

# **Mountain View General Plan Fiscal Impacts of the Endorsed Plan Alternative**

Prepared for  
The City of Mountain View

by  
Mundie & Associates  
Consultants in Land Use & Economics

under contract to  
MIG

July, 2011

*FINAL REPORT*

## Table of Contents

	<b>Page</b>
Fiscal Analysis of the Endorsed General Plan Alternative: Prefatory Notes	1
Fiscal Condition with the Endorsed General Plan Alternative	1
Development Potential with the Endorsed Alternative	1
Impacts of Development on the General Operating Fund and the SRPC Fund	3
Summary: Impacts of the Endorsed Plan Alternative	4

## List of Tables

	<b>Page</b>
13 Future Potential Development with the Endorsed General Plan Alternative: Housing Units and Nonresidential Building Space, by Location	2
14 Fiscal Impact of Development Permitted by the Endorsed Alternative	3

## List of Figures

	<b>Page</b>
12 Development in Mountain View with the Endorsed General Plan Alternative: Existing, Pipeline, and Future, by Location	2
13 Projected Revenues, Costs, and Net Fiscal Balance with the Endorsed Alternative	4

## **Fiscal Analysis of the Endorsed General Plan Alternative**

### **Prefatory Notes**

The fiscal analysis of the Endorsed Alternative, below, was conducted using the same timing and assumptions as were used for the analysis of Alternatives A and B. Those assumptions are detailed in Appendices A through D to the report of that analysis, completed in early 2010.

In particular, this analysis begins in the same year – 2009-10 – as the analysis of alternatives, even though that year has passed. This approach allowed for the use of the same budget year and same time frame (2009-10 through 2032-33) as the previous analysis, for direct comparability. Using the same starting year is reasonable because the analysis assumes that all development not currently in the “pipeline” will begin no sooner than 2011-12; therefore, it would not have occurred before now.

This analysis of the Endorsed Alternative does, however, incorporate a few minor modifications: the database of existing land use contains some small refinements, and the development pipeline is modified to reflect current conditions (some projects may have fallen away, or been added, during the intervening year between the previous report and this one).

The results presented below are arranged in the same format as was used for the alternatives analysis. The table and figure numbers used here begin with Table 13 and Figure 12, which follow the table and figure numbers used in the alternatives report.

## **Fiscal Condition with the Endorsed General Plan Alternative**

### ***Development Potential with the Endorsed Alternative***

Development potential with the Endorsed General Plan Alternative is summarized in Table 13 and illustrated in Figure 12. All together, the Endorsed Alternative could accommodate about 6,500 net additional housing units and about 6.1 million square feet of additional nonresidential building space. Most of the added housing units (beyond those permitted by the existing General Plan) would be multi-family units; more than half of those would be in mixed-use areas.

The population of Mountain View could grow to about 88,600 if all of the potential housing units were developed. This population estimate incorporates an assumption that the housing vacancy rate will be about four percent.

Similar to the existing General Plan, the Endorsed Alternative would permit most new residential development to occur in the “rest of city” area; that is, locations that are neither downtown nor in the Shoreline Regional Park Community (SRPC; generally the same as, but not identical to, the North Bayshore planning area). Most new nonresidential development would be located in the SRPC, followed closely by the “rest of city” area.

The Endorsed Alternative also anticipates the development about 300 new hotel rooms.

Finally, the Endorsed Alternative anticipates the addition of 31 acres of parks throughout the City of Mountain View (excluding the SRPC area). This acreage would encompass

one new community park (20 acres), two new neighborhood parks (3 acres each), and four new miniparks (total of 5 acres). All of these parks would be landward of US 101 but outside the Downtown Revitalization Area.

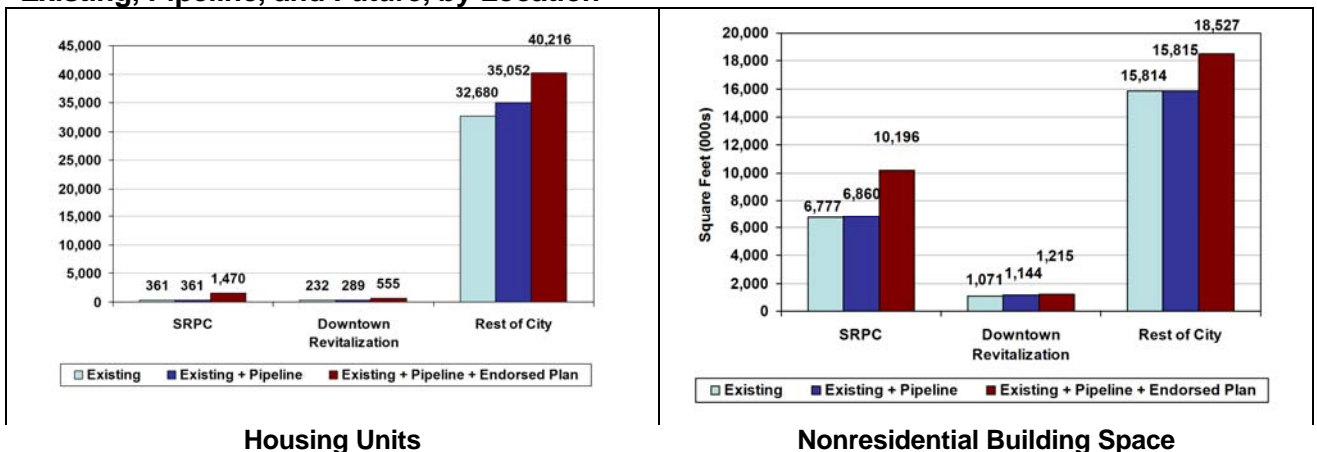
**Table 13**  
**Future Potential Development with the Endorsed General Plan Alternative:<sup>1</sup>**  
**Housing Units and Nonresidential Building Space, by Location<sup>2</sup>**

Land Use	SRPC	Downtown Revitalization	Rest of City	Total
<b>Residential (Housing Units)</b>				
Single Family	-2	-3	503	498
Multi-Family	1,111	269	4,661	6,041
Mobile Homes	0	0	0	0
Total	1,109	266	5,164	6,539
<b>Nonresidential (000 Sq. Ft. of Building Space)</b>				
Retail	72	-15	511	567
Office	3,893	86	2,940	6,919
Industrial	-628	0	-740	-1,368
Hotel	132	0	15	147
Total	3,468	71	2,727	6,266
Hotel rooms	293	0	6	299

1. Net additional development potential beyond existing and pipeline.
2. The Community occupies generally the same area as the North Bayshore neighborhood. See *Current Conditions Report*, Figure I-4 for a map of city neighborhoods.

Source: City of Mountain View

**Figure 12**  
**Development in Mountain View with the Endorsed Alternative:**  
**Existing, Pipeline, and Future, by Location**



Source: City of Mountain View

### ***Impacts of Development on the General Operating Fund and the SRPC Fund***

The fiscal condition of the City of Mountain View with development permitted by the Endorsed Alternative is summarized in Table 14 and Figure 7.

With the Endorsed Alternative, greater population and more jobs would result in higher revenues as well as higher costs than would be expected with the existing General Plan. Additional hotel rooms would also contribute to higher revenues. The net fiscal balance of would improve, as the increase in revenues would exceed the increase in costs.

**Table 14**  
**Fiscal Impact of Development Permitted by the Endorsed Alternative**  
**(Constant 2009 Dollars)**

#### ***General Fund***

	<b>2009-10</b>	<b>2022-23</b>	<b>2032-33</b>
Revenues	\$83,993,751	\$115,409,357	\$133,891,761
Costs (High Estimate)*	81,681,077	87,929,804	90,899,123
Net Balance This Year	\$2,312,674	\$27,479,553	\$42,992,638
Cumulative Net Balance		\$247,597,506	\$605,332,163

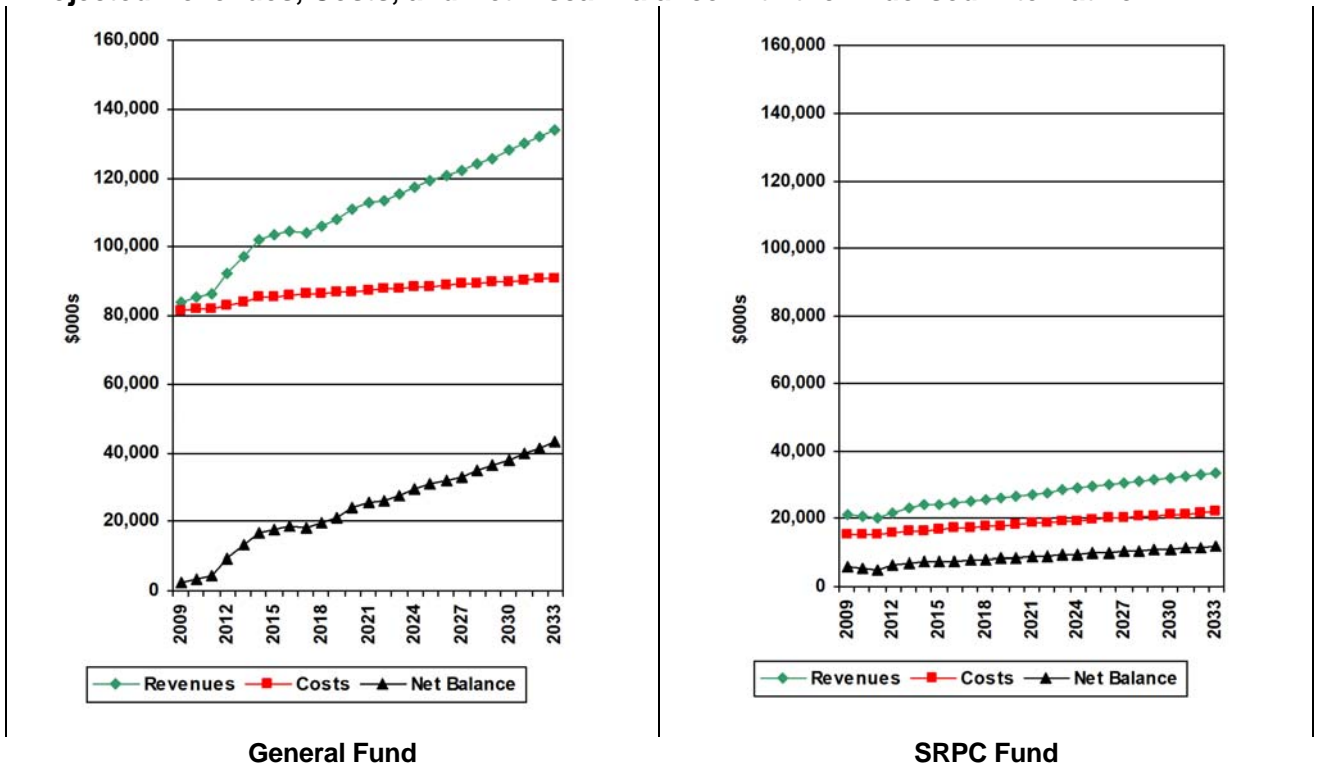
#### ***SRPC Fund***

	<b>2009-10</b>	<b>2022-23</b>	<b>2032-33</b>
Revenues	\$21,188,067	\$28,226,483	\$33,553,559
Costs (High Estimate)*	15,290,127	19,052,766	21,881,977
Net Balance This Year	\$5,897,940	\$9,173,717	\$11,671,582
Cumulative Net Balance		\$111,155,562	\$216,290,783

\* The high estimate of costs assumes that the cost of police protection will increase with population; the low estimate assumes that they will not be affected by population growth. Only the high estimate is reported here. The low estimate would yield more positive net balances (annual and cumulative) in future years.

Source: Mundie & Associates

**Figure 13**  
**Projected Revenues, Costs, and Net Fiscal Balance with the Endorsed Alternative**



Source: Mundie & Associates

### Summary: Impacts of the Endorsed Plan Alternative

In brief, the fiscal analysis of the Endorsed Plan Alternative finds:

- Continued development would be beneficial to the fiscal health of the City of Mountain View. Overall, revenues received by the General Operating Fund and the Shoreline Regional Park Community Fund would exceed the costs incurred by those two funds.
- Development in the Shoreline Regional Park Community has the potential to be fiscally more beneficial to the City of Mountain View than development in other areas, because the City receives a greater share of property tax revenues from that area than it does from other areas. This potential would be realized if the costs per unit of providing services to the Community are not significantly higher than the costs per unit of providing services to the rest of Mountain View.
- In general, hotel development is fiscally beneficial, because hotels – if they are occupied at financially sustainable levels – generate transient occupancy taxes in addition to property taxes. In addition, overnight visitors are likely to contribute sales tax revenues as they spend money (at least, for meals) in Mountain View.
- Because Mountain View is substantially developed, with few large parcels remaining to be subdivided, new development is expected to create relatively few new streets. As a result, street maintenance costs – which are often a significant expenditure – will not increase greatly as a result of new development.

Similarly, it is assumed that there will be no increase in the amount of roadway landscaping to be maintained by the City as new development occurs.