rounding.

- a. FY 2021/22 taxable sales divided by residential population.
- b. Per resident taxable sales in the City of Mountain View is assumed to be equal to per resident taxable sales in Santa Clara County. If Mountain View residents spend fewer dollars per capita than in Santa Clara County, this analysis assumes the difference leaks out to retail in the county. A zero percent leakage indicates that residents can get all shopping needs met in Mountain View. Negative figures indicate that Mountain View receives a net injection, i.e. more sales than are likely attributable to just Mountain View residents.
- c. The percentage of resident spending within an industry group that will occur in Mountain View. While zero percent or negative leakage indicates residents could meet their shopping needs within the City, shoppers are still likely to seek goods and services outside Mountain View. To be conservative, the maximum capture has been estimated at 85%. Allocations from the County pool are anticipated to grow as residential population grows in North Bayshore, Mountain View and other cities in Santa Clara County and are currently allocated based on growth in point of sale tax revenues, estimated to increase at 50% of the current County pool allocation per resident.
- d. "Estimated Annual Sales Per Resident in City" equals "Taxable Sales per Capita in Santa Clara County" times "Estimated % of Resident Sales in City." This analysis assumes that Mountain View will capture most of new residents' retail spending in industry groups with low/no leakage and will capture little spending in high leakage categories, based on current spending patterns, and assumes that the mix of retail offerings in Mountain View remains relatively consistent.
- e. Excludes taxable sales in the industry group classified as "Transfers & Unidentified."

Source: State of California, City of Mountain View, The HdL Companies, BAE.

**Appendix Table 8b**  
**Annual Sales Tax Generated from Onsite Retail**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Onsite Retail Sales Tax Assumptions</b>	
Total Retail	233,990 sq.ft.
Vacancy Rate	10%
Estimated Taxable Sales	\$300 /sq.ft.
Adjustment for Sales Capture from Residents at Onsite Retail <sup>a</sup>	75%
<b>Potential Increase in Sales Tax From Onsite Retail</b>	
Increase in Estimated Annual Taxable Sales	\$63,180,000
City Sales Tax Rate	1.00%
Increase in Annual Sales Tax Revenues	\$632,000
<u>Less: Retail Sales from Residents Captured at Onsite Retail<sup>a</sup></u>	<u>\$474,000</u>
<b>Sales Tax Revenue from Onsite Retail</b>	<b>\$158,000</b>

Note: Dollar figures rounded to the nearest thousand for taxable sales and to the nearest thousand for sales tax revenues. Numbers may not add up precisely due to rounding.

- a. The percentage of sales that are assumed to be generated by Mountain View residents at onsite retail, with the remaining sales assumed to be generated from workers and visitors to North Bayshore.

Source: City of Mountain View, HdL, North Bayshore Master Plan.

**Appendix Table 9**  
**Annual Business License Tax Revenues**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

Non-Residential Development	Base Business License Tax Per Business			Employee			Estimated Business License Taxes (Rounded)
	Estimated Growth in Number of Businesses	Assumptions <sup>a</sup>	Estimated Business License Taxes	Estimated Growth in Employee Population	Assumptions <sup>a</sup>	Estimated Business License Taxes	
New Office	0	N/A	\$0	4,848	\$150 /employee	\$727,200	\$727,000
Retail (Net New)	100	\$75 /business	\$7,500	553	\$5 /employee	\$2,765	\$10,000
Hotel	2	\$445 /business	\$890	210	\$75 /employee	\$15,750	\$17,000
<b>Total</b>	<b>102</b>		<b>\$8,390</b>	<b>5,613</b>		<b>\$745,715</b>	<b>\$754,000</b>
Less: Business License Tax Revenues Dedicated to Affordable Housing and Transportation Project 90%							\$679,000
<b>Remaining Business License Tax Revenues Available for General Fund Operations<sup>c</sup></b>							<b>\$75,000</b>

Note: Dollar figures rounded to the nearest thousand for Business License Taxes revenues. Numbers may not add up precisely due to rounding.

a. City of Mountain View's Business License Tax is calculated based on the following tax rate:

Number of Employees	Tax Rate
1	\$75
2-25	\$75 + \$5/employee for each employee over 1
26-50	\$195 + \$10/employee for each employee over 25
51-500	\$445 + \$75/employee for each employee over 50 employees
510-1,000	\$34,195 + \$100/employee for each employee over 500 employees
1,001-5,000	\$84,195 + \$125/employee for each employee over 1,000
5,001 up	\$584,195 + \$150/employee for each employee over 5,000

b. See Table 2.

c. This represents 10% of Business License Taxes that are generated for the General Fund. The remaining 90% of business license taxes is dedicated to transportation and affordable housing projects, estimated at: \$679,000

Source: City of Mountain View, North Bayshore Master Plan.

**Appendix Table 10**  
**Other Annual Revenues to General Fund**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Utility Users Tax</b>	
Citywide Revenues <sup>a</sup>	\$8,582,000
City Total Service Population <sup>b</sup>	116,993
Revenue per Person Served	\$73.35
Estimated Growth in Service Population <sup>c</sup>	14,471
<b>Projected Utility Users Tax Revenues</b>	<b>\$1,062,000</b>
<b>Other General Fund Revenues<sup>d</sup></b>	
Citywide Revenues <sup>a</sup>	\$6,472,150
City Total Service Population <sup>b</sup>	116,993
Revenue per Person Served	\$55.32
Estimated Growth in Service Population <sup>c</sup>	14,471
<b>Projected Other General Fund Revenues</b>	<b>\$801,000</b>
<b>Total Revenues</b>	<b>\$1,863,000</b>

Note: Calculations rounded to the nearest thousand.

a. Citywide revenue per FY 2022/23 Adopted Budget.

b. See Table 2 and Appendix Table 1.

c. See Table 2.

d. Other General Fund Revenues include Licenses, Permits & Franchise Fees/Fines and Forfeitures, excluding Intergovernmental, Charges for Services, Miscellaneous Revenues, and Interfund Revenues & Transfers.  
 Business license taxes are included in a different category in the Adopted Budget.

Source: City of Mountain View, North Bayshore Master Plan.

**Appendix Table 11**  
**Annual Citywide General Fund Service Costs (Non-Reimbursed) and Methodology to Allocate Fiscal Costs**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<b>Departments</b>	<b>General Fund (GF) Cost FY 2022/23<sup>a</sup></b>	<b>Incremental Cost Factor<sup>b</sup></b>	<b>GF Departmental Variable Expenditures</b>	<b>Fiscal Cost Basis<sup>c</sup></b>	<b>Fiscal Cost Per Person Served<sup>c</sup></b>
General Government					
City Council	\$445,354	10%	\$44,535	Per Person Served	\$0.38
City Clerk	\$1,033,983	10%	\$103,398	Per Person Served	\$0.88
City Attorney	\$2,770,731	10%	\$277,073	Per Person Served	\$2.37
City Manager	\$4,993,864	10%	\$499,386	Per Person Served	\$4.27
Human Resources	\$3,087,207	10%	\$308,721	Per Person Served	\$2.64
Information Technology	\$7,421,144	10%	\$742,114	Per Person Served	\$6.34
Finance and Admin. Services	\$7,878,336	10%	\$787,834	Per Person Served	\$6.73
Community Development	\$2,097,037	10%	\$209,704	Per Person Served	\$1.79
Public Works	\$13,085,389	10%	\$1,308,539	Per Person Served	\$11.18
Community Services	\$20,107,686	25%	\$5,026,922	Per Person Served	\$42.97
Library Services	\$7,496,794	10%	\$749,679	Per Person Served	\$6.41
Fire	\$30,044,576	10%	\$3,004,458	Per Person Served	\$25.68
Police	\$47,682,903	10%	\$4,768,290	Per Person Served	\$40.76
Non-Departmental					
Five Year Budget Average for Compensated Absence	\$2,500,000	50%	\$1,250,000	Per Person Served	\$10.68
Transfer to Equipment Replacement Fund	\$2,381,680	50%	\$1,190,840	Per Person Served	\$10.18
Transfer to Liability Funds	\$2,664,300	50%	\$1,332,150	Per Person Served	\$11.39
<b>Total</b>	<b>\$155,690,984</b>	<b>14%</b>	<b>\$21,603,643</b>		<b>\$184.66</b>

a. Per City of Mountain View FY 2022/23 Adopted Budget without consideration of potential budget savings.

b. Incremental cost factor is the portion of a department's expenditures for citywide services projected to increase based on future new development, which is estimated based on a review of City budget information. The 10% fiscal cost factor represents citywide general operating costs that are not currently reimbursed from the Shoreline Fund. To account for the current lack of reimbursement for recreational and other community service costs for residents in the Shoreline Community, the fiscal cost factor was increased to 25%. To account for the current lack of reimbursement for non-departmental costs for residents and employees in the Shoreline Community, the fiscal cost factor was increased to 50%.

c. Persons served assumes full City population and 1/3 employee population.

Source: City of Mountain View, BAE, Strategic Economics.

**Appendix Table 12**  
**Annual Citywide General Fund Costs (Non-Reimbursed)**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

<i>Estimated Growth in Service Population<sup>a</sup></i>			<i>14,471</i>
<b>Estimated Fiscal Cost</b>			
<b>Departments</b>	<b>Fiscal Cost Factor</b>	<b>Per Person Served<sup>b</sup></b>	<b>Total Fiscal Cost (Rounded)</b>
<b>General Government</b>	<b>10%</b>	<b>\$23.62</b>	<b>\$342,000</b>
City Council	10%	\$0.38	\$6,000
City Clerk	10%	\$0.88	\$13,000
City Attorney	10%	\$2.37	\$34,000
City Manager	10%	\$4.27	\$62,000
Human Resources	10%	\$2.64	\$38,000
Information Technology	10%	\$6.34	\$92,000
Finance and Admin. Services	10%	\$6.73	\$97,000
<b>Community Development</b>	<b>10%</b>	<b>\$1.79</b>	<b>\$26,000</b>
<b>Public Works</b>	<b>10%</b>	<b>\$11.18</b>	<b>\$162,000</b>
<b>Community Services</b>	<b>25%</b>	<b>\$42.97</b>	<b>\$622,000</b>
<b>Library Services</b>	<b>10%</b>	<b>\$6.41</b>	<b>\$93,000</b>
<b>Fire</b>	<b>10%</b>	<b>\$25.68</b>	<b>\$372,000</b>
<b>Police</b>	<b>10%</b>	<b>\$40.76</b>	<b>\$590,000</b>
<b>Non-Departmental</b>	<b>50%</b>	<b>\$32.25</b>	<b>\$467,000</b>
Average Five Year Funding for Compensated Absence	50%	\$10.68	\$155,000
Transfer to Equipment Replacement Fund	50%	\$10.18	\$147,000
Transfer to Liability Funds	50%	\$11.39	\$165,000
<b>Total</b>		<b>\$184.66</b>	<b>\$2,674,000</b>

Note: Total General Fund Costs are rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

a. See Table 2.

b. See Appendix tables for supporting calculations and assumptions for each major cost.

Source: City of Mountain View.



**Appendix Table 13**  
**Summary of Net Annual Fiscal Impact to Shoreline Fund and General Fund**  
**In Constant 2022 Dollars**  
**Mountain View North Bayshore Master Plan**

	Fiscal Impact	
	Shoreline Fund	General Fund
Annual Fiscal Revenues <sup>a</sup>	\$76,542,000	\$17,442,000
Less: Annual Fiscal Costs <sup>b</sup>	<u>\$70,286,000</u>	<u>\$10,786,000</u>
<b>Net Fiscal Impact</b>	<b>\$6,256,000</b>	<b>\$6,656,000</b>
<i>Net Fiscal Impact as Percent of Total Revenue</i>	<i>8%</i>	<i>38%</i>

Note: Dollar figures rounded to the nearest thousand. Numbers may not add up precisely due to rounding.

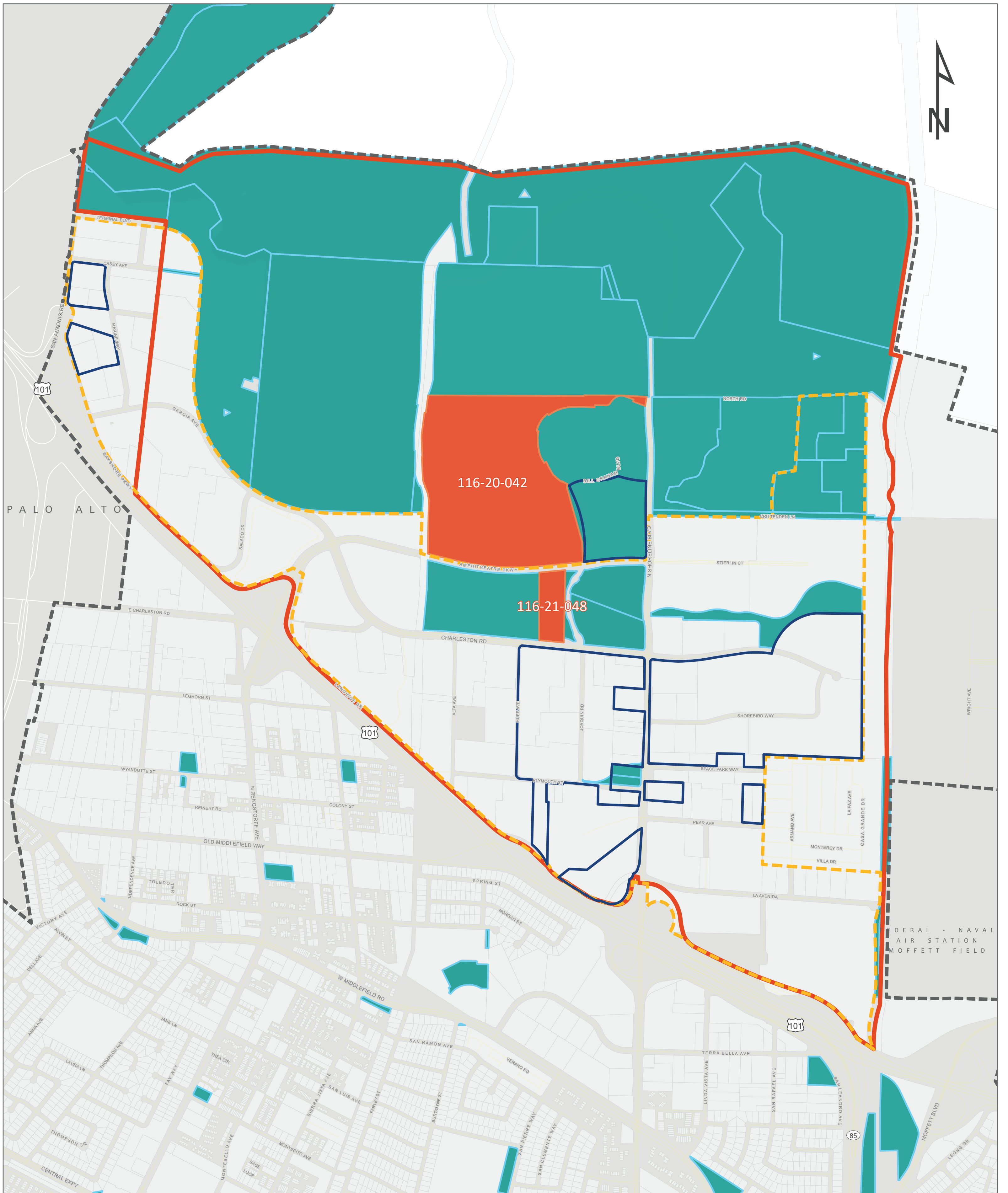
a. See Tables 3 and 7.

b. See Tables 6 and 9.

Source: City of Mountain View, North Bayshore Master Plan.

**Appendix 2 – Map of NBMP, North Bayshore Precise Plan and Shoreline Community**

The following map shows the overlapping geographic boundaries of the NBMP, North Bayshore Precise Plan and Shoreline Community.



# North Bayshore

- Shoreline Regional Park Community
- Google NBS Master Plan
- NBPP Boundary
- Shoreline Regional Park Owned Property
- City Owned Property
- City Boundary

0 500 1,000 2,000 Feet



### **Appendix 3 – Excerpt from Fiscal Impact Analysis of the Housing Element Update**

This appendix contains an excerpt from the Fiscal Impact Analysis of the City of Mountain View Housing Element Update that summarizes potential impacts on City Departments during the Housing Element period from January 31, 2023 to January 31, 2031. The analysis contained in the excerpted Appendix 3 from this report was used as a resource for the NBMP FIA to understand the potential impacts and related expenses that would occur as the result of new development in NBMP, which is anticipated to produce a portion of new housing development during this Housing Element period.

## APPENDIX C: SUMMARY OF IMPACTS ON CITY DEPARTMENTS

This appendix includes a summary of the impacts that the Housing Element Update is anticipated to have on various City of Mountain View Departments, based on interviews with Department staff that were conducted as part of this Fiscal Impact Analysis.

### ***Police Department***

Mountain View's Police Department is considered a "full-service police department," meaning that the Department typically sends an officer to respond to any call in Mountain View with a request for an officer, provided that the call has a connection to a police-related service. In addition to typical police department activities, Mountain View's Police Department provides staffing for special events at the Shoreline Amphitheater, which can require ten to 60 officers, depending on the event. The Department also provides officers in schools in Mountain View. While there is a desire to have the Police Department reduce its role in responding to mental health crises, the Department continues to have a role in responding to mental health crises due to a lack of other entities to address this gap in service delivery. The Police Chief reports that staffing and equipment are currently adequate to meet the need for Police Department services in Mountain View, though staffing has fallen below ideal levels.

Department staff report that residents tend to create more of a demand for Police Department services than do workers. Workers impact the police department primarily during commute hours. Residents are the main drivers of the need for Police Department resources at events downtown, to respond to domestic violence calls, and for other calls for service. The Department also uses resources to build trust with the community, with a focus on residents.

Police Department staff anticipated that population growth associated with the Housing Element will impact the Department in various ways. Continuing the Department's status as a full-service police department will be service-intensive as the population grows. In addition, population growth is likely to result in opening of additional schools, which means a need for additional officers in the schools. An increase in population density is anticipated to make traffic enforcement and safety functions more difficult due to the additional time that it will take for officers to move between locations in a more congested environment. As development in the City becomes more dense, the Department also expects to receive more calls for service per resident in part because people living in more dense environments hear their neighbors more. More dense development can also lead to more interpersonal conflicts that can lead to calls for service.

The level of growth anticipated in the North Bayshore area would potentially create a need for a new beat, meaning one sergeant and ten officer positions to create coverage for a new beat

24 hours per day, seven days per week. To support a new beat also requires dispatchers, police radios, police cars, and other staffing and equipment. The City has been looking into leasing land in the North Bayshore Area for a Police Operations Station to be able to respond to future growth there.

There may be opportunities to use technology to make the Department more efficient, but technology has not yet been shown to significantly improve efficiency, and adoption of new technologies (e.g., online reporting systems) typically requires staff to manage. In addition, there are costs for new technology and software, often with annual licensing agreements or have other ongoing costs. The Police Chief has been studying the use of drones to help in acting as first responders, based on the use of drones for this purpose in other communities. This approach could be useful as Mountain View becomes more densely populated and it becomes more difficult for officers to get to the scene of an incident. In these cases, the City could potentially dispatch a drone as a first responder while the officers are en route. While use of new technology can help the Department adapt to changes in the policing environment, it does not necessarily result in cost savings.

While many of the functions that the Police Department serves would likely be affected by growth in Mountain View's population, there are some functions that are less likely to be impacted. For example, Police Department staffing for events at the Shoreline Amphitheater is not related to demand from people that live in Mountain View and therefore would not be likely to increase as a result of the population increase associated with the Housing Element Update.

### ***Fire Department***

The Fire Department consists of three divisions: Administration, Suppression and EMS, and Fire and Environmental Protection. Suppression and EMS responds to 911 calls for service, including structural fires, rescues, and EMS service for medical emergencies. Suppression also includes Training and the Office of Emergency Services, which prepares the City for catastrophic emergencies. Training handles training for new firefighters as well as ongoing annual recertifications and contemporary training updates for existing personnel. Functions of the Fire and Environmental Protection division include enforcement of the Fire Code, hazardous material inspections, wastewater discharge, and the City's rental housing inspections. Mountain View's Fire Department provides mutual aid to the Cities of Palo Alto, Los Altos, and Sunnyvale.

The Fire Chief reports that the Department currently has staffing shortages in multiple areas. The Department has not increased staffing since the 1990's, when the City opened a fire station in the North Bayshore area. Since then, the City's population has continued to increase, as have calls for service, while the Department's civilian and sworn staff have decreased. The Mountain View City Council has adopted a standard response time of four minutes for the Department, which the Department is not currently meeting. The Department

meets this standard 40 percent of the time. This is due largely to a shortage of unit availability and increased traffic.

The Fire Department uses ambulance services that are provided through the County, which currently has a shortage of ambulance services. Ambulances often arrive without a paramedic, and in those situations the Fire Department sends its personnel on the ambulance, which takes firefighters away from the engines. The Fire Chief has advocated for the Department to provide ambulance services instead of relying on County services.

Many of the Department's facilities are outdated or in need of repair or other improvements. While the number of stations in town is generally adequate, many of the Department's facilities are aging. Fire Station 3 was built in 1962 and is outdated. There is a need to modernize the training tower as well as the training facilities, which have limited classrooms and too few bathrooms and showers. Most of the stations are in need of full or partial fencing to improve security.

Fire Department staff anticipate an increase in demand for the Department's services as the population in Mountain View expands. As the population grows, there will be an increase in calls for service, which will lead to a need for additional Fire Department personnel and equipment to respond to calls. In addition, the increase in population is anticipated to increase needs for ambulance services to respond to an increase in calls for service. If the City continues to use County ambulance services, this could lead to more instances in which firefighters must accompany ambulances rather than remaining with their engines because of a shortage of paramedics from the County's private ambulance contractor.

In addition to increases in calls for service, construction of the housing anticipated in the Housing Element Update will lead to an increase in the number of buildings that need to be inspected as part of the City's rental housing inspection program, which requires regular inspections of multifamily rental properties. In addition, it will lead to an increase in the number of buildings with elevators, all of which store hydraulic fluid, and are therefore considered hazmat facilities that requires fire prevention inspections under the Fire Code.

Fire Department staff also report that newer multifamily buildings can require significant Fire Department resources. New multifamily buildings have fire sprinklers, which help to keep the building from burning to the ground in the event of a fire and improve safety for building occupants. However, fires in sprinklered buildings can tie up Fire Department resources for a longer time than fires in non-sprinklered buildings because of the water from the sprinklers and need for removal and property salvage. Large new buildings can also be susceptible to false alarms which tie up Fire Department resources.

Fire Department staff report a range of staffing, facility, and equipment needs to respond to the increase in population that is anticipated in the Housing Element Update, as well as to meet existing needs. These include:

- **Facilities:** office space for additional inspectors and administrative personnel, additional sleeping quarters and office space for additional personnel at Station 4, reconstruction of Station 3 with additional sleeping and living accommodations and apparatus bay space, secured fencing for all fire department facilities, and modernization of the drill tower and training grounds.
- **Personnel:** 26 additional suppression personnel (including 12 to staff two ambulance units, assuming that the City provides ambulance services in the future), four additional fire prevention personnel, and four additional administrative personnel.
- **Apparatus/Vehicles:** one tillered ladder truck, three ambulances, and seven staff vehicles.

Some of these staffing, facility, and equipment needs are closely tied to responding to an increase in demand from population and housing unit growth. These include additional personnel to respond to an increase in calls for service and conduct safety inspections on new buildings as well as the associated equipment, facilities, and administrative staff necessary to support additional personnel. Other items on the Department's list of staffing, facility, and equipment needs respond to existing needs within the Department and therefore are not entirely attributable to future growth. These include modernizing outdated facilities, security fencing for existing facilities, and personnel and equipment related to providing ambulance services. However, the projected increase in population associated with the Housing Element may increase the need to address existing deficiencies in staffing, equipment, and facilities.

### ***Community Services Department***

The Community Services Department (CSD) consists of five Divisions: Parks, Recreation, Forestry, Performing Arts, and the Shoreline Regional Park. Staff in the Department report that current staffing and equipment are generally adequate to serve the existing population, though the Department's capacity to serve an expanded population is limited. CSD has a standard of three acres of parkland per 1,000 residents and is currently meeting that standard. The City is currently going through a process to create a new parks strategic plan.

CSD staff report that the majority of people that use CSD services are Mountain View residents, rather than people that work in Mountain View and live elsewhere or people that do not live or work in Mountain View. While some programs are used by people that do not live in Mountain View, the City's parks are mostly used by Mountain View residents. One exception is Shoreline Regional Park, which has a regional draw.

As the population in Mountain View increases, CSD staff anticipate that there will be a need to increase staffing and other expenditures in order to maintain current levels of service. Within



the Recreation division, population growth is anticipated to lead to a need for more programs and expanding access to existing programs, which requires additional costs and increases in staffing. Growth could also lead to a need for new CSD facilities, such as a new community center and potentially a new community pool, to address an increase in demand.

Within the Parks division, CSD staff report that the growth from the Housing Element Update could impact the City's ability to maintain the current standard of three acres of parkland per 1,000 residents. To the extent that parklands are increased to maintain this standards, new parks would lead to additional park operating and maintenance costs. In addition, population growth is anticipated to increase usage of existing parks, which could increase costs for park maintenance and operations. Because the units that are planned for in the Housing Element Update consist primarily of multifamily housing with little or no private open space, CSD staff anticipate that residents living in new housing in Mountain View will use parks at a higher rate than the existing population.

The Forestry, Performing Arts, and Shoreline divisions would also likely be impacted by the growth associated with the Housing Element, though potentially to a lesser degree than the Recreation and Parks divisions. The Forestry division is anticipated to be impacted to the extent that the Housing Element Update leads to an increase in street trees, trees in medians, and trees in new open space areas that require City maintenance. Both the Performing Arts and Shoreline divisions provide services that tend to have a regional draw, and therefore a portion of the operating costs for these divisions is not related to the number of residents in Mountain View. However, the Performing Arts division may make adjustments in programming to serve a changing population and the Shoreline division would be anticipated to have more visitors as the population increases.

### ***Library Department***

Mountain View's Library Department operates one public library and bookmobile. The library provides physical and digital materials and serves as a place to study and work. The library has 12 study rooms that can be booked for meetings, interviews, study groups, or similar purposes. It also functions as a cooling center. The existing library building is about 60,000 square feet, which Department staff report is comparable to other cities with similar population sizes. The library is open seven days per week, with more limited hours on Sundays. On a typical day, the library gets approximately 900 visitors, and the study rooms are consistently booked. The bookmobile operates two to four days per week. The Department also puts on story times for kids, with virtual and in person options, which are typically attended by 200 to 300 people. The Library provides information and reference services and supports citywide initiatives.

The Department primarily serves Mountain View residents, though residents from neighboring cities also use Mountain View's library, and vice versa. Digital resources can be used by almost anyone in California.

Library Department staff report that the Department generally has enough staff and equipment to meet needs, but little to no existing capacity to serve an increase in the population. Department staff estimate that the City will need a new branch library to serve the increase in population, which could potentially be located in the North Bayshore area. Department staff report that there may also be a need for an additional library branch in the East Whisman area. Department staff anticipate that existing Library services would be busier if the housing that is identified in the Housing Element is built. As a result, the Department would need to add staff in the existing branch and may need to expand hours to meet the increase in demand. Existing space would need to be reconfigured to accommodate demand for study tables and study rooms. Expanding services as the population grows would also require expanding digital and physical resources. Population growth would also lead to a need to expand operations for the bookmobile. The Library uniquely serves lower income residents of Mountain View with consistently free services. With an increase in lower income population, more services would be needed such as the expansion of literacy services, materials, programs and other resources.

In addition to serving Mountain View residents, Library Department services are also used by residents of other communities and there is likely to be growing demand for many of these services from residents of other communities as the regional population continues to grow. The need for expanded services based on growth in other communities would be separate from and in addition to the need for expanded services based on Mountain View's Housing Element Update.

### ***Public Works Department***

The Public Works Department is comprised of three divisions: Engineering, Transportation and Business Services, and Public Service. Responsibilities in the Engineering division include planning, coordinating, managing, and inspecting capital improvement projects; delivering infrastructure improvements including parks, buildings, and civil infrastructure; implementing and maintaining roadway improvements such as pavement and traffic signals; and collaborating with the Community Development Department on planning and building. Responsibilities in the Transportation and Business Services division include providing administrative support to the Department; handling budgeting, contracts, customer service and grants; working on active transportation (e.g., bicycle and pedestrian) projects; administering waste diversion programs, solid waste collection, and solid waste processing and disposal franchise agreements; purchasing and maintaining City vehicles; maintaining City facilities; supporting property acquisitions (e.g., purchasing land for parks); and managing City leases. Responsibilities in the Public Service division include field operations; sidewalk, curb, gutter, and bike lane maintenance; City signs; monitoring of the closed landfill that is now a park; planning for wet utilities; maintaining and operating the City's water and wastewater system; and safety and training

Department staff report that there is an existing need for staff and equipment in the Public Works Department. Recent bicycle and pedestrian improvements have increased the amount of maintenance needed to maintain these improvements, and meanwhile staffing for this work has decreased from previous levels. There is also need for various types of equipment, including but not limited to street sweepers, loaders, excavators, and wet vacuum trucks. There is a need for additional staffing to address various items that are in need of repair or replacement in City facilities and there is a need for additional staffing to help with contract processing. The Mountain View City Council has set a goal of getting the City's Pavement Condition Index (PCI) to 75. It is currently at 71 and Department staff anticipate that it will not increase without increases in funding. In addition, some of the traffic signals in the City have outlived their expected life and are in need of replacement.

Department staff anticipate that additional staffing and equipment would be needed if the housing that is planned for in the Housing Element Update is constructed. Additional staffing would be needed to implement improvements to serve new development and to undertake ongoing maintenance. The cost of new improvements would be partly covered by developer fees, but developer fees do not cover ongoing maintenance. The growth in population can be anticipated to lead to existing inquires, requests for improvements, and complaints about infrastructure maintenance. Department staff expect that additional staffing would be needed to maintain response levels as the population increases.

In addition, Department staff anticipate that increasing the number of residents in Mountain View will increase wear on the City's roadway network due to an increase in resident drivers on the road as well as an increase in deliveries to new residents. Department staff also anticipate that an increase in population will result in increased congestion (traffic or otherwise) which will lead to additional requests from residents for bicycle and pedestrian infrastructure improvements that would lead to capital costs for construction as well as ongoing costs for maintenance.

Other functions within the Department that would likely be affected by growth include the Land Development section, which will need staff to review construction documents for new projects. The Department would also need to conduct outreach to more residents regarding Public Works issues such as solid waste programs. In addition, to the extent that the Police and Fire Department hire more personnel to respond to growth, these additional personnel will require additional vehicles, which Public Works will need to purchase and maintain. To the extent that the Department needs to hire additional staff due to the increase in population associated with the Housing Element, additional office space and vehicles will be needed for these workers, and Public Works staff will be needed to maintain any new vehicles or office facilities.

Some functions within the Public Works Department are less likely to be affected by growth. For example, traffic signals are not typically affected by population growth; however, there could be an additional cost associated with traffic signals (capital costs and maintenance) if

new signals are added. The cost of water and sewer pipe maintenance is not likely to be affected by growth because the City will continue to maintain the same length of pipes, which takes a fixed number of staff. In some areas, existing pipes may need to be replaced with larger pipes, which might help with the cost of maintenance. The City's water supply is generally adequate to serve the population increase associated with the Housing Element. Because Mountain View is mostly built out, new development will generally be able to use existing infrastructure (e.g., utilities, roadways, and sidewalks), though some elements of the network will experience additional wear and tear.