



Economic &  
Planning Systems

*Real Estate Economics*

*Regional Economics*

*Public Finance*

*Land Use Policy*

## MEMORANDUM

To: Kate McKenna, Monterey LAFCO  
From: Richard Berkson  
Subject: Errata - Carmel Valley Public Hearing CFA (Nov. 2008); EPS #18061  
Date: November 24, 2008

Following the issuance of the Update to the CFA of the Proposed Incorporation of Carmel Valley (Public Hearing Draft, November 2008), we identified minor corrections and omissions to the document. Deleted text is shown with a strike, additions are underlined.

1. On page 8, the last sentence of Conclusion #3 should read as follows:

**"The contract services were reduced ~~by~~ to 85 percent compared to the prior 2006 Public Hearing Draft Comprehensive Fiscal Analysis to reflect this change."**

2. On page 19, the second sentence of the third paragraph should read as follows:

**"The contract services were reduced ~~by~~ to 85 percent compared to the prior 2006 Public Hearing Draft Comprehensive Fiscal Analysis to reflect this change;...."**

3. Table D-3, referenced on page 11, was erroneously omitted from the report. A copy of the table is attached.

4. On page 35, the description of the impacts of excluding commercial Property should read as follows:

**"Changes that eliminate a substantial amount of retail space, for example the Crossroads and Barnyard Shopping Centers (which account for approximately 20 percent of sales tax revenues<sup>1</sup>), or a hotel will have a significant negative impact on the town's reserves; loss of these revenues could reduce the cumulative reserves by approximately ~~50 percent, or \$4 million~~ by the tenth year resulting in a deficit."**

<sup>1</sup> Based on 2006 CFA.  
BERKELEY  
2501 Ninth St., Suite 200  
Berkeley, CA 94710-2515  
www.epsys.com

Phone: 510-841-9190  
Fax: 510-841-9208



SACRAMENTO DENVER  
Phone: 916-649-8010 Phone: 303-623-3557  
Fax: 916-649-2070 Fax: 303-623-9049

Table D-3

Change in Revenues and Expenses to the County of Monterey

NOTE: FOR INFORMATION PURPOSES ONLY; REVENUE NEUTRALITY BASED ON FY02-03

Item	2007/2008	Comments
<b>General Fund</b>		
<b>Revenues Transferred to the City</b>		
Property Taxes	2,408,215	base costs of service from 07-08 (Table B-4)
Transient Occupancy Tax	2,888,812	per County (8/15/08)
Sales Tax	1,795,795	per County (8/15/08) inc. unallocated, net of admin
Real Property Transfer Tax	57,142	estimated by EPS
Franchise Fees	693,361	based on County per cap
Law Enforcement Revenues	0	Deducted from costs, below
Animal Control	9,418	no change (per County)
Building and Code Enforcement Revenues	997,514	per County (8/15/08)
Planning Revenues	<u>275,761</u>	per County (8/15/08)
<b>Subtotal</b>	<b>9,126,018</b>	
<b>Expenditures for Services Transferred to the City</b>		
General Government	120,323	see Table B-5
Animal Control	26,193	no change (per County)
Land Use Planning	1,024,781	per County (8/15/08)
Building and Code Enforcement	1,541,509	per County (8/15/08)
Public Works (Pavement Management)	120,417	GF portion = approximately 20%
Sheriff	<u>4,133,970</u>	Net of revenues
<b>Subtotal</b>	<b>6,967,194</b>	
<b>Additional Future Revenue to County</b>		
Property Tax Administration Fees	30,000	EPS estimate
Booking Fees		Not currently charged to cities
<b>Net County Surplus or (Deficit)</b>	<b>(\$2,128,824)</b>	
<b>County Road Fund</b>		
<b>Revenues Transferred to the City</b>		
Gas Tax: Highway User Tax 2106c (5)	117,624	Based on prior County estimate
Other Road Fund Revenues (e.g., Prop 42 funds) (6)	<u>18,758</u>	Based on prior County estimate
<b>Subtotal</b>	<b>136,382</b>	
<b>Expenditures for Services Transferred to the City</b>		
<b>Subtotal (Road Maintenance &amp; Pavement Management)</b>	<b>411,192</b>	80% not funded by Gen'l Fund (see Public Works for 20%)
<b>Net County Road Fund Surplus or (Deficit)</b>	<b>\$274,810</b>	
<b>Net General Fund plus Net Road Fund</b>	<b>(\$1,854,014)</b>	