



ATTACHMENT G

FISCAL AND ECONOMIC IMPACT ANALYSIS



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FISCAL IMPACT STUDY

SANTA FE FLORES

GENERAL PLAN AMENDMENT

GPA25-0001

SAN MARCOS, CALIFORNIA

MARCH 17, 2026

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CITY OF SAN MARCOS



FISCAL IMPACT STUDY SANTA FE FLORES General Plan Amendment (GPA25-0001)

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APPENDIX A

FISCAL IMPACT STUDY

I EXECUTIVE SUMMARY

A Purpose of the Report

The objective of this Fiscal Impact Study (the "Study") is to analyze the fiscal impacts to the City of San Marcos (the "City") from the zoning and land use change proposed for the development on the 2.6 acre property (the "Project").

The project site is located on the northwest corner of South Santa Fe Ave. and North Los Flores Drive and is north of the 78 freeway. The property is comprised of Assessor's Parcel Numbers (APNs) 217-161-17-00, 217-161-19-000 and 217,161-19-00. The project consists of a Multi-Family Site Development Plan modification to GPA 21-0008 and Tentative Subdivision Map for construction of 46 residential townhomes on 2.6 acres. The project includes a General Plan Amendment and Rezone from Commercial (C) to Multi-Family Residential (R-3-6) to add a 0.37-acre portion of the 2966 S. Santa Fe Avenue property. The existing R-3-10 zoned properties at 2972 & 2982 S. Santa Fe Ave will also be rezoned to R-3-6, to be consistent with the other portion of the project site. The Subject site has grown from 2.50 acres previously slated for Commercial and Multi-family Residential R-3-10 apartments (the "Original" project) to total 2.60 acres, planned for a 46-unit for-sale residential townhome community (The "Proposed" project).

Based on the market analysis prepared by Zonda Advisory (the "Zonda Analysis"), the ("Approved Plan") has been assumed to be a 50 Unit Apartment Development (APN's: 217-161-18-00 & 217-161-19-00) plus a 2,821 Commercial Retail Strip Center, (APN: 217-161-17-00). The ("Proposed Plan") is a 46 Unit townhome Development (APN's: 217-161-1800; 217-161-19-00; and a 0.37-acre portion of 217-161-17-00). All of the planned units are 3 bedrooms. The building footprint is approximately 0.89 acres with 0.82 acres dedicated to parking. In aggregate, the seven buildings will comprise approximately 73,952 square feet. There will be a total of 107 parking spaces, 92 of which will be covered garages. In addition, 14,795 square feet of landscape and common open space will be provided throughout the development.

Consequently, the Study estimates the fiscal impacts of the Approved Plan and Proposed Plan (collectively, the "Scenarios") and provides a side-by-side comparison of both Scenarios.

B Types of Fiscal Impacts Evaluated in this Study

The fiscal impacts identified in this Study include recurring municipal revenues and costs to the City General Fund that result from the Project. The recurring revenues to the City identified in this Study are generated from a variety of sources, including property taxes, sales taxes, licenses and permits, franchise fees, fines, and other revenues. Although these revenues vary from year to year, they occur on a regular basis and are part of the City's budgeting plans on a yearly basis. The recurring General Fund expenditures for the City are equally important in this analysis. These recurring costs are associated with a variety of

other services including public safety, public works maintenance, and general government administrative services. Like the General Fund revenues, these are costs that the City must anticipate and plan for on a yearly basis.

Revenues that are considered non-recurring to the City such as various permitting fees are excluded from this Study. The reason for excluding them is because new development is generally required to pay specific fees such as grading and building prior to the construction of a project. As these are considered one-time revenues, there is no expectation that new development will need to pay these fees a second time. In addition, expenditures resulting from the Project that are considered to be non-recurring are also excluded from the Study.

C Fiscal Impact on City General Fund (Approved Plan vs. Proposed Plan)

The following table displays the annual net fiscal impact to the City under the Approved Plan and the Proposed Plan.

Table ES-1: Annual Net Fiscal Impact (City General Fund)

Fiscal Impact	Approved Plan	Proposed Plan
Total Recurring General Fund Revenues	\$94,671	\$115,754
Total Recurring General Fund Expenditures	(\$85,199)	(\$77,751)
Net Fiscal Impact	\$9,472	\$38,003
Revenue to Expense Ratio	1.11	1.49

As indicated in Table ES-1 above, under the Approved Plan the overall fiscal impact to the City General Fund resulting from revenues generated by development and the recurring costs associated with the Project, is an annual recurring fiscal surplus of \$9,472. This total is based on \$94,671 in recurring annual revenue and \$85,199 in recurring annual costs. In this analysis, the total annual revenue-to-cost ratio is projected to equal 1.11, which represents a positive impact to the City.

Under the Proposed Plan, the overall fiscal impact to the City General Fund, resulting from revenues generated by the Project and the recurring costs associated with this area is a recurring fiscal surplus of \$38,003. This amount is based on \$115,754 in recurring annual revenues and \$77,751 in recurring current annual costs (expenditures). In this analysis, the total annual revenue-to-cost ratio is projected to equal 1.49, which represents a positive impact to the City.

D Market Considerations

The primary advantage of the proposed rezone over the original is that the site can provide new for-sale product to San Marcos which has strong buyer demand for townhomes coupled with a historical undersupply of new for-sale housing. Additionally, the site developed as proposed townhomes can deliver relatively attainably priced new for-sale product to San Marcos, at an average unit size which is much larger than the original apartment unit size. The proposed project consists of 2 lots with an existing medium

density residential 2 (MDR2) 15.1–20.0 du/ac general plan land use designation and a 0.37-acre portion of an adjacent parcel with a commercial (C) designation. The proposed project would re-designate both the MDR2 sites and the portion of the commercial site to medium high density residential (MHDR), 20.1– 30.0 du/ac, to develop 46 residential townhome units. According to the Zonda market study, drive thru commercial retail performance remains relatively strong in the right areas and should be attractive to commuters. However, the changing face of retail is causing high vacancies and putting downward pressure on rents and further rent correction could occur at secondary commercial retail locations. However, the proposed residential R-3-6 zoning for-sale residential would introduce needed homes at an attractive price point, fulfilling a deep demand pool of homebuyers looking to move to or purchase in San Marcos. In addition, there is an extreme market demand and supply shortage of for-sale residential townhomes, and the for-sale scenario has the ability to translate potential City revenue into actual dollars, whereas the approved project does not. In addition, the area immediately east of the proposed project is an affordable housing development. An advantage of the rezone over the existing use is that the site can provide new for sale product to San Marcos, which currently does not have new multifamily product.

Figure 1: Net Fiscal Impact (City General Fund) – Approved Plan

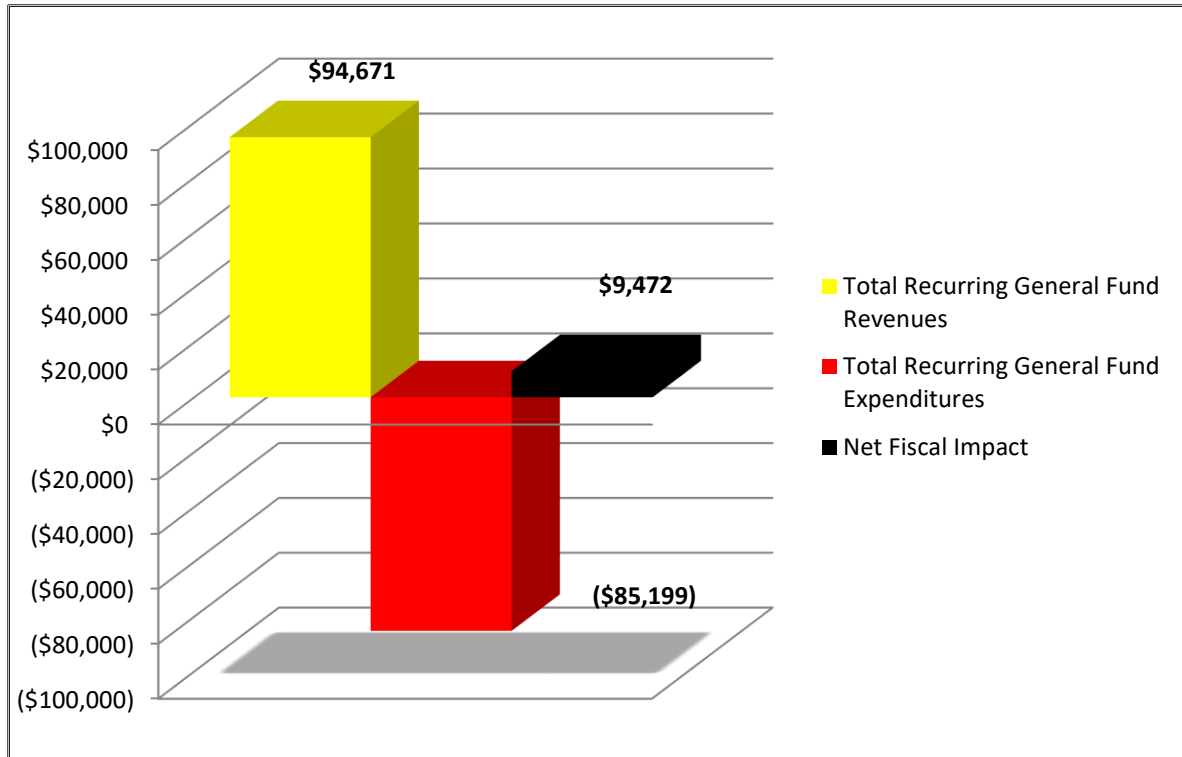
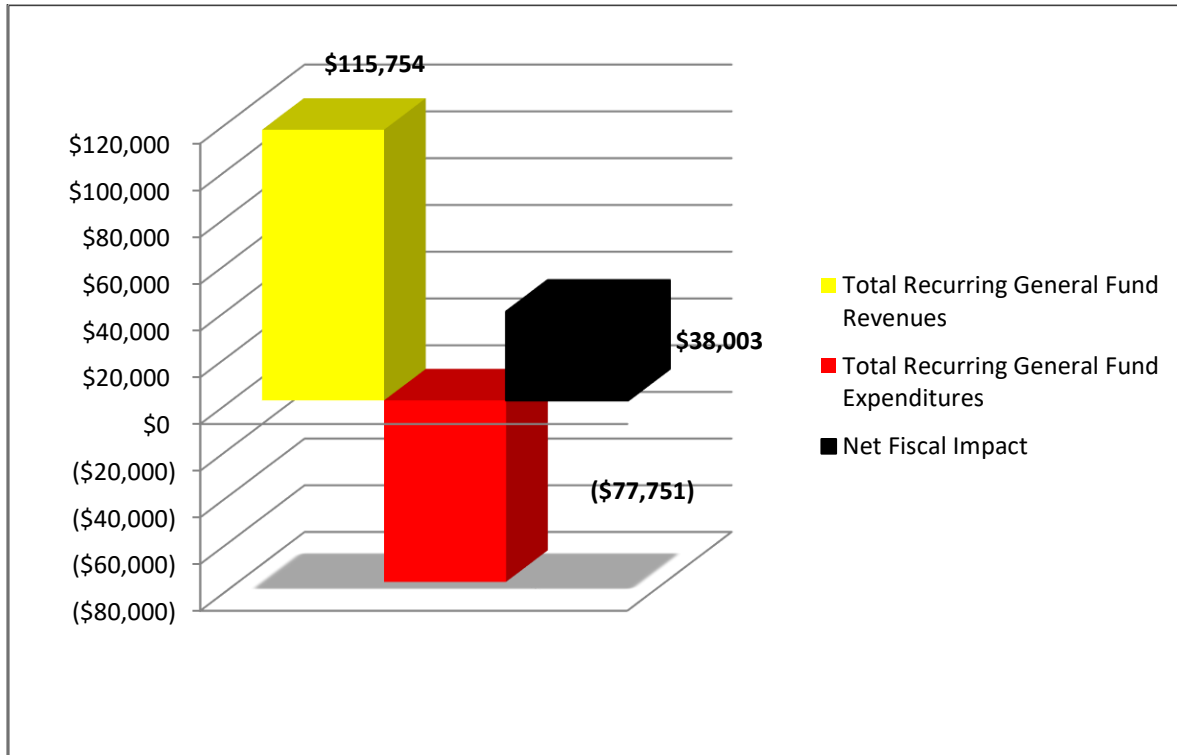


Figure 2: Net Fiscal Impact (City General Fund) – Proposed Plan



II INTRODUCTION

The objective of this Fiscal Impact Study (the “Study”) is to analyze the fiscal impacts to the City of San Marcos (the “City”) from the zoning and land use change proposed for the development on the 2.6 acre property (the “Project”).

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Consequently, the Study estimates the fiscal impacts of the Approved Plan and Proposed Plan (collectively, the “Scenarios”) and provides a side-by-side comparison of both Scenarios.

A Scope and Methodology – Recurring Fiscal Impacts

Fiscal impacts arising from a land development plan can be broadly categorized as one of two types: one-time impacts or recurring impacts. Each of these types may, in turn, be divided into a revenue component and a cost component. In this Study, it is assumed that one-time revenues would directly offset one-time costs; thus, the fiscal impacts considered focus on ongoing, or recurring, fiscal impacts of the Project on the City General Fund. Revenues that are generated outside of the City’s General Fund (e.g., special district revenues) or costs are incurred by the City outside of the General Fund (e.g., costs financed through a special district) are not included in the fiscal impact analysis.

The fiscal impact analysis presented in this Study utilizes two specific methods of analysis: The Multiplier approach (consisting of three separate methodologies, specifically “Per Capita”, “Per Employee”, and “Per Capita/Employee”) and the Case Study approach. Notably, the primary Multiplier approach used in this Study is the Per Capita/Employee methodology, which recognizes the fact that the exact relationship of service demands and revenue generating potential between residents and employees is difficult to quantify. In order to address this challenge, several assumptions are employed.

B Persons Served Calculation

DTA has determined that utilizing a Per Capita/Employee, or Persons Served population, comprised of all residents and 50% of employees is common fiscal practice in quantifying the impact of a new development in a given service area. This number suggests that a resident generally has twice the fiscal impact of an employee. This methodology involves calculating the average City-wide revenues/costs per Persons Served, utilizing the City’s Operating Budget for fiscal year (“FY”) 2025-2026 (the “City Budget”), and applying these revenue/cost assumptions to the specific number of Persons Served projected for the Project.

According to information provided by the California Department of Finance Housing and Population Information and the State of California Employees Development Department (EDD), as of 2025, the City of San Marcos has a resident population of 97,123 and an employee population base of 45,700 persons. Given the assumptions presented in the previous paragraph; the City population of 97,123 plus the employee base of (45,700 x 50%), results in a current Persons Served population of 119,973 for the City of San Marcos.

Table 1: Persons Served (Approved Plan)

Land Use ¹	Residents	Direct Employees	Persons Served
Commercial Retail		2	1
Apartments	123		123
Total	123	2	124

Notes:

- Numbers may not sum due to rounding.

Both Approved and Proposed plans presented in this report will generate a Persons Served total, which will be used to calculate recurring fiscal revenue and expenditures to the City General fund. As indicated earlier, the Approved Plan consists of be a 50 Unit Apartment Development and a 2,821 Commercial Retail Strip Center.

As illustrated in **Table 1** above, this scenario projects 2 direct employees in commercial development x (50%) resulting in 1 persons served and 123 apartment residents. The

persons served totals presented in this table are used in the following sections of the report to generate both revenue and expenditures totals to the City's General Fund as a result of the implementation of the Approved Plan scenario.

In contrast, the Proposed Plan scenario consists of the construction of a 46-unit residential townhome buildings and 107 parking spaces on the 2.6 acre subject property and as indicated in **Table 2** below, generating 113 residents and persons served. The persons served total presented in both of these tables are used in each of the following sections of this report to generate both revenue and expenditures totals to the City's General Fund due to the implementation of the Proposed Plan scenario.

Table 2: Persons Served (Proposed Plan)

Land Use ¹	Residents	Persons Served
Townhomes	113	113
Total	113	113

Notes:

1 Numbers may not sum due to rounding.

If necessary, DTA will also use the Per Employee methodology to project recurring fiscal factors based on employment only, in areas such as business license revenues. Similarly, DTA will use the Per Capita methodology where appropriate to project recurring fiscal factors based on population only. Again, the Per Employee methodology or Per Capita methodology involve calculating the average City-wide revenues/costs per employee or per capita, utilizing the City Budget, and applying these factors to the specific number of residents or employees, respectively, projected under each Scenario.

Finally, certain revenues and expenditures for which the Multiplier methodology was utilized, were not expected to increase one-to-one with new development. Therefore, in order to accurately account for this, DTA applied a series of discount rates to specific revenues/costs. Generally, if needed, a discount rate would be applied to revenues or expenditures to exclude an administrative/overhead component of the revenue or expenditure that would likely not increase one-to-one with population or employment growth.

C Case Study Methodology

While most recurring revenues analyzed in this Study are projected using the Multiplier methodology, some major revenue sources, including Property Taxes and Sales Taxes, were calculated using a Case Study methodology that involves calculating marginal revenues to be specifically generated by a particular land use, instead of applying an

average City-wide revenue factor. For purposes of this Study, all recurring revenues and costs are stated in current (un-inflated) 2025 dollars, based on the assumption that the relative impacts of inflation in future years will be the same for both of these fiscal impact categories.

D Limitations – Accuracy of Information

The fiscal models in this Study contain an analysis of revenues, service costs (expenditures), and impacts to the City resulting from the Project. These models are based on both (i) information provided to DTA by City staff, and (ii) certain DTA assumptions compiled by DTA from various sources including previous fiscal impact studies prepared by the firm. The sources of information and basis of the estimates calculated in the Study are stated herein. While DTA is confident that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information.

Furthermore, the analysis of fiscal impacts contained in this Study is not considered to be a “financial forecast” or a “financial projection;” as technically defined by the American Institute of Certified Public Accountants. The word “projection” used within this Study relates to broad expectations of future events and/or market conditions. Since the analysis contained herein is based on estimates and assumptions that are inherently subject to uncertainty and variation depending on evolving events, DTA cannot represent that such estimates will definitely be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary over time from the projections stated throughout this Study.

III DESCRIPTION OF RECURRING FISCAL REVENUES/COSTS

This section presents recurring revenue and service cost (expenditure) impacts to the City General Fund for both the Approved Plan and the Proposed Plan, along with the methodology and assumptions utilized to project these impacts. Detailed numerical analyses of anticipated revenue and service cost (expenditure) impacts are contained in Appendix A.

A Analysis of Recurring Revenues - Case Study Method

A.1 *Property Taxes – Secured and Unsecured*

Secured property tax revenues are projected based on the City's estimated share of the general one percent (1%) property tax levy. Total projected secured property tax revenues to the City from the Project are estimated at 16.541% of the basic 1% property tax levy, for Tax Rate Area ("TRA") 13203. Please refer to Table 1 on the next page and Exhibit 5 of Appendix A for details regarding the secured and unsecured property tax assumptions utilized in the fiscal impact analysis.

Unsecured property taxes collected in the City are levied on tangible personal property that is not secured by real estate. Examples of unsecured property include trade fixtures (e.g., manufacturing equipment and computers), as well as airplanes, boats, and mobile homes on leased land. In generating the fiscal impact models for this Study, DTA has assumed that unsecured property values average 2.75% of the secured value for residential land uses and 10.00% of the secured value for non-residential land uses. Unsecured property tax revenue generated for both the Approved Plan and Proposed Plan are presented in Exhibit 5 of Appendix A.

A.2 *Property Transfer Tax*

Per California Revenue & Taxation Code §11901 et seq. and the San Marcos Municipal Code §3.12.030, sales of real property are taxed by the County of San Diego (the "County") at a rate of \$1.10 per \$1,000 of property value. For property located in the City, the property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property sale or resale value, excluding assumed liens or encumbrances. Per typical baseline assumptions, DTA assumes that residential development changes ownership at an average rate of 10% per year. DTA also assumes that non-residential development changes ownership at an average rate of 5% per year, and that continuing liens and encumbrances are insignificant.

A.3 *Property Taxes in-Lieu of Vehicle License Fees (VLF)*

The passage of Proposition 1A in California in 2004 enacted a constitutional amendment that introduced a new methodology to calculate property taxes in-lieu of VLF. Per California Revenue and Taxation Code §97.70, the property tax in-lieu of VLF amount now grows in proportion to the growth rate of gross assessed valuation in a city or county. Property taxes in-lieu of VLF revenues are projected to grow with

the change in the City-wide gross assessed valuation of taxable property from the prior fiscal year.

Property tax in-lieu of VLF revenues constitute an addition to other property tax apportionments and were calculated for purposes of this Study at \$0.67 per \$1,000 increase in assessed valuation on a City-wide basis. **Table 3** presents details regarding the property tax assumptions utilized in the fiscal impact analysis.

Table 3: Property Tax Assumptions

Property Tax Assumptions	Approved Plan	Proposed Plan
Assessed Valuation		
Residential	\$18,196,500	\$35,436,744
Non-residential	\$1,579,486	\$0
Unsecured Property Tax <i>(Assumptions apply to both Scenarios)</i> <i>(As a Portion of the 1% General Property Tax Levy)</i>		
TRA 13203 City of San Marcos	9.591%	9.591%
TRA 13203 Fire District	6.950%	6.950%
Unsecured Property Tax <i>(Assumptions apply to both Scenarios)</i>		
Residential	2.75%	2.75%
Non-residential	10.0%	10.0%
Property Transfer Tax <i>(Assumptions apply to both Scenarios)</i>		
Residential Property Turnover Rate	10.0%	10.0%
Non-residential Property Turnover Rate	5.0%	5.0%
Transfer Tax as a % of Assessed Value	0.11%	0.11%
Property Transfer Tax Passed through to the City	50.0%	50.0%
Property Tax in-Lieu of Vehicle License Fee (VLF) <i>(Assumptions apply to both Scenarios)</i>		
Total San Marcos Gross Assessed Value (VLF Base year)	\$7,756,621,947	\$7,756,621,947
Total City Property Tax In-Lieu of VLF Revenues	\$5,191,930	\$5,191,930
Property Tax In-Lieu of VLF Increase per \$1,000 of AV	\$0.67	\$0.67

A.4 Sales Taxes

Direct sales tax revenues are generated by retail sales from businesses within City limits, with 1.00% of taxable sales receipts passed through to the City. **Exhibit 6 of Appendix A** reflects estimated taxable sales per square foot for each on-site, non-residential land use type, based on data from the Urban Land Institute's Dollars &

Cents of Shopping Projects publication and total estimated taxable sales for the Project, based on development assumptions provided by the City and the Zonda Analysis.

Indirect sales tax revenues, as also summarized in **Exhibit 6 of Appendix A**, are projected based on estimated purchases made by residents and employees of the Project within the City. Based on the methodology outlined in the International Council of Shopping Centers' Office-Worker Retail Spending in a Digital Age (2012), DTA assumed that each on-site employee spends approximately \$7,437 within the City per year, while local Townhome Residential household spending is expected to be \$21,721 and local Apartment spending is expected to be \$14,738 within the City. The assumed capture rate for employee spending in the City is 50%. Sales tax assumptions presented in this Study are summarized in **Table 4** below.

Table 4: Sales Tax Assumptions

Sales Tax Assumptions	Approved Plan	Proposed Plan
Percentage of Sales Tax Passed through City of San Marcos	1.00%	1.00%
Local Employee Spending	\$7,437	\$7,437
Local Residential Spending (Townhomes)	-	\$21,721
Local Residential Spending (Apartments)	\$14,738	-
Capture Rate of Retail Spending (within the City)	50%	50%
Displacement Rate (existing taxable sales within the City)	20%	20%
Taxable Sales per Square Foot – Commercial Retail	\$500	NA

Notes:

1. Residential spending based on US Census median income levels for San Marcos.

A.5 Community Facilities District ("CFD") Special Tax Revenue

The Project is currently located in five (5) separate Community Facilities Districts (collectively, the "CFDs") and will be subject to the applicable special tax for each CFD based on the land uses anticipated under each Scenario. Notably, revenues generated from CFD No. 98-02 and CFD No. 2011-01 will not be deposited in the City's General Fund and have therefore been excluded from this analysis. **Table 5** below and **Exhibit 7 of Appendix A** summarize the CFD assumptions utilized for the Approved Plan and the Proposed Plan.

Table 5: CFD Assumptions

Community Facilities District	Approved Plan	Proposed Plan	Fund Designation
CFD 98-01 IA 1			
Commercial (Per Acre)	\$1,364.20		General Fund
Office (Per Acre)	\$2,728.40		
Industrial (Per Acre)	\$1,032.90		
Residential (Per Unit)		\$194.90	
CFD 98-02 (Zones A - E)			
Commercial (Per Acre)	\$1,196.40		Non-General Fund
Office (Per Acre)	\$1,196.43		
Industrial (Per Acre)	\$796.63		
Residential (Per Unit)		\$268.00	
CFD 98-02 (Zone F)			
Commercial (Per Acre)	NA		Non-General Fund
Office (Per Acre)	NA		
Industrial (Per Acre)	NA		
Residential (Per Unit)		NA	
CFD 2001-01			
Commercial (Per Acre)	\$1,261.10		General Fund
Office (Per Acre)	\$2,522.25		
Industrial (Per Acre)	\$954.81		
Residential (Per Unit)		\$180.01	
CFD 2011-01			
Commercial (Per Sq. Ft.)	\$0.468		Non-General Fund
Office (Per Sq. FT)	\$0.468		
Industrial (Per Sq. Ft.)	\$1.2053		
Residential (Per Unit)		\$354.11	

B Analysis of Recurring Revenues – Multiplier Method

Utilizing the Multiplier methodology discussed in Section II (A) of this Study, the multipliers presented in this section and illustrated in **Table 6** below quantify the marginal increase in revenue for each specific revenue category as a result of the proposed development Scenario(s). Additional details on each revenue category are also provided below.

Table 6: General Fund Revenues (Multiplier Method)

Revenue Category	Amount	Methodology	Discount
Franchise Fees	\$49.26	Persons Served	0%
Licenses and Permits	\$2.82	Persons Served	0%
Fines and Forfeitures	\$9.37	Persons Served	0%

B.1 Franchise Fees

The City receives franchise fee revenue from a variety of sources including utility companies (e.g. electricity, water, trash, etc.), pipelines that run under the City's streets, cable TV, taxi, and from companies that operate in the City's right-of-way to provide services for residents (e.g. tow trucks and solid waste haulers). Some franchise taxes (fees) are set dollar amounts that increase each year according to changes in some index, such as the Consumer Price Index. Other franchise fees are based on a percentage of utility revenues.

Using the *Per Capita/Employee Multiplier* approach, DTA has projected Franchise fees at \$49.26 per persons served. This number represents the marginal increase in revenue per additional persons served in this category.

B.2 Licenses and Permits

Although Licenses and Permits made up only a small portion of the City's revenue in FY 2025-2026, it is considered an important source of income to the City's General Fund. In addition to business licenses, the city imposes fees on a variety of permits including building, electrical, plumbing, grading, construction, and many other areas.

DTA projects Licenses and Permits at \$2.82 per persons served using the *Per Capita/Employee Multiplier* approach.

B.3 Fines and Forfeitures

To ensure the payment of various licenses and fees, the City's Municipal Code empowers the City to impose penalties and to collect fines in several areas. Among the significant categories in this section are parking fines, traffic fines, and forfeitures/ penalties for business licenses and franchises. After a careful review of this revenue source, Fines and Forfeiture have also been projected using the *Per Capita/Employee Multiplier* approach, at \$9.37 per persons served.

C Analysis of Recurring Costs – Case Study Method

C.1 General Government

According to the City Budget, the percentage of recurring General Government overhead (percentage of total recurring General Fund expenditures) to the City General Fund non-government expenditures, is 28.15%. This is based on total general government expenditures of \$23,208,622 and non-general government

expenditure of \$82,432,038. General Government costs are generated from several areas including City Council, Administration, Economic Development, City Attorney, City Clerk, Human Resources/Risk Management, Finance/Information Systems, and Real Property Services. Non-general government costs include Public Works, Development Services, Public Safety, Parks and Recreation, and other Financing Sources.

D Analysis of Recurring Costs – Multiplier Method

Table 7 below quantifies the marginal increase in expenditures for specific expenditure category as a result of the proposed development Scenario(s). A detailed description of each category is also provided below.

Table 7: General Fund Costs (Multiplier Method)

Categories	Amount	Methodology	Discount
Public Works	\$62.26	Persons Served	0%
Development Services	\$60.54	Persons Served	0%
Public Safety	\$331.72	Persons Served	0%
Parks and Recreation	\$39.12	Persons Served	0%
Other Financing Sources	\$0.00	Persons Served	90%

D.1 Public Works

The Public Works Department is responsible for the design, construction, maintenance and management of the City's vital municipal infrastructure system. It is composed of two divisions, Operations and Engineering. The Operations divisions includes administration, right-of-way maintenance, facilities maintenance, fleet maintenance, and parks and landscape maintenance, and is responsible for the maintenance and repair of City streets, buildings, flood control, storm drains, street lights, traffic signals, public places, parks, special districts, vehicles and equipment. The Engineering division administers and coordinates the capital improvement program, traffic engineering, stormwater maintenance, and construction inspection and management.

The Department also oversees the drafting and execution of related contracts and agreements; coordination with outside agencies; preparation and administration of capital grant funding; management of City-owned asset data; and provides inspection and acceptance services for development and public infrastructure improvements in the City.

DTA projects the combined Public Works Department multiplier at \$62.26 per persons served using the *Per-Capita/Employee Multiplier* approach. Again, this represents the marginal increase in expenditure per additional persons served in this category.

D.2 Development Services

The Development Services Department handles a wide array of development activity from project entitlement approvals to grading permits and serves to address violations of City ordinances related to land use and development. The planning division administers the City's General Plan and various zoning and environmental regulations by analyzing and recommending measures to protect existing resources and to ensure the orderly development of the community that will maintain a balance between the quality of life, the environment and economic stability of the City. The engineering divisions administer and coordinate the capital improvement program, land development engineering, traffic engineering, watershed management, construction inspection and management. The geographic information system (GIS) division supports municipal services including planning, infrastructure management, and asset control by providing geospatial data and mapping services. The administration division provides general department oversight and support as well as special projects as needed.

Notably, DTA projects the combined Development Services multiplier at \$60.54 per persons served using the *Per-Capita/Employee Multiplier* approach.

D.3 Public Safety

The Public Safety division discussed in this section is made up of both Law Enforcement and Fire services. According to the City Budget, this division accounts for the City's largest General Fund expenditure (over 50.0% of the City's annual General Fund expenditure). The City currently has a contract for police services with the San Diego County Sheriff's Department. The City contract for law enforcement services includes patrol, traffic, community-oriented policing, gang and narcotics details, detectives, and clerical and supervisory personnel. In contrast, the City operates its own Fire Department, which provides services to over 100,000 residents in the 33 square mile San Marcos Fire Protection District ("SMFPD"). The City itself, comprises 24 square miles of the SMFPD.

Based on the City Budget, DTA projects the combined Public Safety multiplier at \$331.72 per persons served using the *Per Capita/Employee Multiplier* approach.

D.4 Parks and Recreation

The Parks and Recreation department is responsible for providing programs and services at the City's parks and recreation facilities. Among the specific elements of the department's work, are pre-school and youth programming, holiday celebrations, special events, cultural and performing arts activities, parks and trails planning, as well as aquatics and other programs. San Marcos has 44 parks spanning 300 acres, and more than 72 miles of trails. Based on the City Budget, DTA projects the Parks and Recreation multiplier at \$39.12 per persons served using the *Per Capita/Employee Multiplier* approach.

D.5 Other Financing Services

The Other Financial Services category is comprised of Transfers Out, Annual Replacement, and Rehab Transfers. In FY 2025-26 it is projected to have a combined multiplier of \$0.00 per persons served using the *Per Capita/Employee Multiplier* approach as no other financing sources were reported in the 2025-2026 budget. However, as explained in the earlier Scope and Methodology section, a discount rate of 90% would have been applied to this expenditure to exclude an administrative/overhead component of the expenditure that would not increase one-to-one with population or employment growth.

IV FISCAL IMPACTS TO THE CITY

A Total Recurring Revenues

Under the Approved Plan, total annual incremental recurring revenues are projected to total \$94,671. Notably Secured Property Tax revenue makes up the largest percentage total (37.3%). In addition, as shown in the table below, CFD Revenue, Property In-lieu of Vehicle License Fees and Direct and Indirect Sales Tax also make up significant portions of the revenue to the City.

Under the Proposed Plan, annual incremental recurring revenues total \$115,754. As illustrated below in **Table 8**, the largest percentage of revenue generated under the Proposed Plan is attributed to Secured Property Tax revenue (50.6%). Other areas making up a significant portion of the revenue to the City include Property In-Lieu of Vehicle License fees and CFD Revenues. **Exhibits 1 and 11**, in **Appendix A** provide additional details regarding all recurring revenues and the assumptions used in their derivation.

Table 8: Recurring Fiscal Revenues (City General Fund)

Revenue Category	Approved Plan		Proposed Plan	
	Amount	Percent	Amount	Percent
Secured Property Tax	\$35,325	37.3%	\$58,617	50.6%
Unsecured Property Tax	\$1,089	1.2%	\$1,612	1.4%
Property Transfer Tax	\$1,044	1.1%	\$1,965	1.7%
Property In-Lieu of Vehicle License Fee	\$11,811	12.5%	\$23,151	20.0%
Direct and Indirect Sales tax	\$18,690	19.7%	\$6,780	5.9%
Franchise Fees	\$6,108	6.5%	\$5,574	4.8%
Licenses and Permits	\$537	0.6%	\$490	0.4%
Fines and Forfeitures	\$350	0.4%	\$319	0.3%
CFD Revenue	\$19,717	20.8%	\$17,246	14.9%
Total Revenues	\$94,671	100.0%	\$115,754	100.0%

B Total Recurring Costs

As illustrated in **Table 9** below, under the Approved Plan, the total annual incremental recurring costs are projected to be \$85,199 per year. Public Safety (48.3%) and General Government (28.2%) make up the largest cost percentages in this category. Under the Proposed Plan, the total annual recurring costs are projected to be \$77,751 per year. Like the Approved Plan, the largest annual costs are expected to be Public Safety and General Government. **Exhibits 1 and 12**, in **Appendix A** provide additional details about all recurring costs and the assumptions used in their derivation.

Table 9: Recurring Fiscal Costs (City General Fund)

Categories	Approved Plan		Proposed Plan	
	Amount	Percent	Amount	Percent
Public Works	\$7,720	9.1%	\$7,045	9.1%
Development Services	\$7,507	8.8%	\$6,851	8.8%
Public Safety	\$41,133	48.3%	\$37,537	48.3%
Parks and Recreation	\$4,851	5.7%	\$4,427	5.7%
Other Financing Sources	\$0	0.0%	\$0	0.0%
General Government	\$23,988	28.2%	\$21,891	28.2%
Total Costs	\$85,199	100.0%	\$77,751	100.0%

C Overall Net Fiscal Impact

Table 10 presented below, under the Approved Plan the overall fiscal impact to the City General Fund, resulting from revenues generated by development is an annual recurring fiscal surplus of \$9,472. This total is based on \$94,671 in recurring annual revenue and \$85,199 in recurring annual costs. In this analysis, the total annual revenue-to-cost ratio is projected to equal 1.11, which represents a positive impact to the City.

Under the Proposed Plan, the overall fiscal impact to the City General Fund, resulting from revenues generated by the Project and the recurring costs associated with this area is a recurring fiscal surplus of \$38,003. This amount is based on \$115,754 in recurring annual revenues and \$77,751 in recurring current annual costs (expenditures). In this analysis, the total annual revenue-to-cost ratio is projected to equal 1.49, which represents a positive impact to the City.

Table 10: Annual Net Fiscal Impact (City General Fund)

Fiscal Impact	Approved Plan	Proposed Plan
Total Recurring General Fund Revenues	\$94,671	\$115,754
Total Recurring General Fund Expenditures	(\$85,199)	(\$77,751)
Net Fiscal Impact	\$9,472	\$38,003
Revenue to Expense Ratio	1.11	1.49

D Market Considerations

The primary advantage of the proposed rezone over the original is that the site can provide new for-sale product to San Marcos which has strong buyer demand for townhomes coupled with a historical undersupply of new for-sale housing. Additionally, the site developed as proposed townhomes can deliver relatively attainably priced new for-sale product to San Marcos, at an average unit size which is much larger than the original apartment unit size. The proposed project consists of 2 lots with an existing medium density residential 2 (MDR2) 15.1–20.0 du/ac general plan land use designation and a 0.37-acre portion of an adjacent parcel with a commercial (C) designation. The proposed project would re-designate both the MDR2 sites and the portion of the commercial site to medium high density residential (MHDR), 20.1– 30.0 du/ac, to develop 46 residential townhome units. According to the Zonda market study, drive thru commercial retail performance remains relatively strong in the right areas and should be attractive to commuters. However, the changing face of retail is causing high vacancies and putting downward pressure on rents and further rent correction could occur at secondary commercial retail locations. However, the proposed residential R-3-6 zoning for-sale residential would introduce needed homes at an attractive price point, fulfilling a deep demand pool of homebuyers looking to move to or purchase in San Marcos. In addition, there is an extreme market demand and supply shortage of for-sale residential townhomes, and the for-sale scenario has the ability to translate potential City revenue into actual dollars, whereas the approved project does not. In addition, the area immediately east of the proposed project is an affordable housing development. An advantage of the rezone over the existing use is that the site can provide new for sale product to San Marcos, which currently does not have new multifamily product.

APPENDIX A

City of San Marcos
Santa Fe Flores General Plan Amendment
Fiscal Impact Report



FISCAL IMPACT STUDY

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
FISCAL IMPACT ANALYSIS**

FISCAL IMPACT SUMMARY

PROJECT SUMMARY

DEMOGRAPHICS

CASE STUDY REVENUES

CASE STUDY EXPENDITURES

MULTIPLIER REVENUES

MULTIPLIER EXPENDITURES

CITY BUDGET SUMMARY

EXHIBIT 1

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
FISCAL IMPACT SUMMARY**

RECURRING GENERAL FUND REVENUES ¹	APPROVED PLAN		PROPOSED PLAN	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
SECURED PROPERTY TAX	\$35,325	37.3%	\$58,617	50.6%
UNSECURED PROPERTY TAX	\$1,089	1.2%	\$1,612	1.4%
PROPERTY TRANSFER TAX	\$1,044	1.1%	\$1,965	1.7%
PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEE	\$11,811	12.5%	\$23,151	20.0%
DIRECT AND INDIRECT SALES TAX	\$18,690	19.7%	\$6,780	5.9%
FRANCHISE FEES	\$6,108	6.5%	\$5,574	4.8%
LICENSES AND PERMITS	\$537	0.6%	\$490	0.4%
FINES AND FORFEITURES	\$350	0.4%	\$319	0.3%
CFD REVENUE	\$19,717	20.8%	\$17,246	14.9%
TOTAL RECURRING GENERAL FUND REVENUES	\$94,671	100.0%	\$115,754	100.0%

RECURRING GENERAL FUND EXPENDITURES ²	APPROVED PLAN		PROPOSED PLAN	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
PUBLIC WORKS	\$7,720	9.061%	\$7,045	9.061%
DEVELOPMENT SERVICES	\$7,507	8.811%	\$6,851	8.811%
PUBLIC SAFETY	\$41,133	48.279%	\$37,537	48.278%
PARKS AND RECREATION	\$4,851	5.694%	\$4,427	5.694%
OTHER FINANCING USES	\$0	0.000%	\$0	0.000%
GENERAL GOVERNMENT	\$23,988	28.155%	\$21,891	28.155%
TOTAL RECURRING GENERAL FUND EXPENDITURES	\$85,199	100.0%	\$77,751	100.0%

NET FISCAL IMPACT	APPROVED PLAN	PROPOSED PLAN
--------------------------	----------------------	----------------------

TOTAL ANNUAL RECURRING GENERAL FUND SURPLUS/(DEFICIT) **\$9,472** **\$38,003**

TOTAL ANNUAL REVENUE/EXPENDITURE RATIO **1.11** **1.49**

NOTES:

¹ Please see Exhibits 5-7 and 9 for the derivation of these calculations.

² Please see Exhibits 8 and 10 for the derivation of these calculations.

****All figures subject to rounding***

EXHIBIT 2																			
CITY OF SAN MARCOS SANTA FE FLORES TOWNHOMES PROJECT SUMMARY																			
		ORIGINAL PLAN										PROPOSED PLAN							
TOTAL GROSS ACRES		BUILDING SPACE ACRES ¹	BUILDING SPACE SF ²	ESTIMATED VALUE BSF	TOTAL ESTIMATED VALUE ³	BUILDING SPACE ACRES ¹	UNITS ¹	BUILDING SPACE SF ²	ESTIMATED VALUE BSF	ESTIMATED AVERAGE VALUATION ^{4,5}	TOTAL ESTIMATED VALUE ⁶	BUILDING SPACE ACRES ¹	BUILDING SPACE SF ¹	ESTIMATED VALUE BSF	TOTAL ESTIMATED VALUE ⁶	BUILDING SPACE ACRES ¹	UNITS ¹	BUILDING SPACE SF ¹	ESTIMATED VALUE BSF
LAND USE TYPE																			
GRAND TOTAL	2.60	0.37	2,821	\$960	\$1,579,486	2.50	50	36,393	\$900	\$363,930	\$18,196,500	0.00	0	\$0	\$0	1.70	46	73,968	\$483
NON-RESIDENTIAL		0.37	2,821		\$1,579,486														
COMMERCIAL RETAIL STRIP CENTER		0.37	2,821	\$560	\$1,579,486														
RESIDENTIAL																			
NON RESIDENTIAL																			
RESIDENTIAL						2.50	50	36,393	\$900	\$363,930	\$18,196,500								
MULTI-FAMILY APARTMENTS						2.50	50	36,393	\$900	\$363,930	\$18,196,500								
TOWNHOMES																1.70	46	73,968	\$483

NOTES

¹Source: City of San Marcos.

²Source: Zonda Research

³Estimated average sale price" refers to the Estimated closing price per Zonda assumptions.

⁴Source: Zonda Research, "Santa Fe Flores 2025

⁵Totals may not sum due to rounding

EXHIBIT 3

CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
CITY DEMOGRAPHICS

POPULATION, HOUSEHOLDS, AND EMPLOYMENT (2025)

POPULATION ¹	97,123
EMPLOYMENT ²	45,700
TOTAL PERSONS SERVED³	119,973
HOUSEHOLDS ¹	33,157
MFR AVERAGE HOUSEHOLD SIZE ¹	2.46
Multi-family	

NOTES

¹ California Department of Finance, Housing and Population Information, January 1, 2025 and US Census.

² Source: Calif. Employment Development Dept. June 2025

³ Assumes City population plus 50% of employees.

EXHIBIT 4																				
CITY OF SAN MARCOS SANTA FE FLORES TOWNHOMES PROJECT DEMOGRAPHICS																				
		APPROVED PLAN									PROPOSED PLAN									
LAND USE TYPE	SF PER DIRECT PERSONS BSF EMPLOYEE ¹ EMPLOYEES SERVED				PERSONS PER HOUSEHOLD ¹ RESIDENTS DIRECT EMPLOYEES PERSONS SERVED						SF PER DIRECT PERSONS BSF EMPLOYEE ¹ EMPLOYEES SERVED				PERSONS PER HOUSEHOLD ¹ RESIDENTS DIRECT EMPLOYEES PERSONS SERVED					
	BSF	PER EMPLOYEE ¹	DIRECT EMPLOYEES	PERSONS SERVED	BSF	UNITS	PER HOUSEHOLD ¹	RESIDENTS	DIRECT EMPLOYEES	PERSONS SERVED	BSF	PER EMPLOYEE ¹	DIRECT EMPLOYEES	PERSONS SERVED	BSF	UNITS	PER HOUSEHOLD ¹	RESIDENTS	DIRECT EMPLOYEES	PERSONS SERVED
GRAND TOTAL	2,821		2	1	36,393	50	2.46	123	0	123	0		0	0	73,968	46	2.46	113	0	113
NON-RESIDENTIAL COMMERCIAL RETAIL STRIP CENT	2,821		2	1																
	2,821	1,221	2	1																
RESIDENTIAL					0	0	0	0	0	0										
NON-RESIDENTIAL TOWNHOMES															73,968	46		113	0	113
															73,968	46	2.46	113	0	113
RESIDENTIAL MULTI-FAMILY APARTMENTS					36,393	50	2.46	123	0	123										
					36,393	50	2.46	123	0	123										

NOTES

¹ Source: Zonda Research.

² Source: Commercial Buildings Energy Consumption Survey (CBECS), 2018.

EXHIBIT 5
CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED PROPERTY TAX REVENUES (CASE STUDY)

PROPERTY TAX SUMMARY		
LAND USE TYPE	APPROVED PLAN	PROPOSED PLAN
ALL PROPERTY TAXES		
SECURED PROPERTY TAXES	\$35,325	\$58,617
UNSECURED PROPERTY TAXES	\$1,089	\$1,612
PROPERTY TRANSFER TAXES	\$1,044	\$1,965
PROPERTY TAX IN-LIEU OF VLF	\$11,811	\$23,151
GRAND TOTAL ALL PROPERTY TAXES	\$49,269	\$85,345
RESIDENTIAL PROPERTY TAXES		
SECURED PROPERTY TAXES	\$32,712	\$58,617
UNSECURED PROPERTY TAXES	\$828	\$1,612
PROPERTY TRANSFER TAXES	\$1,001	\$1,965
PROPERTY TAX IN-LIEU OF VLF	\$11,516	\$23,151
TOTAL RESIDENTIAL PROPERTY TAXES	\$46,057	\$85,345
NON-RESIDENTIAL PROPERTY TAXES		
SECURED PROPERTY TAXES	\$2,613	\$0
UNSECURED PROPERTY TAXES	\$261	\$0
PROPERTY TRANSFER TAXES	\$43	\$0
PROPERTY TAX IN-LIEU OF VLF	\$295	\$0
TOTAL NON-RESIDENTIAL PROPERTY TAXES	\$3,212	\$0

SECURED PROPERTY TAX CALCULATION		
LAND USE TYPE	APPROVED PLAN	PROPOSED PLAN
GRAND TOTAL		
ESTIMATED BUILDOUT VALUE	\$19,775,986	\$35,726,544
ESTIMATED EXEMPTIONS	\$0	(\$289,800)
ESTIMATED ASSESSED VALUE	\$19,775,986	\$35,436,744
ESTIMATED SECURED PROPERTY TAXES	\$32,712	\$58,617
RESIDENTIAL		
ESTIMATED BUILDOUT VALUE	\$18,196,500	\$35,726,544
ESTIMATED EXEMPTIONS		(\$289,800)
HOMEOWNER'S EXEMPTION (ANNUALLY) ¹	\$7,000	
PERCENT OF SALE UNITS TAKING HOMEOWNER'S EXEMPTION ¹	90%	
ESTIMATED ASSESSED VALUE	\$18,196,500	\$35,436,744
ESTIMATED SECURED PROPERTY TAXES	\$30,100	\$58,617
NON-RESIDENTIAL		
ESTIMATED BUILDOUT VALUE	\$1,579,486	\$0
ESTIMATED EXEMPTIONS	\$0	\$0
ESTIMATED ASSESSED VALUE	\$1,579,486	\$0
ESTIMATED SECURED PROPERTY TAXES	\$2,613	\$0

UNSECURED PROPERTY TAX CALCULATION		
LAND USE TYPE	APPROVED PLAN	PROPOSED PLAN
GRAND TOTAL		
	\$1,089	\$1,612
RESIDENTIAL		
ESTIMATED UNSECURED PROPERTY TAXES	\$828	\$1,612
UNSECURED TAXES AS A % OF SECURED	2.75%	
NON-RESIDENTIAL		
ESTIMATED UNSECURED PROPERTY TAXES	\$261	\$0
UNSECURED TAXES AS A % OF SECURED	10.00%	

[1] Per the City of San Marcos Housing Needs Assessment 2019 only 9% of City's of housing stock is made up of condominiums/townhouses and mobile homes
DTA estimates that 90% of these units will be owner occupied
Since 10 % are rented out we use 90% as homeowners exemption number

EXHIBIT 5 - CONTINUED

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED PROPERTY TAX REVENUES (CASE STUDY)**

PROPERTY TRANSFER TAX CALCULATION

LAND USE TYPE	APPROVED PLAN	PROPOSED PLAN
GRAND TOTAL	\$1,044	\$1,965
RESIDENTIAL		
ESTIMATED PROPERTY TRANSFER TAXES	\$1,001	\$1,965
ESTIMATED BUILDOUT VALUE	\$18,196,500	\$35,726,544
TRANSFER TAX AS A % OF ASSESSED VALUE	0.11%	
PROPERTY TRANSFER TAX PASSED THROUGH TO CITY OF SAN MARCOS	50.00%	
RESIDENTIAL PROPERTY TURNOVER RATE	10.00%	
NON-RESIDENTIAL		
ESTIMATED PROPERTY TRANSFER TAXES	\$43	\$0
ESTIMATED BUILDOUT VALUE	\$1,579,486	\$0
TRANSFER TAX AS A % OF ASSESSED VALUE	0.11%	
PROPERTY TRANSFER TAX PASSED THROUGH TO CITY OF SAN MARCOS	50.00%	
NON-RESIDENTIAL PROPERTY TURNOVER RATE	5.00%	

PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEE CALCULATION

LAND USE TYPE	APPROVED PLAN	PROPOSED PLAN
GRAND TOTAL	\$11,811	\$23,151
RESIDENTIAL		
ESTIMATED PROPERTY TAX IN-LIEU OF VLF	\$11,516	\$23,151
ESTIMATED BUILDOUT VALUE	\$18,196,500	\$35,726,544
ESTIMATED EXISTING ASSESSED VALUE	\$992,179	\$1,139,022
PROPERTY TAX IN-LIEU OF VLF INCREASE PER \$1,000 OF AV	\$0.67	
NON-RESIDENTIAL		
ESTIMATED PROPERTY TAX IN-LIEU OF VLF	\$295	\$0
ESTIMATED BUILDOUT VALUE	\$1,579,486	\$0
ESTIMATED EXISTING ASSESSED VALUE	\$1,139,022	\$0
PROPERTY TAX IN-LIEU OF VLF INCREASE PER \$1,000 OF AV	\$0.67	

EXHIBIT 5 - CONTINUED

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED PROPERTY TAX REVENUES (CASE STUDY)**

PROPERTY TAX AND PROPERTY TRANSFER TAX RATES AND ASSUMPTIONS

PROPERTY TAX ALLOCATION (AS A PORTION OF THE 1% GENERAL PROPERTY TAX LEVY)

CITY OF SAN MARCOS ^{3,4}	9.591%
FIRE DISTRICT ^{3,4}	6.950%

TOTAL **16.541379%**

PROPERTY TRANSFER TAX RATE AND ALLOCATION ⁵

TRANSFER TAX AS A % OF ASSESSED VALUE	0.11%
PROPERTY TRANSFER TAX PASSED THROUGH TO CITY OF SAN MARCOS	50.00%

PROPERTY TAX IN-LIEU OF VLF ASSUMPTIONS

TOTAL CITY OF SAN MARCOS GROSS ASSESSED VALUE ⁶	\$7,756,621,947
TOTAL CITY PROPERTY TAX IN-LIEU VLF REVENUES ⁶	\$5,191,930
PROPERTY TAX IN-LIEU OF VLF INCREASE PER \$1,000 OF AV	\$0.67

NOTES

¹ Estimate, subject to change.

² Based on typical DTA baseline assumptions.

³ Based on "General Fund" levy for Tax Rate Area (TRA) 13203. Data provided by the County of San Diego Auditor-Controller's Office.

⁴ Based on the average of the rates for TRA 13112.

⁵ Source: California Revenue & Taxation Code §11901, et seq.; San Marcos Municipal Code §3.12.020.

⁶ Source: State Controller's Office Division of Accounting and Reporting, Revenue and Taxation Code Section 97.70 (c)(1)(B)(i) - Vehicle License Fee Adjustment Amounts.

EXHIBIT 6

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED SALES TAX REVENUES (CASE STUDY)**

SALES TAX SUMMARY

LAND USE TYPE	APPROVED PLAN	PROPOSED PLAN
----------------------	--------------------------	--------------------------

GRAND TOTAL	\$18,690	\$6,780
--------------------	-----------------	----------------

RESIDENTIAL SALES TAXES

DIRECT SALES TAX	NA	NA
------------------	----	----

INDIRECT SALES TAX - TAXABLE RESIDENT PURCHASES

TOWNHOMES	\$0	\$6,780
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TOTAL RESIDENTIAL SALES TAXES	\$0	\$6,780
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NON-RESIDENTIAL SALES TAXES

DIRECT SALES TAX¹

COMMERCIAL RETAIL STRIP CENTER	\$11,284	NA
--------------------------------	----------	----

INDIRECT SALES TAX - TAXABLE EMPLOYEE PURCHASES	\$37	\$0
---	------	-----

INDIRECT SALES TAX - TAXABLE RESIDENT PURCHASES	\$7,369	
---	---------	--

TOTAL NON-RESIDENTIAL SALES TAXES	\$18,690	\$0
--	-----------------	------------

DIRECT SALES TAX ASSUMPTIONS

TAXABLE SALES PER SF¹

COMMERCIAL RETAIL STRIP CENTER	\$500.00	\$0.00
--------------------------------	----------	--------

DISPLACED TAXABLE SALES²	20%	20%
--	------------	------------

¹ Based on typical DTA baseline assumptions.

² Based on typical DTA baseline assumptions.

EXHIBIT 6 - CONTINUED**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED SALES TAX REVENUES (CASE STUDY)****RESIDENTIAL INDIRECT SALES TAX ASSUMPTIONS****DISPOSABLE INCOME PER HOUSEHOLD (OWNER)**ESTIMATED AVERAGE HOUSEHOLD INCOME (ASSUMES 3:1 INCOME TO HOUSEHOLD PAYMENT RATIO) ¹

RESIDENTIAL	\$176,016
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MORTGAGE ASSUMPTIONS

RESIDENTIAL

AVERAGE PROJECTED SALES PRICE PER UNIT	\$776,664
AVERAGE MORTGAGE (20% DOWN PAYMENT)	\$621,331
ANNUAL MORTGAGE PAYMENT (6.0% FOR 30 YEARS)	\$44,702
ADDITIONAL ANNUAL PROPERTY TAXES & HOA	\$13,970

RETAIL TAXABLE EXPENDITURES (AS A % OF DISPOSABLE INCOME)

RESIDENTIAL	24.6810%
-------------	----------

RESIDENTIAL SALES TAX ASSUMPTIONS (RENTAL)

DISPOSABLE INCOME PER HOUSEHOLD	\$105,000
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RETAIL TAXABLE EXPENDITURES (AS A % OF DISPOSABLE INCOME)	28.073%
---	---------

RESIDENTIAL SALES TAX ASSUMPTIONS (AFFORDABLE HOUSING)

DISPOSABLE INCOME PER HOUSEHOLD	\$74,667
---------------------------------	----------

RETAIL TAXABLE EXPENDITURES (AS A % OF DISPOSABLE INCOME)	31.254%
---	---------

RESIDENTIAL / NON-RESIDENTIAL INDIRECT SALES TAX ASSUMPTIONS ²

EMPLOYEES (ANNUAL SPENDING PER EMPLOYEE) ²	\$7,437
---	---------

RESIDENTIAL (ANNUAL SPENDING PER HOUSEHOLD) HOMEOWNER ²	\$21,721
--	----------

RESIDENTIAL (ANNUAL SPENDING PER HOUSEHOLD) RENTAL	\$14,738
--	----------

RESIDENTIAL (ANNUAL SPENDING PER HOUSEHOLD) AFFORDABLE HOUSING	\$10,480
--	----------

¹ Based on typical DTA baseline assumptions.² Based on typical DTA baseline assumptions.

EXHIBIT 6 - CONTINUED

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED SALES TAX REVENUES (CASE STUDY)**

CITY INDIRECT SALES TAX ASSUMPTIONS

SALES TAX % TO CITY¹	1.00%
CITY RETAIL TAXABLE PURCHASE CAPTURE RATE ²	50%

SAMPLE PROPERTY TAX BILL

FY 2025-26 AD VALOREM PROPERTY TAX RATE ()	1.14247%
PROPOSED SCHOOL CFD	0.00000%
CITY CFD SPECIAL TAXES	\$997.02
OTHER DIRECT ASSESSMENTS	
VECTOR CONTROL	\$7.92
CWA WATER AVAILABILITY	\$10.00
MOSQUITO SURVEILLANCE	\$2.28
MWD WATER STANDBY CHARGE	\$11.50
SEWER SERVICE CHARGE	\$467.88
TOTAL ETR	1.335166%

NOTES

¹ Estimate, subject to change.

² Estimate, subject to change.

** All figures subject to rounding*

EXHIBIT 7

CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED CFD SPECIAL TAX REVENUES (CASE STUDY)

CFD SPECIAL TAX SUMMARY - GENERAL FUND IMPACTS								
LAND USE TYPE	APPROVED ACRES / SQ. FT.			PROPOSED ACRES / SQ FT/ UNITS			APPROVED	PROPOSED
	COMMERCIAL	OFFICE	RESIDENTIAL	COMMERCIAL	OFFICE	RESIDENTIAL	PLAN	PLAN
TOTAL CFD SPECIAL TAXES							\$19,717	\$17,246
RESIDENTIAL CFD SPECIAL TAXES ¹								
CFD 98-01 IA 1			50			46	\$9,745.00	\$8,965
CFD 2001-01 (FIRE)			50			46	\$9,000.50	\$8,280
TOTAL RESIDENTIAL CFD SPECIAL TAXES							\$18,746	\$17,246
NON-RESIDENTIAL CFD SPECIAL TAXES ¹								
CFD 98-01 IA 1	0.37						\$505	\$0
CFD 2001-01 (FIRE)	0.37						\$467	\$0
TOTAL NON-RESIDENTIAL CFD SPECIAL TAXES							\$971	\$0

CFD SPECIAL TAX SUMMARY - NON-GENERAL FUND IMPACTS (EXCLUDED FROM ANALYSIS)								
LAND USE TYPE	APPROVED ACRES / SQ. FT.			PROPOSED ACRES / SQ FT/ UNITS			APPROVED	PROPOSED
	COMMERCIAL	OFFICE	RESIDENTIAL	COMMERCIAL	OFFICE	RESIDENTIAL	PLAN	PLAN
TOTAL CFD SPECIAL TAXES							\$32,752	\$28,617
RESIDENTIAL CFD SPECIAL TAXES ¹								
CFD 98-02 (ZONES A - E) ²			50			46	\$13,400.00	\$12,328
CFD 98-02 (ZONE F) ^{2,3}			50			46	NA	NA
CFD 2011-01 ^{2,4}			50			46	\$17,705.50	\$16,289
TOTAL RESIDENTIAL CFD SPECIAL TAXES							\$31,106	\$28,617
NON-RESIDENTIAL CFD SPECIAL TAXES ¹								
CFD 98-02 (ZONES A - E) ²	0.37						\$443	\$0
CFD 98-02 (ZONE F) ^{2,3}							NA	NA
CFD 2011-01 ^{2,5}	2.821						\$1,204	\$0
TOTAL NON-RESIDENTIAL CFD SPECIAL TAXES							\$1,647	\$0

CFD SPECIAL TAX RATE ASSUMPTIONS			
LAND USE	FY 2025-26 SPECIAL TAX RATE		
	PER ACRE	PER SF	
RESIDENTIAL ¹			
CFD 98-01 IA 1			\$194.90
CFD 2001-01 (FIRE)			\$180.01
CFD 98-02 (ZONES A - E) ²			\$268.00
CFD 98-02 (ZONE F) ^{2,3}			NA
CFD 2011-01 ^{2,4}			\$354.11
COMMERCIAL ¹			
CFD 98-01 IA 1	\$1,364.20		
CFD 2001-01 (FIRE)	\$1,261.10		
CFD 98-02 (ZONES A - E) ²	\$1,196.40		
CFD 98-02 (ZONE F) ^{2,3}	N/A		
CFD 2011-01 ^{2,5}	\$0.4268		
OFFICE ¹			
CFD 98-01 IA 1	\$2,728.40		
CFD 2001-01 (FIRE)	\$2,522.25		
CFD 98-02 (ZONES A - E) ²	\$1,196.43		
CFD 98-02 (ZONE F) ^{2,3}	NA		
CFD 2011-01 ^{2,5}	\$0.4268		
INDUSTRIAL ¹			
CFD 98-01 IA 1	\$1,032.90		
CFD 2001-01 (FIRE)	\$954.81		
CFD 98-02 (ZONES A - E) ²	\$796.63		
CFD 98-02 (ZONE F) ^{2,3}	NA		
CFD 2011-01 ^{2,5}	\$1,2053		

NOTES

¹ Source: City of San Marcos. Assumes Senior Residential property is charged as Commercial property under the RMA. Subject to confirmation by the City.

² Special assessments collected from the CFD are deposited into Special Funds, not the General Fund. Therefore, these CFD revenues are excluded from this analysis.

³ No special tax rate for Zone F has been established for the project.

⁴ "Townhome" Rate, per dwelling unit

⁵ "Retail" Rate, per building square foot

*All figures subject to rounding

EXHIBIT 8

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED GENERAL GOVERNMENT EXPENDITURES (CASE STUDY)**

GENERAL GOVERNMENT EXPENDITURES CALCULATION

	APPROVED PLAN	PROPOSED PLAN
--	--------------------------	--------------------------

ESTIMATED RECURRING GENERAL GOVERNMENT OVERHEAD EXPENDITURES ¹	\$23,988	\$21,891
---	----------	----------

GENERAL GOVERNMENT ASSUMPTIONS

TOTAL RECURRING CITY GENERAL FUND EXPENDITURES (EXCLUDING GENERAL GOVERNMENT OVERHEAD) ²	\$59,223,416
TOTAL RECURRING CITY GENERAL GOVERNMENT OVERHEAD ³	\$23,208,622
TOTAL RECURRING GENERAL FUND EXPENDITURES	\$82,432,038
RECURRING CITY GENERAL GOVERNMENT OVERHEAD (% OF TOTAL RECURRING GENERAL FUND EXPENDITURES) ³	39.19%
MARGINAL INCREASE IN GENERAL GOVERNMENT COSTS	100%

NOTES

¹ Based on total recurring project general fund expenditures (excluding general government overhead) from Exhibit 12.

² Based on City of San Marcos Operating Budget, Fiscal Year 2025 - 2026

³ General Government Overhead Expenditures defined as costs for City Council, Administration, Housing and Neighborhood Services, City Attorney, City Clerk, Human Resources/Risk Management, Finance/Information Systems, and Real Property Services.

****All figures subject to rounding***

EXHIBIT 9

CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED MULTIPLIER BASED GENERAL FUND REVENUES

MULTIPLIER BASED GENERAL FUND REVENUE SUMMARY

REVENUE CATEGORY	APPROVED PLAN	PROPOSED PLAN
FRANCHISE FEES	\$6,108	\$5,574
BUILDING PERMIT FEES	\$537	\$490
BUSINESS LICENSE FEES	\$350	\$319
OTHER LICENSE AND PERMITS	\$1,162	\$1,060
TOTAL ESTIMATED MULTIPLIER REVENUES	\$8,157	\$7,443

MULTIPLIER BASED REVENUE ASSUMPTIONS

REVENUE CATEGORY	MULTIPLIER ¹	BASIS
SALES TAX	NA	CASE STUDY
PROPERTY TAX	NA	CASE STUDY
FRANCHISE FEES	\$49.26	PERSONS SERVED
BUILDING PERMIT FEES	\$4.33	PERSONS SERVED
BUSINESS LICENSE FEES	\$2.82	PERSONS SERVED
OTHER LICENSE AND PERMITS	\$9.37	PERSONS SERVED

NOTES

¹ Based on City of San Marcos Operating Budget, Fiscal Year 2025-26

**All figures subject to rounding*

EXHIBIT 10

**CITY OF SAN MARCOS
SANTA FE FLORES TOWNHOMES
ESTIMATED MULTIPLIER BASED GENERAL FUND EXPENDITURES**

MULTIPLIER BASED GENERAL FUND EXPENDITURE SUMMARY

EXPENDITURE CATEGORY	APPROVED PLAN	PROPOSED PLAN
PUBLIC WORKS	\$7,720	\$7,045
DEVELOPMENT SERVICES	\$7,507	\$6,851
PUBLIC SAFETY	\$41,133	\$37,537
PARKS AND RECREATION	\$4,851	\$4,427
OTHER FINANCING USES	\$0	\$0
TOTAL MULTIPLIER EXPENDITURES	\$61,211	\$55,860

MULTIPLIER BASED EXPENDITURE ASSUMPTIONS

EXPENDITURE CATEGORY	MULTIPLIER¹	BASIS
PUBLIC WORKS	\$62.26	PERSONS SERVED
DEVELOPMENT SERVICES	\$60.54	PERSONS SERVED
PUBLIC SAFETY	\$331.72	PERSONS SERVED
PARKS AND RECREATION	\$39.12	PERSONS SERVED
OTHER FINANCING USES	\$0.00	PERSONS SERVED

NOTES

¹ Based on City of San Marcos Operating Budget, Fiscal Year 2025-26

**All figures subject to rounding*

EXHIBIT 11 SANTA FE FLORES TOWNHOMES CITY OF SAN MARCOS FY 2025-26 GENERAL FUND REVENUE SUMMARY					
REVENUE CATEGORY	TOTAL REVENUES	REVENUE TYPE	PROJECTION METHOD	DISCOUNT ¹	MULTIPLIER
REVENUES INCLUDED IN FISCAL IMPACT ANALYSIS					
TAXES AND SPECIAL ASSESSMENTS					
SALES TAX	\$22,009,320	RECURRING	CASE STUDY	NA	NA
PROPERTY TAX	\$33,863,177	RECURRING	CASE STUDY	NA	NA
SPECIAL TAXES/ASSESSMENTS	\$7,822,600	RECURRING	CASE STUDY	NA	NA
TRANSIENT OCCUPANCY TAX	\$1,928,000	RECURRING	CASE STUDY	NA	NA
TOTAL TAXES AND SPECIAL ASSESSMENTS	\$65,623,097				
LICENSES AND PERMITS					
FRANCHISE FEES	\$5,910,000	RECURRING	PERSONS SERVED	0%	\$49.26
BUILDING PERMIT FEES	\$520,000	RECURRING	PERSONS SERVED	0%	\$4.33
BUSINESS LICENSE FEES	\$338,600	RECURRING	PERSONS SERVED	0%	\$2.82
OTHER LICENSE AND PERMITS	\$1,124,363	RECURRING	PERSONS SERVED	0%	\$9.37
TOTAL LINCENSE AND PERMITS	\$7,892,963				
TOTAL INCLUDED GENERAL FUND REVENUES					\$65.78
INTERGOVERNMENTAL					
STATE MANDATES	\$255,000	NA	NA	NA	NA
STATE GRANTS	\$459,500	NA	NA	NA	NA
LOCAL GRANTS	\$0	NA	NA	NA	NA
COUNTY	\$320,000	NA	NA	NA	NA
FEDERAL GRANTS	\$0	NA	NA	NA	NA
TOTAL INTERGOVERNMENTAL	\$1,034,500				
CHARGES FOR SERVICES ³					
DEPARTMENTAL SERVICES	\$10,623,185	NA	NA	NA	NA
REIMBURSEMENTS	\$4,068,500	NA	NA	NA	NA
TOTAL CHARGES FOR SERVICES	\$14,691,685				
FINES AND FORFITURES					
FINES AND FORFITURES	\$492,000	NA	NA	NA	NA
Total FINES AND FORFITURES	\$492,000				
USE OF MONEY AND PROPERTY					
RENTAL INCOME	\$33,500	NA	NA	NA	NA
PARTNNERSHIP INCOME	\$540,000	NA	NA	NA	NA
INTEREST INCOME	\$940,000	NA	NA	NA	NA
TOTAL USE OF MONEY AND PROPERTY	\$1,513,500				
DEVELOPER FEES					
DEVELOPER FEES	\$20,000	NA	NA	NA	NA
DEVELOPER FEES	\$20,000				
MISCELLANEOUS REVENUE					
DONATIONS	\$8,000	NA	NA	NA	NA
OTHER MIS. REVENUE	\$221,200	NA	NA	NA	NA
TOTAL MISCELLANEOUS REVENUE	\$229,200				
OTHER FINANCING SOURCES					
OPERATING TRANSFERS IN - REAL PROPERTY	\$4,500,000	NA	NA	NA	NA
OPERATING TRANSFERS IN - CREEKSIDE		NA	NA	NA	NA
MANAGEMENT	\$1,425,000	NA	NA	NA	NA
OPERATING TRANSFERS IN - OTHER	\$966,800	NA	NA	NA	NA
TOTAL OTHER FINANCING SOURCES	\$6,891,800				
TOTAL GENERAL FUND REVENUES + CHARGES FOR SERVICES					
TOTAL RECURRING GENERAL FUND REVENUES	\$98,428,745				

NOTES

¹ Certain revenues may not be expected to increase one-to-one with the new development.

² Source: FY 2025-26 Budget.

³ All Charges for Services are deducted from expenditures on Exhibit 12.

⁴ Interest income is modeled on a case study basis on Exhibit 8.

**All figures subject to rounding*

EXHIBIT 12 SANTA FE FLORES TOWNHOMES CITY OF SAN MARCOS FY 2025-26 GENERAL FUND EXPENDITURE SUMMARY						
EXPENDITURE CATEGORY	TOTAL EXPENDITURES	CHARGES FOR SERVICES ADJUSTMENT	EXPENDITURE TYPE	PROJECTION METHOD ¹	DISCOUNT ²	MULTIPLIER
EXPENDITURES INCLUDED IN FISCAL IMPACT ANALYSIS						
GENERAL GOVERNMENT EXPENDITURES						
CITY COUNCIL	\$276,917		RECURRING	CASE STUDY	NA	NA
ADMINISTRATION	\$9,931,163		RECURRING	CASE STUDY	NA	NA
COMMUNICATION AND ENGAGEMENT	\$494,276		RECURRING	CASE STUDY	NA	NA
ECONOMIC DEVELOPMENT	\$676,616		RECURRING	CASE STUDY	NA	NA
CITY ATTORNEY	\$855,000		RECURRING	CASE STUDY	NA	NA
CITY CLERK	\$838,298		RECURRING	CASE STUDY	NA	NA
HUMAN RESOURCES/ RISK MANAGEMENT	\$4,521,963		RECURRING	CASE STUDY	NA	NA
FINANCE	\$2,116,422		RECURRING	CASE STUDY	NA	NA
INFORMATION SYSTEMS	\$3,464,442		RECURRING	CASE STUDY	NA	NA
REAL PROPERTY SERVICES	\$33,525		RECURRING	CASE STUDY	NA	NA
TOTAL GENERAL GOVERNMENT EXPENDITURES	\$23,208,622					
		\$23,208,622				\$0.00
PUBLIC WORKS						
ADMINISTRATION	\$739,665	(\$260,820)	RECURRING	PERSONS SERVED	0%	\$3.99
RIGHT OF WAY MAINTENANCE	\$3,319,794	(\$1,170,623)	RECURRING	PERSONS SERVED	0%	\$17.91
FLEET MAINTENANCE	\$2,506,543	(\$883,855)	RECURRING	PERSONS SERVED	0%	\$13.53
PARK AND LANDSCAPE	\$3,359,545	(\$1,184,640)	RECURRING	PERSONS SERVED	0%	\$18.13
FACILITIES MAINTENANCE	\$1,612,395	(\$568,561)	RECURRING	PERSONS SERVED	0%	\$8.70
TOTAL PUBLIC WORKS	\$11,537,942	(\$4,068,500)				
		\$7,469,442		PERSONS SERVED	0%	\$62.26
DEVELOPMENT SERVICES						
ADMINISTRATION	\$1,237,473		RECURRING	PERSONS SERVED	0%	\$10.31
PLANNING	\$2,077,493		RECURRING	PERSONS SERVED	0%	\$17.32
BUILDING	\$0		RECURRING	PERSONS SERVED	0%	\$0.00
ENGINEERING	\$3,009,307		RECURRING	PERSONS SERVED	0%	\$25.08
WATERSHED PROGRAM MANAGEMENT	\$939,254		RECURRING	PERSONS SERVED	0%	\$7.83
TOTAL DEVELOPMENT SERVICES	\$7,263,527					
		\$7,263,527		PERSONS SERVED	0%	\$60.54
PUBLIC SAFETY						
FIRE DEPARTMENT	\$25,324,773	(\$5,311,593)	RECURRING	PERSONS SERVED	0%	\$166.81
LAW ENFORCEMENT	\$25,096,100	(\$5,311,593)	RECURRING	PERSONS SERVED	0%	\$164.91
TOTAL PUBLIC SAFETY	\$50,420,873	(\$10,623,185)				
		\$39,797,688		PERSONS SERVED	0%	\$331.72
PARKS AND RECREATION						
PARKS AND RECREATION	\$4,692,759		RECURRING	PERSONS SERVED	0%	\$39.12
TOTAL PARKS AND RECREATION	\$4,692,759	\$0				
		\$4,692,759		PERSONS SERVED	0%	\$39.12
OTHER FINANCING USES						
ANNUAL REPLACEMENT/REHAB TRANSFERS	\$0		RECURRING	PERSONS SERVED	90%	\$0.00
TOTAL OTHER FINANCING SOURCES	\$0	\$0				
		\$0		PERSONS SERVED	90%	\$0.00
TOTAL INCLUDED EXPENDITURES	\$97,123,723	\$82,432,038				
EXPENDITURES EXCLUDED FROM FISCAL IMPACT ANALYSIS						
TRANSFERS OUT	\$831,000		NA	NA	NA	NA
TOTAL EXCLUDED GENERAL FUND EXPENDITURES	\$831,000					
TOTAL GENERAL FUND EXPENDITURES	\$97,954,723	\$82,432,038		Ratio		
				28.15%		

NOTES

¹ Persons Served method assumes City population plus 50% of employees.

² Certain expenditures may not be expected to increase one-to-one with the new development.

* Source: FY 2025-26 Budget.

*All figures subject to rounding



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GENERAL PLAN AMENDMENT

GPA25-0001

SAN MARCOS, CALIFORNIA

March 16, 2026

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CITY OF SAN MARCOS



ECONOMIC IMPACT REPORT SANTA FE FLORES GENERAL PLAN AMENDMENT (GPA25-0001)

Prepared for:

City of San Marcos

1 Civic Center Drive

San Marcos, CA 92069

Attention: Sarah Cluff, Senior Planner

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I EXECUTIVE SUMMARY

A Purpose of the Study

The objective of this Economic Impact Study (the "Study") is to analyze the economic impacts to the City of San Marcos (the "City") from the zoning and land use change proposed for the development on the 2.6-acre property (the "Project").

The project site is located on the northwest corner of South Santa Fe Ave. and North Los Flores Drive and is north of the 78 freeway. The property is comprised of Assessor's Parcel Numbers (APNs) 217-161-17-00, 217-161-19-000 and 217,161-19-00. The project consists of a Multi-Family Site Development Plan modification to GPA 21-0008 and Tentative Subdivision Map for construction of 46 residential townhomes on 2.6 acres. The project includes a General Plan Amendment and Rezone from Commercial (C) to Multi-Family Residential (R-3-6) to add a 0.37-acre portion of the 2966 S. Santa Fe Avenue property. The existing R-3-10 zoned properties at 2972 & 2982 S. Santa Fe Ave will also be rezoned to R-3-6, to be consistent with the other portion of the project site. The Subject site has grown from 2.5 acres previously slated for Commercial and Multi-family Residential R-3-10 apartments (the "Original" project) to total 2.60 acres, planned for a 46-unit for-sale residential townhome community (The "Proposed" project).

Based on the market analysis prepared by Zonda Advisory (the "Zonda Analysis"), the ("Approved Plan") has been assumed to be a 50 Unit Apartment Development (APN's:217-161-18-00 & 217-161-19-00) plus a 2,821 Commercial Retail Strip Center, (APN: 217-161-17-00). The ("Proposed Plan") is a 46 Unit townhome Development (APN's: 217-161-1800; 217-161-19-00; and a 0.37-acre portion of 217-161-17-00). All of the planned units are 3 bedrooms. The building footprint is approximately 0.89 acres with 0.82 acres dedicated to parking. In aggregate, the seven buildings will comprise approximately 73,952 square feet. There will be a total of 107 parking spaces, 92 of which will be covered garages. In addition, 14,795 square feet of landscape and common open space will be provided throughout the development. Consequently, the Study estimates the economic impacts of the Approved Plan and Proposed Plan (collectively, the "Scenarios") and provides a side-by-side comparison of both Scenarios.

B Types of Economic Impacts Evaluated in the Study

The Study identifies the general economic impacts that would occur due to the Project and quantifies these impacts wherever possible. General economic impacts include additions to employment (number of average annual full- and part-time jobs) and economic output (e.g., gross receipts) in the City.

The Study also distinguishes between one-time impacts and permanent impacts. One-time impacts include benefits that occur on a non-recurring basis as a result of construction activity, while permanent impacts refer to benefits that occur on a continuing basis, year after year. Generally, first, there is a one-time impact from the construction of a facility.

Then, after the construction phases are complete, firms have a recurring impact on the economy through their ongoing operations.

Economic impact studies also operate under the basic assumption that any increase in spending has three effects: direct, indirect, and induced. First, there is a direct effect caused by the additional output of goods or services. Second, there is a ripple of indirect effects on all of the industries whose outputs are used by various industries and by a firm's supply chain. Third, there are induced effects that arise when employment increases in the region and stimulates greater household spending.

C Economic Impact Conclusions

The economic impact of the Approved Plan and the Proposed Plan are analyzed separately within the Study. In order to quantify the findings, the Study has evaluated the following elements as the major indicators of the economic impact: (i) Permanent Employment – direct-on-site and indirect/induced (which supplies or supports direct employment), (ii) Permanent Output (Gross Receipts) – total direct output plus output produced by suppliers and employee spending, and (iii) One-Time Construction Impacts.

C.1 Recurring Impacts

As illustrated in Tables ES-1 and ES-2 below, Permanent Employees are higher under the Approved Plan while permanent Gross Receipts are higher under the Proposed Plan. The number of employees listed in the Tables below; two (2) for the Approved Plan and zero (0) for the Proposed Plan refer solely to Direct Employment as opposed to the Employment totals presented in Tables ES-3 and ES-4, which refer to both Direct and Indirect/Induced Total Employees.

**Table ES-1: Permanent (Recurring) Employment and Overall Economic Output
Approved Plan**

Recurring Impacts	Direct	Indirect/Induced	Total
Employees			
City of San Marcos	2	0	2
Overall Output			
City of San Marcos	\$871,680	\$103,972	\$975,652

Table ES-2: Permanent (Recurring) Employment and Overall Economic Output
Proposed Plan

Recurring Impacts	Direct	Indirect/Induced	Total
Employees			
City of San Marcos	0	0	0
Overall Output			
City of San Marcos	\$999,176	\$253,381	\$1,252,557

In addition, DTA has estimated that the direct and indirect/induced effects on the City to total \$975,562 for the Approved Plan and \$1,252,557 for the Proposed Plan.

C.2 One-Time Impacts

In addition, the number of one-time construction employees is almost twice the number under the Proposed than in the Approved Plan. (It's important to note that the townhomes are about twice the square footage as the apartment units) In addition, the Gross receipts are also expected to be higher under the Proposed Plan. The tables presented in this section summarize the major conclusions related to the One-Time economic impacts of both the Approved Plan and the Proposed Plan.

Table ES-3: Construction (One-Time) Employment and Overall Economic Output
Approved Plan

One-Time Impact	Direct	Indirect/Induced	Total
Employees			
City of San Marcos	65	40	105
Overall Output			
City of San Marcos	\$11,342,563	\$4,615,938	\$15,958,501

Table ES-4: Construction (One-Time) Employment and Overall Economic Output
Proposed Plan

One-Time Impact	Direct	Indirect/Induced	Total
Employees			
City of San Marcos	122	80	202
Overall Output			
City of San Marcos	\$21,831,600	\$10,489,695	\$32,321,295

D Market Considerations

The primary advantage of the proposed rezone over the original is that the site can provide new for-sale product to San Marcos which has strong buyer demand for townhomes coupled with a historical undersupply of new for-sale housing. Additionally, the site developed as proposed townhomes can deliver relatively attainably priced new for-sale

product to San Marcos, at an average unit size which is much larger than the original apartment unit size. The proposed project consists of 2 lots with an existing medium density residential 2 (MDR2) 15.1–20.0 du/ac general plan land use designation and a 0.37-acre portion of an adjacent parcel with a commercial (C) designation. The proposed project would re-designate both the MDR2 sites and the portion of the commercial site to medium high density residential (MHDR), 20.1– 30.0 du/ac, to develop 46 residential townhome units. According to the Zonda market study, drive thru commercial retail performance remains relatively strong in the right areas and should be attractive to commuters. However, the changing face of retail is causing high vacancies and putting downward pressure on rents and further rent correction could occur at secondary commercial retail locations. However, the proposed residential R-3-6 zoning for-sale residential would introduce needed homes at an attractive price point, fulfilling a deep demand pool of homebuyers looking to move to or purchase in San Marcos. In addition, there is an extreme market demand and supply shortage of for-sale residential townhomes, and the for-sale scenario has the ability to translate potential City revenue into actual dollars, whereas the approved project does not. In addition, the area immediately east of the proposed project is an affordable housing development. An advantage of the rezone over the existing use is that the site can provide new for sale product to San Marcos, which currently does not have new multifamily product.

II INTRODUCTION

The objective of this Economic Impact Study (the “Study”) is to analyze the economic impacts to the City of San Marcos (the “City”) from the zoning and land use change proposed for the development on the 2.6-acre property (the “Project”).

The project site is located on the northwest corner of South Santa Fe Ave. and North Los Flores Drive and is north of the 78 freeway. The property is comprised of Assessor’s Parcel Numbers (APNs) 217-161-17-00, 217-161-19-000 and 217,161-19-00. The project consists of a Multi-Family Site Development Plan modification to GPA 21-0008 and Tentative Subdivision Map for construction of 46 residential townhomes on 2.6 acres. The project includes a General Plan Amendment and Rezone from Commercial (C) to Multi-Family Residential (R-3-6) to add a 0.37-acre portion of the 2966 S. Santa Fe Avenue property. The existing R-3-10 zoned properties at 2972 & 2982 S. Santa Fe Ave will also be rezoned to R-3-6, to be consistent with the other portion of the project site. The Subject site has grown from 2.5 acres previously slated for Commercial and Multi-family Residential R-3-10 apartments (the “Original” project) to total 2.60 acres, planned for a 46-unit for-sale residential townhome community (The “Proposed” project).

Based on the market analysis prepared by Zonda Advisory (the “Zonda Analysis”), the (“Approved Plan”) has been assumed to be a 50 Unit Apartment Development (APN’s:217-161-18-00 & 217-161-19-00) plus a 2,821 Commercial Retail Strip Center, (APN: 217-161-17-00). The (“Proposed Plan”) is a 46 Unit townhome Development (APN’s: 217-161-1800; 217-161-19-00; and a 0.37-acre portion of 217-161-17-00). All of the planned units are 3 bedrooms. The building footprint is approximately 0.89 acres with 0.82 acres dedicated to parking. In aggregate, the seven buildings will comprise approximately 73,952 square feet. There will be a total of 107 parking spaces, 92 of which will be covered garages. In addition, 14,795 square feet of landscape and common open space will be provided throughout the development.

Consequently, the Study estimates the economic impacts of the Approved Plan and Proposed Plan (collectively, the “Scenarios”) and provides a side-by-side comparison of both Scenarios.

A Scope and Methodology

A.1 Approach

The Study identifies the general economic impacts that would occur with the development of the Approved Plan and the Proposed Plan individually and quantifies these impacts wherever possible. General economic impacts include additions to employment (number of average annual full- and part-time jobs), and economic output (e.g., gross receipts). The Study also distinguishes between one-time economic impacts and permanent economic impacts. One-time impacts include benefits to the community that occur on a non-recurring basis as a result

of construction and development activity, while permanent, recurring impacts refer to benefits that occur on a continuing basis, year after year. Additionally, for purposes of the Study, all economic impacts are stated in constant (un-inflated) 2025 dollars, based on the assumption that the relative impacts of inflation in future years may be difficult to gauge.

Furthermore, in evaluating economic impacts, the Study quantifies both direct and indirect/induced economic impacts on the City. Direct economic impacts reflect the initial or first-round increases in jobs and output, all of which occur directly on-site. Indirect/induced economic impacts are the secondary and other additional rounds of economic activity that occur as a consequence of the direct impacts and can occur elsewhere within the City. The indirect impacts represent the economic activity – buying and selling of goods and services – of suppliers to the land use types analyzed. In this Study, suppliers to the Proposed Plan would likely include maintenance and repair professionals, utilities' providers, wholesale trade companies, commercial and business support services; while suppliers to the Approved Plan may include construction supply firms, computer and other technology firms, accounting and bookkeeping professionals, and utilities' providers. Additionally, the suppliers representing the indirect one-time impacts would likely include heavy industrial and construction suppliers for the actual development of buildings and facilities. Finally, the induced impacts represent the economic activity that results from household spending by employees of all companies directly and indirectly affected by the construction and operation of the land uses analyzed in the Study.

A.2 North American Industry Classification

Indirect and induced impacts can occur throughout all industries of the economy and have been categorized using the North American Industry Classification System ("NAICS"). Adopted by the Office of Management and Budget ("OMB") in 1997 to replace the Standard Industrial Classification System ("SIC"), NAICS is a widely-used system to classify business establishments for the collection, analysis, and publication of statistical data in Canada, Mexico, and the United States. NAICS industries are identified using a 6-digit coding system to classify all economic activity into twenty broad sectors, five of which are mainly goods-producing sectors and fifteen of which are services-providing sectors. This 6-digit hierarchical structure allows for the identification of nearly 1,170 industries. The broad NAICS sectors include the Retail/Commercial, Business Park, Industrial/Warehousing, and Construction, which are the focal NAICS categories analyzed within this Study to determine the indirect and induced economic impacts generated under both Scenarios.

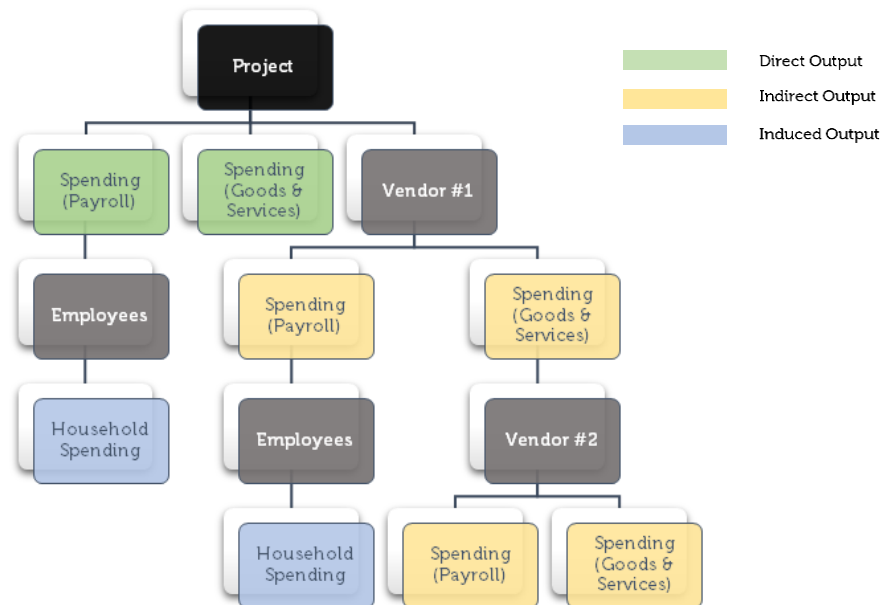
A.3 IMPLAN Multiplier Method

Although there is a consensus among economists that indirect and induced, or “multiplier” effects exist, most economists also agree that such effects are difficult to measure. Patterns on spending and employment among suppliers and employee households often vary over time and from one region to another. Nevertheless, there are certain input-output models that can be used to estimate indirect and induced effects.

In quantifying the indirect and induced economic impacts for the Study, DTA utilized the Impact Analysis for Planning (“IMPLAN”) Input/output Modeling System, a type of quantitative economic model that provides an approximate measure of the “multiplier effect” of a firm’s spending on payroll and the purchasing of goods and services. In this study, DTA used Version 3 of the IMPLAN economic modeling system.

Like similar econometric models, IMPLAN helps to calculate the flow of payments for goods and services across different industry sectors, and between households and industries. The IMPLAN model can be envisioned simply as a large spreadsheet with hundreds of industries (plus the household sector) arrayed across the top as producers, and the same industries and households listed down the side as consumers. Each million dollars (output) in spending by any one consumer (i.e., within the Approved Plan or the Proposed Plan) is allocated across the producing industries from which that consumer buys goods and services. These producing industries, in turn, spend money buying goods and services from their own distinct sets of suppliers. Thus, the IMPLAN multiplier model allows one to gauge the effect on each dollar an industry spends as it diffuses through a regional economy. Furthermore, it allows one to translate the overall regional impact of spending into jobs and employee compensation. Please refer to the example presented in **Figure 1** for a graphical representation of the multiplier effect in development.

Figure 1: Example of the Multiplier Effect (Direct, Indirect and Induced Output)



Source: DTA, 2019

B Limitations – Accuracy of Information

The economic models presented in this Study contain analysis of revenues and impacts resulting from the Approved Plan and the Proposed Plan. These models are based on both (i) information provided to DTA by the City and its consultants, Applicant of the Proposed Plan, and (ii) certain DTA assumptions taken from DTA's proprietary databases, as compiled by DTA from previous studies prepared by the firm. The sources of information and basis of the estimates calculated in the Study are stated herein. While DTA is confident that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information. The analysis of economic impacts contained in the Study is not considered to be a "financial forecast" or a "financial projection" as technically defined by the American Institute of Certified Public Accountants. The word "projection" used within the Study relates to broad expectations of future events or market conditions. Since the analyses contained herein are based on estimates and assumptions that are inherently subject to uncertainty and variation depending on evolving events, DTA cannot represent that such estimates will definitely be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from these projections stated throughout the Study.

III ECONOMIC IMPACTS

The Study identifies the general economic impacts that would occur under the Approved Plan and compares them to the impacts under the Proposed Plan, quantifying the impacts of each Scenario wherever possible. General economic impacts include additions to employment (number of average annual full- and part-time jobs) and economic output (e.g., gross receipts). The Study also distinguishes between one-time economic impacts and permanent economic impacts. One-time impacts include benefits to the community that occur on a non-recurring time basis as a result of construction and development activity, while permanent, recurring impacts refer to benefits that occur on a continuing basis, year after year.

A Recurring Economic Impacts

A.1 Assumptions

Information provided to DTA indicates that the Approved Plan includes a 50-unit multifamily apartment project consisting of 50 rental units on 2.5 gross acres (2.23 acres net) plus an additional 0.37 acres currently zoned as Commercial. The proposed plan includes 107 parking spaces, 14,795 square feet of common open space, dog relief areas, four BBQ areas, two artificial turf game courts, and an 800-square-foot play area for children. The 28 corner units each feature a 64-square-foot private balcony and a 450-square-foot private roof deck, while the 18 interior units each include a 61-square-foot balcony and a 340-square-foot roof deck.

Under the Proposed plan site consists of 46 townhome units distributed across seven buildings on 2.6 acres. All of the planned units are 3 bedrooms. The building footprint is approximately 0.89 acres with 0.82 acres dedicated to parking. In aggregate, the seven buildings will comprise approximately 73,952 square feet. There will be a total of 107 parking spaces, 92 of which will be covered garages. In addition, 14,795 square feet of landscape and common open space will be provided throughout the development. Please see **Table 1**, presented below, for a general summary of the built-out projection on the Approved Plan and the Proposed Plan.

Table 1: Assumptions – Approved Plan vs. Proposed Plan

Assumptions	Approved Plan	Proposed Plan
Residential Land Use	Units	Units
Apartments	50	
Town Homes		46
Residential Land Use	Sq. Ft.	Sq. Ft.
Apartments	36,393	
Town Homes		73,952
Residential Land Use	Residents	Residents
Apartments	123	
Town Homes		113
Non-Residential Land Use	Sq. Ft.	Sq. Ft.
Commercial Retail	2,821	
Employment	Direct Employees	Direct Employees
Commercial Retail	2	0

A.2 Job Creation

As indicated in the Table below, full development and build-out of both the Approved Plan is expected to be slight, resulting in two (2) new jobs, while the Proposed Plan is expected to result in zero (0) recurring jobs in the City. This total includes combined direct and indirect/induced employment. Although the specific location of the additional indirect jobs created cannot be identified in this Study, most of these jobs will likely be support service jobs in retail, transportation, and similar areas.

Table 2: Approved Plan – Recurring Employment

Recurring Impacts	Direct	Indirect/Induced	Total
Total Output			
City of San Marcos	2	0	2

Tables 2 and 3 presented, as well as Exhibit 1 of Appendices A and B, summarize the direct and indirect/induced recurring employment impacts of the Approved Plan and the Proposed Plan.

Table 3: Proposed Plan – Recurring Employment

Recurring Impacts	Direct	Indirect/Induced	Total
Total Output			
City of San Marcos	0	0	0

Since the analyses contained herein are based on estimates and assumptions that are inherently subject to uncertainty and variation depending on evolving events, DTA cannot represent that such estimates will definitely be achieved. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from these projections stated throughout the Study.

A.3 Overall Economic Output

In addition to the Employment projections presented in the previous section, Total Output (i.e., total expenditures including sales or gross receipts, or other operating income) within the City will increase noticeably under both development Scenarios. However, as indicated below in **Tables 4 and 5** total output projections under the Approved Plan exceed those of the Proposed Plan. Total output is estimated and based on the different types of development projected to occur. As stated in Section I, this Study analyzes direct and indirect/induced impacts. Regarding gross receipts, the direct impact reflects the initial or first-round increases in output (total spending/gross receipts, including payroll), all of which occur directly on the either the Approved Plan site or the Proposed Plan site.

Table 4: Approved Plan – Recurring Total Output

Recurring Impacts	Direct	Indirect/Induced	Total
Overall Output			
City of San Marcos	\$871,680	\$103,972	\$975,652

Table 5: Proposed Plan – Recurring Total Output

Recurring Impacts	Direct	Indirect/Induced	Total
Overall Output			
City of San Marcos	\$999,176	\$253,381	\$1,252,557

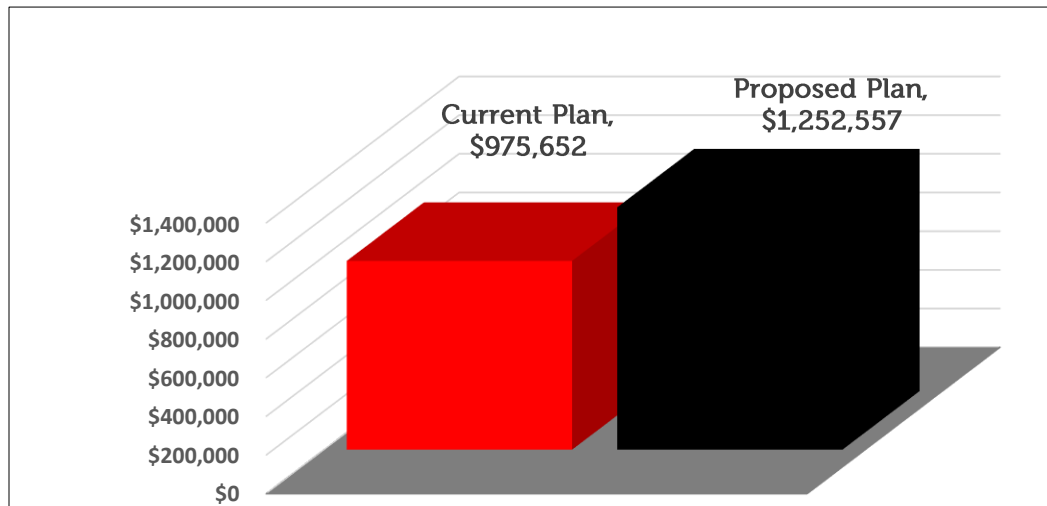
Indirect/induced economic impacts are the secondary effects, and other additional rounds of economic activity that occur as a consequence of the direct output impacts can occur outside of the Approved Plan and the Proposed Plan. The indirect impacts represent the economic activity – buying and selling of goods and services – of suppliers and/or supporting businesses. The induced impacts represent the

economic activity that results from household spending by employees of all companies directly and indirectly affected by the Project.

Based again on IMPLAN Version 3 multipliers and other assumptions utilized in the Study, DTA has estimated that the direct and indirect/induced effects on the City total \$5975,652 for the Approved Plan and \$1,252,557 for the Proposed Plan.

As shown in the tables above, DTA estimates that the direct and indirect/induced effects on the City resulting from the Approved Plan (including employees and residents) are greater than those under the Proposed Plan. The side-by-side comparison of recurring Total Output can be seen in the graphical representation of presented in Figure 2 below.

Figure 2: Approved Plan vs. Proposed Plan – Recurring Total Output



B One-Time Employment and Output Impacts (Construction)

According to IMPLAN, development of the Approved Plan area is projected to create approximately one hundred and five (105) one-time construction jobs in the City of San Marcos. This total includes combined direct and indirect/induced employment. For the Proposed Plan, two hundred and two (202) one-time construction jobs are expected to be created. Again, one-time construction and development costs will also have multiplier effects on the economy, generating one-time increases in output from construction of the non-residential buildings and all related site improvements. **Tables 6 and 7** below summarize the projected increases in employment resulting from construction activities, under each Scenario.

Table 6: Approved Plan – One-Time Employment

One-Time Impacts	Direct	Indirect/Induced	Total
Employees			
City of San Marcos	65	40	105

Table 7: Proposed Plan – One-Time Employment

One-Time Impacts	Direct	Indirect/Induced	Total
Employees			
City of San Marcos	122	80	202

As with recurring economic impacts, experience and modeling indicate that a large percentage of these jobs will be support service and construction jobs in industries currently occupying the Approved area. These jobs are likely to be located close to either the Approved Plan or the Proposed Plan. The tables presented above summarize the projected increases in employment to be generated directly from construction of the Project land uses, based on DTA construction cost assumptions.

Table 8: Approved Plan – One-time Total Output

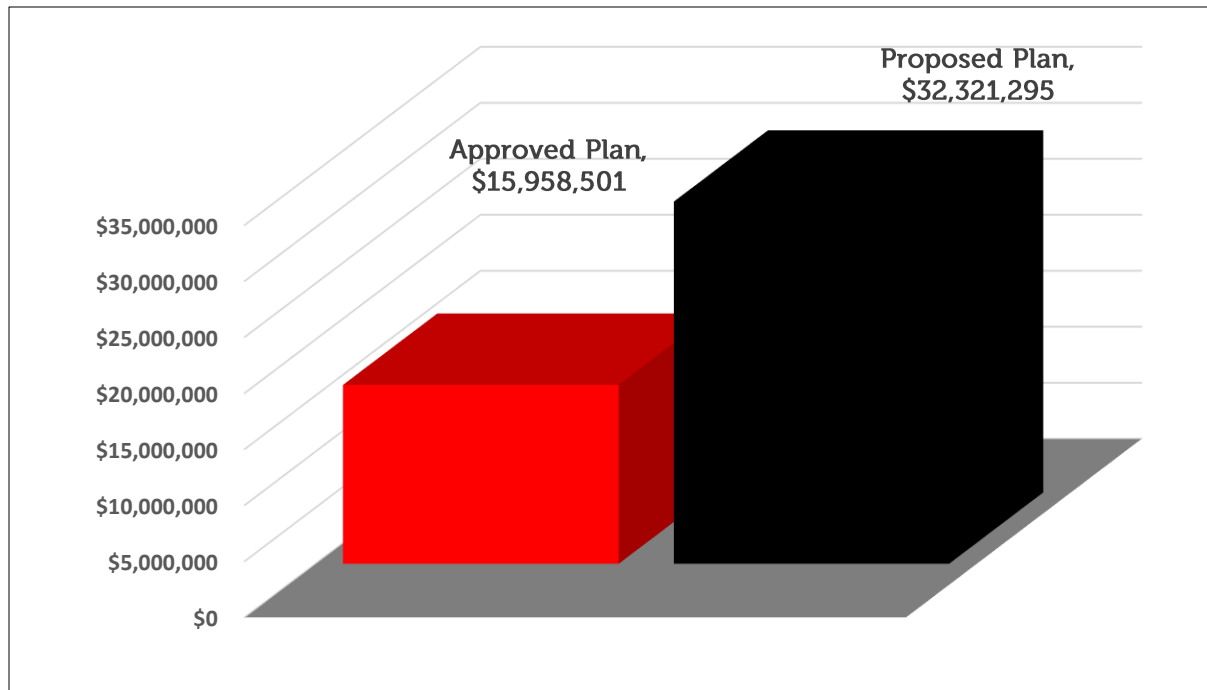
One-Time Impacts	Direct	Indirect/Induced	Total
Output			
City of San Marcos	\$11,342,563	\$4,615,938	\$15,958,501

Table 9: Proposed Plan – One-time Total Output

One-Time Impacts	Direct	Indirect/Induced	Total
Output			
City of San Marcos	\$21,831,600	\$10,489,695	\$32,321,295

Notably, projected one-time Total Output is expected to increase considerably under both the Approved and Proposed scenarios, as illustrated in **Tables 8 and 9** above. DTA estimates that the direct and indirect/induced effects on the City total \$15,958,501 million in One-Time Total Output for the Approved Plan and \$32,321,296 million for the Proposed Plan. A side-by-side comparison of both Scenarios can be seen graphically in **Figure 3** presented below.

Figure 3: Approved Plan vs. Proposed Plan – One-Time Total Output



C Market Considerations

The primary advantage of the proposed rezone over the original is that the site can provide new for-sale product to San Marcos which has strong buyer demand for townhomes coupled with a historical undersupply of new for-sale housing. Additionally, the site developed as proposed townhomes can deliver relatively attainably priced new for-sale product to San Marcos, at an average unit size which is much larger than the original apartment unit size. The proposed project consists of 2 lots with an existing medium density residential 2 (MDR2) 15.1–20.0 du/ac general plan land use designation and a 0.37-acre portion of an adjacent parcel with a commercial (C) designation. The proposed project would re-designate both the MDR2 sites and the portion of the commercial site to medium high density residential (MHDR), 20.1– 30.0 du/ac, to develop 46 residential townhome units. According to the Zonda market study, drive thru commercial retail performance remains relatively strong in the right areas and should be attractive to commuters. However, the changing face of retail is causing high vacancies and putting downward pressure on rents and further rent correction could occur at secondary commercial retail locations. However, the proposed residential R-3-6 zoning for-sale residential would introduce needed homes at an attractive price point, fulfilling a deep demand pool of homebuyers looking to move to or purchase in San Marcos. In addition, there is an extreme

market demand and supply shortage of for-sale residential townhomes, and the for-sale scenario has the ability to translate potential City revenue into actual dollars, whereas the approved project does not. In addition, the area immediately east of the proposed project is an affordable housing development. An advantage of the rezone over the existing use is that the site can provide new for sale product to San Marcos, which currently does not have new multifamily product.

APPENDIX A

City of San Marcos
Santa Fe Flores
Economic Impact Study



**ECONOMIC IMPACT
MODEL, APPROVED PLAN**

**CITY OF SAN MARCOS
SANTA FE FLORES
ECONOMIC IMPACT ANALYSIS - (APPROVED PLAN)**

RECURRING JOBS

RECURRING IMPACTS

ONE-TIME JOBS

ONE TIME IMPACTS

JOB HOUSING BALANCE

SUMMARY

EXHIBIT 1A
SANTA FE FLORES
RECURRING EMPLOYMENT - APPROVED PLAN

ASSUMPTIONS

I. RESIDENTIAL LAND USE ASSUMPTIONS

LAND USE CATEGORY	UNITS
Apartment	50

II. NON-RESIDENTIAL LAND USE ASSUMPTIONS

LAND USE CATEGORY¹	EMPLOYEES/1,000 SQ. FT.²	SQ. FT.¹
COMMERCIAL RETAIL	0.82	2,821

2,821

RECURRING EMPLOYMENT

III. CITY

	<u>DIRECT EMPLOYEES³</u>	<u>INDIRECT EMPLOYEES⁴</u>	<u>INDUCED EMPLOYEES⁴</u>	<u>TOTAL EMPLOYEES</u>
COMMERCIAL RETAIL	2	0	0	2
APARTMENTS				
TOTAL RECURRING EMPLOYMENT	2	0	0	2

NOTES:

¹ Source: City of San Marcos.

² Commercial Buildings Energy Consumption Survey (CBECS), 2012.

³ Based on multiplying Category SF by Employees/1,000 SF metric.

⁴ Source: San Marcos City IMPLAN multipliers.

* ***All figures subject to rounding***

EXHIBIT 2A
SANTA FE FLORES
RECURRING ECONOMIC IMPACTS - APPROVED PLAN

ASSUMPTIONS

I.	<u>RESIDENTIAL SPENDING ASSUMPTIONS</u>	<u>HOUSEHOLD INCOME</u>	<u>% INCOME SPENT</u>	<u>TOTAL RESIDENT</u>
			<u>IN CITY</u>	<u>SPENDING / YR.</u>
	APARTMENTS	\$105,000	28.07%	\$736,909
II.	<u>NON-RESIDENTIAL OUTPUT ASSUMPTIONS</u>	<u>AVERAGE OUTPUT / EMPLOYEE ¹</u>		<u>OUTPUT / YR. ¹</u>
	COMMERCIAL RETAIL	\$67,385		\$134,771

RECURRING OUTPUT

III.	<u>CITY</u>				<u>TOTAL OUTPUT</u>
		<u>DIRECT OUTPUT</u>	<u>INDIRECT OUTPUT ¹</u>	<u>INDUCED OUTPUT ¹</u>	
	COMMERCIAL RETAIL	\$134,771	\$25,076	\$36,302	\$196,150
	APARTMENTS	\$736,909	\$16,065	\$26,529	\$779,503
	TOTAL RECURRING OUTPUT	\$871,680	\$41,141	\$62,831	\$975,652

NOTES:

¹ Source: San Marcos City IMPLAN multipliers.

EXHIBIT 3A
SANTA FE FLORES
ONE-TIME EMPLOYMENT -APPROVED PLAN

ASSUMPTIONS

I.	<u>RESIDENTIAL LAND ASSUMPTIONS</u>	<u>UNITS</u>
	APARTMENTS	50
II.	<u>NON-RESIDENTIAL LAND USE ASSUMPTIONS</u>	<u>SQ. FT.</u>
	COMMERCIAL RETAIL	2,821
III.	<u>PUBLIC FACILITIES</u>	<u>TOTAL COST</u>
	PROJECT INFRASTRUCTURE	NA

ONE-TIME EMPLOYMENT

IV.	<u>CITY</u>	<u>DIRECT EMPLOYEES ¹</u>	<u>INDIRECT EMPLOYEES ¹</u>	<u>INDUCED EMPLOYEES ¹</u>	<u>TOTAL EMPLOYEES</u>
	COMMERCIAL RETAIL	9	1	2	12
	APARTMENTS	56	21	16	93
	TOTAL ONE-TIME EMPLOYEES	65	22	18	105

NOTES:

¹ Source: San Marcos City IMPLAN multipliers (IMPLAN Sector 58: Construction of new non-residential structures).

* *All figures subject to rounding*

EXHIBIT 4A
SANTA FE FLORES
ONE-TIME IMPACTS - APPROVED PLAN

ASSUMPTIONS

I.	<u>RESIDENTIAL CONSTRUCTION COST ASSUMPTIONS</u>	<u>UNITS</u>	<u>ESTIMATED</u>	<u>COST PER UNIT</u>
	townhomes	50	SQ. FT. PER DWELLING UNIT 525 to 820	\$200,000
II.	<u>NON-RESIDENTIAL CONSTRUCTION COST ASSUMPTIONS</u>		<u>IMPROVEMENT VALUE¹</u>	<u>CONSTRUCTION COST PER SQ. FT.</u>
	Commercial Retail		\$1,342,563	\$476
III.	<u>PUBLIC FACILITIES</u>			<u>TOTAL COST</u>
	PROJECT INFRASTRUCTURE			NA

ONE-TIME OUTPUT

IV.	<u>CITY</u>				<u>TOTAL OUTPUT</u>
		<u>DIRECT OUTPUT</u>	<u>INDIRECT OUTPUT²</u>	<u>INDUCED OUTPUT²</u>	
	Apartments	\$10,000,000	\$1,875,354	\$2,194,219	\$14,069,573
	Commercial Retail	\$1,342,563	\$251,778	\$294,588	\$1,888,929
	TOTAL ONE-TIME OUTPUT	\$11,342,563	\$2,127,132	\$2,488,806	\$15,958,501

NOTES:

¹ Assumes that improvement value is approximately 85% of total valuation.

² Source: San Marcos City IMPLAN multipliers (IMPLAN Sector 58: Construction of new non-residential structures).

* **All figures subject to rounding**

**EXHIBIT 5A
SANTA FE FLORES
JOBS-HOUSING BALANCE - APPROVED PLAN**

ASSUMPTIONS

I. EXISTING DEMOGRAPHICS

CITY OF SAN MARCOS

HOUSING UNITS ¹	33,157
EMPLOYEES ²	45,700

II. JOB IMPACTS ³

CITY OF SAN MARCOS

DIRECT IMPACT	2
ADDITIONAL INDIRECT	0
ADDITIONAL INDUCED	0
TOTAL	2

III. CUMULATIVE PROJECT DEMOGRAPHICS

EXISTING HOUSING UNITS PLUS PROJECT - CITY OF SAN MARCOS	33,207
<i>PERCENTAGE INCREASE</i>	<i>0.15%</i>

EXISTING EMPLOYEES PLUS PROJECT - CITY OF SAN MARCOS	45,702
<i>PERCENTAGE INCREASE</i>	<i>0.0044%</i>

JOBS-HOUSING BALANCE

IV. JOBS-HOUSING BALANCE

CITY OF SAN MARCOS

EXISTING	1.38
EXISTING WITH PROJECT	1.38
<i>PERCENTAGE INCREASE</i>	-0.15%

NOTES:

¹ Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State (20252).

² Source: California Employment Development Department ("EDD") - Labor Market Information Division.

³ Please see Exhibit B-1: Recurring Jobs.

*** *All figures subject to rounding***

**EXHIBIT 6A
SANTA FE FLORES
SUMMARY - APPROVED PLAN**

ASSUMPTIONS

<u>I. RESIDENTIAL LAND USE ASSUMPTIONS</u>		UNITS
Apartments		123
<u>II. NON-RESIDENTIAL LAND USE ASSUMPTIONS</u>		
	<u>EMPLOYEES/1,000 SQ. FT.</u>	<u>SQ. FT.</u>
Commercial Retail	0.82	2,821

ECONOMIC IMPACTS CONCLUSIONS

RECURRING IMPACTS

<u>III. JOB CREATION</u>	<u>DIRECT</u>	<u>INDIRECT/INDUCED</u>	<u>TOTAL</u>
CITYWIDE	2	0	2
<u>IV. TOTAL OUTPUT</u>	<u>DIRECT</u>	<u>INDIRECT/INDUCED</u>	<u>TOTAL</u>
CITYWIDE	\$871,680	\$103,972	\$975,652

ONE-TIME IMPACTS

<u>V. CONSTRUCTION JOBS</u>	<u>DIRECT</u>	<u>INDIRECT/INDUCED</u>	<u>TOTAL</u>
CITYWIDE	65	40	105
<u>VI. CONSTRUCTION OUTPUT</u>	<u>DIRECT</u>	<u>INDIRECT/INDUCED</u>	<u>TOTAL</u>
CITYWIDE	\$11,342,563	\$4,615,938	\$15,958,501

OTHER IMPACTS

<u>VII. JOBS-HOUSING BALANCE</u>	<u>BALANCE EXISTING</u>	<u>BALANCE WITH PROJECT</u>	<u>% INCREASE/ (DECREASE)</u>
CITYWIDE	1.37829	1.37628	-0.15%

APPENDIX B

City of San Marcos
Santa Fe Flores
Economic Impact Study



**ECONOMIC IMPACT
MODEL, PROPOSED PLAN**

**CITY OF SAN MARCOS
SANTA FE FLORES
ECONOMIC IMPACT ANALYSIS - (PROPOSED PLAN)**

RECURRING JOBS

RECURRING IMPACTS

ONE-TIME JOBS

ONE TIME IMPACTS

JOB HOUSING BALANCE

SUMMARY

EXHIBIT 1b
SANTA FE FLORES
RECURRING EMPLOYMENT - PROPOSED PLAN

ASSUMPTIONS

I. RESIDENTIAL LAND USE ASSUMPTIONS

LAND USE CATEGORY

UNITS

Townhomes

46

II. NON-RESIDENTIAL LAND USE ASSUMPTIONS

LAND USE CATEGORY¹

EMPLOYEES/1,000 SQ. FT.²

SQ. FT.¹

0

RECURRING EMPLOYMENT

III. CITY

DIRECT EMPLOYEES³

INDIRECT EMPLOYEES⁴

INDUCED EMPLOYEES⁴

TOTAL EMPLOYEES

Townhomes

0

0

0

0

TOTAL RECURRING EMPLOYMENT

0

0

0

0

NOTES:

¹ Source: City of San Marcos.

² Commercial Buildings Energy Consumption Survey (CBECS), 2012.

³ Based on multiplying Category SF by Employees/1,000 SF metric.

⁴ Source: San Marcos City IMPLAN multipliers.

* ***All figures subject to rounding***

EXHIBIT 2b
SANTA FE FLORES
RECURRING ECONOMIC IMPACTS - PROPOSED PLAN

ASSUMPTIONS

I. RESIDENTIAL SPENDING ASSUMPTIONS	HOUSEHOLD INCOME	% INCOME SPENT IN CITY	TOTAL RESIDENT SPENDING / YR.
Townhomes	\$176,016	24.68%	\$999,176

II. NON-RESIDENTIAL OUTPUT ASSUMPTIONS	AVERAGE OUTPUT / EMPLOYEE¹	OUTPUT / YR.¹
---	--	---------------------------------

RECURRING OUTPUT

III. CITY	DIRECT OUTPUT	INDIRECT OUTPUT¹	INDUCED OUTPUT¹	TOTAL OUTPUT
Townhomes	\$999,176.1	\$217,581.4	\$35,799.4	\$1,252,557
TOTAL RECURRING OUTPUT	\$999,176	\$217,581	\$35,799	\$1,252,557

NOTES:

¹ Source: San Marcos City IMPLAN multipliers.

* All figures subject to rounding

ASSUMPTIONS

UNITS

46

SQ. FT.

—
—
—
—

TOTAL COST

NA

IV. CITY

TOTAL EMPLOYEES

202

202

¹ Source: San Marcos City IMPLAN multipliers (IMPLAN Sector 58: Construction of new non-residential structures).

Page 4 of 7

EXHIBIT 4b
SANTA FE FLORES
ONE-TIME IMPACTS - PROPOSED PLAN

ASSUMPTIONS

I. RESIDENTIAL CONSTRUCTION COST ASSUMPTIONS	UNITS	ESTIMATED SQ. FT. PER DWELLING UNIT	COST PER UNIT
Townhomes	46	NA	\$474,600

II. NON-RESIDENTIAL CONSTRUCTION COST ASSUMPTIONS	IMPROVEMENT VALUE ¹	CONSTRUCTION COST PER SQ. FT.
--	---------------------------------------	--------------------------------------

III. PUBLIC FACILITIES	TOTAL COST
PROJECT INFRASTRUCTURE	NA

ONE-TIME OUTPUT

IV. CITY	DIRECT OUTPUT	INDIRECT OUTPUT ²	INDUCED OUTPUT ²	TOTAL OUTPUT
Townhomes	\$21,831,600	\$5,875,672	\$4,614,023	\$32,321,295
TOTAL ONE-TIME OUTPUT	\$21,831,600	\$5,875,672	\$4,614,023	\$32,321,295

NOTES:

¹ Assumes that improvement value is approximately 85% of total valuation.

² Source: San Marcos City IMPLAN multipliers (IMPLAN Sector 58: Construction of new non-residential structures).

* All figures subject to rounding

EXHIBIT 5b
SANTA FE FLORES
JOBS-HOUSING BALANCE - PROPOSED PLAN

ASSUMPTIONS

I. EXISTING DEMOGRAPHICS

CITY OF SAN MARCOS	
HOUSING UNITS ¹	33,157
EMPLOYEES ²	45,700

II. JOB IMPACTS ³

CITY OF SAN MARCOS	
DIRECT IMPACT	0
ADDITIONAL INDIRECT	0
ADDITIONAL INDUCED	0
TOTAL	0

III. CUMULATIVE PROJECT DEMOGRAPHICS

EXISTING HOUSING UNITS PLUS PROJECT - CITY OF SAN MARCOS	33,203
<i>PERCENTAGE INCREASE</i>	<i>0.14%</i>
EXISTING EMPLOYEES PLUS PROJECT - CITY OF SAN MARCOS	45,700
<i>PERCENTAGE INCREASE</i>	<i>0.0%</i>

JOBS-HOUSING BALANCE

IV. JOBS-HOUSING BALANCE

CITY OF SAN MARCOS	
EXISTING	1.38
EXISTING WITH PROJECT	1.38
<i>PERCENTAGE INCREASE</i>	<i>-0.14%</i>

NOTES:

¹ Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State (2025).

² Source: California Employment Development Department ("EDD") - Labor Market Information Division.

³ Please see Exhibit B-1: Recurring Jobs.

* ***All figures subject to rounding***

EXHIBIT 6b
SANTA FE FLORES

ASSUMPTIONS

I. <u>RESIDENTIAL LAND USE ASSUMPTIONS</u>	UNITS
MIXED USE RESIDENTIAL	46

II. <u>NON-RESIDENTIAL LAND USE ASSUMPTIONS</u>	EMPLOYEES/1,000 SQ. FT.	SQ. FT.
-	-	-
-	-	-
-	-	-
-	-	-

ECONOMIC IMPACTS CONCLUSIONS

RECURRING IMPACTS

III. <u>JOB CREATION</u>	DIRECT	INDIRECT/INDUCED	TOTAL
CITYWIDE	0	0	0
IV. <u>TOTAL OUTPUT</u>	DIRECT	INDIRECT/INDUCED	TOTAL
CITYWIDE	\$999,176	\$253,381	\$1,252,557

ONE-TIME IMPACTS

V. <u>CONSTRUCTION JOBS</u>	DIRECT	INDIRECT/INDUCED	TOTAL
CITYWIDE	122	80	202
VI. <u>CONSTRUCTION OUTPUT</u>	DIRECT	INDIRECT/INDUCED	TOTAL
CITYWIDE	\$21,831,600	\$10,489,695	\$32,321,295

OTHER IMPACTS

VII. <u>JOBS-HOUSING BALANCE</u>	BALANCE EXISTING	BALANCE WITH PROJECT	% INCREASE/ (DECREASE)
CITYWIDE	1.378	1.376	-0.14%



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