

The Economics of Land Use



Discussion Tables

MC&FP Special Tax Bonding Capacity and Feasibility

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El Dorado County

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Table 4-2
Missouri Flat Master Circulation and Financing Plan Phase II
Public Facilities Financing Plan
Missouri Flat Project Area Estimated Annual Special Tax Revenue

Land Use	Assump.	Phase 1 Through 2019	Phase 2 2020 - 2040	Phase 2 2041+	Total
<i>Nonresidential Building Square Feet</i>					
Incremental Land Uses					
Retail		330,871	377,817	390,520	1,099,208
Office [1]		-	-	-	-
Industrial [1]		-	-	-	-
Total Incremental Land Uses		330,871	377,817	390,520	1,099,208
<i>Annual Special Tax Revenue</i>					
Estimated Special Tax Rate					
Tax Rate per Acre	\$22,500				
FAR	0.30				
Tax Rate per Building Square Foot	\$1.72				
Estimated Special Tax Revenue					
Retail	\$1.72	\$569,098	\$649,845	\$671,694	\$1,890,638
Office [1]	-	-	-	-	\$0
Industrial [1]	-	-	-	-	\$0
Total Cumulative Land Uses		\$569,098	\$649,845	\$671,694	\$1,890,638

tax

Source: El Dorado County and EPS.

[1] At this time, a special tax is anticipated to be assessed on existing Phase 1 and future Phase 2 retail uses, excluding office and industrial land uses. The County may decide to include assessing office and industrial land uses during the adoption of MC&FP Phase II.

**Table 4-3
Missouri Flat Master Circulation and Financing Plan Phase II
Public Facilities Financing Plan
Estimated Bond Sizing (2019\$)**

Item	Assumption	Estimated Bond Sizing			Total
		Phase 1 Through 2019	Phase 2 2020 - 2040	Phase 2 2041+	
Bond Assumptions [1]					
Interest Rate	6.50%				
Term	30 Years				
Annual Escalation	2.00%				
Maximum Special Taxes Available for Debt Service					
Annual Special Tax Revenue		\$569,098	\$649,845	\$671,694	\$1,890,638
<i>Less Estimated Administration Costs</i>	4%	(\$22,800)	(\$26,000)	(\$26,900)	(\$75,700)
<i>Less Delinquency Coverage</i>	10%	(\$56,900)	(\$65,000)	(\$67,200)	(\$189,100)
Estimated Gross Debt Service (Rounded)		\$489,400	\$558,800	\$577,600	\$1,625,800
Total Bond Size					
Estimated Bond Size		\$6,391,000	\$7,297,200	\$7,542,700	\$21,230,900
<i>Increase for Annual Tax Escalation [3]</i>	20%	\$1,278,200	\$1,459,400	\$1,508,500	\$4,246,100
Total Bond Size (Rounded)		\$7,669,200	\$8,756,600	\$9,051,200	\$25,477,000
Estimated Bond Proceeds					
Total Bond Size		\$7,669,200	\$8,756,600	\$9,051,200	\$25,477,000
<i>Less Capitalized Interest</i>	18 months	(\$747,700)	(\$853,800)	(\$882,500)	(\$2,484,000)
<i>Less Bond Reserve Fund</i>	1-yr. debt svc.	(\$489,400)	(\$558,800)	(\$577,600)	(\$1,625,800)
<i>Less Issuance Cost</i>	5%	(\$383,500)	(\$437,800)	(\$452,600)	(\$1,273,900)
Estimated Bond Proceeds (Rounded)		\$6,048,600	\$6,906,200	\$7,138,500	\$20,093,300
Cumulative Bond Proceeds (Rounded)		\$6,048,600	\$12,954,800	\$20,093,300	-

est bond

Source: EPS.

[1] At this time, a special tax is anticipated to be assessed on existing Phase 1 and future Phase 2 retail uses, excluding office and industrial land uses. The County may decide to include assessing office and industrial land uses during the adoption of MC&FP Phase II.

[2] Debt service increase by 2.0% annually, which increases total bond size by approximately 20%.

Table 5-2
Missouri Flat Master Circulation and Financing Plan Phase II
Retail Market and Feasibility Analysis
Test of 2% Sales Price (2019\$)

Item	Rate	Nonresidential Uses	
		Retail	Office
Assumptions			
Acres		5	5
Building Square Feet (Rounded)		76,000	76,000
Floor Area Ratio (FAR)		0.35	0.35
Finished Product Selling Price		\$19,000,000	\$15,200,000
Ad Valorem Property Taxes			
General Property Tax	1.000000%	\$190,000	\$152,000
El Dorado UHS Bond - Election 1997	0.003678%	\$699	\$559
El Dorado UHS Bond - Election 2008	0.012046%	\$2,289	\$1,831
Los Rios College Bond 2002	0.007800%	\$1,482	\$1,186
Los Rios College Bond 2008	0.015400%	\$2,926	\$2,341
Mother Lode Elementary - Election 2016	0.015109%	\$2,871	\$2,297
Total Ad Valorem Taxes Range	1.054033%	\$200,266	\$160,213
Current Special Annual Taxes/Assessments			
CFD No. 2006-01 (Fire Services) [1]	\$0.13	\$9,880	\$9,880
CSA #10 Solid Waste [2]	\$17.00	\$238	\$204
CSA #10 Liquid Waste [2]	\$15.00	\$210	\$180
CSA #10 Household Hazard Waste [2]	\$3.00	\$42	\$36
CSA #7 Ambulance West Slope [3]	\$25.00	\$50	\$50
Total Current Special Annual Taxes/Assessments		\$10,420	\$10,350
Proposed MC&FP Annual Special Tax (per bldg. sq. ft.)	\$1.72	\$130,720	\$0
Total Annual Taxes and Assessments		\$341,406	\$170,563
Taxes & Assessments as % of Sales Price [4]		1.80%	1.12%

2% test

Source: El Dorado County; EPS.

[1] Assessment = rate * bldg. sq. ft.

[2] Assessment = rate * EDUs.

Commercial EDUs = 14 (Commercial/Retail Stores, Supermarket, etc. category).

Office EDUs = 12 (improved Commercial category).

[3] Assessment = rate * EDUs.

EDUs = 2 (Commercial, Retail/Medium category for both Commercial and Office uses).

[4] Although the State guideline is 2%, this analysis uses a target range of 1.7%-1.8% for evaluating feasibility, to allow for additional taxes and assessments as needed (e.g. future school district general obligation bond).